



# THE WANADA BULLETIN

NEWS AND INFORMATION FOR AND ABOUT FRANCHISED NEW CAR DEALERS IN THE WASHINGTON AREA

WANADA Bulletin #11-03

March 17, 2003

## TAHC Spearheading Support for New Association Health Plan Legislation *With Healthcare a Major Issue, Chances of Passage Improve*

With healthcare a growing concern among Americans, The Association Healthcare Coalition (TAHC), of which WANADA is a founding member, has its best chance ever to gain passage of the "Small Business Health Fairness Act of 2003" legislation to strengthen and expand access to affordable health insurance for small businesses through Association Health Plans (AHPs).

The bill (S. 545) was introduced in the Senate March 6, 2003 by Senators Olympia Snowe (R-ME), along with original Senate cosponsors Kit Bond (R-MO), Jim Talent (R-MO), John McCain (R-AZ), Elizabeth Dole (R-NC), and Norm Coleman (R-MN).

"The bill I am introducing will provide revolutionary changes to the health insurance choices available for small businesses," said Snowe, who chairs the Senate Committee on Small Business and

Entrepreneurship. "It is a starting point in solving the healthcare crisis facing our nation's employed but uninsured." She noted that, "The skyrocketing costs of health insurance are simply crushing small businesses. The time has come for Congress to recognize that small businesses in Maine and

all across the country are desperate for change."

The Senate bill is identical companion legislation to H.R. 660 introduced in the House on February 11, 2003, by Representatives Ernie Fletcher (R-KY) and Cal Dooley (D-CA), with the strong support of Sam

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### MARYLAND LEGISLATIVE UPDATE:

#### MD Doc. Fee Bill Clears Senate Committee Dealer Support Needed Now To Gain Senate Passage

Thanks to the strong support of Maryland dealers, The Dealer Processing Fee Bill (SB 438/ HB 454) cleared the Senate Judicial Proceeding Committee by a vote of 10-1 on March 12<sup>th</sup>, and is now headed for a full Senate vote. This is real progress, but the dealer effort is not finished. MNCTDA and WANADA are urging dealers to shift their effort to the House Environmental Matters Committee, which needs to favorably report HB 454.

As approved by the Senate Judicial Proceeding Committee, Dealer Processing Fee calls for an increase in the maximum amount a dealer can charge for processing fees

from the current level of \$25 to \$75. The original bill called for \$100. As pointed out in Special Bulletins from the associations, the House Committee needs to be convinced the increase is warranted — at the \$100 level. A portion of the bill that would allow dealers to exclude the fee in advertising, as with freight, needs to be impressed upon the committee who's being told by the attorney general's office that this should be cut out.

Passage by the Senate will greatly improve chances of passage in the House. All Maryland dealers should contact the House Environmental Matters committee members

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# Health Plan Legislation

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Johnson (R-TX), John Boehner, chairman of the House Education and Workforce Committee, and over 70 original bipartisan cosponsors.

The legislation also has the strong support of President Bush and Secretary of Labor Elaine Chao, the latter of whom appeared at a press conference at the Capitol to announce the reintroduction of the bill in the House.

H.R. 660/S. 545 is essentially the same as legislation that was approved by the House on August 2, 2001. "But with healthcare becoming a major political issue, and with the added support of the Bush administration as well as growing bipartisan support, we are excited that we have our best chance ever of finally getting this legislation passed," said TAHC Executive Director Duane Musser.

The bill allows small businesses to pool together, through trade and professional associations like WANADA, and either purchase their health insurance from a provider, or self insure in the same way that large employers and unions currently do. It means workers in small and medium-sized businesses will be able to obtain the same economies of scale, purchasing clout, administrative efficiencies and plan design flexibility from which employees in large corporations currently benefit.

The bill also includes ex-

tensive new protections to safeguard national AHPs from the current epidemic of fraud and abuse that is occurring through sham trade associations that take money from unsuspecting employees and then are either unable or unwilling to pay claims filed by subscribers.

Studies by the Small Business Administration, the General Accounting Office, and the Congressional Budget Office have all found that AHPs operate within 13 percent to 30 percent lower administrative costs.

Musser pointed out that excessive regulation in state insurance markets has made it extremely difficult for associations to serve small employers. "AHP legislation must be a key component of any effort to maintain and expand access to affordable health coverage for millions of small business workers," he said.

The need for the Small Business Health Fairness Act becomes more critical as health insurance costs continue to rise for small businesses, threatening to expand the ranks of the uninsured. According to a recent Kaiser Family Foundation Health Poll Report, worries about rising healthcare costs registered higher in public opinion than concerns over the stock market or terrorist attacks. Thirty-eight percent of respondents said they were "very worried" that the cost of their health care or health insurance would

increase, compared to 22 percent who were "very worried" about losing their savings in the stock market, or 19 percent who were "very worried" about being a victim of a terrorist attack.

Previous Kaiser Foundation studies found that the cost of health insurance premiums rose 12.7 percent during 2002, over 11 percentage points more than the overall inflation rate of 1.6 percent.

"This legislation is needed to level the playing field between small businesses and the large insurance companies," said Musser. "Congress must approve this legislation if small businesses are going to receive any relief from high health insurance costs." For more information contact Duane Musser at 202-543-4455 or [dmusser@swaconsult.com](mailto:dmusser@swaconsult.com).

## MD Doc Fee Bill

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right away by phone, fax or email urging their support and vote this week. A follow up Special Bulletin including a list of the committee members is enclosed. Contact with Senators urging their support when the bill has the floor is important also.

