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Businesses Must Speak Out on Health Care

by Manuel Cosme, Jr., President, PayRoll Partners, Inc., Vacaville, CA



It is apparent that the California legislators are treating small businesses like “mini-corporations.” They continue to mandate that the business community—specifically small businesses, because of our numbers—must solve the many problems in this state. Those problems, regardless of where they come from, are resolved in most part by businesses. Yet, each one of us is struggling to survive in a state that was once considered business-friendly. These are harsh words but, nonetheless, true. We feel it and live it. There should be a warning label when conducting business in California. Perhaps, one of our readers can come up with how it should read.

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When the recent bill, AB 8 (Nunez), passed on the legislative floor, it should not have come as a surprise to us. It looks like the governor will veto it, but this is an indication of how we’re thought of: We’re in business; therefore, we are rich and we could afford whatever is thrown at us.

Now the solution for the health-care crisis is on the backs of the business community. We’re expected to carry the major financial burden of the proposed mandate; and yet, our bank accounts tell us we cannot afford it.

It is understood that the cost of health insurance is ridiculously high and it’s causing many individuals to use “prayer” as a form of health insurance. I know because I’m paying for it and it’s happened to me while we were raising our children without health insurance. So my recommendation to our state legislators is to first address cost containment to bring down the cost of health insurance. I’m not an expert on what’s driving up the cost; I am an expert on paying the high cost.

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If some unreasonable mandate is enacted, it will ultimately create an exodus of businesses either leaving the state or going underground. This is reality and should be recognized by our legislators. However, relaxing mandates is an invitation to conduct business openly and this will create new economic opportunities.

The business community **MUST** get involved or face the consequences of the actions by our legislators. We cannot simply be spectators and complain to each other about how difficult it is to attract good employees as well as to remain in compliance with the mountain of mandates imposed on businesses.

For the California entrepreneurs, I am going to quote Assembly Member Bonnie Garcia: “If you’re not at the table, you’re on the menu.” You are invited to speak out; there’s a seat with your name on it.

This entry was posted on Tuesday, September 25th, 2007 at 9:30 am. You can [leave a comment](#), or [trackback](#) from your own site.

6 Responses to “Businesses Must Speak Out on Health Care”

1. *Ana Pellecer* Says:
[September 25th, 2007 at 2:40 pm](#)

Manuel could not have expressed it any better. All business owners must speak out because regardless of your volume "Health Care Costs" do not discriminate.

2. *Charisse Tyson* Says:
[September 25th, 2007 at 4:36 pm](#)

I own a small bar and grill and me and my husband do not even have insurance because we have been turned for preexisting conditions that we have not had issues with for years. If they will accept us we can't afford them. AB8 would put us and many small business owners right out of business. We need to fight this. All small business owners need to stand up and be counted and make some noise on this issue.

3. *William D. Daniels* Says:
[September 26th, 2007 at 12:34 pm](#)

My suggestion is to create a three tier level of Health Care Cost. The young (Age: 25 to 35) 10 yr. span.
The middle (Age: 36 to 51) 15 yr. span.
The older (Age: 52 to 72) 20 yr. span.

4. *Jan Parsneau* Says:
[September 27th, 2007 at 7:28 pm](#)

I own a small motorcycle sales, service, repair and customization business. The hard times for the economy have already taken a toll on our business because our "product" is a luxury item to most. With the down-turn in sales and service, there's a huge down-turn in income. The prospect of another 7.5% tax leaves our company with no other option than to move out of state to continue business.

5. *Manny Cosme, CPA* Says:
[September 30th, 2007 at 12:23 pm](#)

I also agree. As a former payroll tax accountant and current small business owner, I know first-hand the HEAVY tax burden that small business owners face.

Recently, the insurance industry has created a new option for health insurance - health savings accounts (HSA's). Under an HSA, a company subscribes to a high-deductible health plan, thereby reducing their premiums. In conjunction, each employee receives a special savings account, to which they can contribute pre-tax dollars to. The theory is that, when major medical expenses are incurred, the savings account should be able to cover the high deductible...and in the meantime, the account should cover all the other minor medical costs that are incurred. The best thing about HSAs is that, while employees can contribute to them, employers can also contribute to them on behalf of the employee - pre-tax. So, while you may not trust your employees to make their necessary contributions, the employer can ensure that the employee has money in his/her account. Moreover, any unused portion of the savings account can be rolled over to an IRA upon retirement. The net result is a cost savings for the employer, a

medical AND retirement plan created for the employee, and goodwill generated for all!

[Note that I am not an insurance agent...please speak to one for more information.]

In theory, this sounds like a good option for business owners to take. Perhaps our state legislators should first look at actively promoting HSA plans and let the market decide what to do, rather than simply mandating it.

6. *Cathy Cunningham Says:*
[October 12th, 2007 at 1:27 am](#)

My husband and I own two small businesses. We have a group plan in place, and none of the employees have opted to enroll. They say the premium is too high, or since they do not own property, they will be treated anyway, and you can't get blood out of a turnip! Why should employers be forced to pay for other peoples premiums when they aren't willing to give up anything to pay for their own? Why should the burden of health care for non working, on the dole Americans, or worse yet, illegals, fall on people who work? Responsible people make room in their budget for health care, bums do not.

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