

## Health Care Bill Causes Confusion

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Starting in 2014, organizations with more than 50 employees that don't offer affordable coverage will pay a penalty starting at \$750 a year per full-time worker. A new proposal that still requires Senate approval would raise that penalty to \$2,000. Smaller companies are exempt from the penalties, and some will receive a tax credit for providing health insurance—as long as they have fewer than 25 employees and average annual wages of less than \$50,000 per employee.

Some groups, such as the National Federation of Independent Business, are concerned that the legislation discourages businesses with fewer than 50 employees from expanding their payrolls.

Others say the legislation, which would create state-based exchanges through which companies can purchase coverage, doesn't address the spiraling costs of health insurance.

Keith Ashmus, chair of the National Small Business Association says the bill is likely to increase insurance premiums because it eliminates caps on benefits and requires insurers to cover children on their parents' policies until they turn 26.

But Jim Houser, co-owner of Hawthorne Auto Clinic Inc., in Portland, Ore., says he thinks the health care overhaul will help lower insurance premiums for small businesses.

"There will be more people in the system and so the costs will be spread out among a larger pool of people," says Mr. Houser, whose shop covers 100% of the health-insurance costs for its nine full-time employees as well as their families.

Georgia Berner, owner of Berner International Corp., a manufacturer in New Castle, Pa., has 60 employees and covers 100% of their insurance premiums.

She says she expects the health care bill to benefit her firm by requiring her rivals to make a comparable financial investment.

— By S.E.N.

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