

Health Care

Large Employers Committed to Offering Health Benefits, but Challenges Remain

Large employers are committed to maintaining health benefit plans, but concerns persist about cost, quality of insurance and “levels of consumer engagement among their employees,” research from the American Health Policy Institute found.

Chief human resources officers said that despite this commitment, companies worry that costs could spiral out of control, causing expenses to be shifted to employees, Tevi Troy, chief executive officer of the institute, told Bloomberg BNA June 1. Troy was the deputy secretary of the Department of Health and Human Services in the George W. Bush administration.

After enactment of the Affordable Care Act, many people predicted that employers would opt out of offering health insurance and focus instead on providing defined contribution health plans and directing employees to individual health insurance and the public marketplace, Troy said. The research shows, however, that this hasn’t happened, Troy said, with the majority of Americans (54 percent) still getting coverage via their employer.

Senior HR executives also expressed concern about the political and legislative environment, and what new rules might be coming to complicate their efforts, the study found.

The AHPI study is based on interviews with 25 chief HR officers and senior benefit managers from some of the largest companies in the U.S., including Marriott, Shell, International Paper and Michelin.

Employee Engagement. The study found that employers agree that workers need to be better engaged in the acquisition of health care and be better consumers of health-care services. That’s only part of the problem, however, because employees often lack the proper information to make cost-efficient decisions, the study said.

According to David Fortosis, senior vice president of health-care consulting at Aon Hewitt in Chicago, the

challenges employers are experiencing isn’t surprising. “It’s fundamentally an issue with how the health-care system in our country operates, which is not like any traditional economic system,” he told Bloomberg BNA June 2.

“With an overabundance of choices, the average American has no idea where to go to get the best care for the best price,” Fortosis, who wasn’t involved in the AHPI study, said. “There’s a sense of entitlement because a third party is paying the bill.”

Fortosis predicted, though, that “if you put good information into people’s hands, and have them consider it, many will make the right decisions to obtain the best care.”

The surveyed HR executives would agree, according to the study; they said they need to educate employees about their options. The study concluded that greater transparency in health-care benefits and services and quality data would help employees make better decisions.

Solutions in Technology? For many employers, technology could offer a potential solution to some of these problems, but the opportunities haven’t yet been fully realized, the study said. Overall there’s a lack of consistency about cost and quality of health care, in part because the necessary technology isn’t easily accessible to patients, employers or providers, according to the study.

Privacy and security of health data are always a concern, Troy said. Many employers are inundated with vendors trying to sell new systems, but many employers also don’t have the capability to assess the new technologies or integrate them into existing systems, he added.

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The study is available at http://www.americanhealthpolicy.org/Content/documents/resources/ESI_CHRO_Concerns_2016.pdf.

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