

# Carcieri signs health initiatives

The legislation's centerpiece aims to bring down health-insurance premiums for small-business owners and their employees.

01:00 AM EDT on Friday, July 7, 2006

**BY ELIZABETH GUDRAIS**  
**Journal Staff Writer**

PAWTUCKET -- Governor Carcieri signed into law yesterday a sweeping health-care package that covers everything from soft drinks in schools to insurance coverage for stop-smoking treatments.

The package's centerpiece: Legislation that aims to bring down health-insurance premiums for small-business owners and their employees.

"I believe this will make a significant difference," Carcieri said.

Among other things, the new laws will create a commission to craft a health-insurance plan designed specifically for small businesses. That plan will be exempt from the mandates that govern health-insurance plans in Rhode Island, so the commission will have more freedom to decide which treatments, drugs and procedures should be covered, and which are nonessential. The goal, officials say, is a plan that combines lower premiums with a reasonable, if not lavish, level of coverage.

Another piece of the health-care package, a reinsurance fund, would subsidize health-insurance premiums for firms whose average pay falls below a certain dollar amount. However, that subsidy depends on a financing source -- a piece lawmakers and the governor will need to address next year. A proposal to finance the reinsurance through a tax on the state's two largest health insurers died this year, after the insurers protested.

The health-care package may not be a panacea, but it is "a major step forward," Carcieri said.

Sen. Elizabeth Roberts, cochair of the Joint Legislative Committee on Health-Care Oversight, agreed.

"There is no single, easy solution to our health-care problems in this country," Roberts, D-Cranston, said. "These are complicated problems."

It being campaign season, the candidates were out in full force yesterday. Seated beside the Republican governor was his Democratic opponent, Lt. Gov. Charles J. Fogarty. Both Carcieri and Fogarty made health insurance a priority during this year's legislative session, and the health-care package the Assembly ultimately passed included ideas from both men's proposals.

Roberts, a Democratic candidate for lieutenant governor, was joined at the front of the room by a bevy of other state representatives and senators who sponsored health-care bills and are running for reelection.

Health Insurance Commissioner Christopher F. Koller, who is responsible for much of the package's implementation, echoed Carcieri and Roberts in lauding the new laws. He recalled

receiving a phone call from a frustrated business owner who begged him to suggest a less expensive option for employee health insurance. Koller had to tell him there wasn't one.

"Now I can tell him that we are working on it," Koller said yesterday.

Carcieri signed the bills at the Pawtucket headquarters of Atlantic Paper and Twine. His staff set up a lectern and folding chairs in the company's loading-dock area.

The company has been operating since 1948, coowner David Spencer said. He and his wife, Lisa, bought the company from her parents in 1992.

The Spencers are eager to see what the new laws generate. They pay 70 percent of the cost of health insurance for their 15 employees. The 30-percent share the employees pay has become a burden for the company's lower-paid workers, so much that those workers' spouses have sought jobs with fully paid health coverage, David Spencer said.

The premiums have become a burden on the company, too. In the ~~the future, the company will be able to pay for the premiums for its employees.~~