



Employers favor private-industry reforms

By Leah Carlson Shepherd

January 24, 2008

Employers don't seem to have much faith that the next president will produce significant health care reform, according to a new survey from *Employee Benefit News* and CBIZ Benefits & Insurance.

However, they are putting their faith in some private-sector initiatives to reduce health care costs and make coverage more affordable, including onsite wellness programs, disease management and cutting medical malpractice settlements.

A vast majority (67%) of respondents believe the country will not see significant health care reforms and reduce its number of uninsured residents as a result of this year's election, regardless of who wins. About 26% said that could happen if a Democrat wins, while just 6% said that could happen if a Republican wins.

Companies still think the employer-based system is the way to deliver benefits, despite cynicism over governmental efforts to assist them.

However, a surprisingly large portion of respondents expect huge shifts in benefits delivery that will leave employers out of the equation. Almost 25% of respondents believe the current, employer-based system will not remain the primary mechanism of benefits delivery for the next 10 years, while 69% said it will remain the primary delivery system and 6% had no opinion.

Rob O'Byrne, president of CBIZ Benefits & Insurance, says that "signifies a general, knee-jerk dissatisfaction with the fact that costs are rising. People are frustrated that costs are continuing to rise."

Looking at solutions, 54% of respondents considered expanding preventative care and disease management, an extremely viable strategy for reducing health care costs, compared to 49% for reducing medical malpractice settlements, 32% for electronic medical records, 21% for allowing the federal government to negotiate drug prices and 15% for coverage limits.

They also ranked the effectiveness of potential health care reforms. About 25% said a private-industry solution (with tax incentives for people to buy individual coverage when they're not covered by an employer) is extremely likely to be effective. Only 12% said the same for a private-industry solution that requires individuals to purchase coverage, and 11% said the same for universal coverage paid for by the government.

The survey included 456 HR professionals and corporate executives.