

# Experts Give Pointers to Local Businesses on How to Handle Obamacare

by Jim Stickford

Ready or not, Obamacare is coming and it's really much better if businesses are ready.

That was the message speakers gave at the recent Auburn Hills Chamber of Commerce Health Care Reform event held at the Auburn Hills OCC campus on Feb. 13.

Denise Asker, the chamber's executive director, said the chamber put on the event, with the help of Corporate Benefits Solutions and Blue Cross Blue Shield of Michigan, because that was the members' biggest concern.

"In the fourth quarter of last year, we polled our members about what were their biggest human resources concerns," Asker said. "Obamacare came back as their top concern, followed by finding the right person for the right job and retention of workers, how to keep them once they're hired and how to keep their training up to date."

So Asker worked with Corporate Benefit Solutions of Troy and Blue Cross Blue Shield of Michigan to put on a presentation titled, "Health Care Reform: What Employers Need to Know."

The first speaker was Steve Mattar of Corporate Benefit Solutions and a member of the Michigan Association of Health Underwriters. His company has belonged to the Auburn Hills chamber since 2006.

Mattar said the first thing people should understand is that things are changing weekly, but no matter what happens, the upcoming health laws won't change the fundamental questions employers will have about sponsored coverage.

Those questions are what kind of coverage does the employer want to offer, how much will they want to contribute and will they have to offer coverage at all. Very

small businesses won't have to offer insurance.

He said there will be all sorts of new fees and charges. There will be a \$1 fee to pay for the study of the comparative effectiveness of treatments. That fee will go up to \$2 but is supposed to be phased out by 2019. But, Mattar said, temporary government fees have the habit of becoming permanent. He also said that the Medicare payroll tax will be increased for people or households that make more than \$200,000. It will go from 1.45 percent to 2.35 percent. There will be a new tax on unearned income for high-wage earners.

In addition, Mattar said, there will be all kinds of new paperwork so that the IRS can tell who has insurance and who doesn't.

The government offered states incentives to create their own information exchanges so that residents could compare insurance plans, but there is a problem, Mattar said. Michigan, along with about 29 other states, decided not to create an exchange and that is something the federal government is not currently ready to handle on its own.

And there is, when it's fully phased in by 2016, a \$695 "fine" for individuals who don't get health insurance. Mattar calls that a loophole.

"Imagine you're a young person with no health issues," Mattar said. "And you decide to pay the fine. Then you get sick. So go get health insurance. They can't turn you away for a pre-existing condition. That's like not having car insurance, getting into an accident and calling up an agent and saying I need insurance, I was just in an accident."

Mattar expects that fine to increase at some point. But he emphasized that things are in flux and that attending a two-hour

seminar isn't going to make people an expert. He urged those attending to consult with experts who have studied the law and its implications.

The next speaker was Sheela Manyam of Blue Cross Blue Shield of Michigan. She talked more about how legislation calls for the creation of "Health Benefit Exchanges." These are meant to "help facilitate the purchase of qualified" insurance plans by companies and individuals.

She said Mattar was right when Michigan opted out of creating its own exchange. Rather, it is preparing for a federal exchange or some sort of federal/state partnership. She said Blue Cross is working on the assumption there will be a state and federal partnership.

The exchanges will use standardized language so that should help with choosing a plan. Insurers must offer essential benefits that conform to "metal tiers."

These tiers will be known as the bronze, silver, gold and platinum plans. Insurers must at least offer a gold and silver plan, but can offer others if so desired.

The good news for employees is that insurers can't medically underwrite or apply pre-existing condition clauses in their plans, Manyam said.

Also, price parity is required if the same product is sold off and on the exchange.

She said the metals are plans with an actuarial value. The bronze plan is 60 percent, silver 70 percent, gold 80 percent and platinum 90 percent.

"A plan with an actuarial value of, say, 70 percent means that for a standard population, the plan will pay for 70 percent of their essential health care benefit expenses, while the enrollees themselves will pay 30 percent through some combination of deductibles, co-pays and co-



Steve Mattar



Sheela Manyam

insurance," Manyam said.

