

COMMENTS OF SMALL EMPLOYERS

Administrative Cost

- *“As a small business, I find it very difficult to keep all the insurance plans we are required to have maintained & then offer health insurance also. Most employees already are interested in the benefits of a job as they are the wage. We are insurance poor. I need some relief.” - Gilmer, Texas*
- *“I answered that we do not offer health insurance due to cost. However, every time I have evaluated plans in the past, it turned out to be an enormous hassle. To solve this, I think it would be good to open pooled plans to employees at group rates, and then they can pay their own premiums and deal with the insurance companies. That way, the employer would be eliminated as the middle man.”*
- *“The HMO type of coverage is all our company can afford. Physicians that provide services to HMO coverage drop out of plans too frequently. Why? With insurance carriers telling them what they can charge and what medicines they can prescribe stifles good sound healthcare. The frustration with paper work required by physician groups and non-payment for medical services provided causes them to drop out. This is a real nightmare for HMO consumers. Please fix this if you can.”*

Benefit Packages

- *“It is very important that insurance policies be mandated to cover chemical dependency and mental health assessment and treatment. A few dollars saved by excluding these benefits results in far greater health care costs, increasing premiums for small businesses.” - Waco, Texas*
- *“Fewer ancillary coverage’s (alcohol abuse, dental, chiropractic) would allow for cheaper premiums. The more state or federal government interferes with health care delivery with special subsidies or programs, the more complex it will likely become for the bulk of consumers to obtain affordable health care.” - Bastrop, Texas*
- *“When insurance did not cover office visits -- costs were affordable. Expanded coverage lead to increased cost for standard care. Insurance should cover hospitalization --- cancer--- - high cost things like MRI's or other screenings. As long as drugs are so expensive, some coverage needs to be available for those who have health problems that require monthly drugs, such as blood pressure, cancer, aids, diabetes, etc. Those meds cost some as much as \$500.00 and can be the difference between life and death.”*
- *“The majority of healthcare insurance coverage premiums would not be an issue if government offered just a catastrophic plan (I.e. Only claims in excess of \$20,000.00)”*
- *“I would like to buy what I call major medical with no strings attached. Our company would self insure all smaller claims.”*

- *“All HMO programs specify the doctors you must see, the conditions under which they are willing to pay for prescriptions, and the number of employees that must qualify for coverage. In short, there are too many restrictions not enough options, and even this costs a lot of money whether or not you use all of the services. I would like to find a plan where you have more choices and options with more control while paying less money.” - Lubbock, Texas*
- *“I am very interested in offering health insurance to my employees, but I can't because I understand that health insurance companies are being forced to pay for contraceptives and abortions. If I could work with an insurance company that didn't, I would offer this to my employees in a heartbeat. There should be a conscience clause for employers, with employees being informed up front about coverage exemptions on moral grounds.” - San Antonio, Texas*

CHIP – Medicaid

- *“I’m a single female with CHILD who has become very sick. I can’t afford to get adequate coverage through a general insurance company and still be allowed to use my same caregivers (physicians and specialists). Nobody wants to treat my son without insurance, and CHIP says I make too much money. I would even be willing to pay more for CHIP if possible. I’m struggling to get my son the proper treatment he needs without insurance, which is impossible. I need CHIP...HELP!”*
- *“If CHIP is government subsidized, discontinue it. We don't need more government programs that exist through taxing of businesses or individuals. We could use government help in pooling our buying power to lower health care costs and increase benefits. This should be administered by an employer board.”*
- *“I have a grandchild who is eligible for the CHIP program but when I called and tried to enroll him I was told the program had been discontinued and no new enrollees were being accepted. This occurred within the last 6 months. If this is not the case, you need to promote this program more so people will know how to access it.”*
- *“CHIP and HIPAA have regulations that have only increased government control and increased insurance premiums for small businesses. Only 6500 people in 20 states have enrolled in HIPAA high risk pools since the law was enacted while the rules, laws and costs for medical insurance have increased. We need equal tax incentives for all sized employers and individuals with true risk pools in insurance and not government taxpayer funded programs.”*
- *“Most physicians have not been reimbursed adequately for services provided under CHIPS.”*
- *“Regarding the CHIP program: I have an employee who must furnish insurance for his two children by divorce decree. His children are not eligible for this program because they do not live in his household. So, in my opinion, it is not helping the ones that REALLY need the insurance. He is paying for insurance that he cannot really afford.”*
- *“I feel that the Medicaid and/or TexCare Partnership has been designated to provide medical care to low income children which is right, mainly because children cannot earn income to*

