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Small businesses keenly follow health care debate

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However the wave of health reform breaks on the Washington beachfront, Rochester's legion of small businesses fears a drenching.

"I'll tell you what keeps me up at night," said Tom Ioele, president of a Pittsford human resources company and a former president of the Small Business Council of Rochester. "It's that Congress won't go all the way with this, that they'll just go far enough to hurt but not far enough to help."

Though local small business owners see health reform in a variety of lights, many of those contacted said they worry about mandates — such as requiring employers to provide health plans or face penalties — without a concurrent reduction of overall costs.

Most do not see a government option as beneficial to their bottom lines. Generally, they see little understanding in Congress of New York's nonprofit health environment and overall tax climate. Some would like President Barack Obama to stop pressuring for a quick resolution.

"There's a lot of concern in the small-business world about this, but there's no definitive plan. Until there is, it's a lot of speculation. Small business has too much on its plate to speculate," said Roger Guthel, chief executive of GMR Associates, a Rochester employee benefits firm. "But there's not much support out there for a government plan."

Employees of small businesses also are anxious. Some who lack insurance are hopeful they will at least get coverage. But many are worried about the cost.

"I just want a better, wider selection of plans (and) cheaper ones," said Eric Bourgeois, who works at a small marketing firm in Rochester. He's concerned that Congress will end up taxing employer-provided plans, forcing him to take a government option. "That's not what I want."

Small business is at the center of the health care conundrum in America. Many working Americans are employed by a small business, yet a recent survey by pro-reform New York Small Business United for Health Care found that only 41 percent of respondents offer health coverage to employees.

Nearly 70 percent of businesses that offer some kind of group plan pay between 5 percent and 10 percent of payroll for health insurance, according to the survey.

And the cost is rising: As of 2005, half of all New York businesses with fewer than 25 workers were paying more than 10 percent of payroll for health coverage, and one-quarter of those firms were paying 15 percent.

"It's essential that we get coverage to those who don't have it and that we make it affordable for all," said Wade Norwood, director of community engagement for the Finger Lakes Health Systems Agency, which does community health planning for the Rochester region.

A quiet voice

Small business' voice in the congressional debate hasn't been loud. "I think there's so much going on that business doesn't have a sense yet of where this is headed," said Rochester Business Alliance CEO Sandy Parker. Parker said that one of the centerpieces of the House Democrats' plan — to raise taxes on the wealthy — would hurt small businesses locally because a majority of owners report their business income on their personal tax returns.

The RBA, which for years has offered local small businesses coverage through a group plan, has set up a Healthcare Initiative headed by Wegmans Food Markets general counsel Paul Speranza. He testified earlier this year before the House Education and Labor subcommittee.

Speranza told the committee — points he reiterated in a recent interview — that competition and freedom of choice are essential American values that a government health plan could supplant. He said that Rochester provides a good model of a community that provides high-level health care in a collaborative environment.

Speranza added that regulation and oversight of the health insurance industry were too scattered and that better, more standardized controls would improve the health marketplace.

New York's way

David Oliker, chief executive of MVP Health Care, a leading insurer in the Rochester market, has the view that too many in Congress dealing with health care don't understand how different New York is from the rest of the country.

"How many other states have not-for-profit health care like New York's?" he asked. More than half of the leading private health insurance plans in America are nonprofit. But New York stands apart, Oliker said, because of its rich Medicaid plans, regulatory mandates — including a requirement that pre-existing conditions be covered — and new fees assessed on insurers. Yet, wherever small businesses are located, they keep writing big checks every year.

"One of the scariest things for a local business is when the health insurance rates come out every year," said Alex Zapesochny, CEO of iCardiac Technologies in Brighton.

iCardiac is a health technology company employing 23 people. Zapesochny said his company offers health plans but that the employee share of the cost has escalated in recent years.

Zapesochny said he likes the idea, raised by other small-business owners, to allow private insurers to write policies across state lines or to form regional cooperatives designed to expand marketplace choices.

But Dr. James Gaden, a family practitioner in Kendall, Orleans County, said broadening the private insurance network would have a negative impact on quality of care. He supports a single-payer option, meaning government runs the system and pays all providers.

"I tell people I'm getting hit from both ends," Gaden said. "I deal with all the red tape as a doctor but I'm also a small-business owner. I have four employees for whom I offer a health plan.

"Health care is a basic human right," he said. "But we're allowing this debate to be hijacked by politicians and special interests."