

Morrissey's robust health insurance plan has employees sticking around

BY BRUCE SERLEN

ST. PAUL, MN—On the occasion of the Saint Paul Hotel's 100th anniversary celebration last month, William Morrissey, president of the property's management company, Morrissey Hospitality Cos., acknowledged the hard work and loyalty of the hotel's employees. Morrissey Hospitality has made sure to retain that loyalty by providing a supportive work environment and suitable training. But Morrissey is quick to add another factor that keeps staff members motivated: a comprehensive benefits package that first and foremost includes health insurance.

With the Patient Protection and Affordable Care Act (HR 3590) having been signed into law only two months ago, following a prolonged and divisive debate in Congress, owners and managers like Morrissey are still not certain how much coverage they will be able to provide their employees, nor at what cost. Morrissey Hospitality's package of benefits includes medical and dental insurance, life insurance

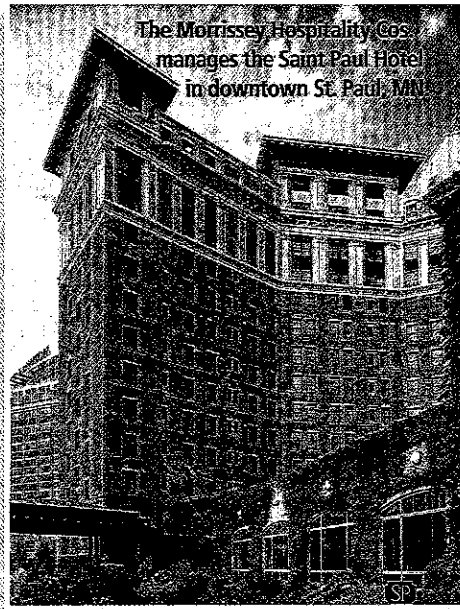
and long-term disability coverage. In addition to employees at the 254-room Saint Paul Hotel, the company covers the staffs at the nearby 222-room Hotel Minneapolis, which it also manages, and a number of area restaurants and a catering operation. Roughly 1,000 employees are covered in total.

Morrissey's rationale for providing a rich benefits package is only partly altruistic. "These employees have hard lives for which they're not paid that much money. So the insurance benefits help them and they help us keep a stable work force," he told HOTEL BUSINESS®. "It's one of the reasons we have one of the lowest turnover rates in the Minneapolis/St. Paul hotel market."

As an employer, Morrissey said he wants employees focused on their jobs, not worrying about whether they have adequate coverage if they fall ill. "Is it expensive? Yes. But so are energy, maintenance and renovations. For me, if you're going to be a

good employer, it's the cost of doing business," he said.

Morrissey Hospitality has managed the Saint Paul Hotel since 1995 and the Hotel Minneapolis,



The Morrissey Hospitality Cos. manages the Saint Paul Hotel in downtown St. Paul, MN.

lis, which is part of Doubletree Hotels & Resorts, since 2005.

When it comes to their benefits, not all segments of the Morrissey workforce have the same priorities. Consequently, the company offers a tiered approach. Younger employ-

ees tend to be in good health and want to retain as much of their salary as they can, so they are attracted to the basic plan. The stepped-up package and the full package appeal to older workers, who are more concerned about their health. Co-pays vary accordingly.

"The choice is a reflection of the value they place on health insurance. Any employee, regardless of age, can opt for any of the three tiers," Morrissey explained. "Obviously, given the cost of healthcare today, we've had no choice but to charge a co-pay. But we feel it's affordable."

While Morrissey waits for specific provisions of the new Federal legislation, which was signed by President Obama on March 23rd, to be clarified, he hopes the reform effort doesn't end up shortchanging the benefits his employees already have. While many of the legislation's provisions will not be implemented until at least 2014, a number of changes can be expected this

year. Before many changes can take effect, the Department of Health and Human Services must first draft what are called implementing regulations.

The American Hotel & Lodging Association opposed the bill as it worked its way through Congress on a number of counts. Primarily, the association objected to the new costs and regulations it felt the bill imposed on businesses. The AH&LA also advocated for allowing small businesses to pool resources across state lines as a way of securing affordable coverage, a feature not included in the final bill.

"When I'm asked about the health reform act, I just say that we're going to cancel our coverage because the government's going to provide it," Morrissey joked. "But that's not true. As long as adequate health insurance matters to employees, we're going to find a way to provide it. We don't know where the future is going to take us. Like other hotel operators across the country, we're not sure how many of the provisions will play out. But we do know that it's important." **HB**