

ACTION ALERT: U.S. HOUSE CLOSE TO VOTING ON HEALTH CARE BILL

The U.S. House of Representatives is quickly moving forward with a health care reform proposal that could be voted on very soon. The proposed legislation contains sweeping changes to the nation's health care policies, changes that will impact YOUR business and YOUR employees including new mandates and possibly new taxes.

Key provisions of the proposed legislation include:

- Imposing a penalty on individuals that do not purchase affordable health insurance of up to 2.5% of their adjusted gross income. The federal government will define what is and is not affordable.
- Imposing a penalty on businesses that fail to provide "acceptable" health insurance for employees equal to 8% of each uninsured worker's salary, excepting some small businesses. The government will define what is and is not "acceptable coverage."
- Imposing an individual income tax surcharge of up to 5.4% on higher incomes to help pay for the plan. Businesses that are not incorporated, such as sole proprietors and partnerships, pay income taxes through the individual income tax system and will be subject to the surcharge.
- Requiring insurance companies to offer coverage to everyone without exception and without charging higher premiums in cases of pre-existing medical conditions.
- Setting up government-run health insurance to compete with private coverage, paying rates to doctors and hospitals that are much lower than private insurers. Eventually all individuals and employers would have the option to join the public plan.
- Providing federal subsidies for poorer individuals and families – those making under \$88,000 for a family of four – to help them afford coverage.
- Cutting projected Medicare and Medicaid spending.

The Congressional Budget Office has estimated the legislation will cost at least \$1 trillion over ten years and could still leave millions of people without health coverage.

Most health insurance in the U.S. is provided through an employer so businesses clearly support the need to control spiraling health care costs, and businesses want to provide benefits if they are financially able – healthy employees with healthy families are productive employees, and good health benefits are an important competitive edge in employee hiring and retention.

But the nation's business community has expressed serious concerns with the House's proposed bill – new mandates, new taxes, the long-term impact on private coverage options and quality of care resulting from competition between public and private insurers who are not on a level playing field, the short-term impact on job creation and economic recovery, whether the promised benefits of overall lower costs will materialize (days ago the Congressional Budget Office reported that it expects the bill to actually begin increasing the national deficit starting in 2014). More than 30 major business

groups have publicly opposed the House proposal, including the U.S. Chamber of Commerce, the National Retail Federation, and a roundtable of top CEOs.

In addition to these potential new costs related to health care, it's critical to note that Congress is also talking about higher energy costs related to proposed cap-and-trade legislation, potentially higher taxes at the state level to offset lower revenues, on and on – it all adds up.

With so much at stake on this important issue and the speed at which it is being pushed, U.S. Representative Dennis Moore needs to hear from his constituents SOON before he casts his vote on this proposed legislation! To contact his office and let him know how the House proposal would impact your business, you may call his Washington D.C. office at (202) 225-2865 or email him at <http://moore.house.gov/>. Take a moment and do it today!

Questions or feedback? Please contact the Lenexa Chamber at 913-888-1414 or asherard@lenexa.org. Thank you!