change their economic status. There are too many able bodied parents who have learned the welfare system and have insured their children when they could work and provide more. To provide medical to low income parents, would put a burden to tax payers in Texas. Taxpayers along with small business have too many burdens as it stands now. I would be totally against providing medical care to low income parents of children who receive Medicaid and/or TexCare Partnership.”

- *“It would be helpful if the State could provide an affordable insurance program like (CHIPS) for middle income families that could afford a reasonable premiums, with good coverage. I am a middle income employer, but I am unable to afford coverage for myself and my family, because of the high cost.”*

Free Clinics/Emergency Care

- *“For 3 years we offered health insurance to our employees at no cost to them. Not a single employee ever used the coverage and therefore we dropped the coverage. Our employees use several free clinics in the area and a good county hospital which charges them practically nothing.”*
- *“Even though our employees are offered insurance they would rather use the free clinics than pay, especially the ones that are not U.S. citizens.”*
- *“My experiences are --- indigent people go to hospitals for minor medical needs, thus flooding emergency room operations and driving hospital costs out of sight. This uncontrolled abuse is affecting insurance costs adversely. Abuse of government aid has always been a problem.”*

High-Risk

- *“In regard to the so called "Guaranteed Issue" for health insurance, we have had a problem with it. One of our employees with an existing condition has attempted to get an individual policy due to the high cost of our existing group plan. They were told that they were not eligible to obtain insurance through the "high risk" pool due to the fact that there was an employer plan available. How do we address the fact that the premiums for the employer plan are no longer affordable but the high-risk policy is not available due to the existence of the employer plan? We have talked to several agents and have no solution.” -- Wichita Falls, Texas*
- *“Insurance companies should request an annual physical. If employees don't pass certain criteria such as weight for their age or if they have a drinking problem that is damaging or if they smoke, then they should be on a separate policy with other people with the same problems and pay more. This business, which is family-owned, promoted healthy lifestyles and exercise. My brother, father, other employees and myself do not smoke or drink excessively, and do exercise regularly. We don't like paying to subsidize others who engage in bad habits.” - San Angelo, Texas*

- *I feel that small employers in Texas definitely need some assistance in providing coverage for themselves & their employees. Extremely high-premium group & individual coverage has left a large percentage of people without any coverage & therefore lacking access to good health care. Health problems within a group can cause premiums to be prohibitively high, and the same problems to deny coverage exist under individual plans, except for the state pool, which is too high for any average person to be to afford. – Houston, Texas*

Insurance Costs

- *“Health insurance coverage has become unbelievably expensive. It is most frustrating to find decent coverage with trying to keep costs down for the employee as well as the company. It seems the carriers always quote one price, then find any medical condition they can to "max rate" the whole group. I hope that your project can help alleviate this tough situation for small employer groups. We want to provide the best we can for our people, but it is becoming increasingly difficult.” –Carthage, Texas*
- *“The cost of obtaining quality health care insurance at an affordable cost has become an extreme burden over the last several years for employers as well as employees. Government regulations and mandated coverage/benefits have compounded the problem. As well, costs are affected by lawsuit abuse and indigent care.” - Victoria, Texas*
- *“Our employees cannot afford insurance for their families. I encourage them to cover themselves and get the children covered under CHIP but often times the wife and mother is left without any coverage. This is very disturbing. Also, we have a couple of older employees that it is costing double to cover their spouse because of the older age. If a person is healthy he should not be punished for getting older. This is about the age from 55 to 65.”*
- *“Over 20 years as a small business owner, I have noticed that employees do not want to work for businesses that do not provide benefits, especially health insurance. Many single parents or young couples prefer not to have insurance due to the cost. Our insurance increased 38% from last year. As a medical equipment company, our income has decreased with government cuts, but costs continue to increase. It becomes more and more difficult for a small business owner.” - La Grange, Texas*
- *“I think that if a group of 300,000 people can buy insurance at \$10.00 a month, that one individual should be able to purchase the same insurance at the same amount.”*
- *“Small businesses can't continue to provide health insurance without assistance. My premiums have gone up 135% and benefits have decreased. I have a \$2500.00 deductible because that's all I can afford. The insurance companies cater to large companies. Why can't costs be averaged to offer small companies some help? I want to insure my employees, but can't if it increases a lot more.”*
- *“We have been hit with 30% increases in each of the past three years. Our group is fairly young and fairly healthy. It does not seem right for us to get hit with this, but it happens every year. We have to reduce benefits (higher deductibles, co-pays, less co-insurance, etc) in order to get something that we can afford. We pay all but \$5.00 per week on employees insurance and 50% on dependent coverage. We do this in part to attract and to keep good employees. However, we simply cannot keep absorbing this type of increase.”*

