

# Economic Forum Addresses Health-Care Reform Impact

By Wanda Freeman

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Health-care reform will bring on a collision of market forces that likely will affect the bottom line for individuals and businesses alike, according to remarks made Wednesday by economist Kathy Deck and management professor Kermit Kuehn.

Deck, director of the Center for Business and Economic Research at the University of Arkansas, and Kuehn, director of the Center for Business Research and Economic Development at the University of Arkansas at Fort Smith, shared the podium during the second semiannual Fort Smith Regional Economic Outlook Forum at UAFS.

About 100 people attended the event.

Although both speakers provided statistical details about the economy - Deck focusing on the slow national recovery in progress and Kuehn focusing on state and local employment and consumer issues - the question-and-answer period afterward ventured outside of numbers and graphs.

Craig Rivaldo, president of Arvest Bank, the forum's sponsor, asked what effect health-care reform would have on business and the economy.

"Health care is already one of the top sectors for growth, and with mandatory health care, that means more access and more demand," Kuehn said.

"The market itself will put some pressure on the system to restrain the growth of costs," Deck said. "You'll have to perform fewer services or pay the people who perform those services less. ... It means somebody gets paid less."

While everyone will want to want to access health care, the sector may not be able to meet the demand in a cost-effective way.

"The forces will collide," she said.

Kuehn said that the health-care sector is already understaffed, even without the expected increase in demand.

"That should lead more people to pursue health care as a career, yet at the same time you're chipping away at the income potential," he said.

After the event, Rivaldo explained his main concern is how the health-care sector is going to respond to national health-care reform.