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Drew Greenblatt | Inc.com contributor

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My Company's Health Insurance Price Just Shot Up 49%

BY Drew Greenblatt

What can we do about it? 6 ideas.



Today, I am testifying to a U.S. Senate committee--describing the horrific price increase my manufacturing company faces for our health insurance premiums. After years of increases between 8 and 12 percent, our provider of 15 years just increased our rates by 49 percent.

That's an amazing increase. After all, I cannot raise my product prices 49 percent. My clients would laugh at me.

Small businesses throughout our nation have a big problem. We have to be competitive against Asian and European companies, and this is another expensive obstacle we have to overcome to try to maintain our edge.

Don't get me wrong, I'm not against providing health insurance--it's a key benefit we give to our team. My family has the same plan as my employees; we are in this together. We provide the coverage because we care about our people and we want them to be healthy. As a matter of fact, 95 percent of U.S. manufacturers offer health insurance coverage to their employees.

That said, we will grow jobs by making our employees more competitive in a global economy if we lower the burdens to employ them. Here are six ways to lower health insurance costs, which will make it easier to expand coverage for our nation:

1. **Competition.** Let Americans buy from providers in any state, allowing for price-lowering competition. We shouldn't be forced to purchase from a small number of competitors in our own state.

2. **Tort reform.** Many doctors pay hundreds of thousands of dollars a year in premiums. They are scared they will be sued. On top of that, doctors practice defensive medicine, ordering unnecessary tests that drive up costs. Those costs get passed through to us in the form of premiums.
3. **Roll back the Affordable Care Act taxes.** Five percent of our company's cost increase was due to new taxes. Eliminate them.
4. **Leave it up to the users.** It is patronizing that I have to decide which health insurance carrier, deductibles and plans my employees use. Employees should decide which plan they want without their employer as a middleman. They do a fine job choosing their own homeowners insurance and car insurance without employer involvement.
5. **Let us buy in bulk.** Let businesses team up with each other and buy as a group so we can negotiate better pricing.
6. **Think Nordstrom vs. Costco.** Some consumers like all the service and flourishes that Nordstrom offers. Some prefer the streamlined offerings and cost structure of Costco. Let us choose, not Washington, how many services we will get in our health plan.

IMAGE: David McNew/Stringer/Getty

<http://www.inc.com/drew-greenblatt/my-companys-health-insurance-premiums.html>



[DREW GREENBLATT](#) is the president of [Marlin Steel](#), a U.S.-based builder of steel wire baskets and sheet metal material handling containers. Marlin has grown for seven consecutive years, has gone more than 1,800 straight days without a safety accident, and believes passionately in the American manufacturing renaissance.

Marlin Steel 2640 Merchant Drive, Baltimore, MD, USA 21230-3307

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