

BUSINESS HEALTH FORUM

Engaging Colorado Employers in Health Care Reform

To: 208 Commission
From: the Business Health Forum
Re: feedback from the business community on health care reform

Oct. 25, 2007

Members of the 208 Commission:

The rising cost of health care is a chief concern of large and small businesses statewide, and the Business Health Forum, a new nonprofit funded by the Colorado Health Foundation, has spent the last six months educating employers about cost drivers and soliciting their input on health care reform. Our sessions have been well-attended, we believe largely because employers realize they have a huge stake in the debate.

Employers provide health care benefits to attract and retain the best employees, but health insurance costs for many businesses have grown by double digits for each of the last several years. It is a large cost of doing business, growing at an unsustainable rate, and employers feel they have little or no control over it. About 60 percent of Coloradans receive health care benefits through their employers.

As part of our work, the Forum has held eight meetings attended by more than 400 people, who learned about issues driving health care costs, discussed tenants of reform and filled out surveys indicating reform concepts they support and oppose. These meetings were co-hosted with local chambers of commerce and a human resources trade association. Attendees were predominately employers who work outside of the health care and insurance industries, though some insurance brokers, doctors and other health care providers attended. More than 200 surveys were collected. The survey is designed to gauge employers' views on certain values in health care reform, exploring the roles that employers, individuals and government should play.

We also solicited comments from the business community on the reform proposals, and this memo summarizes some of the common themes. Full comments and survey results are attached. Please note that some businesses, for a variety of reasons, are reluctant to attach their names to comments about what is a political issue, not to mention very emotional for many people.

The business community is not homogeneous, here are some common themes we've heard so far from the business community:

1. Health care reform should address the underlying issues driving health care costs.

While the proposals clearly increase access to health care, there are questions about whether they improve efficiency in a system most agree we already can't afford. Employers seem to understand that covering more of the uninsured would reduce the

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cost-shifting that drives up rates for people covered by private insurance. But they also want to address costs associated with things other than the uninsured, including administrative inefficiencies, costs that result from poor lifestyle choices and payment systems and regulations that neither reward employers for having healthy workers nor health care providers for doing the right thing.

2. We need better quality and cost information about doctors and hospitals so consumers can make better decisions. This information should be convenient for consumers to access, easy to understand and standard so patients can easily compare doctors and providers.

3. There is a role of government in ensuring access to care for low-income Coloradans and the state's most vulnerable populations. There is a recognition that low-income Coloradans will need help getting coverage, whether that is through a government program or private coverage. According to *85 percent* of those we surveyed, government subsidies should allow a choice to purchase coverage in the private market.

4. While unhappy with the status quo, employers fear tax increases, becoming over-regulated. We've yet to meet a business owner who thinks the current system as a whole is working well, but, for example, small business owner Ann Brown of Golden warns, "If it's not broken, don't fix it. Use what is working and add to that." Like with anything, those people who are the most unhappy will speak the loudest. Employers are concerned about creating a system that will rely on large tax increases and additional regulations, which could put Colorado at a competitive disadvantage in attracting and retaining employers and quality providers.

5. Healthy behaviors should be rewarded with lower premiums, according to *89 percent* of the people we surveyed. Employers often mention the need for individuals to take "personal responsibility," and there seems to be growing support for programs and payment systems that encourage workers to make better choices when it comes to their health. Employers struggle with deciding which health plans are best for their employees and sometimes feel like they "know too much" about workers' health conditions. However, there is growing interest in implementing wellness and prevention programs "Employers [should] encourage employees to live healthier lifestyles," said Robert Schwetje, manager of human resources for Rocky Mountain Steel Mills in Pueblo.

This conversation has just begun, and we will update these results periodically.

Respectfully submitted,

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