

2003 Health Confidence Survey, p. 1

Washington Update, p. 8

EBRI in Focus, p. 10

New Publications & Internet Resources, p. 12

EBRI
EMPLOYEE
BENEFIT
RESEARCH
INSTITUTE®

Notes

Findings From the 2003 Health Confidence Survey: Americans Increasingly Worried About Health Care Costs

By Ruth Helman, Mathew Greenwald & Associates, Inc., and Rachel Christensen Sethi, EBRI

Introduction

The findings from the sixth annual Health Confidence Survey (HCS)¹ reflect Americans' relative satisfaction with health care in America as well as their growing concerns about the costs of health care and health insurance. The 2003 HCS represents the sixth round of an annual survey to assess the attitudes of the American public regarding the health care system in the United States. It finds that almost one-half of Americans continue to be *extremely* or *very* satisfied with the health care they are receiving in general, and more than one-half continue to be *extremely* or *very* satisfied with the quality of medical care they receive.

However, the HCS also finds that confidence continues to wane, and Americans are growing increasingly concerned about their ability to get needed treatments and to afford health care. More Americans cite health care as the most critical issue for the nation, and more are dissatisfied with health care costs.

These findings clearly reflect current

economic realities, since national health care spending is rising and accelerating. Recent government statistics show that after falling in the 1990s, the national health care spending rate jumped to 8.7 percent between 2000 and 2001, well above the average between 1993 and 1999.²

This issue of *EBRI Notes* presents highlights from the 2003 HCS. More detailed findings are available at www.ebri.org/hcs

Satisfaction With Health Care

Few Americans give today's health care system top marks. Just 5 percent say it is *excellent* and another 9 percent say it is *very good*. Instead, one-quarter describe it as *good* (26 percent), 3 in 10 say it is *fair* (30 percent), and 28 percent say it is *poor*, an increase from 15 percent in 1998 and from 21 percent in 2001.

Satisfaction with some aspects of the health care Americans currently receive has shown little change in the six years tracked by the HCS (Figure 1). Among those receiving health care within the two years prior to the survey, the percentage of respondents saying they are *extremely* or *very* satisfied with the health care they have received, in general, is roughly the same in 2003 (49 percent)³ as it was in 1998 (46 percent), although satisfaction dipped slightly in 2000 (39 percent). Approximately 4 in 10 respondents continue to be *somewhat* satisfied with the health care they have received (40 percent in 1998, 38 percent in 2003). Likewise, more than half continue to be *extremely* or *very* satisfied with their

Figure 1
SATISFACTION WITH SELECTED ASPECTS OF HEALTH CARE, AMONG THOSE RECEIVING CARE IN PAST TWO YEARS

	Health Care Received, in General					Ability to Choose Your Doctor					Quality of Medical Care Received							
	1998	1999	2000	2001	2002	2003	1998	1999	2000	2001	2002	2003	1998	1999	2000	2001	2002	2003
Extremely Satisfied	13%	11%	9%	10%	10%	14%	19%	21%	20%	19%	18%	20%	17%	14%	13%	14%	13%	17%
Very Satisfied	33	31	30	36	34	36	35	32	33	38	39	34	40	39	40	43	41	41
Somewhat Satisfied	40	43	44	42	41	38	24	23	26	25	25	25	33	34	37	34	36	34
Not Too/Not At All Satisfied	11	14	16	10	12	12	19	20	21	17	18	19	7	10	10	7	8	8
Don't Know/Refused	3	1	2	1	2	1	1	1	1	<.5	<.5	1	1	1	1	<.5	1	1
Not Applicable	-	-	-	-	-	-	2	2	1	1	<.5	<.5	2	<.5	<.5	1	1	-

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1998-2003 Health Confidence Surveys.

ability to choose their doctor (54 percent in 1998, 54 percent in 2003) and the quality of the medical care they receive (57 percent in 1998, 57 percent in 2003).

