

Health care reform's impact on businesses a big question mark

Tom Tobin • Staff writer • March 22, 2010

Rochester-region employers and employees woke up Monday morning to a new health-care world, but it was not clear to many how the reform would affect bottom lines and coverage in the near term.

Not only is the bill complex, but many of the provisions that would affect business, such as new taxes, mandated coverage and an expanded insurance marketplace, don't take effect immediately.

The task now for Congress and President Barack Obama is to finish the legislative process. The task for local business leaders, human-resources directors and labor officials is to determine how these national changes touch on local and regional health care.

"The impact is there, to be sure. I just have to see what is it," Kevin Pickhardt, CEO of the Perinton-based printing software company Pharos Systems International, said Monday morning. He said he had followed the debate "somewhat" as it unwound but that the reality of health-insurance costs is a steady pressure on company resources.

"We pay about 75 percent for our employees and the amount we as a company pay for health care each year is a big number," he said. Pharos has a workforce of about 100. "So the bill will affect us.

The question now is how. Congress hasn't done enough to take costs out of the system. I'm glad they've done this. Now maybe they'll do something about costs."

Sandy Parker, president of the Rochester Business Alliance, made the same point about costs, adding that both the substance of the bill and process leading up to passage were lacking.

"I don't like the bill," she said. "I don't think this is health care reform. The bill raises taxes without addressing costs," Parker said. "Escalating taxes are not going to help business. Besides, the process was embarrassing to observe. That applies to both houses."

Under the legislation, adopted by House Sunday night, a combination of new subsidies and higher taxes and fees will allow 30 million now uninsured Americans to shop for and buy health insurance.

The bill retains the employer-based group health plan system that covers millions of American workers and retirees. The bill attempts to bring smaller companies into the insurance fold with a variety of financial sweeteners and taxes on larger corporations.

But New York and the Rochester-region don't fit the national mold. Health insurers in New York are non-profit and state law already requires coverage for pre-existing conditions in most cases. Local businesses will have to delve into the details of the plan to see how it affects their operations.

"I don't really have an opinion on this yet." Paul Fricano, human-resources director for American Packaging Corp. in Rochester, said. "We'll be sitting down as a company to discuss this. And I expect we'll be doing it soon."

Larry Glazer, real estate developer and CEO of Buckingham Properties in Rochester, said he spent time Monday morning reading the local media coverage.

“I read every story,” he said. “I need to know what this might mean to my business.”

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