- *“When our plan started, we covered employees and family. Now we cover only the employees and the premiums are higher than when we used to cover the entire family. The 25% increase year after year has made the cost out of sight. On a 160 hour work week, premium costs are over 25 cents per hour per employee.” - Laredo, Texas*

Mandated Benefits

- *“We have had to provide, in our policies, coverage for pregnancy since it became a disease. However, we have not had any pregnancies nor any women employees of child bearing age; yet, we had to have the coverage. This, to me, is one example of why my rates have increased so much. I have to pay for that which I do not need.”*
- *“The people of Texas want quality healthcare, not just a little coverage which does not include the things they need. Elimination of mandated coverage is not the answer. Please be careful to know the facts, before considering elimination of mandated coverage. There are many issues involved --- such as discrimination of healthcare types as well as preventive issues.”*
- *“I do not think you need to reduce mandated benefits at all. All the mandated benefits are important, and people need help getting those benefits. We have tried several times to get health ins. and have not been able to afford it. We even tried the 75-25 for our employees and they could not afford that. Insurance in general is way too high no one who makes less than \$50,000 a year can not afford it. There needs to be a regulation on Insurance costs- lower the cost of premiums!”*
- *“All mandated benefits should be optional at the business owners discretion. Mandatory benefits such on treatment for alcohol and drugs could only increase cost. Let's just cover the medical problems that aren't preventable. Tax breaks for employers that provide benefits would be a good thing. No more government programs.”*

Medical Costs

- *“Medical costs are the problem; not insurance companies. The high cost of lawsuits and liability claims are also the problems. Trying to create health care under these conditions is not a smart idea and will not work. It will just cost the people more in taxes and does not solve the problem.”*
- *“In addition to changing Health Insurance benefits, the hospitals, clinics, doctors, etc. should be monitored and there needs to be a guideline defining how much they are permitted to charge for any services provided. The cost of health insurance is a direct result of the 'price gouging' that all health care providers continue to make worse every year.”*
- *“I feel the government should step in and regulate hospitals and doctors along with insurance companies to help lower the total costs of the expenses. I'm sure we all know what a coke or an aspirin cost when you're in the hospital and as I feel this is taking advantage of that individual and the insurance companies. This is why the cost of insurance is so high.”*

- *“I still think the bulk of the problem is healthcare cost, not insurance cost and availability. 1) Do something about drug company costs. 2) Do something about putting a ceiling on % granted as monetary awards in insurance/healthcare lawsuits and limit the % of awards going to the lawyers. 3) Give incentives to drug companies that put \$ into researching new and needed drugs instead of revamping old drugs in order to keep them from entering generic form.”*
- *“Instead of looking for ways to help people afford insurance, why don't we look for ways to reduce health care cost. I favor nationalized medicine, and getting rid of insurance companies. I am aware of those impossibilities, and sincerely hope we succeed in this monumental endeavor.”*

