

# **Bond Case Briefs**

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## **ACA Taking Toll on Local Governments.**

Municipal governments not exempt from ACA-driven fee increases in health coverage.

For a municipal government, a little less than \$1,000 a month might not seem like much.

But the village of Berrien Springs, Mich., isn't your average municipality, says Milt Richter, the village president, not with its 11 full-time employees and a declining population of 1,800. So when it was notified recently that its monthly health insurance cost had risen by \$983 a month, it caught Richter's attention.

He wasn't happy and still isn't. Blaming the increase on provisions in the Affordable Care Act, or Obamacare as it's generally known, Richter fired off a letter to U.S. Rep. Fred Upton, R-St. Joseph. The chairman of the House Energy and Commerce Committee and an outspoken critic of the ACA, Upton responded Wednesday by meeting in Berrien Springs with Richter and other municipal leaders.

At a news conference that followed, the congressman said those local officials expressed complaints similar to Richter's. In the city of St. Joseph, health-insurance costs jumped \$75,000 a year, he said, adding the situation was similar in the much smaller municipality of Chikaming Township.

"I listened for a good hour. It reminded me of 'If you like your health care plan, you can keep it,'" Upton said, invoking President Barack Obama's pre-ACA pledge that turned out to be false when many U.S. policyholders discovered their coverage had either been dropped or costs had increased significantly.

The situation prompted Upton to author the "Keep Your Health Plan Act" that passed the House with bipartisan support 261-157. Although the Senate didn't take it up in 2013, Upton said it could resurface this year.

Contacted by The Tribune, Paul Clements, the Kalamazoo Democrat who will seek Upton's 6th District seat in the fall general election, released the following statement:

"I agree with Congressman Upton that policyholders should be able to keep their plans for another year and that we must hold the White House accountable when they fail to make basic technology work," he said, referring in part to problems Americans have had signing up for insurance on state registries.

"However, where we disagree is that I do not think insurance companies should be allowed to deny coverage to people with pre-existing conditions, discriminate against women or drive up prescription costs for seniors, which is precisely what would happen under Fred Upton's plan. That's not acceptable."

As for other possible changes to the ACA not related to costs, Upton mentioned U.S. Sen. Joe Donnelly's bill to change the legislation's 30-hours-per-week definition for full-time employees to 40. As it stands, Donnelly, a Democrat from Granger, has said some employers have attempted to reduce

the minimum employee count mandate for offering insurance by cutting back workers' hours to less than the 30-hours-per-week threshold.

"I remain encouraged we can make some fixes to a pretty flawed bill," Upton said.

Richter said that when village officials received notification of the cost hike, they initially believed the village was exempt based on its tax exemption as a municipal government. However, it was later informed no one is exempt from the charges, he said.

In his letter to Upton, Richter said adding such "a huge fee for such a municipality is a real injustice."

"Our employees do not make top-dollar incomes and to pass this increase on to them would be unfair. It is also unfair to expect our village residents to carry this burden," Richter wrote.

Upton asked that leaders of municipal governments with similar concerns contact him so he can discuss the issues with colleagues and possibly legislate changes. Letters can be sent to his local office at 800 Centre, Suite 106, 800 Ship Street in St. Joseph, MI, 49085.

Upton promised the ACA problems "won't be swept under the rug," mentioning other pre-legislation claims such as a \$2,500 annual reduction in policyholders' premiums.

"Let's face it. It's a mess right now," he said.

Richter said it's evident the ACA isn't as affordable as touted.

"What scares me more is what's coming down the road," he said.

BY LOU MUMFORD, MCCLATCHY NEWS SERVICE / FEBRUARY 20, 2014

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