
Employers Expect Health Reform to Raise, Not Lower Costs

By Editor Test *Wed, Sep 30, 2009*

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Most employers are resistant to changes in the health care status quo and worry that reform will raise rather than reduce overall costs, according to a new poll by Watson Wyatt.

The poll of 160 employers found that 73% believe health care costs will increase if health care reform legislation is enacted. Even more (86%) think the health care proposals being considered would weaken the role employer-sponsored plans play in providing health care coverage.

Fewer than three in 10 (29%) of employers said they would support a tax on high-income employees with high-cost plans. Fewer than one in five (19%) would support a tax on insurers that provide high-cost plans. Only 11% would support taxing employer-paid health insurance premiums.

The poll found that only 10% of employers would support an "employer mandate" that required them to provide health insurance, but 50% would support a mandate requiring individuals to buy health insurance. Ten percent would support both, and 30% would not support either.

"Escalating health costs have been top of mind for employers for years now, but the reform debate has pushed this issue to a critical point," said Ted Nussbaum, North America director of group and health care consulting at Watson Wyatt.

"While the national debate centers on options for expanding coverage and ways to generate revenue to fund reform, employers are concerned that health care costs will rise even higher as a result of the new legislation," he added.

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