

g John David County, who as Chancellor ate and then- President B. g. was just an ng young a marvelous ho was just ' fellow Fort Jesson said. stian Jr. as a

officials did nt from a fan ch Houston ch Mustain. to the pub- of the legal of Mustain. fore the state ismised it in

— Jim Harris

acquiss Hospital

iss, chief of l cardiotho- s Children's ew job out of iss will leave in September he pediatric ular division niversity in N.C.

acquiss has ce University. as Children's mber," Dan tions direc- ews release. spital wishes ew endeavors heart center ing outstand-

e, professor partment of of Medicine rkansas for ecommended a, associate ie next ACH rgery. also has been taff executive ard of direc- mendation at 1 Aug. 25.

— Robert Bell

Paying lian Firm

's pet food tid last week buying Menu

PHOTOGRAPHS: MICHAEL PIRNIOUE



Arkansas Business Publisher Jeff Hankins, left, directs questions to the lunchtime panel — Michael Stock, president and CEO of QualChoice; David Wroten, executive vice president of the Arkansas Medical Society; Arkansas Insurance Commissioner Jay Bradford; and Peter Banko, CEO of St. Vincent Health System — at last week's Health Care Reform Symposium. Tod Yeslow, below, an attorney with Mitchell Williams, spoke on legal requirements.

Health Care Experts See Rising Costs, Few Financial Benefits

By Mark Carter
MCarter@ABPG.com

HEALTH CARE REFORM IS here to stay, like it or not. Now, just how to navigate it? Such was the theme from representatives of the health care industry last week at the Arkansas Business Health Care Reform Symposium presented by Mitchell Williams law firm.

Close to 400 attendees participated in the half-day event, which included separate sessions for large and small employers as well as a panel discussion over lunch from some of the area's leading health care experts.

The program and materials, including links to PowerPoint presentations, are available online at ArkansasBusiness.com/HCRSymposium.

The consensus? The days of single-doctor practices and independently owned small-town hospitals are numbered, many components to the reform legislation passed in March will never be implemented, and while coverage will be made available to many Americans who previously couldn't get it, health care costs will rise as a result.

"We're definitely going to see increases in the cost of health care because of expanded coverage," said Tom Kane, senior vice president at Stephens Insurance in Little Rock and a presenter in the session for large employers, which are defined as companies with 50 or more employees. "I'd



say anywhere from 2 to 5 percent."

St. Vincent Health president and CEO Peter Banko said dealing with reform legislation was like "trying to navigate a battleship in a bathtub." He predicted that it would result in fewer small practices and small, stand-alone hospitals, and ultimately nobody will benefit financially.

"This [reform legislation] is going to be funded somewhere," he said. "By 2019, we project our bottom line at St. Vincent to be cut by \$8 million."

The prospect of businesses facing federal-government fines for not offering "qualified and affordable" health-insurance coverage to "full-time employee equivalents" by 2014

— the "Pay or Play" provision — resonated with many in attendance. "Full-time equivalents" are the number of workers putting in 30 or more hours per week plus the number of part-time hours for a month divided by 120. Businesses with 50 or more FTEs that opt out of coverage will be fined \$2,000 per full-timer minus the first 30 full-time equivalents.

Kane said an employer with 150 FTEs would pay \$240,000 in annual fines for opting out of coverage. Those employees who are not covered by a group plan at work would be placed in a statewide health-insurance exchange where they would have options for individual coverage likely more expensive than their previous group plan.

Kane was not the only speaker who predicted many large businesses will determine that opting out and paying the fine is cheaper. Some estimates call for as many as 30 percent of U.S. businesses with 50 or more FTEs to opt out of the mandated coverage. Small businesses with FTEs under 50 are exempt from the mandate, Kane said.

One Little Rock business owner who attended Tuesday's large-business session (and asked that his name not be used) said he believed he could save \$2,000 per employee each year by opting out of coverage.

The issue will boil down to this, he said: "Is it worth that \$2,000 in additional costs to provide coverage to my employees?"