

## Bills would let small businesses buy coverage in bulk

By Jay Fitzgerald | Thursday, February 11, 2010 | <http://www.bostonherald.com> | **Business & Markets**

Massachusetts health insurers are now fighting a two-front war against critics.

While Gov. **Deval Patrick** yesterday was calling for potential caps on insurance-premium increases, a couple of bills now winding their way through the Legislature would let small businesses band together to buy health insurance in bulk for employees - an idea the insurance industry despises.

State Rep. Martin Walsh (D-Dorchester) said yesterday he also plans to amend those bills to make them tougher, so that small businesses, no matter what industry they're in, can organize into groups to negotiate the best price with insurers.

"A lot of small businesses can't afford health insurance," said Walsh, noting most small businesses are now required to provide health coverage for workers under the recently passed universal-health care bill in Massachusetts.

Under current law, businesses are not allowed to band together to negotiate bulk purchases of health insurance.

Lora Pellegrini, acting president of the Massachusetts Association of Health Plans, said changing the law will hurt the health-care system. "We believe it segments the market," she said. "We oppose it."

There's no evidence that bulk buying saves money, she said.

But Jon Hurst, president of the Retailers Association of Massachusetts, said large corporations and government entities routinely pay less per premium, due primarily to their ability to buy premiums in bulk.

He said many of his members are getting whacked with 20-percent-plus premium increases this year, while larger institutions aren't paying as much.

"The insurers are going to fight this tooth and nail," Hurst said yesterday of efforts to allow bulk premium purchases.

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