

## NFIB Healthcare Chat Transcript, November 11, 2009

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Time (ET)	Who	Comment
[ 11/11/2009 11:59:57 AM]	<b>NFIB Shannon.Majors:</b>	Welcome to NFIB's "Conversations about the Healthcare Cost Crisis.
[ 11/11/2009 12:00:15 PM]	<b>NFIB Shannon.Majors:</b>	Today our NFIB Healthcare Experts are Dr. Bob Graboyes, NFIB's Senior Healthcare Advisor and Holly Wade, Policy Analyst for NFIB's Research Foundation.
[ 11/11/2009 12:00:29 PM]	<b>NFIB Shannon.Majors:</b>	Dr. Bob and Holly... would you like to give any opening remarks before we begin taking questions?
[ 11/11/2009 12:00:36 PM]	<b>NFIB Bob.Graboyes:</b>	Hi folks!
[ 11/11/2009 12:00:46 PM]	<b>NFIB Holly Wade:</b>	Hello everyone, thank you for joining us today. The House worked into the wee hours as they passed H.R. 3962 ( <a href="http://docs.house.gov/rules/health/111_ahcaa.pdf">http://docs.house.gov/rules/health/111_ahcaa.pdf</a> ) late Saturday night. The legislation passed by a margin of 2 votes, 220 voted in favor and 215 against. Of those who voted against 39 were democrats, a startling number given the amount of pressure and lobbying for bi-partisan support. So now it's on to the Senate and in the next few weeks we should know more of what will be in the final legislation and how it will affect small business.
[ 11/11/2009 12:01:43 PM]	<b>NFIB Holly Wade:</b>	Happy to take any of your questions.
[ 11/11/2009 12:02:03 PM]	<b>NFIB Bob.Graboyes:</b>	I'll just say that healthcare is and has been the biggest problem of all for small business. We're working hard to make reform happen. But, as we have stressed, not just any reform will do. And the Bill that passed on Saturday night is NOT the right reform.
[ 11/11/2009 12:04:12 PM]	Kimberley. Weatherford:	It seems to me that even if you support the big issues in the HR bill - public option, expanded Medicaid, etc...., the bill includes too many add-ons that are too far-reaching? Is there any current effort to get our Senators to consider that part of the bill?
[ 11/11/2009 12:05:36 PM]	<b>NFIB Shannon.Majors:</b>	<i>Participants: feel free to start typing your questions/comments!</i>
[ 11/11/2009 12:06:24 PM]	<b>NFIB Bob.Graboyes:</b>	One of our biggest concerns is the so-called "public option" -- the idea that the government can run an insurance company better than private companies can. Several states have tried public options -- Tennessee (TennCare), Maine (Dirigo), and Hawaii (KeikiCare). The result has been financial catastrophe, thousands left stranded when the public programs imploded, and huge budget-wrecking financial drains. Then there's the biggest public option of them all -- Medicare: : In 1965, President Johnson predicted Medicare would cost \$500 million per year (\$3.5 billion in 2009 dollars) and he considered that amount "a train wreck." This year, Medicare will actually spend over \$500 billion -- 143 times larger than LBJ's prediction. (It'll double again in around 10 years.) Medicare's \$30 to \$60 trillion long-term funding gap is on course to consume the entire federal budget by mid-century. Medicare's rigid, wasteful, antiquated reimbursement structure rewards doctors

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		for poking, prodding, cutting and slicing, but not for getting patients healthy or keeping them that way.
[ 11/11/2009 12:07:34 PM]	Cary.Rotter:	Do you envision that the final bill will include an employer mandate, which would have a devastating impact on employers of low-wage workers, such as caregivers for the elderly?
