



Information for Employers

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Providing for health care, or failing to do so, is a financial, moral and principled dilemma for employers. The Balanced Choice proposal provides a practical solution and frees employers to focus on making their businesses successful—**employers would no longer provide health care insurance.**

Balanced Choice is a hybrid proposal that combines market forces with health care security. With Balanced Choice everyone would be covered by a single, non-governmental, non-profit trust fund that is divorced from employment. The money currently spent on health insurance premiums (or some portion of it) would go to the Trust Fund. From the employers' point of view and extent of responsibility, that's it—it's that simple.

Advantageous Implications for Employers:

Employers would not need to dedicate staff to research, negotiate, manage, explain or appeal health insurance policies.

Employers could compete locally and globally with companies that are not burdened with health care costs.

Money currently required for the health care portion of workers' compensation, auto and liability insurance could be eliminated because everyone already would have health care coverage.

The amount employers would continue to contribute to health care would be a fixed amount, allowing for accurate budget planning. Insurance premium increases for businesses have been staggering in recent years.

The money saved by employers could be spent on research and development, larger workforces, capital improvements, increased wages, additional employee benefits, increased stock dividends—anything that would be good for each individual business.

Costly negotiations about health care benefits with unions and other employee groups would be eliminated.

Balanced Choice would eliminate the need for "gaming" or being the victim of "gaming." There would be no need to require documents providing proof of marriage or dependency for employees.

Employers would not be tapped for increasing health care costs: The only reason for employers making any contribution to health care is that historically they have, and this is where some of the funds for health care currently are. Balanced Choice proposes a slight reduction in the overall amount that employers contribute (equalized for all employers), and a commitment that any funding increases in the future would come from a source other than employers.

Balanced Choice Matches with Values most Employers Endorse:

Use of market forces to contain costs: The Balanced Funding Mechanism, key to the Balanced Choice proposal, ensures that treatment costs, provider rates and costs to consumers fluctuate with market forces. Providers can set their own fees while using the Independent Option but fees are disclosed, just as they are in other business, so the customer knows which services and products to purchase.

Freedom from government micro-management: Employers have no responsibility for health care insurance. Balanced Choice, wary of paving the road to "big government," would be operated by a nonprofit trust that has the flexibility of administer health care without specific acts of Congress. It would depend on government oversight only to prevent abuse, injustice or greed.

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Fiscal responsibility: Premiums are too large because of the overhead costs of insurance administered health care. Because public programs have been underfunded, the costs of these programs has been shifted to employer-paid insurance, further inflating premiums. As the Medicare program continues to shift to privatizing with its multi-insurance plans, the projected insolvency of Medicare has moved up two years from 2021 to 2019 (Center on Budget and Policy Priorities, December 5, 2007). Balanced Choice would be expected to be administratively efficient, end cost shifting, and extend Medicare viability beyond 2021, rather than increasing health insurance profits with taxpayer money.

Personal responsibility: With the current third-payer system and employer sponsored health insurance, patients no longer have personal responsibility for medical bills. Someone else is paying. In fact, even when patients inquire they cannot find out about treatment costs until months later, after the third party has decided how much to charge. With Balanced Choice the patient knows the costs, can compare services with cost, and makes decisions based on the patient's personal budget and treatment needs.

Healthy lifestyle choices would reduce a consumer's costs. The ability to maintain a long term relationship with health care professionals (rather than having to switch with the frequent shifts of insurance plans' provider lists) would improve health, quality of life and decrease cost of chronic and costly health problems. Balanced Choice would improve on the HSA concept because patients could affordably seek preventive or early intervention care.

Healthy workplace: When employees receive preventive and early intervention health care they are more productive—have fewer sick days, are more alert, contaminate fewer coworkers, make fewer mistakes and sustain fewer on-the-job-injuries. Employees can work part-time, if appropriate, without losing health care. And, employers do care about the people who work for them--employers want them to be healthy and successful.

Value added for money spent: Balanced Choice increases value in three ways. It closes the spigot that drains dollars from health care, instigates cost saving efficiencies, and increases quality. By replacing the 17,000 different policies and 17 different health care systems, (e.g. Medicaid, Champus, Veterans' Administration.) with a single reimbursement Trust Fund, administrative and overhead costs would be cut by approximately 20%. That represents a lot of money for health care currently being siphoned into other channels. Balanced Choice would streamline the use of technology to reduce costs and improve quality. Coordination and accessibility of technology is possible when interface occurs with a single entity—in this case the Balanced Choice Trust. Private information would be guarded diligently, but transparency about public health information reduces costs and improves quality. The central collection of data would allow the identification of effective treatments, medical errors, overuse, accessibility, and cost to consumers.