



NFIB Healthcare Chat Transcript, November 11, 2009

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Time (ET)	Who	Comment
[11/18/2009 11:59:28 AM]	NFIB Shannon.Majors:	Welcome to NFIB's "Conversations about the Healthcare Cost Crisis.
[11/18/2009 11:59:47 AM]	NFIB Shannon.Majors:	Today our NFIB Healthcare Experts are Dr. Bob Graboyes, NFIB's Senior Healthcare Advisor and Holly Wade, Policy Analyst for NFIB's Research Foundation.
[11/18/2009 12:00:06 PM]	NFIB Bob.Graboyes:	Hi folks. Welcome. Things are heating up in the healthcare world. Small business needs changes, but they have to be the right changes. The bill that passed the House does not qualify on that count. If you go to www.nfib.com/healthcare , you'll see our statements on that bill, along with our Top 15 Reasons why it's not the right approach. We're going to need a lot of help at the grassroots level as the debate turns red-hot in the coming weeks. You can make a BIG difference, and we can help you do it.
[11/18/2009 12:00:48 PM]	NFIB Holly Wade:	Hello everyone! Look forward to answering your questions on healthcare!
[11/18/2009 12:02:24 PM]	NFIB Bob.Graboyes:	Any questions or comments?
[11/18/2009 12:04:12 PM]	Dave.Watson:	The house bill was passed. Please outline the expected process for this legislation from here on out.
[11/18/2009 12:04:24 PM]	NFIB Holly Wade:	Today, Sen. Reid plans to unveil the senate healthcare reform bill this legislation will be a combination of the bills passed in the HELP and Finance Committees.
[11/18/2009 12:05:41 PM]	NFIB Holly Wade:	We're hearing Sen. Reid plans to put the bill on the floor sometime in the next week although the timelines could change as they have before in the process.
[11/18/2009 12:07:26 PM]	NFIB Holly Wade:	Sen. Reid will need 60 votes to proceed to debate on the bill. He'll need all the dems to votes with him and it is currently unclear if he has the votes this week to move forward with the bill.
[11/18/2009 12:08:21 PM]	Dave.Watson:	What do we know about Sen. Reid's bill? Is it worth discussing at this point?
[11/18/2009 12:08:33 PM]	NFIB Holly Wade:	If he doesn't get the votes this week, we expect him to put the bill on the floor when the senators return from recess after Thanksgiving.
[11/18/2009 12:11:48 PM]	NFIB Bob.Graboyes:	DAVE: We really don't know how it's going to look. They're blending together two very different bills. The HELP bill (which had been the "Kennedy Bill") looks a lot like the House bill. The Finance (Baucus) bill is a more balanced document. NFIB was able to have some impact on that bill, which does not include the onerous public option or employer mandate provisions like those in the House Bill. That said, we can only guess which HELP and Finance elements have made it into the blended bill. Presumably,



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		<i>we'll know soon.</i>
[11/18/2009 12:14:15 PM]	NFIB Holly Wade:	<i>We expect the debate on the Senate bill to take up most of December and could very likely be pushed into January.</i>
[11/18/2009 12:15:11 PM]	Kristin.Farry:	Do any of these bills end the discrimination in the tax laws against self-employed people and company owners?
[11/18/2009 12:15:51 PM]	Kristin.Farry:	I mean concerning the deductibility of premiums.
[11/18/2009 12:15:53 PM]	NFIB Bob.Graboyes:	<i>DAVE: To continue, once we see Reid's blended bill, the legislation can still take many twists and turns. If that bill makes it to the Senate floor, it can change a bit or even drastically. If a bill passes, then the Senate and House versions get blended. We're going to have to watch every step of the way. And, by the way, that's something our members should do too. Summing up -- lots of chances for this stuff to change, and fast.</i>
[11/18/2009 12:18:19 PM]	NFIB Bob.Graboyes:	<i>KRISTIN: Are you talking about the different tax treatment of policies purchased in the individual and small-group markets?</i>
[11/18/2009 12:19:13 PM]	Dave.Watson:	I find it hard and unproductive to follow "negotiations" of this, or any bill. Without being involved every day one cannot effectively follow the progress and make meaningful contributions to the process.
[11/18/2009 12:21:00 PM]	Kristin.Farry:	I was referring to having to pay self-employment tax on premiums if you are a dba and limitations on deductibility if you are an owner of a Subchapter S corporation, mainly.
[11/18/2009 12:21:57 PM]	Kristin.Farry:	however, the discrimination you refer to (ind vs employer group) in portability is also a huge issue for me.
[11/18/2009 12:22:56 PM]	Kristin.Farry:	Level 4 and trapped in a high deductible policy (which I could only get by taking a job for a while)
[11/18/2009 12:23:02 PM]	NFIB Bob.Graboyes:	<i>KRISTIN: The tax stuff is pretty intricate. We'll look over your questions after the call, run them by our tax counsel, and get back to you.</i>
[11/18/2009 12:23:48 PM]	NFIB Holly Wade:	<i>Dave – We certainly understand your frustration. We work on this everyday and it can still be confusing. We do provide updates and summaries on www.nfib.com/healthcare to help break down the debate if you are interested.</i>
[11/18/2009 12:25:17 PM]	NFIB Holly Wade:	<i>Questions for Chatters...is there much detail about the legislative process or the house or senate bills in your local newspapers?</i>
[11/18/2009 12:25:59 PM]	Kristin.Farry:	Not much. What's there is more editorial and not particularly accurate.



