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Biz groups call plans 'job killers'

By Patrick Danner - Express-News

The health care reform bills being debated in Congress have pro-business groups predicting proposed legislative action will harm Texas employers by raising insurance costs and cause companies to consider cutting jobs.

“The proposals on the table are job killers,” said Will Newton, executive director of the National Federation of Independent Business, in a meeting with the San Antonio Express-News' editorial board.

Newton was joined by representatives for the U.S. Chamber of Commerce, the Texas Association of Business and the Texas Public Policy Foundation at a news conference later in the day urging Democratic Congressmen [Ciro Rodriguez](#) of San Antonio and [Henry Cuellar](#) of Laredo to reject the legislation.

“We call on our congressmen to scrap these plans, to start over, and let's get some real health care reform that benefits the job creators in the state of Texas and the U.S.,” Newton said.

Cuellar, in a phone interview, defended his support for health care reform because one person in three in his district is uninsured.

“The stakes are just a lot higher here for people who don't have insurance and for people who are being priced out of insurance,” said Cuellar, a conservative Democrat and a former small-business owner.

Cuellar called rising health care premiums the real job killers. Premiums have more than doubled in the past 10 years in Texas, he said.

Rodriguez couldn't be reached for comment.

The health care overhaul proposals in both the House and Senate amount to new taxes on businesses that will lead to the end of employer-based health care, said [Bill Hammond](#), president of the Texas Association of Business.

Under the House bill, employers with payrolls over \$500,000 must provide insurance to their employees or pay a penalty of as much as 8 percent of payroll. In the Senate version, companies with more than 50 full-time workers would have to pay \$750 per employee if insurance coverage is not offered.

“Many employers in the state today are holding off on their hiring plans as a result of this assault on employment by the Obama administration,” Hammond said.

[Pete Havel](#), regional director for the U.S. Chamber of Commerce in Irving, said he spoke with a Sinton-based candy manufacturer who told him she is facing the prospect of having to cut her work force by 10 or so workers to get below the 50-employee threshold if the Senate bill becomes law.

“This is going to jack her costs through the roof, raise her taxes, raise the cost of providing insurance, and it's going to make (for) some hard choices,” Havel said. “It forces employers to look at cutting employees rather than bringing more on.”

[Arlene Wohlgemuth](#), executive director of the Texas Public Policy Foundation, said the legislation will hurt the state's economic output 4.7 percent over 10 years and cost every Texan about \$4,300.

In addition, she said, expanded Medicaid coverage would increase the number of Texans receiving Medicaid by 1.2 million from 2.1 million.

The business groups favor health care reform that includes enacting national tort reform and allowing people to buy health insurance across state lines, Hammond said.

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