

SUPPORT AND STRENGTHEN EMPLOYER-SPONSORED INSURANCE

THE ISSUE

Of the 90% of Americans who have healthcare coverage, more than half—181 million—have the ability to access health insurance through their employers. The employer-sponsored insurance (ESI) market offers comprehensive, quality-driven care options, and controls costs by designing innovative population health strategies.

Whether it is called Medicare for All, single-payer, or a public option, one-size-fits-all healthcare will mean all Americans have less choice and control over their care and coverage. It would also significantly disrupt how the majority of Americans receive their health insurance in part by de-stabilizing the employer-sponsored insurance market.

THE IMPACT OF MEDICARE FOR ALL

TAXES: A single-payer system would be funded by raising taxes on Americans by billions of dollars every year. Medicare for All would cost more than the U.S. government spent on the military, healthcare, social security, and other entitlement benefits combined last year.

QUALITY: Single-payer healthcare systems overseas provide lower quality of care than what American patients receive, and current government-run programs in the U.S. have worse quality outcomes than private plans.

ACCESS: Medicare for All could result in over one million fewer doctors and nurses nationwide by 2050, threatening Americans' access to quality health care. This reduction could especially affect rural communities, which serve more than 60 million Americans.

THE IMPACT OF A PUBLIC OPTION

Public plan options like a Medicare buy-in would ultimately grow the federal deficit by \$700 billion in 10 years. A public option could also lead to a new 5% payroll tax on working families, proportionately higher than the combined Medicare payroll tax Americans pay today.

After the first 10 years of a public option, more than seven million current enrollees would no longer have private coverage through the marketplaces – with two million of those enrollees being forced off their private plans as insurers exit the marketplaces altogether. By 2050, 70% of state marketplaces, spanning 34 states, would no longer offer a single private insurance option.

OUR POSITION

The Council believes Congress should focus on reining in healthcare costs for every American, no matter where they get their insurance. When the free market and public programs work together to bring down costs, we believe the U.S. can expand access to higher-quality care. To improve the current U.S. healthcare system, The Council proposes:

- Stabilize the individual marketplace by liberalizing the 1332 waiver process, codifying the Affordable Care Act's (ACA's) Cost Sharing Reduction (CSR) Payments, and creating reinsurance pools to mitigate premium increases. If this market destabilizes, the costs to cover uninsured individuals will be shifted to the employer-sponsored market, raising costs for employers, increasing premiums for employees, and decreasing benefits for ESI recipients. About 20 million Americans purchase insurance on the individual market. Combined with those that receive insurance through the employer-sponsored market, those two groups make up greater than 60% of the U.S. population.
- Keep the income tax exclusion for employer-provided health insurance
- Avoid shifting rising costs to the employer-sponsored health market and instead, address actual cost-drivers in the system
- Increase business-to-business transparency on quality (services, delivery, experiences, etc.) and pricing to allow for more thoughtful healthcare consumption

ABOUT US

The Council of Insurance Agents & Brokers is the premier association for the top regional, national and international commercial insurance and employee benefits brokerage firms worldwide. Council members are market leaders who annually place 85 percent of U.S. commercial property/casualty insurance, and millions in employee benefits premiums.

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EMPLOYER-SPONSORED INSURANCE: THE BACKBONE OF U.S. HEALTHCARE



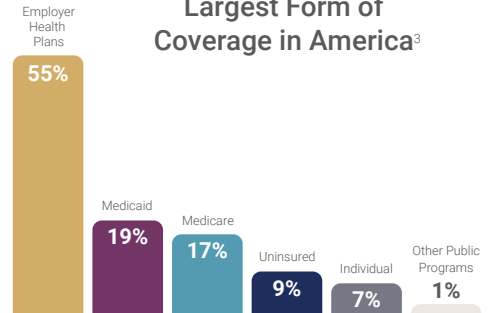
181 MILLION AMERICANS

have access to healthcare coverage through their employers¹

7 MILLION PEOPLE

gained coverage through their employer between 2013 and 2017²

Largest Form of Coverage in America³



*Adds up to greater than 100% due to overlapping coverage



Innovative, Comprehensive and Quality-Driven

40% of employers have **value-based care initiatives** to better manage chronic conditions and lower costs for employees⁶

Employers who use value-based strategies **cut medical costs by 5.6% and improved care quality by 80%**¹⁰

96% of larger employers made telehealth services available in 2018⁵

Replacing in-office consults, urgent care use, or ER visits with telehealth consults for common conditions can **save more than 50% of typical costs per visit, and patient issues were resolved in one visit 83% of the time**⁸

83% of employers offer wellness plans⁵

Employers offering disease management-specific wellness programs **saved \$136 per employee per month, driven by a nearly 30% reduction in hospital admissions**⁴



Effective at Controlling Costs



In 2017, premiums for family coverage rose **3%** in the group market and **20%** in the individual market⁷



Bears the Brunt of Price Increases

2X

Employer-sponsored health plans pay twice as much as Medicare and Medicaid for common tests and procedures. Prices are highest in the commercial insurance market because of cost shifting in a fee-for-service environment.

How Congress Can Help to Strengthen Employer-Sponsored Insurance



- Keep the income tax exclusion for employer-provided health insurance
- Avoid shifting rising costs to the employer-sponsored health market and instead, address actual cost-drivers in the system
- Stabilize the individual marketplace
- Increase business to business transparency on quality (services, delivery, experiences, etc.) and pricing to allow for more thoughtful healthcare consumption

Sources: ¹ AHIP Surprise Billing Consensus Statement 2018
² Axios
³ "Health Insurance Coverage in the United States 2017," United States Census Bureau, 2018;
⁴ Kaiser Health Insurance Coverage of Total Population 2017

⁴ Final Report, Santa Monica, Calif. RAND Corporation, 2014
⁵ Kaiser Employee Benefits 2018 Annual Survey
⁶ Med City News, 2017
⁷ Kaiser Family Foundation
⁸ Alliance for Connected Care as seen in EHR Intelligence

⁹ Center for Medicare and Medicaid services, National Health Statistics Projections, Table 17, Health Insurance Enrollment and Growth Rates Online
¹⁰ "Finding the Value in Value-Based Care," Change Healthcare, National Research Brief, 2018