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[11/18/2009 12:26:02 PM]	Dave.Watson:	Not in Kenosha, WI
[11/18/2009 12:26:37 PM]	NFIB Bob.Graboyes:	<i>DAVE: Let me add -- we here in DC have only so many sets of eyes, and there are a LOT of pages of legislation going by them every day. You folks in the trenches know your businesses better than we do. You talk among yourselves. We're interested in hearing the concerns that you have. Often, we hear concerns from members that we haven't thought about. So I'd say focus on the things that matter most to your business. If you have a concern, talk to NFIB's grassroots folks. You might be bringing a really valuable piece of information to us.</i>
[11/18/2009 12:26:58 PM]	tim.williford:	No, mostly just parroting what House Reps are telling them. No real analysis. But that's what I've come to expect from my local dead tree media.
[11/18/2009 12:27:42 PM]	tim.williford:	What is the gut feeling at NFIB of what (if anything) will pass and when (this year or next)?
[11/18/2009 12:27:47 PM]	NFIB Bob.Graboyes:	<i>There are a LOT of trees dying these days. You should see what's coming out of our printers every time when of these bills arrives!</i>
[11/18/2009 12:28:43 PM]	NFIB Holly Wade:	<i>Yes, I can imagine it's frustrating. Very difficult to weed through the rhetoric to find accurate details.</i>
[11/18/2009 12:29:33 PM]	NFIB Bob.Graboyes:	<i>TIM: Timelines are fluid. We expect things to start soon, but then it's anyone's guess. We're not even sure the folks running Capitol Hill know what the timeline will be. So we just keep our ears to the ground.</i>
[11/18/2009 12:30:02 PM]	Beryle.Carey:	What would we like to see??? Equal insurance premiums for group policies - not based on how many employees in the company.
[11/18/2009 12:31:00 PM]	tim.williford:	Any ideas on where the numbers are on cloture votes?
[11/18/2009 12:31:01 PM]	Dave.Watson:	One of the gripes with the house bill was it left too many decisions up to an administrator. If any bill tries to nail down every detail the bill will be much larger than it already is. Where is the happy medium?
[11/18/2009 12:32:27 PM]	Kristin.Farry:	Is there a chance that the legislative branch will back off from these huge, complex proposals that no one can predict the outcome of, and reform health insurance in more manageable bits and pieces? Like Ms. Carey's idea, or tax treatment of premiums, or portability across state lines.
[11/18/2009 12:32:38 PM]	tim.williford:	Aren't we also waiting on a CBO scoring? When does that come and are there any educated guesses what it might say?



