

PHOENIX Business Journal

MAY 27, 2011

LETTER TO THE EDITOR

Legislators' 'perfect scores' a matter of opinion

Dear Editor,

In reference to the May 20 story "Ariz. Legislators growing more business-friendly," it clearly is a relative statement. Regardless of which legislators received "perfect scores" from the NFIB, none of them was or is business-friendly when it comes to making small-group health insurance more affordable.

Legislators, regardless of party affiliation, have no interest in making an earnest attempt at this issue, as it would "bite the hand that feeds them" at fundraisers.

The governor is the only one who is cognizant of some of the misguided pieces of legislation that were passed in the most recent session.

The Health Care Freedom Compact (Senate Bill 1593) had a warm and friendly-sounding name, along with an all-too-common lack of substance. All of the cherished mandates would have been eliminated, affecting

thousands of consumers. Health care mandates do affect our premiums, but any realized savings would have dissipated with the following year's renewals.

In addition to SB 1593, the governor vetoed the Health Care Compact, which would have allowed Arizona to set up health care programs with other states. Arizona has such a diverse set of rural and city demographics that finding commonality with surrounding states would have been very difficult.

So, I would consider "perfect score" an oxymoron, as I see small-business owners who either cannot afford premiums that are "inflated" by statute or have sustained a double-digit rate increase, also allowed by statute. When health insurance premiums are in excess of 20 percent of payroll, no legislator gets a "perfect score."

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Brewer was right to veto health insurance bill

COMMENTARY

HENRY GROSJEAN

I suspected Gov. Jan Brewer would veto SB1593 and applaud her for doing so.

This bill was yet another example of a misguided Legislature embracing a feel-good piece of legislation that was promoted by health insurance reform advocates, such as Dr. Eric Novack

And, I say this because those involved in lobbying for this legislation have no basic understanding of one of the primary statutory drivers of small business health insurance rates.

They would prefer to educate our Legislature through self-serving "misconceptions" and shallow promises that health insurance rates would be more competitive

without such things as health mandates.

And yes, mandates are a contributing factor to our premiums, but eliminating them would only temporarily affect health insurance rates, especially since small business renewal premiums are increasing by double-digits on an annual basis.

Furthermore, our understaffed Arizona Department of Insurance, and probably underpaid, would be asked to regulate foreign insurers who are entering a file-and-use state scenario where insurance plans only come under scrutiny if a complaint is filed.

Finally, no one could answer my query as to who



would hold responsibility if one of these out-of-state insurers were to suddenly go out of business and leave possibly hundreds, if not thousands, of policyholders with no coverage.

These and other issues were never addressed because they were ranked, by importance, below the "misconceptions."

Again, I applaud the governor who, at least this year, reminded me, although I hate to admit it, that my mother who raised me and my wife, who guides me, are usually right.

— *Henry Grosjean has been an independent insurance agent for almost 30 years, responsible for the uniform health questionnaire legislation passed in 2007, and past lobbyist/president of the Arizona Association of Insurance & Financial Advisors.*