

Health Care Reform

OVERVIEW

Throughout the health care reform debate, ABC advocated for policies that reduce the cost of health care for employers and employees. ABC called on Congress to advance common-sense proposals that would address the skyrocketing costs of health insurance, especially for employer-sponsored plans, and the rapidly rising number of uninsured Americans. ABC believes that true reform should provide greater choice and affordability and allow private insurers to compete for business.

The Patient Protection and Affordable Care Act (H.R. 3590) and the Health Care and Education Reconciliation Act (H.R. 4872), both signed into law by President Obama, do nothing to reduce the cost curve, and instead simply enroll more Americans in a broken and unsustainable health care system.

ABC appreciates that H.R. 4872 omitted the Merkley Amendment language that was included in H.R. 3590. The Merkley Amendment singled out the construction industry by mandating that construction firms with “five or more employees” provide their employees with health coverage or pay penalties – an extraordinary difference from the “50 or more employees” threshold for most other companies.

However, Congress should not be congratulated for its equitable treatment of an industry currently experiencing unemployment in excess of 20 percent, the highest of any industry sector. While ABC members are struggling to survive the worst construction economy in generations, it is unfathomable that elected leaders would impose vast new government mandates on these businesses.

Federal government-imposed mandates would be objectionable at any time, in any economy; however, imposing them on employers at a time of record high unemployment demonstrates a fundamental failure to understand the needs of small businesses and the economy.

ABC believes that health care is best administered on free market principles and that enrolling millions of people in a broken health care system does not constitute effective reform.

ABC SUPPORTS

- **Allowing Americans to buy insurance across state lines.** This would be particularly helpful to those who work in the construction industry, as the unique nature of construction work demands that benefits be portable.
- **A tax deduction for the self-employed and for employers.** ABC supports raising the self-employed health care deduction to 100 percent and maintaining the tax deductibility of health insurance premiums for all employers.
- **Small Business Health Plans (SBHPs).** SBHPs give small businesses the power to pool together to offer health care at lower prices—something many corporations and labor unions already are permitted to do.
- **Health Savings Accounts (HSAs).** HSAs are tax-free savings accounts for medical expenses that allow more small business owners to obtain affordable health coverage for themselves and their employees. ABC supports expanding access to high-deductible health plans and HSAs, as well as increasing HSA contribution limits.
- **Flexible Spending Accounts (FSA).** FSAs, or “cafeteria plans,” allow employees to set aside money (pre-tax) each year to be used for medical expenses such as co-pays, deductibles and services not covered under their base insurance plan. If an employee does not use all of the money contributed to his or her FSA by the end of the plan year, the remaining amount is forfeited to the employer. This limitation should be changed to allow workers to take control of their health care costs and plan for the future.
- **Health IT.** Technology holds the promise of improving the quality of patient care, enhancing access to care, reducing medical errors and reducing health care costs.
- **Medical malpractice reform.** Unnecessary and frivolous lawsuits contribute to the increasing cost of insurance. Enacting tort reform will dramatically decrease the cost of health insurance for the American public.

ABC OPPOSES

- **A government-run insurance plan.** Including the government in the health insurance market will result in less competition and fewer choices. ABC members do not want to replace the health care they have with something inferior that costs trillions of dollars in taxes and debt.
- **Employer mandates.** New government mandates that force employers to provide health care or pay a hefty fine for not being able to do so will stifle small businesses. A mandated level of coverage also will result in direct premium increases, making insurance more expensive for employers and employees.
- **Tax increases.** At a time when the unemployment rate in the construction industry exceeds 20 percent, massive tax increases will only further decimate the industry and the craft professionals it employs.