

## Plan aims for affordable health coverage

### From staff reports

A bill to help small businesses provide affordable health insurance for their workers is being introduced by U.S. Rep. Tom Allen, D-Maine.

Called the Small Business Health Insurance Relief Act, the bill would provide money for states to create premium assistance programs, by subsidizing the employee's share of an employer-sponsored plan. It's targeted for businesses with fewer than 50 workers.

"My bill," Allen said Monday, "will provide incentives to states to apply for waivers to combine public and private dollars, in order to make insurance affordable for small employers and their employees."

Allen's proposal stems from a report done last spring at Allen's request that helped document the impact of rising premiums on

Maine's small businesses. The study showed that the average cost of HMO coverage for Maine's small businesses increased by almost 60 percent between 1996 and 2001, from \$2,350 for the average annual premium in 1996, to \$3,708 last year.

"Health insurance premiums are growing at a rate three times faster than wage growth," Allen said.

The key to controlling costs, he said Monday, is to have all employers and employees contribute to the health insurance system. Allen's bill would use public dollars to augment employer and worker contributions. That would help make coverage affordable to employees whose incomes are too low to pay their full share of the premium, he said.

The legislation provides incentives to states to apply for a waiver under a section of the Social Security Act, which includes the use of federal

funds for affordable employer-based coverage for the uninsured workers of small businesses. Coverage would be provided through employer-sponsored health insurance, or by buying into the Medicaid or the state Children's Health Insurance Programs.

Allen said his legislation also complements a bill sponsored by Maine House Speaker Mike Saxl. Saxl's plan would establish a voluntary health plan for small businesses and self-employed people by subsidizing premium payments with federal matching dollars. Allen's bill would authorize grants of up to \$1 million to develop the regulations and prepare the waiver necessary to implement Saxl's program.