

Press Release



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Tipping Points of Employer-Sponsored Health Insurance Revealed in New Paper

*American Health Policy Institute Examines Factors that Could Influence Large
Employers to Discontinue Providing Health Benefits*

Washington, D.C. – Today, the American Health Policy Institute (AHPI) released [“Tipping Points’ of Employer-Sponsored Health Insurance](#),” which examines various factors that could impact broad-based employer-provided health coverage. As health care costs continue to rise, the question remains: for how much longer can or will employers be willing to absorb the cost of sponsoring health care coverage for their employees? If employers were to discontinue providing health benefits, would such a change be gradual or sudden – and will employers leave the health system voluntarily or be forced out?

Henry C. Eickelberg, AHPI Senior Fellow and author of the paper explains, “Trying to ascertain the tipping point at which employers would find it either necessary or desirable to end health care coverage for active employees is very much a process of weighing the alternatives. Every employer faces unique challenges and will need to weigh each factor outlined in this paper differently.”

The purpose of this paper is to aggregate in one place all the reasonable factors that might go into such analysis, including:

- If health care cost growth were to become too large for employers to absorb;
- Implementation of federal and/or state-run single-payer health care, enhanced subsidies or a “public option”;
- Significant improvement to the individual marketplace
- State adoption of high-risk pools;
- New costly government insurance mandates; and
- Changes in tax law and/or accounting treatment.

“The key question remains: at what point will employers decide that costs and effort in offering broad-based health care programs is outweighed by the cost (and burden) of doing so? In the end, every employer will need to consider these factors in relationship to its business to decide where the tipping point is for them,” said Mr. Eickelberg.

To view the paper, please visit the following link: <https://bit.ly/2IGoA4F>

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American Health Policy Institute is a non-partisan non-profit think tank started by the HR Policy Foundation that examines the practical implications of health policy changes through the lens of the American large employer. The Institute looks at the challenges employers face in providing health care to their employees and recommends policy solutions to promote the provision of affordable, high-quality, employer-based health care. The Institute serves to provide thought leadership grounded in the practical experience of America's largest employers. The Institute's mission is to develop impactful strategies to ensure that those purchasing health care are able to not only bend the cost curve, but actually break it by keeping health care cost inflation in line with general inflation. To learn more, visit www.americanhealthpolicy.org.