

A mini-storm is brewing over new 'mini-med' plans

Some champion partial health-care options, but most brokers balk

By ADINA GENN

Health insurance brokers are buzzing about "mini-med" plans, a new regional offering that could help business owners grappling with spiraling health-care costs.

But the plans, introduced to the New York market in the last year, are not without controversy.

The limited plans provide an alternative for owners who cannot afford to offer employees full medical coverage. Flexible in nature, they typically cover a certain number of doctor's visits but provide no catastrophic coverage.

Experts say the plans appeal most to those who employ part-timers or seasonal staffers in retail or restaurants, or those who hire low-wage employees. "If you don't have any coverage, this plan is certainly better than none," said Josh Senders, an owner of Melville-based Pilot Employee Benefits.

The option may be of particular interest to many Long Islanders.

An estimated 448,000 people in Nassau and Suffolk lack health insurance, according to the Long Island Association's 2006 numbers.

Restaurateur Brian Valdini said workers at his Bay Shore-based Fatfish Bar & Bistro often are covered under their spouses' plans or, in the case of college students, their parents. He still expressed interest in the program, although "the monthly cost would have to be so minimal for both parties" in order for the plan to be affordable.

The mini-med plans have other potential flaws, according to opponents. Their very limited nature may trigger problems for employees and owners down the line, prompting many brokers to take a wait-and-see approach. And even if more owners sign on, the plans won't solve the health-care crisis, according to Senders and other insiders.

Philip M. Jacoby, president of Rockville Centre-based United Benefits Solutions, has already made up his mind. "I sell against this," Jacoby said. "It gives false hope."

A mini-med plan, he said, is

really a scheduled policy contract, not insurance: A plan may provide as much as \$75 for five separate doctor's office visits annually, but when a visit to a specialist runs \$350, the employee must pay the difference.

Hospitalizations can set off even bigger problems, noted Rob Rossiter, owner of Syosset-based One Source Services. Rossiter has examined plans that cover hospitalization – but only hospitalization. Medical care in a hospital, as well as in-hospital medication and tests, are not covered, he said, and employees may not fully grasp that discrepancy until it's too late.

"I'm just waiting to see the lawsuits this could generate," Rossiter said.

Kevin Arnstein, managing director of the Melville-based insurance provider Cook, Hall & Hyde, said of his 200 local clients, "no one is doing this."

Jacoby said he prefers health savings accounts, where workers are fully covered after meeting a deductible as high as \$5,000 – an amount they can pay off, if needed. Such accounts "limit your liability," Jacoby said.