[ 11/11/2009 12:08:13 PM]	<b>NFIB Shannon.Majors:</b>	<i>Note: To make the chat easier to read... you can make your chat box larger by clicking and dragging a corner of the box</i>
[ 11/11/2009 12:09:03 PM]	<b>NFIB Holly Wade:</b>	Kimberley – You raise an excellent question. The legislation is certainly too far reaching in terms of its scope of expanding current entitlement plans. But we haven't seen the final bill in the Senate yet. The Senate is more conservative than the House and that means there will be less support for the robust public options included in the House bill.
[ 11/11/2009 12:09:14 PM]	Christi.Law:	What about having to provide insurance for all part time employees, how will that work?
[ 11/11/2009 12:09:20 PM]	<b>NFIB Bob.Graboyes:</b>	CARY: The House Bill has killer employer mandate. The Senate Finance bill does not. We don't know what will happen when they meld the two Senate bills together. NFIB strongly, strongly opposes employer mandates. They are a crushing tax on lower-income workers and a source of turbulence and unnecessary risk for firms. Horrible idea during good times -- way worse during a deep recession.
[ 11/11/2009 12:12:57 PM]	<b>NFIB Bob.Graboyes:</b>	CARY: I'll add. I've seen a few reports from business owners trying to get a grip on what these bills would mean to their bottom line. One guy had a 3 or 4 fast-food restaurants He found that under the earlier (and very similar) version of the House bill, he would suddenly be hit with a \$1.1 million per year insurance bill or a payroll tax of around a quarter of a million dollars.
[ 11/11/2009 12:13:38 PM]	<b>NFIB Holly Wade:</b>	Christi - One of the scariest things about the House bill is that it leaves so many of the crucial decisions to a new health czar. This person/panel will decide who qualifies as part-time and seasonal workers. Nothing is currently defined in the House bill. The House bill sets the employer mandate as a payroll tax irrespective of if some workers are part-time. So if you have a payroll of \$500,000 or more you will have to provide qualified insurance or pay the payroll tax penalty.
[ 11/11/2009 12:14:28 PM]	Anna.Russell:	I would like to ask what is a "qualified plan". We currently offer a high deductible insurance plan with an HSA. I have heard this is not a qualified plan.
[ 11/11/2009 12:15:23 PM]	<b>NFIB Bob.Graboyes:</b>	Christi: ANNA: Under the House bill, the new Health Czar could define the required benefit package after the fact, amend it at will. Change it next year. Etc. ETC. High deductibles and HSAs would be hard-hit.
[ 11/11/2009 12:16:18 PM]	<b>NFIB Holly Wade:</b>	Cary - We hear this from lots of small business owners and that is why this House bill is so terrible. We need reform that is going to lower cost not make things more expensive.
[ 11/11/2009 12:16:52 PM]	Kimberley. Weatherford:	Holly, I raise the question about the add-ons because, while I personally do not believe that the public option is a good idea,

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		there are plenty of supporters. They whole-heartedly believe that it is the key to bringing care to all and do not envision any of the problems that I do. In other words, it's a debate that we can't win with some. However, most can't justify all of the "other stuff." In fact, most don't even understand that the bill includes mandated 1099s for virtually every business vendor relationship, an insurance csar, etc... As I contacted representatives last week, I tried to ask questions around some of these "little details" that have a big impact, rather than arguing against the public option. Any thoughts on how to be most effective in swaying our Senators?
[ 11/11/2009 12:18:10 PM]	Anna.Russell:	Holly, what is this about mandated 1099s for vendors
[ 11/11/2009 12:18:36 PM]	Lynmarie.Laurens:	What will the Senate's version mean for small businesses?
[ 11/11/2009 12:20:01 PM]	<b>NFIB Bob.Graboyes:</b>	KIMBERLEY: The best arguments against a public option is the dismal record of the ones that have already been tried. (I described some of them above.) Private insurers have their problems, and there's a lot of room for improvement. But there is no reason whatsoever to think that the government can run an efficient health insurance company.