Medicare

- *“Our biggest problem is with employees over 65. They are forced by insurance companies to pay for Medicare as their primary insurer and then purchase an individual Medicare Supplemental insurance policy. This results in paying two policies for what they had at age 64. In addition, individual Medicare Supplemental insurance with prescription coverage is cost prohibitive. Therefore, they lose this coverage at age 65 also. This results in a catastrophic cost increase for those who work after age 65. This is mandated by insurance companies in response to federal requirements to provide coverage for companies with less than 20 employees.”*
- *“I think Medicare patients should also be a concern to Texas. The Medicare program is not sensible for aging parents that need treatments and are willing to pay for them, but are refused these services because they have already received 4 or 6 treatments from a doctor's prescription, but they know an additional series could provide a longer lasting benefit. Medicare would pull the license of the institution if they took them for additional therapy.”*

Migrant Workers

- *“We have quite a few migrant workers who come to work for 3-6 months, or even up to a year at times. Then they return to Mexico for several months. Some of them will come back to work again. How would we handle these types of employees, and what type criteria would be needed in order to determine their eligibility into a health insurance plan? Logistically, the administration of these type of employees could be very difficult and cumbersome.”*
- *“Only citizens of USA and residents of Texas should qualify for insurance assistance programs.”*
- *“I would really rather see job training and education encouragement than welfare for the under-insured. I would like to see limitations on tort and on insurance premium increases. I think that illegals should not drain our emergency care system for routine care.”*

Medical Savings Accounts (MSA)

- *“We as small employers want more MSA’s opened to all employees at all levels of companies. If we had to go to a traditional coverage we would stop coverage. Keep insurance policy's simple with less coverage, so we all do not have to pay for coverage we do not need!”*
- *“I'd like to see some more employer supported medical savings account.”*

Payment for Services

- *“Insurance companies want your money but when there is a claim they disallow charges that they are obligated to pay. Group insurance and individual insurance rates, after you sign up, escalate way too fast and become unaffordable to employer.”*
- *“Insurance companies need to be made more accountable for timely payment. They are also starting to override Dr.'s decisions, such as making patients pay more if they do not switch their medications to one on their formulary, forcing them to get their meds through the mail or at specified outlets. They are practicing medicine (like they are doctors) without a license. Sometimes, they completely refuse to pay on a medicine if they determine that the Dr. has not prescribed according to their guidelines. On the other side, drug manufacturers, hospitals, and doctors are way out of control on padding bills and grossly overcharging.”*
- *“The biggest problem with health care coverage is companies not paying their claims in a timely manner. This causes doctors to drop them and the customer (me) has to locate the doctors under the plan. Tighter controls need to be in place holding these companies accountable for paying their claims.” - Dallas, Texas*
- *“I supply health insurance to the entire family of my employees because it is important to me that they are all healthy, however, health insurance companies are famous for giving small business the run around denying claims that are obviously justified. We have had several instances where it was just not worth any more time to appeal a denial and the company paid the claim out of the pocket.”*
- *“We have had very bad experiences with health care providers not paying and needing to fight them about breach of contract, but what I seem to need is an attorney to preview the policy and then hold the providers accountable! I don't have those resources available. We now use alternative health care ---well-care option, out of our own pockets.”*

Pre-existing Conditions

- *“We are family owned and operated. We feel very strongly about providing good health insurance for all of our employees. We have done so for 16 years. Our big problem came about a year ago when my 2-year-old granddaughter was diagnosed with cerebral palsy. Our rates have jumped and we are unable to acquire other insurance due to outrageous premiums. If we didn't disclose preexisting (she was very mild) we stand the chance of no coverage.”*
- *“Health insurance should be required to take all applicants, regardless of health conditions or pre-existing conditions. Premiums should be the same regardless of age. That would be truly sharing the risk.”*
- *“We are desperately in need of securing medical insurance for small businesses who hire employees with pre-existing medical conditions. Since our groups are small, we are being singled out and targeted for high premiums from insurance providers.”*
- *“I would like to provide health insurance for my employees. Due to pre-existing conditions such as diabetes, heart conditions and obesity, our group would be up rated 60% on all my employees and I cannot afford the premium, and, and they cannot afford their 25% of the premium. – Ft. Worth, Texas*
- *“I am female, 63, self-employed, widow, minority, suffering from Rheumatoid arthritis and osteoporosis. My monthly premium for one employee and me is \$460.00. I take 12 RX drugs, have lab work done once a month and visit the doctor once a month as well. Extremely difficult financially.” - Mineral Wells, Texas*

