

Health insurance weighing heavily on small business

● U.S. Rep Tom Allen presents a study that finds a pattern of rising cost and diminishing choice in Maine.

By **TUX TURKEL**

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Higher premiums. Less competition.

That sums up the status of health insurance coverage for Maine's small businesses and their employees, according to a study released Monday by U.S. Rep. Tom Allen.

The conclusion isn't exactly a revelation for anyone who has paid for

health insurance lately. But Allen said the study is the first detailed analysis of the changes in health insurance cost and accessibility for Maine small businesses over the past five years. He said he hopes other members of Congress will make similar examinations in their states, and decide that some sort of national response is needed.

"First you have to raise the issue in the minds of the public," he said.

The study was presented at a

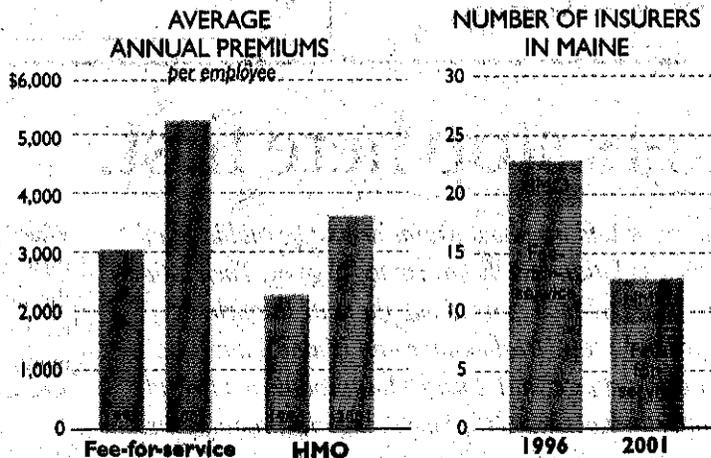
Portland press conference attended by representatives of small business. It was done for Allen, a Democrat, by the Minority Staff Special Investigations Division of the U.S. House of Representatives Committee on Government Reform.

The study found a pattern of steeply escalating cost and diminishing choice in the health insurance options available to Maine small businesses and their employees. Skyrocketing prescription drug prices were pegged as a major factor influencing

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Soaring cost, less choice

Health insurance premiums for small businesses in Maine rose rapidly between 1996 and 2001, by 78 percent for fee-for-service coverage and 60 percent for HMO coverage. During the same period, many insurers found business unprofitable and pulled out of Maine, reducing the number of companies from 23 to 13.



Source: U.S. Rep. Tom Allen

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