However, respondents to the HCS are increasingly likely to report being dissatisfied with health care costs (Figure 2). Forty-four percent say they are *not too* or *not at all* satisfied with the cost of their health insurance in 2003, compared with one-third in 1998 and 2001 (32 percent and 33 percent, respectively). Almost half report being *not too* or *not at all* satisfied with the costs of health care not covered by their insurance (48 percent), compared with 37 percent each in 1998 and 2001.

Americans also continue to identify health care as a critical issue for the nation. In fact, respondents seem to report that health care is becoming more critical in comparison with other issues. In 1998, just 14 percent named it as the single most critical concern facing America. For the past four years, however, approximately 2 in 10 have identified it each year as the most critical issue in America today (20 percent in 2003) (Figure 3). This places health care below the economy (27 percent) and about equal to terrorism and national security (17 percent) as an issue of concern.

Confidence in the Health Care System

Americans express a moderate degree of confidence in some aspects of today's health care system (Figure

4). One-half say they are *extremely* or *very* confident that they are able to get the treatments they need (51 percent). However, less than one-half are *extremely* or *very* confident that their medical records are confidential (47 percent) and that they have enough choice about who provides their medical care (43 percent). Only about one-third are *extremely* or *very* confident of being able to afford prescription drugs without financial hardship (35 percent) and being able to afford health care without financial hardship (31 percent). Moreover, the percentage saying they are *not too* or *not at all* confident in their ability to afford health care has increased over the past year, from 31 percent in 2002 to 37 percent in 2003 (Figure 5). Over the same period, the percentage saying they are *not too* or *not at all* confident in their ability to afford prescription drugs has increased from 27 percent to 32 percent.

As Americans look to the future, they become less confident in the health care system (Figure 4). Thirty-seven percent are *extremely* or *very* confident that their medical records will be confidential over the next 10 years or until they are eligible for Medicare, 3 in 10 respondents are *extremely* or *very* confident that they will be able to get the treatments they need during this time (31 percent), and 27 percent are confident of having enough choice about who provides their medical care. Roughly 2 in 10 each are *extremely* or *very* confident of being able to afford health care without financial hardship (22 percent) and

Figure 2
SATISFACTION WITH HEALTH CARE COSTS, AMONG THOSE RECEIVING CARE IN PAST TWO YEARS

	Cost of Health Insurance						Health Costs Not Covered by Insurance					
	1998	1999	2000	2001	2002	2003	1998	1999	2000	2001	2002	2003
Extremely Satisfied	13%	7%	8%	11%	9%	7%	7%	5%	5%	8%	6%	5%
Very Satisfied	18	19	16	20	18	17	14	17	15	18	16	16
Somewhat Satisfied	32	34	31	30	29	27	30	31	29	30	28	27
Not Too/Not At All Satisfied	32	33	40	33	38	44	37	37	43	37	44	48
Don't Know/Refused	1	2	1	2	2	1	4	2	2	2	4	2
Not Applicable	4	5	4	4	3	4	8	7	5	6	3	3

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1998–2003 Health Confidence Surveys.

being able to afford prescription drugs without financial hardship (21 percent). At the same time, 41 percent are not confident of being able to afford health care in the next 10 years (up from 35 percent in 2002) (Figure 5). Forty-one percent also are not confident of being able to afford prescription drugs without financial hardship (up from 36 percent in 2002).

Confidence in the future of the health care system reaches even lower levels as respondents look toward Medicare (the federal health care insurance program for the elderly and disabled) (Figure 4). Only 3 in 10 respondents not yet eligible for Medicare are *extremely* or *very* confident that their medical records will be confidential once they are eligible for Medicare (30 percent). About 2 in 10 respondents are *extremely* or *very* confident that they will be able to get the treatments they need once they are eligible for Medicare (21 percent), and fewer are confident that they will have enough choice about who provides their medical care (17 percent), that they will be able to afford health care without financial hardship (16 percent), or that they will be able to afford prescription drugs without hardship (16 percent). Again, the percentage of respondents saying they are not confident in their ability to afford health care without financial hardship during this time has

