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## Your 2 cents: What grade would you give state reform?

*Reform. Massachusetts has been by turns lauded and lambasted in the years since universal health coverage has become the law of the land. And as the first wave of national health reform mandates take effect, local businesses were still struggling to figure out which changes they have to make to comply with the federal health overhaul. The situation won't settle itself any time soon. With the Republicans holding a solid majority in the House, Priority No. 1 will be the dismantling of President Obama's signature piece of legislation.*

*We decided to ask a few business people what grade they give the state's universal health care coverage.*

*Based on the responses we received, this isn't the most sterling report card.*

**Grade: F.** Until the state does a better job of reducing the cost of health insurance, small businesses and the self-employed will continue to be priced out of providing adequate



Kaelin

health insurance for themselves, their families and their employees.

– TIMOTHY M. KAELIN

President and founder, ProfitDriver

**Grade: Failing.** Reform has created a challenging and uncertain environment. Political pressure on the Division of Insurance not to approve needed increases in the small-group market has led to delayed rate action and budgetary uncertainty for employers. They struggle to balance the need to hire new people against the double digit rate increases in this marketplace. There is uncertainty from the affordability standpoint, with co-pay and deductibles and increased contribution levels passed on by the employers. The Mass Health reform has the



Sheehy

same flaws that the Obama plan does: mandates that increase costs with no effort of cost containment. The program needs to be reworked.

– DAN SHEEHY

Practice leader/employee benefits division, Amity Insurance Agency Inc.

**Grade: B.** The positive is that people need insurance, so the plan has succeeded in that important element. The negative is that costs are still rising (13 percent last year, compared with inflation of about 1.5 percent), so in that sense it is unsustainable. As business owners, we have changed health plans to mitigate the costs. That results in increased deductibles. While we are glad to have insurance reform, we believe that



Teller



Lawson

more cost controls are needed.

– MICHAEL TELLER and WAYNE LAWSON,  
CBI Consulting Inc.

**Grade: F.** While we applaud the effort to provide insurance for those who need it and do not have it, there are serious problems with the way the system is being run. For us to keep our personal auto premiums low, we must drive safely and within the rules. In order to keep our life insurance premiums low, staying healthy is the best way to assure that. Yet, with mandated health care paid for by the taxpayer, there is no incentive to stay healthy or confine costs. Where is the incentive for health care providers to contain costs? There is serious need for improvement.



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– BILL NOONAN

Contravisory Investment Management