

Employer groups blast House health reform measure

By Kathleen Koster

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Employer groups are bewailing the House-passed health care reform legislation, worried that this type of overhaul would mean a negative shake-up of the way employers handle benefits.

“Today’s passage of the U.S. House of Representatives version of sweeping health legislation makes the U.S. Senate the last hope for a balanced, responsible measure that might have some chance for bipartisan support,” says James A. Klein, president of the American Benefits Council.

“As an organization that has worked tirelessly for years to reform the health care system, the American Benefits Council is greatly disappointed that today’s vote represents a missed opportunity to craft a bill that would not only address the imperative to expand coverage, but would also truly improve the quality of care, and meaningfully begin to control costs. Instead, this legislation is likely to destabilize the employer-sponsored health coverage system that serves 160 million Americans,” he adds.

Criticism is especially strong for the House’s “pay or play” mandate, which would require employers to either provide a standard of coverage or pay a penalty.

“As we have stated repeatedly over the past several months, the House bill’s regulatory framework will, unintentionally, compel many employers to cease offering health coverage and simply ‘pay’ a penalty rather than ‘play’ through sponsoring a plan – thereby losing all the innovation that employers bring through promoting wellness programs and insisting on good quality outcomes,” says Klein.

Other groups are angered, and frightened, by the bill’s potential consequences for employers and their businesses’ livelihood.

Helen Darling, president of the National Business Group on Health, which represents about 280 large U.S. employers, identified 10 major items that should concern plan sponsors that provide health care benefits to their workers. According to Darling:

- 1) the bill lacks meaningful ways to control health care costs;

- 2)** the bill takes us down the road to even worse deficits and crushing national debt by not getting more savings from the health system and making the coverage more affordable;
- 3)** there is no support for strong evidence-based medicine or a way to make certain that we don't pay for treatments that are not effective;
- 4)** there is not a strong independent Commission that could help Congress make the politically hard but obvious good decisions to eliminate wasteful and harmful treatments and spending;
- 5)** it does nothing to correct medical liability problems and related costly defensive medical practices;
- 6)** it doesn't expand employers' ability to help employees to actively engage in wellness activities or achieve health goals;
- 7)** it undermines ERISA and opens ERISA plans to unacceptable burdens;
- 8)** there are serious questions about the public plan and how it would operate;
- 9)** an employer who provides comprehensive benefits could still be subject to an 8% payroll tax if employees decline employer coverage because it costs more 12% of the employee's income; and
- 10)** it contains a particularly outrageous requirement that any employer still offering retiree medical coverage would have to continue it indefinitely thereby hurting employers who have done what they could to maintain benefits for retirees.