[ 11/11/2009 12:21:35 PM]	<b>NFIB Bob.Graboyes:</b>	KIMBERLEY AND ANNA: Yes, the House bill specifies awful new reporting requirements. I believe that every property expenditure over \$600 (non-inventory) would have to appear on a 1099 for the year. Buy a new chair for your office -- report it or face the wrath of the IRS. Be prepared to keep a LOT of receipts.
[ 11/11/2009 12:22:32 PM]	<b>NFIB Holly Wade:</b>	Cary – NFIB is actively working to educate Congress and the public about the terrible affects a employer mandate will have on small businesses and the economy. Most recently we joined 11 other business groups in supporting a multi-million dollar ad campaign against the House bill and more specifically the employer mandate. Check out the ad on <a href="http://www.nfib.com/issues-elections">www.nfib.com/issues-elections</a> . It is a ongoing battle to get folks informed about this problem. <a href="http://www.youtube.com/watch?v=_ngB7uiNk4">http://www.youtube.com/watch?v=_ngB7uiNk4</a> <a href="http://www.youtube.com/watch?v=rsUjTvgz2Pg">http://www.youtube.com/watch?v=rsUjTvgz2Pg</a>
[ 11/11/2009 12:22:41 PM]	Anna.Russell:	What does the 1099 have to do with health care?
[ 11/11/2009 12:23:31 PM]	Kimberley. Weatherford:	Anna, that is a question that we should pose to our congressmen and women.
[ 11/11/2009 12:23:48 PM]	<b>NFIB Bob.Graboyes:</b>	LYNMARIE: There is no Senate bill yet -- at least not one that we can see. There are two bills out there. The HELP bill looks a lot like the House bill. The Finance bill has its problems but has some good features, too. Right now, the two bills are being blended, and we don't know what the final product will look like. So your guess is as good as mine.
[ 11/11/2009 12:24:37 PM]	Bonnie.Vick:	It's interesting how the House bill also involves the IRS, not just with 1099s for vendors, but also that individuals will be required to show proof that they are in a qualified plan with their income tax returns, or be fined. Illegal immigrants are exempt from this requirement (Sec. 59b (pp. 297-299)

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[ 11/11/2009 12:25:43 PM]	<b>NFIB Bob.Graboyes:</b>	ANNA: The House bill interjects the IRS into healthcare in a huge way. Someone has to make all the evaluations over incomes, subsidie, etc. The IRS is where it ends up. And to continue on your question, there are lot of things in the House bill that are only marginally related to healthcare.
[ 11/11/2009 12:26:40 PM]	Tom.Ulrich:	Bob - Like what kinds of things?
[ 11/11/2009 12:27:27 PM]	<b>NFIB Holly Wade:</b>	We can always use more help in spreading the word about how the House bill and employer mandate will affect small businesses. And encourage you to call your lawmakers and write letters to your local newspapers. Sample Letters to the Editor can be found at <a href="http://www.nfib.com/issues-elections/take-action">http://www.nfib.com/issues-elections/take-action</a> .
[ 11/11/2009 12:28:07 PM]	Lynmarie.Laurens:	When might this healthcare legislation go into effect? What is a best guess for when employers will be forced to insure or pay surtax?
[ 11/11/2009 12:28:32 PM]	Karen.Stine:	What does the bill say about employers being required to provide health insurance for even part time workers?
[ 11/11/2009 12:29:40 PM]	Kimberley. Weatherford:	Is there not a legal problem with the requirement to pay for family coverage? So, I ran the numbers at the mandated minimums for employee and family and found that I would be paying significantly more for employees with families than those without. Is that not a problem under current discrimination laws?
[ 11/11/2009 12:30:05 PM]	<b>NFIB Bob.Graboyes:</b>	KAREN: The House bill lets the appointed health czar decide which part-timers are covered and which aren't. And the czar can change that later on ... repeatedly. Seasonal workers? Ask the czar.
[ 11/11/2009 12:31:14 PM]	<b>NFIB Holly Wade:</b>	Lynmarie - The current legislation timeframe will take affect in pieces. The costs including the surtax and we think the employer mandate penalties start immediatly. However, the purported benefits including the exchange are not available for 4-5 years.