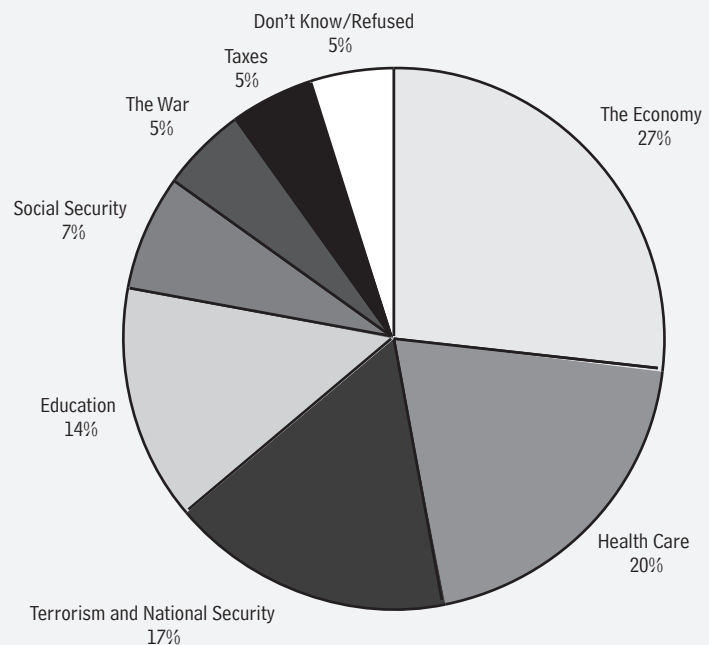
increased since 2002 (from 44 percent to 49 percent) (Figure 5); the percentage not confident in their ability to afford prescription drugs also has increased (from 44 percent in 2002 to 50 percent in 2003).

The Consumer Cost Burden

When asked to identify the single biggest issue facing the health care system in America today, a majority

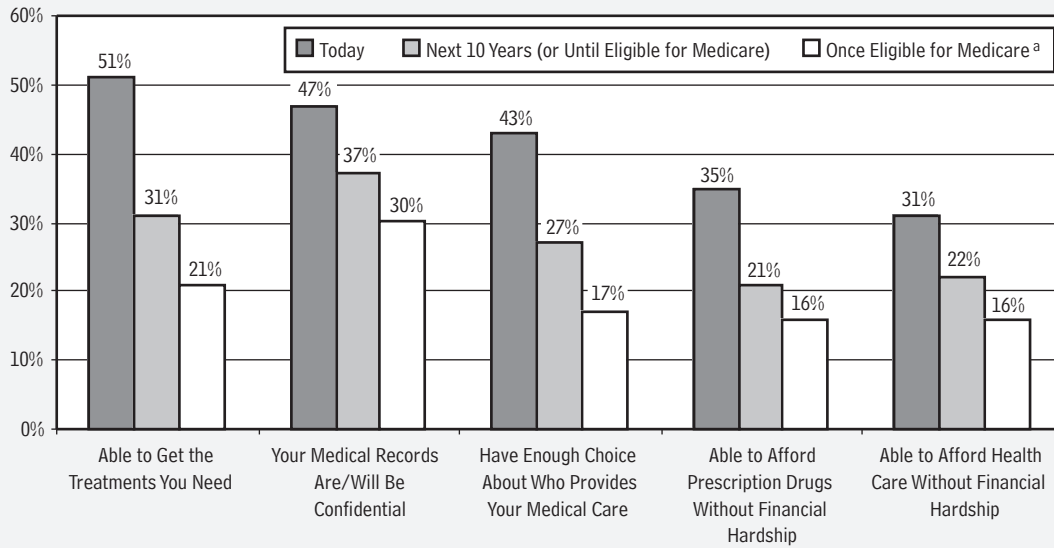
of Americans name health care costs. Furthermore, half of Americans say they have found medical bills to be a source of financial stress within the past two years (18 percent *major* source; 32 percent *minor* source). While respondents who do not have health insurance or who have had a gap in health insurance coverage in the past year are more likely to have found medical bills to be a source of *major* stress than are those who have

Figure 3
MOST CRITICAL ISSUE IN AMERICA TODAY, 2003



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1998–2003 Health Confidence Surveys.

