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American Health Policy Institute Releases a “Call to Action” for the Large Employer Community to Improve U.S. Health Care

Companies recognize employer provided health care is in critical condition and will not survive without major transformation

Employers galvanize to create a new system—the Future State of Health Care

Washington, D.C. – Today, the American Health Policy Institute (AHPI) released, “The Future of Employer-Sponsored Health Care: A Call to Action,” launching the Institute’s latest initiative—a collaboration of the large employer community to establish a new approach to health care—one designed by employers, for employers.

The paper is co-authored by L. Kevin Cox, Chair of the American Health Policy Institute and Chief Human Resources Officer at American Express Company; William S. Allen, Vice Chair of the Health Policy Committee of the HR Policy Association and Chief Human Resources Officer at Macy’s, Inc.; Charles E. Columbus, Senior Vice President, Chief Human Resources Officer at Kaiser Permanente; and The Honorable Robert E. Andrews, Senior Advisor to HR Policy Association, Of Counsel at Dilworth Paxson LLP, one of the architects of the Affordable Care Act.

The co-authors make the case that employer-provided health care in the United States is in critical condition and will not survive without major transformation. According to a recent AHPI study, by the end of the decade, employer sponsored health insurance will become unaffordable to a large segment of the working population. As large U.S. employers are the primary payors of health care for America’s workforce, the co-authors call for the large employer community to come together to create a fundamentally different system. A “Health Care Future State,” would ensure that employer and employee interests and concerns are addressed and maintain the health of the nation’s employees, retirees and their dependents on a cost-effective, sustainable basis.

The desired “Future State of Health Care” would take an employer-facilitated approach—a new approach where employers act to facilitate employee access to health care, rather than the traditional employer-centric model that is characterized by heavy employer influence over plan design, communication, and funding. At the same time, the initiative will leverage the collective scale and expertise of the member companies of the HR Policy Association—which represent over 20 million covered lives across the United States.

As outlined in the Call to Action, the desired Future State of Health Care would be designed to provide: stable, predictable and lower costs; transparency of both costs and quality; rewards for keeping employees healthy, not for simply performing services; tax preferred funding vehicles that support a defined contribution approach; administration and compliance activities performed by a skilled group of experts in an efficient and scalable way; and a consumer-grade experience for employees.

L. Kevin Cox, Chair of the American Health Policy Institute, and a co-author of the paper, said, “Our companies, from our Boards, to our CEOs, to our front line employees—are counting on us to create a more sustainable future for health care in this country. Our contention is that, as employers, we are largely out of bullets in trying to bring down health care costs. At some point in the not too distant future, probably within the next five years, health care will become unaffordable for employers, the government, and a large swath of the American public, triggering a political response. That's not a good time to start thinking about a new system. We need to have that new vision, that new system already up and running.”

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http://www.americanhealthpolicy.org/Content/documents/resources/AHPI_Call_to_Action_FINAL_05192015.pdf

American Health Policy Institute (AHPI) is a non-partisan 501(c)(3) think tank, established to examine the impact of health policy on large employers, and to explore and propose policies that will help bolster the ability of large employers to provide quality, affordable health care to employees and their dependents. The Affordable Care Act has catalyzed a national debate about the future of health care in the United States, and AHPI serves to provide thought leadership grounded in the practical experience of America’s largest employers. To learn more, visit americanhealthpolicy.org.