



Maine businesses worried about cost of health reform ruling

By Matt Wickenheiser
Bangor Daily News

PORTLAND, Maine — The U.S. Supreme Court's decision to uphold President Barack Obama's health care reform law drew a mix of responses from the state's business community, but at least one expert urged companies to start planning now.

"The first thing is for companies to acknowledge now that this is going to happen," said Steve Gerlach, a labor/employment attorney with Bernstein Shur. "You need to have a person or committee responsible for developing strategies and making decisions around reform, around pay or play, with folks from finance, legal, tax and human resources. They should be identifying strategies to address short- and long-term issues on cost, compliance, how this is going to affect the overall compensation package of the company, and the tax picture, as well."

The court's decision, announced Thursday morning, upheld the centerpiece of the health care overhaul law that requires that most Americans get insurance by 2014 or pay a financial penalty, known as the "individual mandate."

In another part of the decision and in a blow to the White House, a different majority on the court struck down the provision of the law that requires the states to dramatically expand the Medicaid health insurance program for the poor.

David Clough, Maine state director for the right-leaning National Federation of Independent Business, said Maine companies already worried about the increase in cost and administrative work from the act will see the decision as a "major disappointment."

"All their concerns are still hanging out there," he said.

Clough said companies are concerned that employers with 50 workers or more will be penalized if they fail to provide health insurance. Another worry is that the health insurance tax imposed on insurers will get passed down to policyholders, he said. And for individuals who own small, one- or two-person businesses, their concern is how to afford the individual mandate, he said.

"At the same time, it will increase pressure on Congress to tackle the issue of costs, the cost of health care," said Clough. "That's the one element that received the least amount of attention when the ACA was enacted, and it's the one element that receives the most attention among small business owners and individuals."

The left-of-center Maine People's Alliance praised the decision, and, in a statement, said small businesses are already benefiting from portions of the act. The group noted that Jake Daniele,

a recent college graduate who has started an engraving business in Freeport, has been able to stay on his parents' insurance plan until he's 26 – a provision of the act already in place.

“For recent college graduates struggling to find work in the current job market where employment-based health care is becoming more of a luxury than a norm, the importance of this provision in the ACA cannot be overstated. Being able to stay on my parents' plan for three more years gives me the opportunity to establish my small business without the fear of having to sink my start-up costs into healthcare,” Daniele said in the release. “If I didn't have the security of staying on my family health care plan I could run the risk of becoming sick and that would mean bankruptcy.”

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