Purchasing Pools

- *“We would support a large pool of small companies for health insurance purposes. Limit how much an insurance company can increase premiums from one year to the next.” - Austin, Texas*
- *“I would like to see small businesses join for the purpose of purchasing health insurance. Hopefully using economies of scale to reduce the enormous expenses incurred by small employers.” - Castroville, Texas*
- *“All the answers that I "could" answer, I did! My strong recommendation would be to offer a tax incentive to small businesses to offer coverage or at least a percentage of cost for insurance coverage to their employees. Insurance coverage is cost-prohibitive for single income families in particular. If there were a state pool from which small businesses could obtain a lucrative plan with an affordable rate, it would benefit so many of us, both individually as well as company-wide.”*

- *“State law should enable all employers and individuals to get the same rates as the largest group. The economics that allow for lowest cost premiums can be extended through combined administration so that no groups would be less costly than any other -----assuming broad demographics to minimize the differences between the state's largest employer and the sole proprietorship. Put every business into a large group.”*
- *“I experience extreme problems with TIPA when it was created & do not want to go through those problems again. If small business can pool together into the large groups it should help reduce premiums that are currently bordering on excessive for my small business.”*

Recruit and Retain

- *“As a small employer providing health insurance coverage is an especially critical issue for us. We have a difficult time attracting quality employees when we have to compete with the larger employers in our community, such as the city, state and federal agencies and universities. These employers, due to their state, can offer very generous plans that we simply can't match.” -Alpine, Texas*
- *“Health insurance is a must in recruiting and keeping talented employees. However, premiums are escalating at an alarming rate. Premiums increase on average 25-30% each annual renewal. That means insurance costs double at least every three years. No other expense has that rate of increase. I don't believe medical costs have increased at such a rate. I believe insurance companies have exploited the economy and the risk of not carrying health insurance to boost their bottom line. Just look at the number of new high rise office buildings with an insurance logo at the top. Monthly insurance premiums for a family of four are close to 50% of that same family's rent/house payment. Employers and employees cannot keep up with that kind of growth.”*
- *“We began providing insurance at considerable cost to us in order to retain/attract the quality employees we needed. The cost of this insurance is certainly a turn-off for most employers who consequently do not offer it, in my experience, which is unfortunate. A better plan at lower rates would certainly be welcomed.”*
- *“It is difficult for the small business to compete for personnel with the larger corporations. There should be a way to "pool" the coverages with other small business in order to be able to afford health insurance for our employees.” - Houston, Texas*

Small Business Insurance

- *“We are just a mom and pop business. We buy personal health insurance in a medical services account. We like it very much. It offers incentives for small businesses to set up MSA's for their employees.”*
- *“All businesses with employees should provide health insurance. If you can't afford insurance, you shouldn't be in business or you need to understand overhead and profit margins. We should not expect everyone else's tax dollars can be used to subsidize small business. A lot of small business owners line their pockets and the expense of others including their employees. Providing care for your employees comes down to moral issues. All businesses, small and large, should have to provide health insurance to their employees.”*
- *“As a small business, I have found requirements imposed by health insurance providers to be absurd. Even if I want to offer insurance and employees are willing to contribute, I need to have a 75% participation of all eligible to participate in a plan. Most low wage employees are not willing to pay a portion of their insurance, regardless of their benefits. I would support a state subsidized contribution program if employees were required to meet certain requirements (for ex: regular attendance at work, performance standards, etc.). I have found many employees who work in the childcare field to expect high wages and are not willing to work at a performance level. At one point, I contributed 90% of health insurance coverage. As soon as I increased employee contribution by tying benefits to performance (for ex: # of parent complaints, child enrollment, attendance, etc) employees declined insurance because it was easier than just meeting job performance requirements. I am not in favor of increasing state spending/tax payer burden to provide benefits to those not willing to support themselves and put in an average day of work.”*
- *“Small business is being discriminated against. We should be allowed to join together or to join the wonderful generous government employees' programs.”*
- *“It is imperative that something be done to revise the health insurance requirements and restrictions, particularly for small businesses.” Burlison, Texas*