[ 11/11/2009 12:33:50 PM]	<b>NFIB Bob.Graboyes:</b>	TOM: There are some changes to COBRA. Lots of tax-reporting requirements. And I'll suggest that if you want to see some more things, thumb through a copy of the bill. Be careful lifting it, though! Don't want to hurt your back. :)
[ 11/11/2009 12:34:05 PM]	Anna.Russell:	I have questioned the discrimination issue before with individuals vs. family coverage. I tell my employees how much on a 40 hr week they get in benefits but it differs greatly if you have family coverage since we already pay 65% of the family coverage.
[ 11/11/2009 12:34:07 PM]	<b>NFIB Holly Wade:</b>	Kimberely – No, you can't discriminate between employees with or without families so you will have to offer insurance to everyone regardless.
[ 11/11/2009 12:35:23 PM]	<b>NFIB Bob.Graboyes:</b>	CARY: Great question on constitutional issues. I'll leave that answer to the attorneys. No doubt it will make for interesting discussion.
[ 11/11/2009 12:37:27 PM]	Kimberley. Weatherford:	We currently pay 100% of employee coverage and allow employees with families to pay for the difference if they want

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		family coverage , but this bill would mean that in dollars and cents, employees with families receive a much higher benefit based on monetary value.
[ 11/11/2009 12:37:57 PM]	Tom.Pattison:	? Why don't we mandate that the legislators keep their hand out of the healthcare entitlement money and roll their health plans into this much touted government option?
[ 11/11/2009 12:38:12 PM]	Beryle.Carey:	It seems as though there is age discrimination from insurance companies. We have a 25 year old employee on our group plan. We hired a 61 year old. If he goes on the plan, it will raise the 25 year old's premium double??? To me, that is age discrimination....
[ 11/11/2009 12:38:56 PM]	<b>NFIB Bob.Graboyes:</b>	TOM: You've got style. :)
[ 11/11/2009 12:39:32 PM]	Lynmarie.Laurens:	If all employers are required to offer insurance to all employees and pay 72.5% of the individual's plan and 65% of the family's plan, then some portion remains to be paid by the employee. What if the employee chooses not to enroll in the insurance because of their inability to pay their portion? Is the employer then forced to pay a surtax on this employee?
[ 11/11/2009 12:40:06 PM]	Beryle.Carey:	Tom, I agree. If it's good enough for us, why isn't it good enough for them???
[ 11/11/2009 12:40:10 PM]	<b>NFIB Holly Wade:</b>	Kimberley - Yes under this bill you will have to pay 65% for family coverage and 72.5% for individuals. This eliminates your flexibility for compensation packages that might be working better now for your employees.
[ 11/11/2009 12:40:33 PM]	<b>NFIB Bob.Graboyes:</b>	BERYLE: Changes in premiums across age groups will be contentious. Certainly true under this plan. It will be a tough issue to avoid in any reform.
[ 11/11/2009 12:41:54 PM]	Anna.Russell:	Lynmarie. I have this happen currently & we pay 100% for our employees but some won't sign up. & it's even worse on the dependent end. For children \$16.00 a week & they won't do it.
[ 11/11/2009 12:42:34 PM]	Ron.Moore:	What are the best things we can do now to either influence the Senate or influence the conference?
[ 11/11/2009 12:42:38 PM]	<b>NFIB Holly Wade:</b>	Lynmarie – Yes, if an employee declines coverage from their employer, and is able to obtain coverage in the exchange, then the employer must pay a payroll tax penalty of up to 8 percent. If an employer (unknowingly) offers coverage other than the “qualified” plan, they can also be assessed a penalty of up to \$500,000 a year (\$100 per day).
[ 11/11/2009 12:42:45 PM]	Beryle.Carey:	Are you saying that under this bill that the employer will be responsible to pay 72.5% for individuals and 65% for family coverage??? Right now, we are covering 50%.