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[11/18/2009 12:33:18 PM]	Dave.Watson:	I'd like to see health insurance separated from employment. I know how it evolved but it doesn't work well any more.
[11/18/2009 12:33:32 PM]	NFIB Holly Wade:	<i>Tim- The moderate democrats want to see the bill before they give any indication on how they will vote to proceed with this bill and for cloture.</i>
[11/18/2009 12:33:58 PM]	Kristin.Farry:	I agree 100% with separating health insurance and employment!
[11/18/2009 12:35:34 PM]	NFIB Bob.Graboyes:	<i>BERYLE: I always say (usually to groans from the questioner) that what we want doesn't fit on a bumper sticker. The answer is multipart. We need better markets in which to buy insurance. We need more transparency. Changes in market rules to make it easier for people with illnesses to get and keep their insurance -- portability. Beyond the workings of the markets, though, we need to change the long-run trajectory of healthcare costs, because that's a much bigger piece than the administrative costs of insurance markets. We need more coordinated care, better delivery systems, changes in the way doctors are reimbursed. Changes in the incentives that patients and doctors face -- hence our support for consumer-driven health plans. NFIB doesn't get too deeply into entitlement reform, but frankly, we can't fix the cost situation without fixing the way Medicare pays providers. And the federal-state cost-sharing with Medicaid rewards overspending and penalizes economy. And on and on. How's that for a bumper sticker?</i>
[11/18/2009 12:37:11 PM]	Beryle.Carey:	I have a big car!!!
[11/18/2009 12:37:33 PM]	NFIB Bob.Graboyes:	<i>DAVE: Employer-sponsored health insurance started as a historical accident -- a response to a bad attempt at inflation control in the 1940s. That said, it's deeply engrained in the system, and whatever the virtues of breaking the connection, there are costs involved, too. We have long supported changes in the tax laws that would make it easier (and fairer) for employers and employees to shift out of employer-sponsored insurance and move into individual markets.</i>
[11/18/2009 12:38:43 PM]	Dave.Watson:	I don't see the importance of focusing on Medicare reimbursement. My insurance company routinely disallows 50% of the charges. Its not just Medicare that is shifting costs.
[11/18/2009 12:38:44 PM]	NFIB Bob.Graboyes:	<i>BERYLE: You'll NEED that big car for this sticker. But it'll cost you if cap and trade ever gets through!</i>
[11/18/2009 12:40:45 PM]	Kristin.Farry:	One indicator of how sick Medicare and Medicaid is: in Virginia, if you have assets and lose your insurance (for example, my association group's underwriter pulled out), you will get bills for



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		your surgery that are 10 times higher than the Medicare/Medicaid rate. And about 9 times higher than what a major large group underwriter pays (no doubt using the Medicare reimbursement rates as leverage against the health care providers). Short trip to bankruptcy.
[11/18/2009 12:41:00 PM]	NFIB Bob.Graboyes:	<i>DAVE: Yes the Health Choices Commissioner (sounds scary!) gets to make all sorts of after-the-fact decisions under the House bill. Which part-time employees do you have to cover? The Commissioner will decide later on, and then maybe change his mind a few times. What qualifies as legitimate insurance? The Commissioner will let you know. And maybe the Commissioner will change his mind a few times. And you'd better keep up with the news.</i>
[11/18/2009 12:41:08 PM]	NFIB Holly Wade:	<i>Dave - Yes, the insurance payment system is confusing at best and I don't think there is anything that makes it much better in the current reform bills.</i>
[11/18/2009 12:42:57 PM]	Dave.Watson:	Tax treatment differences are important but the real kicker is that private plans don't compare in coverage and "retainability" and thus cost much less. I'm all for cost control but if individual plans are going to be on par with groups plans they will cost just as much. Right?
[11/18/2009 12:43:00 PM]	NFIB Shannon.Majors:	Top 15 Reasons NFIB Opposes H.R. 3962: http://www.nfib.com/issues-elections/issues-elections-item/cmsid/50151/
[11/18/2009 12:43:28 PM]	NFIB Bob.Graboyes:	<i>DAVE: I don't want to spend too much time on Medicare, but the basic problem is that it forms the basis for the entire healthcare system's payment methodology. It rewards doctors for cutting, thumping, poking, prodding, testing, chopping, slicing, dicing, but not for making you healthy or keeping you that way. In other words, it pays for inputs, not output. And that problem bleeds over into private insurance. There are better models on view at Mayo, Geisinger, Kaiser, etc., but Medicare (and also the self-insured ERISA plans) make these reforms difficult to achieve.</i>
[11/18/2009 12:43:28 PM]	Kristin.Farry:	On average, people have to contribute more to society than the cost of their maintenance including health care, or the system is not sustainable. We have to incentivize health care providers, pharmaceutical companies, etc., to offer services at lower rates.
[11/18/2009 12:45:13 PM]	NFIB Bob.Graboyes:	<i>DAVE: But the tax treatment differences build walls between different groups of people, thus preventing competition from doing its magic. We're all stuck in little puddles of risk instead of in broad pools.</i>
[11/18/2009 12:45:15 PM]	Kristin.Farry:	Let me tell you how much an individual plan with benefits equivalent to a large employer's group plan costs in Virginia: almost \$15,000/year for a "level 4" (HIPAA-protected transfer). If you have small group plans, are you paying that much for an employee?
[11/18/2009 12:45:45]	NFIB Bob.Graboyes:	<i>KRISTIN: Couldn't agree with you more on incentives. It's the key, and it's related to my long answer on Medicare above.</i>