Socialized Medicine

- *“It is my opinion that generally the government should not interfere with my employee compensation and benefits policies, and socialized medicine is a bad idea. It is by mutual agreement that my employees and I have determined their value to me and my value to them, and if I am forced to increase my compensation through benefits to a point beyond the value my employees bring to the company, it could cost them their employment.”*

- *“Insurance is a privilege not a right. It should be provided as a benefit if the employed wishes to do so. Also, if you provide insurance for the small stuff that normally is taken care of at home people will not use it because it's "free" or close or they perceive that they have already "paid" for it.”*
- *“If the state government is going to provide health and hospital coverage with taxpayer money for kids, the poor, Medicaid, CHIPS, government employee and officials, elderly, Medicare, etc., then they should provide coverage for all those that pay the bills.”*
- *“In my opinion, the more government subsidies you give adults, the less likely they are to take responsibility for themselves and their children.”*
- *“We are opposed to expanding federal or state programs for anyone including this company. We also feel that health care is a privilege, not an entitlement. It would be easier on us, short term, if programs were in place to subsidize our employees or us as health care is expensive. However, long term quality of care will suffer and the costs would be greater. This is why we are opposed to government tampering in health care.”*
- *“Health care is a major problem for everyone that does not work for a large company or government agencies that subsidizes their premiums. I believe health care cost should be a social program where an equal amount is charged to all. This way, no one will go without health care or medicine and every individual should contribute to the cost, including the government.” - Houston, Texas*

Standardization

- *“Insurance purchasing is a major hassle --impossible to compare rates and benefits between companies as there are no standards.”*
- *“I have experienced such a difficult time in trying to keep affordable health care insurance for myself and my husband as self-employed persons. I would be very interested in ANY solutions we could find for this problem in Texas and across the country. Even my experience with insurance companies covering expenses that I understood to be covered and was not, has been very negative. I feel insurance policies, companies and agents mislead consumers with their terminology and definitions that are too many and too confusing for the average person. There needs to be standards to make it less confusing and expensive.”*

Tax Structure

- *“We pay 100% of our employees health plan. Small businesses should be rewarded in some way for doing that. Some kind of rebate should be provided, because we keep SEVEN people off of the Medicaid roles.”*
- *“Small employers are forced to pay through various forms of taxation for all city, county, state, federal, community college and university employees. There is not enough money left for us to cover ourselves and employees with adequate health coverage.”*
- *“1) For households who buy individual health insurance, a tax credit or deduction (regardless of income) would be a helpful gesture. 2) I would support buying into Medicare or CHIPS provided the premiums would be the same or lower as private insurance. Private insurance is notorious for denying or providing coverage with an exclusion on people with pre-existing conditions. This practice must stop!”*
- *“It has always been my belief that the federal government should give employers a tax credit rather than a tax expense for the money spent by employers for health insurance. Secondly, state boards should determine eligibility of expenses rather than insurance companies.”*
- *“We once were able to write health insurance costs and expenses off the top & were not required to pay taxes on this money. With changes in tax laws and increases in insurance costs, this is now impossible. If all citizens could do this today, the savings incurred would help pay the insurance cost.”*

Tort Reform

- *“Lawsuit abuse is the single biggest reason health insurance premiums are out of control. Control the lawyers who sue frivolously and health premiums will come down and be affordable.”*

Working Poor

- *“The working poor are not receiving the help they need and as people come off welfare, they lose ground economically due to the loss of health benefits. Someone has to pay for health insurance, but who and how? Socialized medicine does not seem to be the answer, but neither does the current system. We have \$500,000.00 net per year physicians. Pharmaceutical companies are spending more on advertising and lobbying than research. Patients are over utilizing the system and lawyers are looking for the lotto case.”*