E-mails are the most effective communication at this point, and MNCTDA is providing a sample e-mail with direct links to legislators available on its Web site, [www.mnctda.org](http://www.mnctda.org), under the "members" section using "MNCTDA" as the password.

## VA Dealer Board Reviews Salesperson Licensing, Budget Cuts

At its monthly meeting last week, the Virginia Motor Vehicle Dealer Board (MVDB) reviewed a recently enacted policy that salespeople must be “employees” of a dealership and not “1099 independent contractors.” The board reiterated that in all renewal documentation, dealers will be asked to certify that all licensed salespeople are employees. When field representatives visit dealers for inspection, they will be checking to be sure that all salespeople are employees. Dealers who are not in compliance with this requirement will receive an initial warning. Thereafter, civil penalties will be imposed.

In other actions, the MVDB **reduced four job position openings** in response to the commonwealth’s overall fiscal responsibility initiative. However, these reductions in open positions are not expected to seriously affect the ability of the board to undertake its responsibilities.

In addition, the General Assembly has voted as part of the budget bill to take more than \$4 million of surplus in the **Transaction Recovery Fund**. The MVDB noted that it expects that any future surplus in the Transaction Recovery Fund will be examined and subject to “taking” annually as part of the Commonwealth’s effort to balance the budget. The issue of the Transaction Recovery Fund was addressed

before the General Assembly this year where three alternatives were created for dealers, either participation in the Transaction Recovery Fund, an individual surety bond of \$100,000, or participation in a blanket bond of \$1,000,000 that could be obtained by a dealer trade association for its members.

### The Advertising

**Committee** also said it will review advertising regulations to determine whether any changes would be appropriate. It was noted that while the statutory requirements govern much of what is allowed or not allowed, there are potential areas of interpretation under the regulations that could have a significant impact on the advertising dealers do. The Committee will take the opportunity to make changes where changes are necessary at the May 12 board meeting.

## DC DMV Delays Fee Increases For Dealers Until April 1

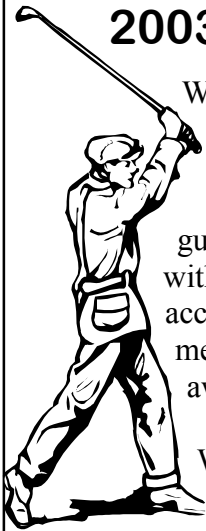
It’s no April Fool’s joke. As WANADA informed all dealer members in a March 4, 2003 Special Bulletin, the DC DMV will *defer* announced fee increases for dealers processing vehicle sales for customers until April 1, 2003. The delay was in direct response to input by WANADA that dealers require time to gear up for the fee changes, which were announced just prior to their original effective date of March 6, 2003.

The increased fees are hefty, approximately 30 percent, and are the result of across-the-board fee increases in the city government at large, pursuant to the 2003 DC Budget Support Emergency Act.

Note that the fee increases do not affect the DC vehicle excise tax which remains at the same level. The March 6 effective date for the fees affects only citizen consumers and motorists for things like driver’s licenses and non-dealer transactions.

A schedule of the fees, current and upcoming, is enclosed with this WANADA Bulletin. WANADA dealer members with systems to change should inform their staff and contractors without delay to be ready to go April 1. WANADA is working with the DMV to ensure a smooth transition on the fee changes.

For more information visit the DMV’s Web site, [www.dmv.washingtondc.gov/main.shtm](http://www.dmv.washingtondc.gov/main.shtm), or call Gerry Murphy, Tom Mann or Nick Champeau at WANADA (202) 237-7200.

**SAVE THIS DATE:****2003 WANADA Open Tees Off Monday, May 12**

When the daffodils begin to break ground it's time to dust off the golf clubs and start thinking about the annual WANADA Open at the Indian Spring Country Club in Silver Spring, Md., **Monday, May 12.**

Renamed and revamped last year – with more entertainment, prizes and celebrity guests – the annual golf tournament will still run on both the Valley and Chief courses with a shotgun start at 12:00 noon. Scoring will be by Captain's Choice or “best ball” to accommodate the various skill levels among players. There will also be a tennis tournament and, of course, the networking reception and banquet followed up by after-dinner awards, door prizes, and fellowship.

Sponsorship opportunities are available for kindred-line members and friends. A WANADA Open registration form and detail sheet with times and fees is enclosed with this WANADA Bulletin. In the meantime, save this date—**May 12!** For more information call Trish Frisbee at the WANADA office, (202) 237-7200.

**An “ACT” of Kindness**

Robert Dickie, a social studies instructor at Damascus High School who was paralyzed in a rock climbing accident last fall, is seen here getting his first “lift” in a 1988 Ford Econoline van outfitted with a side hydraulic lift for handicapped entry. The distinctive, bright purple van was completely renovated and donated by Damascus High School and Edison Academy students enrolled in the Montgomery Country Students Auto Trades Foundation, which is part of the WANADA-sponsored Automotive Career Technologies (ACT) program. Also on hand for the special presentation was Montgomery County School Board member Sharon Cox and Dottie Fitzgerald of Fitzgerald Auto Malls.

**Thought for the day...**

*How would you like to be buried with my people?*

— An Irishman's proposal of marriage

**Enclosures:**

- WANADA Special Bulletin March 17, 2003 to MD dealers regarding the Processing Fee legislation in Annapolis( Follow up)
- Schedule of increased DC DMV Fees effective for dealer customers April 1,
- 2003 WANADA Open Details and Registration sheet