Figure 4
**EXTREMELY OR VERY CONFIDENT IN CERTAIN ASPECTS OF HEALTH CARE TODAY,
 IN THE NEXT 10 YEARS, AND ONCE ELIGIBLE FOR MEDICARE, 2003**



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2003 Health Confidence Survey.
^a Asked of those not yet eligible for Medicare.

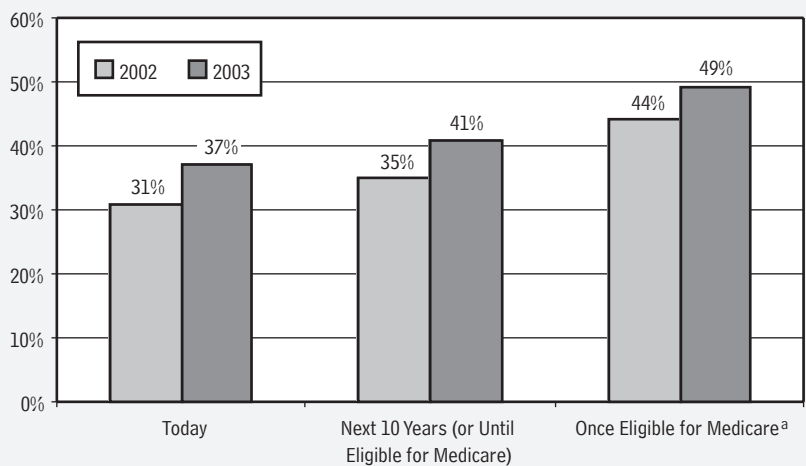
had uninterrupted coverage, those with continuous coverage are more likely to say they have found these bills to be a source of *minor* stress.

Three in 10 HCS respondents say that in the past two years they have delayed or decided not to get health care when they thought they needed it (29 percent). Respondents with continuous insurance coverage are as likely as those who do not have coverage to report having made this decision. Respondents who are currently insured but who have had a gap in coverage during the past year were more likely than others to have delayed or decided not to get care (52 percent). Cost was the major reason that respondents delayed care. Almost two-thirds of insured respondents (63 percent), more than 8 in 10 uninsured respondents (82 percent), and nearly 9 in 10 with a gap in coverage (87 percent) who delayed care say it was because they could not afford it, they were not insured, or the condition or treatment was not covered.

As health care costs rise, the insured believe that consumers will be the ones most affected, with rising costs and fewer services. Ninety-one percent say that rising health insurance costs will require people with insurance to pay more, and

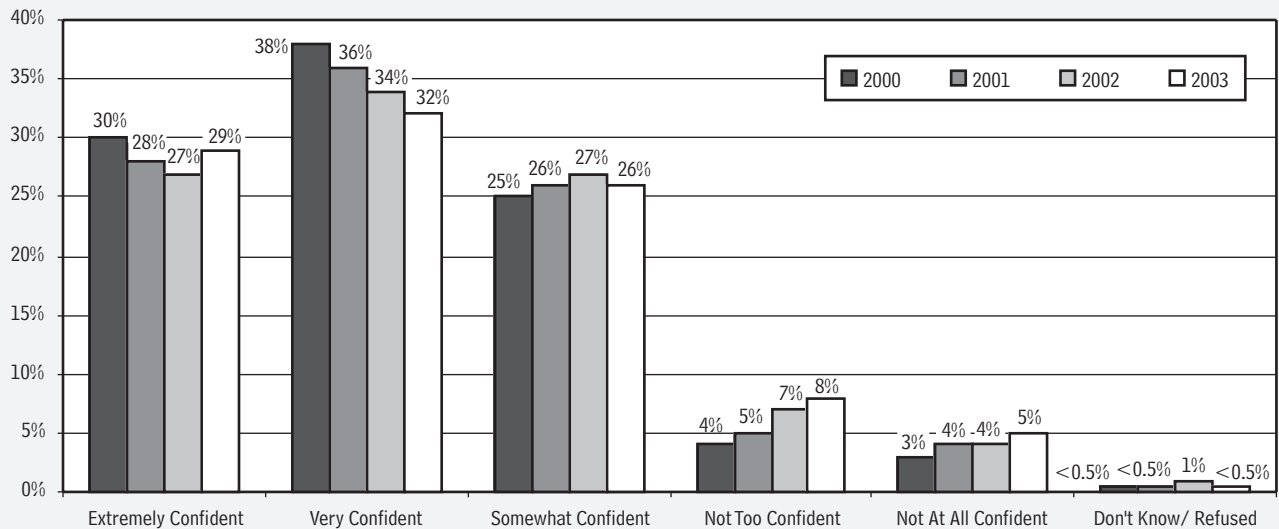
90 percent say that more people will go without health insurance. Almost two-thirds think fewer health care services will be provided to people with insurance (63 percent). Fewer think that someone else will step up to assist with costs. Four in 10

