

## **Health insurance system unduly blamed-January 1997**

In reference to your Dec. 20 article "Insurance firms still balk at small business", I thought it warranted a second opinion.

First of all, it's not just a question of an insurance company not wanting to provide coverage to small business as much as small business wanting coverage on their own terms.

In other words, much of the decision rests with those desiring the insurance rather than those who are capable of providing it. I have seen numerous instances where a business is looking for a health plan and refuses coverage unless their particular doctor or hospital is a participating provider.

As a result, they either go without coverage, or lose their coverage due to some extenuating circumstance and proceed to blame the system for not being able to get insured -- on their own terms and price. Which leads us to the fact that many small employers, since it is not mandatory to provide health benefits, to be instrumental in fostering this "notch group".

These are the employees who have to rely on getting their own individual coverage for themselves and/or their family. To compound this, there may be one of more pre-existing conditions. The recently enacted Health Insurance Portability and Accountability Act of 1996 did not specifically deal with individual health insurance in the same way as small employers. Individual health insurance is more stringently underwritten than a group policy, with innumerable health-history questions. Qualifying can sometimes be difficult for many people, whether they can afford it or not, so these individual purchasers could constitute a valid "notch group".

In terms of small employers, to say that they are in their own "notch group" or that "small businesses just don't have the accessibility to (Health) insurance through the market" are not just irresponsible statements, but play into the misguided and sometimes mentally surrealistic health-care reformists.

In Arizona there are health plans for the self-employed and employers with one or more employees whether or not they are healthy. The only decisions that prevent these people from buying coverage usually deals with, first, cost, and then not being able to maintain their current doctor/patient relationship. The perception that a pre-existing condition precludes this small employer from having access to health insurance is fallacious.

In addition to the HCG health plans that were mentioned, all health-insurance providers in Arizona that are listed as Accountable Health Plans by the Arizona Department of Insurance must offer a "basic-benefits package." These benefit packages are issued on a guaranteed acceptance basis, just like the HCG health-insurance providers.

And yes, the benefits are less-than-standard commercial plans, and the premiums are usually higher, but the fact remains that health insurance is available to these small firms where it has been perceived that they "aren't large enough to qualify" or that they have "fallen through the cracks."

The bottom line is that if there are no other options for the small employer than to apply to one of the HCG plans or the "Basic Benefits Packages", they should not fault the system.

They should be thankful that they were able to get health coverage rather than feel victimized for "falling" into the "social safety net."

In addition to the "guaranteed-acceptance" plans, there are association plans that oftentimes have "discounted" premiums off the standard rates, or there are proprietary plans, such as with the Arizona Small Business Association.

Legitimately, there are those who need financial assistance in having access to health care, but there are an equal number who have the financial means, but not the motivation.

Arizona may "have a larger percentage of uninsured than we should have," but it may also be a

result of having a larger percentage of irresponsible small employers.