There will also be tax credits and cost-sharing subsidies for purchasers and employers. The new law also defines who's eligible for these subsidies and who is a part-time and who is a full-time employee. It will also define what is a small business, what is a large business and what each of these types of businesses' responsibilities are in offering health insurance.

"This does get complicated," Manyam said. "It's really important for employers to get a handle on who are their part-time and their full-time employees. We are already seeing shifts in the health care market and seeing decreases in the uninsured. We do expect the new laws will shake up how people make their health care decisions."

Mattar said after the formal presentations were completed that the employers he's talked with are concerned how penal-

ties will or will not be assessed, and whether they have to offer insurance plans at all. Some of the smaller businesses may decide to get out of it altogether and let employees buy their own insurance.

On the employee side, Mattar said, he believes that most employees would prefer to still get a plan through their employers instead of having to look at all the different options provided to individuals.

"The cost to employers won't go down," Mattar said. "Health care reform has a lot of fees for employers and those tend to trickle down one way or another to employees. From what I've seen, business owners are nervous about this. I don't see any saying, 'Yeah! Obamacare is coming, wahoo.' Even three years after the bill was passed, there are still a lot of unknowns. I urge business owners to do their homework."

## Penny Saved Could Be Worth A Lot if It's Unique, Wanted

Warren is home to many interesting businesses, including Rare Coins of Michigan located in the Comerica Building on Van Dyke across from the GM Tech Center.

The business has been buying and selling coins since 1971 and has been in its building for 41 years.

Rare Coins co-founder Phillis Bristol said their first store was on the street at the corner of Nine Mile and Van Dyke. Bristol said it was her husband Ronald who was the coin collector and it was his idea to open the store with her and her brother-in-law, Lowell.

"They were running a 2,000-acre farm in Almont," Bristol said. "So I got drafted to run the store."

But it was located near a bar, Bristol said, and during the evening, drivers would activate the alarm. It got to be such a pain that they decided to move to the then-new Comerica building, with a more business atmosphere, on Van Dyke. And they've stayed there ever since.

The store is located on the third floor of the building and they do handle walk-ins, Bristol said. But most of their customers are referrals. The type of customer they handle has changed.

Four decades ago, many of their customers worked at the Tech Center. But over the last 40 years, those customers have gone away. The people who buy coins now are investors, speculators or survivalists.

Bristol said she meets a lot of her customers at coin shows and right now people are selling their collections to get much-needed money.

"People like to buy coins because they keep their value," Bristol said. "They're tired of losing value on paper."

There are still old-fashioned coin collectors out there, but

their numbers are fewer than in the past, Bristol said.

"In the old days, a collector, just by going through his change, could fill up a collector's book," Bristol said. "When that book had only a few empty slots, then the collector would visit a store."

But the way coins are minted has changed. When the U.S. Mint stamped millions of quarters for every state a few years ago, they created a huge supply. That means those quarters will only be worth a quarter.


"People have to understand that old doesn't mean anything when it comes to coin value," Bristol said. "It's rarity and desirability that count. The coin must be uncommon and there must be people willing to pay money for it. A unique coin doesn't really mean anything if no one wants to buy it."

She said her shop doesn't buy or sell over the Internet. Real collectors want to see a coin before they buy it. There are 10 different grades of "new condition" coins.

"This is a specialist's job," Bristol said. "You have to know all the tricks unscrupulous people use when they try to sell counterfeit coins. I get people coming in all the time trying to sell counterfeit coins they bought over the Internet."

The worst thing someone can do to a coin is clean it, Bristol said. All cleansers affect the surface of a coin. She likened cleaning a coin to cleaning dirt off of a car by buffing the surface down to the bare metal. Not all coins have the same surface, so trying to make coins all look the same is a mistake.

"People think shiny is better," Bristol said. "To a true collector, shiny is only good if the coin is in its original state."






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