

A kick in the teeth (1/7/10)

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Washington Post: It has been nearly a year since Washington officials embarked on an effort to overhaul the nation's health-care system. How do you assess the situation today?

Say goodbye to small construction firms and the opportunities they offer owners and employees. In a covert, last-minute ploy, the Senate heaved them into the jaws of big labor. This abusive treatment is the best place to begin exploring the sleaziness and incoherence of the House and Senate health-care bills.

In dozens of ways, Congress kicked small business in the teeth while filling the outstretched palms of unions, big business, trial attorneys, insurers, hospitals and certain favored provider groups. Despite the promises and platitudes about helping small business, their needs and the overall goal of improving health care were discarded and forgotten.

One of the most egregious horse trades was perpetrated against small construction firms. Both bills contain job-killing employer mandates, but without warning, discussion or pretense of logic, the Senate singled out construction firms for harsher treatment. Unlike every other industry, their exemption plunged from fewer than 50 employees to fewer than five. A small construction firm that grows from four employees to five suddenly loses its ability to compete.

The likely result is a construction industry with only two types of firms: huge (i.e., "unionized") firms and microscopic firms with no capacity to grow or create jobs. Want a custom-built home by a small specialty builder? Forget it; he won't exist. Dream of owning a specialty cabinet-making business? Too bad; you can't add workers when business is good.

With a deep ongoing recession, this attack on small business is breathtaking. No debate. No discussion. No press coverage until after the fact. It bludgeons an industry already reeling from recession and dramatic job losses. All without any pretense of helping the economy, the construction industry, construction workers, home buyers, taxpayers or health care. Call this provision what it is: a naked political payoff to a favored group and a gut wound to a more vulnerable group.

Small business needed health-care reform more than just about any other group; politician after politician swore this was so. Yet, putting politics before policy, the House and Senate chose to inflict incalculable damage on small business in order to enrich and empower their most favored friends -- big business and big labor.

Congress must undo this assault on the construction industry. But after that, there are dozens if not hundreds of other offending provisions to strip out: inequitable taxation on small business' insurance policies, mind-numbing paperwork requirements, powerful disincentives to hire employees from low-income households, limits on employer and employee insurance choices. The list goes on.

Once you understand this construction industry massacre, you're ready to explore the destruction contained in the other 4,000-or-so pages of these two bills.