



## *What Do Employers Stand to Lose/Gain in Healthcare “Reform?”*

By Attorney Douglas P. Seaton

### *In This Issue*

- **What Do Employers Stand to Lose/Gain in Healthcare “Reform?”**
- **New Law Update for Employers**
- **Seaton, Beck & Peters, P.A. Offers Immediate Training Package on EFCA & Other Union Issues**

Employers may have more at stake in the one-month debate during the Congressional recess on healthcare “reform” than anyone else. The “good” part of possible reforms for employers is the idea (that’s all it really is so far) of exchanges or cooperatives (trade association health plans included, let’s hope) to facilitate more competitive markets and bargaining power for health insurance buyers and the possibility of a federally-mandated nationwide “basic standards” health plan to allow low-cost coverage (Minnesota has 68 mandated benefits, which makes it impossible for any but a few insurers to offer anything except high-cost plans). But, the “bad” parts far outweigh the good in the proposals under discussion and are far more likely to be part of a Democratic bill than the good parts.

What’s bad? Let us count the ways:

- An additional 8% payroll tax for employers and more expensive group plan costs if the Congressional instinct to increase, rather than decrease, mandated levels of coverage prevails and if cost “reforms” are the usual smoke and mirrors (there are no malpractice lawsuit cost caps or other reforms in the Democratic plan, for example).
- Business owners and managers could pay an individual income tax surcharge of \$500 billion dollars to cover the uninsured, including illegal aliens.
- Higher employer insurance premiums because of proposed surtaxes on certain health insurers, and on “better” health plans.
- Higher plan costs, reduced choices and, “ultimately,” single-payer bureaucratic healthcare decision-making after the “public option” plan, as predicted because of its unfair tax and subsidy advantages, drives private insurers out of the marketplace (as the left-wing fully intends that it should do) and leaves us with a full government takeover of healthcare; and,



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- Failure of any cost savings, except the government paying less than the actual cost of services for politically favored users, the way Medicaid and Medicare now do (especially in Minnesota), and foisting the costs on the taxpayers or other healthcare users.

If you are concerned about the likely impacts on your business of the radical portions of the proposed healthcare “reform,” call or write your senators and congressional representatives now and tell them so while there is still time and they are home on recess during the next few weeks, and before the critical congressional votes in September.

**Seaton, Beck & Peters, P.A. Offers Immediate Training Package on EFCA and Union Issues for Business Owners, Managers, Human Resources and Supervisors, & for Rank-and-File Employees**

The experienced labor lawyers at Seaton, Beck & Peters, P.A. are ready to assist you in meeting the challenges presented by EFCA by offering training to your supervisors and managers which will prepare them to:

- Discuss the impact of EFCA with your employees
- Recognize the signs of union activity
- Legally discuss the true impact of unionization with your employees
- Counter the arguments and misinformation made by union agent.
- Explain the true meaning and serious consequences of card signing

Unlike most law firms, we are also prepared to conduct educational sessions for your rank-and-file employees, to help them understand how EFCA will affect their workplace and their lives, and to present the arguments and facts against unionization to them before union agents approach them.

**For more information, pricing & to schedule training,** please contact Doug Seaton, Alec Beck, Greg Peters, Tom Revnew or Jon Olson at Seaton, Beck & Peters, P.A. Phone: 952-896-1700; Fax: 952-896-1704; Email: [firm@seatonlaw.com](mailto:firm@seatonlaw.com).

<http://www.seatonlaw.com/training/efc09.shtml>

***New Law Update for Employers***

By Attorney Emily L. Ruhsam

**New Section 125 Plan Requirement.** Effective July 1, 2009, Minnesota employers with more than ten full-time employees who do not already offer health insurance to their employees are required to establish and maintain a Section 125 (cafeteria) plan. Employers may, however, choose to opt out of this requirement by filling out an electronic form available on the Minnesota Department of Commerce’s website at: <http://www.commerce.state.mn.us/Section125/Section125.html>. There is some grant money that may be available to employers to cover the cost of implementing a new Section 125 plan.

**MN COBRA Premium Subsidy.** Effective July 1, 2009, Minnesota employers covered by Minnesota’s mini-COBRA law are required to provide a state COBRA subsidy to those employees involuntarily terminated. The eligibility requirements for the state subsidy are the same requirements in place for the federal COBRA subsidy (individual must have lost coverage due to an involuntary termination of employment between September 1, 2008 and December 31, 2009). Employers are also required to provide notice of the Minnesota subsidy to these individuals. The state premium subsidy is equal to 35% of the individual’s premium cost.

**Increase in Federal Minimum Wage.** Effective July 24, 2009, the federal minimum wage increased from \$6.55/hour to \$7.25/hour. This is the third and final incremental increase to the federal minimum wage under the Fair Minimum Wage Act of 2007. The first increase occurred on July 24, 2007 (increased from \$5.15/hour to \$5.85/hour); the second increase occurred on July 24, 2008 (increase from \$5.85/hour to \$6.55/hour). Generally, businesses are required to pay federal minimum wage if they are engaged in interstate commerce (very broadly construed as buying or selling anything made outside the state) and have an annual dollar volume of business of more than \$500,000. Minnesota’s minimum wage rate remains at \$5.25/hour and applies to employers grossing less than \$500,000 annually.

Please contact Douglas Seaton, Emily Ruhsam or any other Seaton, Beck & Peters lawyer (at 952-896-1700) for additional information on the healthcare legislation issues or these recent law changes, or if you’d like to discuss any other labor and/or employment law issue.