Figure 5
NOT TOO OR NOT AT ALL CONFIDENT IN ABILITY TO AFFORD HEALTH CARE WITHOUT FINANCIAL HARDSHIP, 2002-2003



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2002-2003 Health Confidence Surveys.
^a Asked of those not yet eligible for Medicare.

Figure 6
CONFIDENCE THAT EMPLOYER WILL CONTINUE TO OFFER HEALTH INSURANCE, 2000–2003



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2000–2003 Health Confidence Surveys.

believe that health care providers will be paid less for providing medical services (42 percent) and that employers will pay more (41 percent), and 3 in 10 think the government will pay more (31 percent).

Asked about a hypothetical situation in which the cost of health insurance increased by set dollar amounts, 10 percent of respondents with nongovernment coverage say they would drop health insurance if it were to increase by \$25 per month. Another 12 percent would drop at a \$50 increase, and another 24 percent would drop coverage if the cost were to increase by \$100 a month. On the other hand, nearly 3 in 10 say they would not drop health insurance coverage even if it were to increase by \$200 a month (28 percent).

Most insured Americans say they are willing to accept some restrictions on health care in exchange for lower costs. Almost two-thirds say they would be willing to accept restrictions on their choice of prescription drugs (64 percent), and more than half each would be

willing to accept restrictions on their choice of hospitals (55 percent) and physicians (52 percent). Somewhat fewer say they would accept restrictions on their choice of medical services, treatments, and procedures (47 percent). However, 2 in 10 indicate they would not be willing to accept restrictions on any of these health care choices.

