

## Staying healthy tough for small firms

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PLYMOUTH, MA (Jan 26) - Local entrepreneur Eugene DiFrancesco enjoys setting his own schedule and cutting his own checks.

The president of the Plymouth video production firm Cam-Tec Videography has developed the sole proprietorship into a successful venture since its launch more than 20 years ago.

But as health insurance costs soar, particularly for small businesses, DiFrancesco blames the insurance industry for taking the joy out of running his own business.

"The health care industry has made it very undesirable for a person to pursue their entrepreneurial dreams," he said.

DiFrancesco, 44, runs the company with his wife, Anne, who serves as its office manager. Cam-Tec Videography, which will soon change its name to Eugeneworks.com, produces corporate and wedding videos as well as much of the television commercials shot in Plymouth and the surrounding area. The company employs no other workers.

The DiFrancescos say small business health insurance has become unaffordable, yet they continue to pay a monthly premium of nearly \$900 to extend coverage to their 5- and 7-year-old daughters.

"We pay \$10,440 a year just for health insurance, including co-payments," Anne said. "It's just unaffordable."

"You can't go without insurance if you have kids," Eugene said. "We currently have coverage through Tufts HMO and we are happy with the coverage, but you get what you pay for. We're getting satisfactory results but we're also paying through the nose for it."

Health insurance costs are expected to rise another 10 percent this year, marking five straight years of double-digit increases. Experts predict similar increases for at least another four years. Among the main reasons for the price increases are prescription drug costs, malpractice insurance and government regulation, according to industry experts.

Small businesses are more susceptible to volatile insurance rates because the costs are spread over a smaller pool of workers. A single catastrophic accident or major illness can significantly increase the per-person cost of insuring a small business when premiums come up for renewal.

The increases appear to have cut deeply into businesses' bank accounts. The Henry J. Kaiser Family Foundation, a nonprofit group that researches health issues, surveyed small-business owners nationwide in 2003 and found 63 percent expected to offer coverage to their employees in 2004, down 5 percent from 2001.

The Massachusetts legislature tackled the healthcare issue last June when it passed an amendment to the state constitution that could eventually mandate universal affordable health insurance to all of the state's 6.4 million residents.

"The constitutional amendment puts the onus on the Legislature to ensure that no Massachusetts resident lacks affordable health insurance," Kate Bender, press secretary for the bill's sponsor, Sen. Steven Tolman, D-Brighton, said.

But the amendment, which passed by an overwhelming vote of 151-43 at the constitutional convention last year, must leap several other hurdles before it becomes law. Even if that were to happen, the amendment has not spelled out how the state would build the framework for universal healthcare.

"A constitutional amendment has to pass twice in two separate legislative sessions," Bender said. "It passed during the 2004 constitutional convention and it must be approved again this year or in 2006. Then it must receive the approval of the voters."

Bender admitted the bill leaves many questions unanswered, including how the state will implement universal healthcare.

"The bill does not dictate how to do it, it leaves that up to the legislature," he said. "Many people feel like it will jump-start the process."

Residents shouldn't be worried that they'll pay more taxes to fund a universal health care system. A fact sheet supplied by Tolman's office said the proposal would not require tax-based funding or that the state be the insurer. But it fails to spell out where the funding will come from.

Robert Gaw, the president of the Waltham-based National Association of Socially Responsible Organizations, supports the bill.

"We are active supporters of universal health care in Massachusetts and of (Sen. Tolman's) amendment," he said. "It puts health insurance on the same plane as education."

NASRO describes itself as a socially responsible business association that provides its members with group health insurance plans. The 15-year-old organization has a membership of about 50,000, the majority of which are small businesses or self-employed individuals.

Gaw said NASRO's membership is made up of independent contractors and workers whose employers cannot afford to provide them with health insurance.

"We see a lot of independent contractors, computer programmers, artists and workers who can't find health insurance at affordable prices," he said. "We've gotten involved in this issue and determined that the state really has a chance to take the lead here. It's good for everyone."