



...to promote a society free
from sexual violence...

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Comments to the Health Care Coverage Commission
On Nonprofits and Health Care Coverage
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I am a director of a statewide nonprofit that struggles every year to provide health insurance to employees. Our member organizations, 28 sexual assault crisis centers throughout Iowa who assist rape victims, have similar difficulties. Overall, there has been very little discussion about the impact of health care reform on nonprofits. Most of those 28 sexual assault crisis centers are small nonprofits, able to pay only modest wages to workers who help rape victims and their families. Crisis intervention work is difficult and those employees deserve quality and affordable health care. In the case of our organizations, it happens to be work that is mostly performed by women, many of whom also support minor children.

We are committed to the well-being of our employees. Maintaining the best possible health, including mental health, for oneself is critical to being able to help others.

The member organizations of the Iowa Coalition Against Sexual Assault are separately incorporated nonprofits. I am going to speak from our experience at our central office; however, the problems I am describing are also true of our member organizations.

As you know, employees of Iowa nonprofits are about 8.9% of the total workforce, but most are small businesses, employing 50 or fewer workers. As a small nonprofit, we just don't have access to the range of insurance choices available to larger companies.

We currently have nine full-time and three part-time employees. Our payroll changes with funding opportunities and so at times we have more employees, although we would typically not have more than 15 employees.

We currently offer plans for employee and their children. A spouse can be included but the employee is responsible for 100% of the spouse's premium.

We offer stipends to part-time employees who are ineligible for our coverage, as well as a stipend to one out-of-state employee who could not participate in our plan; these are pro-rated up to \$250 maximum allowance.

Our current plan includes: \$1,000 deductible-single, \$2,000 deductible-family; 15% coinsurance; \$2,000 out of pocket maximum-single, \$4,000 out of pocket maximum-family; \$15.00 office co-pay; \$150.00 ER co-pay; tiered prescription - \$10/\$25/\$40. Dental includes \$25 deductible-single, \$75 deductible-family; 0% deductible- prevention and diagnosis; 20% deductible-routine and restorative; 50% deductible-major restorative; annual benefit period maximum - \$2,000/person; 50%-orthodontics.

We have worked hard to keep plans affordable, and currently employees pay \$60/month for single plans and \$150 for employee/child plans. However, with expected increases we will likely have to increase that amount.

Currently our central office pays \$60,000 to insure our employees. Renewal rates have climbed, 14.5 percent in 2007, 6.3 percent in 2008, 18 percent projected for this year. With these cost increases, we have also had to increase deductibles, out-of-pocket maximums and the amount of the premium paid by staff. Our biggest concern, year-to-year, is that the serious illness of a single employee or employee's child can cause drastic rate increases. A chronic serious illness of one employee could have a significant permanent impact on rates.

Our health care costs are approximately 10% of our agency's operating budget (this excludes funds that we subgrant directly through to other agencies).

We evaluate our health care plan annually and compare rates. The difficulty is that as a small organization, we have no bargaining power and a limited number of plans available to us. Although we do an annual review, we have not changed carriers because other carriers had similarly priced packages.

In the past we have made a number of attempts and inquiries to become part of some kind of larger pool. In earlier years we were told that we could not purchase insurance as a group with our 28 member organizations because we "could not form a pool just to purchase insurance," even though that was not the reason our organization was formed. Currently, we have been told there is no product available to meet our needs.

Of course, much of what happens next depends on the resolution of the current health care reform debate. Small nonprofits must be able to offer a public plan or buy into a larger insurance pool. We also need to be in a pool where the administrative burden is somehow shared. Timely responses to employees' health care concerns and insurance problems are critical and we cannot afford an employee devoted to this kind of task.

Nonprofits are facing rising demands for our services with fewer private contributions and other resources to help meet that demand. Our programs provide services that allow lowans to cope with a crisis caused by violence, and to move on with their lives. Without assistance in resolving the problems of health care costs, many will eventually be forced to cut staff, cut benefits, and therefore critical community services.

We welcome an opportunity to engage in dialogue that would result in affordable and quality health insurance for our employees.