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COSE APPLAUDS PRESIDENT'S FOCUS ON HEALTHCARE INITIATIVES

CLEVELAND, January 25, 2007---The Council of Smaller Enterprises (COSE) released the following statement regarding President Bush's State of Union Address where he proposed new elements to his health care plan.

COSE commends President Bush for bringing healthcare front and center in the federal agenda. With our expertise in providing health coverage to over 14,500 small businesses, we do see some areas of concern in several aspects of his plan. With fewer small business employers providing healthcare, addressing the problem of individuals' ability to find cost-effective healthcare is an urgent need. COSE recognizes the effort made by the Bush Administration to provide a tax reduction for those purchasing healthcare outside of an employer program. This is a good first step.

However, COSE is concerned that only providing tax incentives will not sufficiently change the system. In fact, these tax incentives may still fall short for many citizens attempting to purchase an individual plan on the market at this time. In addition, even with incentives, many people may still decide to go without healthcare unless it is a requirement. And, as we know, those who go without health insurance do not go without health care-- thus still burdening the system with emergency room medicine, high costs of care and higher premiums for all those who do responsibly purchase health insurance. Again, while the tax incentive is a first step, COSE believes that we also need to make some level of health care coverage a requirement for all citizens.

President Bush referenced supporting "innovation" in healthcare and COSE is encouraged by bipartisan legislation recently introduced by Republican Senator George Voinovich (R-OH) and Democratic Senator Jeff Bingaman (D - NM) that supports innovative healthcare reform for the states.

COSE also supports the President's call for expanding Health Savings Accounts, reducing costs and medical errors through information technology and price transparency. However, COSE is concerned with President Bush's renewed call for Associated Health Plans (AHPs) for small business. COSE believes that AHPs will do more harm than good for small business in Ohio and across the country. AHPs will lead to a segregated market place where older and less healthy employee groups are pooled together, apart from younger groups, and are forced to pay unaffordable rates. They will lead to increased, not decreased, costs of coverage for small employers, and thus an increase in the number of uninsured persons--just the opposite of what should be a major goal of any health care reform.

COSE believes that individual responsibility, requiring every citizen to participate in the health insurance system, while making good choices as to health options, and creating accessible, affordable and quality care is the correct basis for reforming the system. The private sector and the public sector can and must work together, on a bipartisan basis, to fix the problems with our current system and create a far better future. We commit to contributing our time and the expertise of our staff and our volunteers wherever they are needed to advance this critically important goal.

COSE, the small business arm of the Greater Cleveland Partnership, serves as a one-stop resource for its members by providing: group-purchasing programs that reduce the cost of doing business; education and development programs for small- and mid-sized businesses; advocacy on legislative and regulatory issues affecting the business community; a wide range of resources focused on helping firms grow; and economic development partners that can address business concerns. (www.cose.org)

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