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Mainers face costs of health benefits

● Rep. Tom Allen hears from small-business owners on how the federal government might help make health insurance more affordable.

By ALLAN DRURY

Staff Writer

YARMOUTH — Jonathan Platt's two bookstores save at least \$5,000 a year in shipping charges, thanks to a deal the American Booksellers Association negotiated for its merchants a few years ago.

On Monday, Platt suggested to a roomful of businesspeople that they might be able to save big bucks if the U.S. Small Business Administration helped them pool their purchasing power to buy employee health benefits.

Platt's idea was one of several floated at a breakfast meeting hosted by U.S. Rep. Tom Allen, who wanted to hear from small-business owners on how the federal government might help make health insurance more affordable.

Platt, who owns Nonesuch Books & Cards in South Portland and Scarborough, provides health insurance to his 12 full-time workers. But the cost is eating deeper into his profits each year as premiums rise.

The monthly premium is \$218 for single employees and \$622 for a family. Platt said he expects increases up to 20 percent this year.

On his own, he has little negotiating power. But hundreds of businesses together would have leverage, he said.

"Legislation is great," Platt said. "But I want numbers. I want to be in a big pool."

Allen, who last month released a study of changes in insurance costs and accessibility for small businesses over the last five years, said he is studying a program in Rhode Island that provides subsidies to cover health care premiums of all workers earning less than 300 percent of the poverty level.

The Rhode Island program provides insurance for many workers who may not have had it before either because they couldn't afford their share of the premiums on their modest salaries or because their employers didn't provide the benefits, Allen said. That can place a drag on costs, he said.

"They (the newly covered people) tend to be relatively young and relatively healthy and if they can contribute something to the pool, then you

have a more economically viable system," Allen said to the 75 or so businesspeople who gathered at the Muddy Rudder restaurant on Route 1.

Rhode Island has surpassed Hawaii as the state with the highest percentage of citizens with access to insurance, Allen said. Ninety-five percent of Rhode Islanders have access, he said.

Allen, a Democrat from the 1st District, said he is drafting legislation to offer financial incentives to states that take similar approaches and expand access.

In Maine, an estimated 145,000 people do not have health insurance, according to Allen's office.

David Shulenburg, a senior financial planner for American Express Financial Advisors in Kennebunk, suggested the mandatory withholding of money from every worker's paycheck and using the money to buy private insurance.

"The idea you mentioned is a big idea," Allen said.

"It's a big problem," Shulenburg said.

Some speakers were critical of pharmaceutical companies.

Platt said he is offended by the recent trend of pharmaceutical companies spending big money on advertising. He catches the ads on television, he said. "That feels real bad to me — like a cigarette commercial," he said.