

Understanding Healthcare Reform



Dave Villar, President
Pacific Coast Benefits LLC,

Dave Villar is the President of Pacific Coast Benefits LLC. He was a founder and partner of PDI Insurance Services. Dave is an active member of the National Association of Health Underwriters and a member of the Anthem Blue Cross Agent Advisory Council. He has specialized in Employee Benefit Planning for businesses since 1987. To find out more about Pacific Coast Benefits and upcoming Healthcare Reform Seminars, visit www.pacbenins.com or call (408) 847-1000.

*For the past eight years, the **EMPLOYEE BENEFITS RESEARCH INSTITUTE (EBRI)** has conducted a survey of consumer confidence as it relates to employer sponsored health insurance.*

Last year's survey results have recently been published and some interesting conclusions can be drawn from the results. One of the questions asked was "What changes would you make if any, if Congress decides to tax health benefits as a means to raise revenue to pay for Healthcare Reform?" The results of survey show that nearly half of American workers would either switch to lower cost option, or drop coverage all together.

The 2012 EBRI Health Confidence Survey found that if current tax preferences were to change and employment – based coverage became taxable to workers, 26% would want to switch to a less costly plan, 21% would shop directly for themselves, and 9% would drop coverage all together and pay the penalty associated with the individual mandate in **Patient Protection and Affordable Care Act (PPACA)**. However, nearly 40% of those responding said they would retain their current converge — **an increase of 10% from the previous year's survey.**

While changes resulting from PPACA have raised concerns as to whether employers will continue to offer health coverage to their employees, the EBRI survey shows that employee benefits and health insurance in particular are a key factor in an employee's decision in choosing a job. Since employers use employee benefit programs to attract and retain the best employees, the trend of

employer sponsored health insurance is certain to continue notwithstanding the pending inside of healthcare reform.

The survey also found that individuals were mixed when it comes to their preferred means of obtaining health insurance. 40% of those who responded would prefer to continue to receive employer sponsored health insurance, 34% would prefer to obtain their own coverage and receive a reimbursement from their

employer, and 23% would prefer that their employer give them the money for health insurance and then let them decided whether to buy it or not.

Choice of health plans was also a key factor in consumer satisfaction. Most workers responding to the **EBRI** survey that more choices would improve their perception of an employer sponsored health plan. Employees given a single health plan choice were among the least satisfied group in the survey. Finally, employees expressed that the addition of Wellness Benefits and incentives for healthy living would be a welcome addition to an employee benefit program.

With January 1st 2014 around the corner, now is the time to begin the review of your health plan to assure you are in compliance when PPACA is fully implemented. Pacific Coast Benefits is committed to assisting our clients navigate healthcare reform. If you would like to attend an upcoming Healthcare Reform Seminar, contact us for an invitation.

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