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[11/18/2009 12:46:08 PM]	tim.williford:	I don't want to sound like a conspiracy theorist, but the current proposals will ration care and it seems very coincidental that the Gov't just came out yesterday with revised recs on mammograms - saying they are needed less frequently.
[11/18/2009 12:47:13 PM]	NFIB Bob.Graboyes:	<i>TIM: Let's just say that NFIB is strongly in favor of keeping distant bureaucrats from coming between you and your doctor when it comes to your health.</i>
[11/18/2009 12:47:28 PM]	NFIB Shannon.Majors:	You can watch NFIB CEO Dan Danner discuss healthcare reform on the Fox Business Network: http://www.nfib.com/newsroom/newsroom-item/cmsid/50211/
[11/18/2009 12:48:47 PM]	Dave.Watson:	Kristin, my small group plan costs about \$12k/year depending on employee age, coverage, etc. That is for a HDHP that the insurer pays NOTHING until the insured has paid \$10k (family)
[11/18/2009 12:49:15 PM]	Dave.Watson:	I will not be watching anything on the FOX network
[11/18/2009 12:50:52 PM]	Kristin.Farry:	The mammogram recommendations are going to be a good test case. The screening technique has problems, but instead of fixing those, we just stop screening? Prevention of cancer deaths actually may cost a lot because the way to do that is screening everyone. Quite different from preventing deaths due to cardiovascular disease or diabetes.
[11/18/2009 12:50:52 PM]	NFIB Bob.Graboyes:	<i>DAVE and KRISTIN: Wow! Unbelievable figures. (Though we fear the figures could get even worse if the wrong bill passes.)</i>
[11/18/2009 12:51:57 PM]	Kristin.Farry:	Dave, if I try correcting for deductibles, you are paying more in the small group market than I am in the individual market.
[11/18/2009 12:53:00 PM]	Dave.Watson:	Ragrding "incentivizing" health care, how is it possible to pay for "outcomes" when treating elderly or chronically ill patients.
[11/18/2009 12:53:16 PM]	Kristin.Farry:	With these premium numbers, a lot of us will feel the effects of that proposed excise tax on premiums over \$8000/year. 35%? 40%?
[11/18/2009 12:53:37 PM]	NFIB Bob.Graboyes:	<i>KRISTIN: Very smart remarks on prevention. (I follow that subject a lot.) I'll recommend some readings on the complicated economics of prevention. Louise Russell (Rutgers, I think); Gilbert Welch (Dartmouth University), Erick Finkelstein (The Fattening of America -- a great book). Not an easy answer to tackle, and what is good for health is often not-so-good for the pocketbook. Google up those names. Interesting folks.</i>
[11/18/2009 12:53:58 PM]	Dave.Watson:	I probably am, but with pre-exisitng conditions I have no choice. I cannot move. Nor would I want to as the individual plans I have can be cancelled if you get sick.



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[11/18/2009 12:54:50 PM]	Kristin.Farry:	Dave, group plans can be cancelled, too. I will spare you my sob story, however.
[11/18/2009 12:55:10 PM]	NFIB Shannon.Majors:	<i>Reminder: The chat will conclude in 5 minutes! For more information you can visit: http://www.nfib.com/issues-elections/healthcare/</i>
[11/18/2009 12:56:40 PM]	NFIB Holly Wade:	<i>Dave & Kristin – We have certainly heard from many business owners in your same situation and support reform efforts to make health insurance more affordable and portable for those with pre-existing condition.</i>
[11/18/2009 12:58:28 PM]	Kristin.Farry:	The problem with incentivizing health care outcomes is, people look at percentages and say (just like that mammogram task force) “Wow, this test only saves 0.0525% of the lives, so it's not cost-effective.” Well, no one dies just 0.0525%. That one person (out of 1,904) is 100% more dead than they would have been without that screening. What price is that life? You tend to think your own life is pretty valuable.
[11/18/2009 12:59:25 PM]	NFIB Shannon.Majors:	<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: http://www.nfib.com/issues-elections/healthcare/</i>
[11/18/2009 12:59:51 PM]	Dave.Watson:	I agree. That sis why I don't think it is practicle to “incentivize” health care, especially for heavy users, without putting a price on that life.
[11/18/2009 01:00:05 PM]	NFIB Bob.Graboyes:	<i>KRISTIN: Your 0.0525% question is THE problem in healthcare. What you decide is important. WHO decides may be the really important question, which is why the structure of reform is so critical.</i>
[11/18/2009 01:00:36 PM]	NFIB Holly Wade:	<i>Thank you for participating everyone!</i>
[11/18/2009 01:00:51 PM]	NFIB Bob.Graboyes:	<i>I second that motion!</i>
[11/18/2009 01:02:06 PM]	NFIB Shannon.Majors:	<i>This concludes the chat series - but stay tuned for information about future chats!</i>