

Hot Topics: The Future of Employee Health Benefits
Association of Health Care Journalists
March 29, 2008

- Trend continues towards individual choice and accountability, with multiple design options, coverage tiers, cost-sharing arrangements, and the increased attractiveness of consumer-driven health plans such as health reimbursement accounts ("HRAs") and health savings accounts ("HSAs").
- Increasing concern about the growing patchwork of varying state initiatives that provide mandated levels of coverage, "pay or play" structures, and different definitions of dependents—raising issues of ERISA preemption and administrative complexity for employers with operations in multiple states.
- Resistance by employers who sponsor health plans to notions of mandated coverage or government-driven solutions because they want to have the flexibility to design their plans (and spend their overall benefits and compensation budget dollars) in the most effective way possible. Rising health care costs have compressed the funding available for other benefit plans and have contributed to the accelerated restructuring of overall compensation and benefits programs.
- Potential increase in the uninsured population if job losses continue due to the declining economy, because the cost of COBRA coverage may become unaffordable for the unemployed. In turn, this could create issues of insurability because of the potential loss of HIPAA portability protection that is available to those who continue coverage under group health plans.
- Growing popularity of wellness programs, especially those that are not based on any health factors or rewards, because of their modest implementation costs, positive impact on employee relations, and potential for reducing absenteeism and health care expenses.