

THE CHAIRMAN'S CORNER



A monthly column to inform ABC members about national and local issues impacting Maine's construction industry.

Mar. 2010



ABC's 2010 Chairman - Doug Newman of Newman Concrete Services in Richmond.

It should come as no surprise that President Obama is fighting hard for the health care reform legislation that he has staked his presidency on. Even the deal-making that so many Americans find repugnant is not unprecedented in Washington politics. We should draw the line, however at the distortions and misrepresentations that have come to represent the

small businesses, the legislation exempts businesses with fewer than 50 employees. In addition, the penalties that would be imposed for those who fail to comply are a pittance compared to the cost of buying insurance. It is a little silly to think an individual who does not have insurance will pay \$10,000 in premiums to avoid a \$750 penalty.

Unfortunately for the nation's seniors, the President is also being less than forthcoming regarding Medicare. Much of the spending on new entitlements for the uninsured is being funded through \$500 billion in Medicare cuts. It is truly stunning that the President continues to claim that this will somehow strengthen a Medicare program that is already facing insolvency. Even the CBO has made clear

that the President is double counting these savings and that his claims are misleading.

Lastly, there is the issue of cost. The President has repeatedly stated that his reforms will control costs. Residents of Maine,

administration's final push. Many of the claims being made simply do not pass the straight face test. Political expediency should not trump honest and open debate when we are talking about transforming the nation's health care system.

"Political expediency should not trump honest and open debate when we are talking about transforming the nation's health care system."

Sensing a political opportunity from several high profile insurance rate increases, the President has implied of late that this situation would not have occurred had his health care reforms been in place. Yet the legislation before the House contains no provisions that would have directly prevented these increases, nor does it contain any meaningful cost control that would have prevented the cost escalation that drove insurers to raise premiums in the first place. The as yet unseen reconciliation bill might contain the President's last minute idea for federal rate regulations but since the states already have control over rate increases, it is doubtful the outcome would have been much different.

The President also likes to tout the benefits of his bill for small businesses. The reality is that the legislation contains a number of mandates including coverage from the date of hire, minimum coverage and premium subsidy levels that will cost individual businesses tens of thousands of dollars. In fact, a business with 60 employees who currently pays 60% of the individual premium and 40% for families could see its costs increase by \$100,000 per year. The savings business might realize from buying insurance on the new exchanges and the modest subsidies being made available to some small businesses pale in comparison to this massive new burden.

Even the assertion that this bill will cover all Americans exaggerates its likely effect. The reforms rely on individual and business mandates to force everyone to purchase insurance. Despite the fact that the vast majority of uninsured individuals are either self employed or work for

New York and Massachusetts might wonder about this one. Each of these states has implemented many of the same reforms including mandates, exchanges, guaranteed issue and community rating and their residents now pay some of the highest insurance premiums in the nation. Many good ideas for controlling cost such as professional liability reform and providing for competition across state lines were intentionally left out.

In his all out effort to pass health care reform, President Obama has promised more than his legislation can deliver. Despite the President's claims of urgency, many of his reforms will not have any effect until well after his re-election campaign has been decided. One has to wonder if the administration's intense desire to pass this bill combined with the knowledge they would not be held accountable by the voters has lead them to put political expediency ahead of honest and open debate.

President Obama has a lot at stake when it comes to passing his signature issue but Americans have even more to lose. If the President cannot convince the American people that his ideas are right for the country based on the plain truth, he should graciously concede defeat and start over. Passing health care reform at all costs is asking the American people to pay a very steep price.

**Doug Newman, Chairman - ABC Board of Directors
Newman Concrete Services, Inc.**