

Central Region News

by Lois A. Snell

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Benefit Books Available On-line

Benefit books for group health, dental and vision insurance are now available on SMC's website, www.smc.org. This applies to those member companies that are billed monthly through the SMC Service Center.

Simply go to www.smc.org, and follow the links:

- > Insurance
- > SMC Sponsored Plans
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If you are unsure which plan(s) applies to your company, please contact an SMC insurance consultant at 877.762.4748. ▼



Legislative Report

A Look at How You and Your Small Business will Fare Under Obama and McCain Health Care Plans

by Eileen Anderson

There is no small business owner alive who requires an expert's statistics to illustrate problems with finding affordable health insurance. We live with the issue daily and cut back coverage, chase price by shopping for different plans, and pass on more costs to employees. The problem is solved for a moment but then when we are hit with another round of premium increases, the dreadful cycle repeats itself. We need health care reform that brings results not more rhetoric.

Choosing a presidential candidate according to their stand on one issue is never good policy. The best-laid plans will change as they move through the legislative process and lawmakers yield to realities of limited budget dollars and the tug of special interests. Nonetheless, we lay these facts out to help your decision-making. The candidates offer diverse visions of health care reform reflecting differences in their basic assumptions about the role of free markets and government.

Senator McCain embraces market forces and promotes individually purchased insurance. The centerpiece of his proposal is a change in the tax treatment of health insurance to give those without employer provided coverage the same tax advantages as those with group coverage. He eliminates the employer's tax exclusion for health insurance and replaces it with a flat tax credit of \$2,500 for individuals and \$5,000 per family. Employees pay income tax on the value of health insurance as part of their compensation. Those without employer coverage can use the tax credit to purchase insurance in the individual market. A high-risk pool is created for those denied coverage because of a pre-existing condition.

Senator Obama favors a government run health care marketplace similar to the Massachusetts plan to cover the uninsured. The core of Senator Obama's plan is a requirement that employers either provide health insurance to employees or pay into a federal fund to provide coverage, a tax estimated at 6 percent. The very smallest firms are exempt. Small, low-income employers will get tax credits of up to 50 percent to purchase insurance. Senator Obama would create two new options for those without insurance; a new government plan similar to Medicare and a National Health Insurance Exchange that would offer private plans for individuals and small businesses. He offers premium subsidies for the low income. No insurers could deny coverage because of pre-existing conditions or charge substantially higher premiums to sick enrollees. Medical underwriting would end. His plan mandates that all children must have coverage.

For analysis of the candidates' tax policy proposals, please refer to SMC's "Government Update" e-mail newsletter. ▼

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Chart Keys

- If a cell is blank it does not necessarily mean disagreement – it means that the item was not addressed.
- Data presented about candidates is based on the analysis of the Lewin Group and the Kaiser Family Foundation.
- For complete details of candidates' proposals please go to <http://www.health08.org/>