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Small businesses support some kind of health reform

KEN OPLINGER / THE BELLINGHAM HERALD

As President and CEO of the Bellingham Chamber of Commerce, representing many of the small businesses in our community, I am keenly aware of the growing challenges facing business when it comes to providing health coverage for their employees and the need for meaningful and sustainable health reform.

Here's why:

Financing the escalating costs of health benefits is one of the most significant economic and competitive issues facing small business. The average annual increase in insurance premiums is outstripping any increase in wages or gross business income. Some local businesses are reporting a proposed increase of 24 percent in insurance premiums for 2010. They will be forced to either increase prices to their customers, or to downgrade or discontinue their health insurance program to their employees.

Young adults and employees of small businesses represent the majority and the growing number of uninsured. An estimated 13 percent of Whatcom County's population is uninsured and according to state trends more than 65 percent of those are uninsured workers between the ages of 19 and 64.

The smallest of small business are facing the greatest challenge. A 2008 survey conducted by the Whatcom Alliance for Healthcare Access (WAHA) found that almost 60 percent of Whatcom County businesses have four or fewer employees and of those only one-quarter can afford to provide coverage or a contribution to coverage. That percentage is shrinking over time.

That same survey found that small employers want to provide coverage for their employees but the unpredictable costs, complexity and benefit administration are major deterrents.

So the case is pretty strong that the employer-based system that has been the unique foundation of the American health care system is not sustainable. The question is what is the answer? Based on feedback from many of our members it is clear that meaningful and structurally significant health reform is required. Health reform that works for everyone needs to include the following:

- Everyone should have access to coverage and everyone and every public and private entity should participate equitably in the financing (business, government and individuals).
- Consumers should have a choice of healthcare providers and there should be options for both private and public plans.
- Costs need to be managed by paying for care that increases quality and reduces waste. Payment reform is required so that care based on better outcomes, not volume, is rewarded.
- The system needs to be simplified, transparent and accountable to the average consumer with a focus on reducing administrative waste.

Community partners in Whatcom County have worked to make healthcare more accessible to small employers. The chamber has partnered with WAHA and other representatives of the business community to develop services and programs to assist small employers interested in providing health insurance or to support their employees in finding coverage through private or public means (visit whatcomalliance.org).

WAHA has also created resources for brokers who are the key interface with small employers, but the bottom line is that it isn't enough. Many of the programs and plans needed to support these efforts have been severely cut or eliminated due to the economic downturn, and at a time when the need is growing daily.

Neither the public nor the private sector can solve this crisis on their own. It requires a public/private partnership and a commitment to take the necessary and difficult political decisions to get it done. It's a complicated problem, but one we can, and must, solve.

Ken Oplinger is President and CEO of the Bellingham Chamber of Commerce and a board member for the Whatcom Alliance for Healthcare Access.