[ 11/11/2009 12:43:12 PM]	Christi.Law:	Say you have a husband that works for one company and he has insurance for the family, will we be responsible for insurance for the wife insurance?
[ 11/11/2009 12:43:28 PM]	Ron.Moore:	Holly - 8% of total payroll or jst the employee who declines?
[ 11/11/2009	Lynmarie.Laurens:	Holly, what does “and is able to obtain coverage in the

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[ 12:43:29 PM]		exchange” mean?
[ 11/11/2009 12:45:17 PM]	<b>NFIB Bob.Graboyes:</b>	BERYLE: Yes. If you don't cover those percentages, you're deemed as not covering -- in which case you can be socked by the 8% payroll tax. You might double-check what I'm saying by going to <a href="http://www.nfib.com/healthcare">http://www.nfib.com/healthcare</a> . We have a document giving 15 reasons why the House bill is bad. I believe we cover that point.
[ 11/11/2009 12:45:41 PM]	<b>NFIB Holly Wade:</b>	Ron – The best way to influence your Senators is to rally up your fellow small business owners in your area and get as many people as possible to call and write their Senators to share their stories and explain why penalties and employer mandate are so terrible. Also encourage your employees, friends and family to do the same.
[ 11/11/2009 12:46:16 PM]	<b>Tom.Pattison:</b>	If my company could offer the EXACT policies my employees bring to me privately, it cost me 3 times the cost that my employees pay. In dollars and cents, one employee brings me his PPO policy for himself, a single 21 year old male, that cost him \$354 per month. That exact policy, from the same company he gets it from, costs me, the employer, \$921 per month to offer it. Our shared cost at 50/50 split \$460.50. Another employee, again single, brings his personally purchased HMO product from a different insurance company, for \$199 per month. Again, the same policy from his company, costs me \$584 to offer it for a shared 50/50 split of \$292.00. So even if I complied with the mandate, my employee and I will be paying more for my offered product than the exact same product they can purchase themselves. And I will get fined if I don't offer the insurance?
[ 11/11/2009 12:46:36 PM]	<b>Anna.Russell:</b>	Can anyone reference in the bill where it states the employee may obtain coverage from the exchange & the employer will have to pay the fine.
[ 11/11/2009 12:46:39 PM]	<b>NFIB Bob.Graboyes:</b>	RON: 8% of total payroll for an employer declines OR who fails to meet a multi-part test relating to adequate benefits, adequate contribution, etc.
[ 11/11/2009 12:48:23 PM]	<b>Karen.Stine:</b>	We currently pay 85% of premium for our full time employees and those that need/want family coverage pay for it themselves. If we are forced to do this, it may be the straw that breaks this small business' back...we employ 24 workers (both full & part time) plus some 1099 fill in workers. What's the point of having your own small business when the government is dictating everything you must do? We already had to become “accredited” at a high expense to keep billing medicare for the services/products we provide. Rally everyone you can, we can't afford for this to happen!!!
[ 11/11/2009 12:48:36 PM]	<b>Ron.Moore:</b>	so one employee declines and I have to pay 8% of total (all employees) payroll?
[ 11/11/2009 12:48:45 PM]	<b>Anna.Russell:</b>	bob, could you state that differently. I didn't understand.
[ 11/11/2009 12:51:11 PM]	<b>NFIB Bob.Graboyes:</b>	RON: No. One employee declines, pay 8% of THAT employee's income as a tax. The 8% of ALL payroll comes in when the employer declines or fails to meet the multi-part

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		standards established by the law and by the czar.
[ 11/11/2009 12:52:14 PM]	<b>NFIB Bob.Graboyes:</b>	ANNA: Does my answer to Ron explain what you were asking?
[ 11/11/2009 12:52:27 PM]	Anna.Russell:	yes it does. thank you.
