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Health reform's anniversary fuels PR war

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Backers and attackers of President Barack Obama's landmark health overhaul are marking its anniversary with dueling media events and fact sheets touting the law's purported benefits and downfalls.

The mixed messages are sure to sow confusion amid the uncertainty caused by legal challenges wending their way to the U.S. Supreme Court.

Key provisions of the law have yet to take effect. Meanwhile, Republicans in Congress push amendments, while industry leaders lobby to influence regulations that will determine how it's enacted and enforced.

"It's distracting," said Mark Lewon, owner of Utah Metal Works, a small scrap-metal recycling business in Salt Lake City. "It shouldn't be the focus of my business to figure out how to follow all these new rules. I need to focus on running my company and running it well.

For now, much of the public-relations battle is focused on small-business owners such as Lewon who are now eligible for new tax breaks but also face new filing requirements.

There are about 64,000 small businesses in Utah with fewer than 50 employees, less than a third of which offer health coverage to their employees.

Polls indicate mixed support among this group for the health law and suggest that few understand how it will benefit them, said Terry Gardiner, national policy director for the Small Business Majority, a national nonprofit organization focused on solving problems that face small businesses.

"We've got our work cut out for us," said Judi Hilman, executive director of the pro-reform group Utah Health Policy Project, which is staging events all week to commemorate the birth of health reform.

Signed into law a year ago on March 23, health reform has already helped countless seniors, families and businesses. Young adults can now stay on their parents' health plans until they turn 26, even if they're married. Medicare recipients have pocketed prescription-drug rebates and now enjoy free preventive care.



Steve Griffin | The Salt Lake Tribune Utah Metal Works owner Mark Lewon in the yard at the Salt Lake City business, Tuesday, March 22, 2011.

But some benefits haven't been as clear-cut.

Insurers can no longer reject children with chronic health problems. But confusion over regulations caused some Utah insurers to drop child-only plans, leaving both sick and healthy youngsters of uninsurable parents with fewer options. And state-run, high-risk pools to cover the uninsurable have been pricey and slow to catch on.

Provisions set to take effect this coming year are sure to hit similar snags.

Due out this week are new nutritional-labeling rules for chain restaurants. But consumers likely won't see calorie counts until 2012. Eateries and other interest groups are still haggling over detailed Food and Drug Administration rules defining what must be disclosed on which menu items, according to the Kaiser Family Foundation.

More immediate impacts arrive with tax season. And, depending on whom you ask, they'll either lower health care costs for small companies and make it easier for them to buy coverage or force insurance premiums higher and paralyze employers with paperwork.

An estimated 4 million small businesses may be eligible for a tax credit of up to 35 percent of their health care costs this year, according to the Small Business Majority.

Small-business owner Gerene Mason says the 18-page form for calculating the credit is bothersome but worth it.

Her 40-person insurance brokerage in St. George, Southern Utah Insurance, qualified for a credit of \$1,200 – not a windfall, “but enough to offset my premium rate increases so I won't have to raise the deductible on our plan this year.”

Starting in 2014, small businesses will also reap the benefits of state-run insurance marketplaces that allow them to join together and enjoy the same premiums as large companies, Mason said.

Lewon isn't convinced and says the tax credits are weighted to mostly benefit the smallest of companies.

His 56-year-old family owned business already offers health benefits to employees, and Lewon said, “I'm not sure I want to jump through the hoops for the tax credit.”

Lewon also bemoans an unpopular provision that, beginning next year, will require businesses to send 1099 tax forms not just to contract workers, but every vendor from which they purchase at least \$600 in goods and services. The forms document income other than wages and salaries, such as one-time payments.

The provision has come under attack in Congress but is supposed to capture tens of billions of dollars in federal tax revenue that isn't being declared.

“I understand the need. But the costs of collecting that money is going to be huge for the IRS,” Lewon said. “And it's unpractical for us. We buy scrap from all kinds of businesses and pay cash or check for it. We even had homeless people who come drop off cans. How am I supposed to mail them 1099 forms?”