



ISSUE BRIEFING

July 2008

SUBJECT:

HEALTH CARE REFORM

BACKGROUND: Health care reform has consistently been a top concern for employers and employees in our industry. Many industries, including the green industry, are struggling with spiraling health care costs.

DEVELOPMENTS: PLANET supports quality, affordable, accessible health care for all Americans as well as national uniform standards for funding benefits and employee protections. PLANET is an advocate for pooling arrangements, allowing small businesses to purchase group-rate health coverage for their employees under the umbrella of a trade or professional association. PLANET also is closely monitoring the ongoing health care debate and various proposed solutions in Congress.

Recently, a series of diverse proposals to deal with the problem of the rising number of uninsured has been proposed and debated in Congress. State governments, such as Massachusetts, California, and Maryland, have also implemented programs to cover their uninsured residents and make health insurance more readily available. PLANET remains committed to working with Congress to enact legislation that would help reduce the number of uninsured and support our ability to extend health care coverage to our members.

PLANET supports S. 2818, the Small Business Health Plans Act of 2008 (SBHPs) championed by Senators Enzi, Nelson, and Gregg that would allow small businesses to set up pooling arrangements on a national level. Allowing for pooling arrangements for small businesses and professional associations is a positive step toward reducing the high number of uninsured. Health care would then be affordable to millions of Americans who currently are not covered or who are at risk of losing health care coverage because of cost.

IMPORTANT POINTS:

- SBHPs create national pooling arrangements for small businesses, across state lines through bona fide trade and professional associations. This pooling will result in savings because of the spreading of risk, administrative efficiencies, and economies of scale.
- SBHPs provide relief from the patchwork of inconsistent state benefit mandates by requiring only the mandates that have been enacted by a majority of states.
- SBHPs provide rating relief to small businesses but allow insurers the flexibility to vary rates and take into account industry, geographic area, group size, participation rate, class of business, and participation in wellness programs.

- The Small Business Health Plans Act of 2008 would create a \$1.4 billion savings in Medicaid over 10 years by extending coverage to more than one million Americans who are currently uninsured.

REQUESTED ACTION: Please support S. 2818, the Small Business Health Plans Act of 2008, to remove the obstacles to growth, management, and financial stability for small business and association-sponsored employee benefit plans.