[ 11/11/2009 12:54:23 PM]	Kimberley. Weatherford:	If I can't afford the premiums under the new qualified plans, then I may drop coverage and pay the penalty. If the employees can't afford to buy their own coverage, then they have no coverage. This is true for big business and small business! Has any group run numbers to determine how many may LOSE coverage as a result of this bill?
[ 11/11/2009 12:54:54 PM]	<b>NFIB Shannon.Majors:</b>	<i>Reminder: The chat will conclude in 5 minutes! Remember to join us next Wednesday - same time, same place!</i>
[ 11/11/2009 12:54:57 PM]	<b>NFIB Holly Wade:</b>	Karen - Yes, thank you for your support. We need everyones voice to help elimiate the bad components of the House bill.
[ 11/11/2009 12:55:01 PM]	Lynmarie.Laurens:	What about employees who have coverage elsewhere? We have employees who are insured through their spouses' plans, Medicare, VA, etc. If these employees decline coverage from us the employer, are we required to pay surtax on their wages?
[ 11/11/2009 12:56:37 PM]	Tom.Pattison:	Thank you for asking that Lynmarie
[ 11/11/2009 12:57:14 PM]	<b>NFIB Bob.Graboyes:</b>	KIMBERLEY: This week, Martin Feldstein wrote an article in the Wall Street Journal on just this question. I don't remember whether it was specifically on the House bill, but he was asking whether this array of mandates could lead to MORE people being uninsured. It has been a few days since I read it, but check it out. It may answer your question.
[ 11/11/2009 12:58:18 PM]	Lynmarie.Laurens:	Seems to me like an incentive to hire older, Medicare-covered workers.
[ 11/11/2009 12:58:33 PM]	Anna.Russell:	thank you all. I have several questions for my congressmen & women. & I think I will write that letter to the newspaper & e-mail everyone I know.
[ 11/11/2009 12:59:11 PM]	<b>NFIB Bob.Graboyes:</b>	ANNA: Great. We need all the help we can get. NFIB has grassroots organizations in every state to help guide you if you like.
[ 11/11/2009 12:59:34 PM]	<b>NFIB Shannon.Majors:</b>	<i>Thank you for attending today's chat.... and thank you Dr. Bob and Holly for taking the time to answer questions. For more information you can visit: <a href="http://www.nfib.com/healthcare">http://www.nfib.com/healthcare</a></i>
[ 11/11/2009 01:00:07 PM]	<b>NFIB Holly Wade:</b>	Lynmarie – I believe it is the employer's responsibility to know whether their employees are sufficiently covered elsewhere. And this as you can imagine would be a big burden on small employers.
[ 11/11/2009 01:00:35 PM]	<b>NFIB Shannon.Majors:</b>	<i>The next chat will take place next Wednesday, Nov. 18th - SAME TIME, SAME PLACE! Thank you very much for attending!</i>
[ 11/11/2009 01:00:54 PM]	<b>NFIB Bob.Graboyes:</b>	Thanks everyone!

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[ 11/11/2009 01:01:06 PM]	<b>NFIB Holly Wade:</b>	Thank you!
[ 11/11/2009 01:02:28 PM]	<b>NFIB Holly Wade:</b>	Quickly, the employee exchange portion is under Title IV Subsection B page 269. <a href="http://docs.house.gov/rules/health/111_ahcaa.pdf">http://docs.house.gov/rules/health/111_ahcaa.pdf</a>
[ 11/11/2009 01:03:24 PM]	<b>NFIB Bob.Graboyes:</b>	KIMBERLEY: The Feldstein article was in the Washington Post: <a href="http://www.washingtonpost.com/wp-dyn/content/article/2009/11/05/AR2009110504327.html">http://www.washingtonpost.com/wp-dyn/content/article/2009/11/05/AR2009110504327.html</a> I'm not saying he's correct, but he's not a good fellow to ignore.
[ 11/11/2009 01:06:11 PM]	<b>NFIB Ani.Matson:</b>	<i>If you want the transcript of the conversation, click on Logs and print it out or read it there.</i>