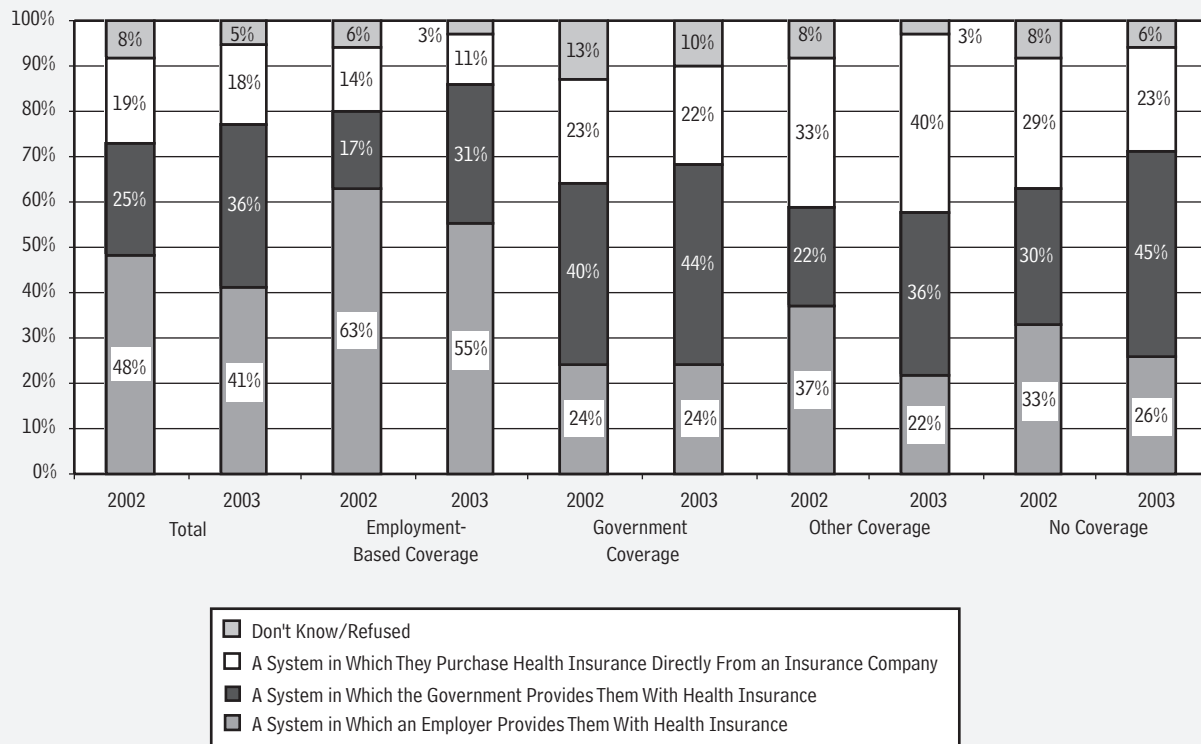
Employment-Based Health Coverage

Satisfaction levels with employment-based health insurance have remained relatively stable since the inception of the HCS. Most respondents receiving health insurance through an employment-based plan continue to be satisfied with their current health insurance plan. Half are *extremely* (13 percent in 2003) or *very* (37 percent) satisfied with their current plan, and 4 in 10 are *somewhat* satisfied (41 percent). Only 1 in 10 say they are *not too* satisfied (7 percent) or *not at all* satisfied (2 percent, down from 6 percent in 2002).

While almost all respondents covered by employment-based health insurance remain at least *somewhat* confident that their employer will continue to offer health insurance coverage to its workers, confidence levels continue to decrease over time. Only 61 percent are now *extremely* or *very* confident that their employer will continue to offer health insurance, compared with 68 percent in 2000. Roughly one-fourth are *somewhat* confident that their employer will continue to do so (26 percent in 2003, 25 percent in 2000). More than 1 in 10 say they are *not too* or *not at all* confident (13 percent, up from 7 percent in 2000) (Figure 6).

Few respondents are confident that they would be able to afford to purchase insurance on their own if their employer were to stop offering health insurance and did not increase their salary to help them pay for it. Only 11 percent are *extremely* or *very* confident. About one-fourth are *somewhat* confident (27 percent). Six in 10 are *not too* (24 percent) or *not at all* (36 percent)

Figure 7
PREFERENCE FOR TYPE OF SYSTEM, BY TYPE OF HEALTH INSURANCE COVERAGE, 2002–2003



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2002–2003 Health Confidence Surveys.

confident of their ability to afford health insurance without additional income.

The experience of the uninsured and those with gaps in insurance bear out the insureds' supposition. Of the 23 percent of HCS respondents who either had no health insurance coverage or had a gap in coverage within the past year, 44 percent report having shopped for health insurance on their own. Overwhelmingly, these respondents did not buy the plan because it cost too much (81 percent). Far fewer cited other reasons for not purchasing a plan, such as not being offered any plan to purchase (5 percent) or being offered a plan that was not a good plan (4 percent). In addition, 24 percent of respondents without insurance or with gaps in insurance say they were offered health insurance coverage by an employer that

they decided not to take. Again, the vast majority of these respondents say they did not take up the coverage because it cost too much (91 percent).

While employment-based coverage is still the most popular type of system for health insurance coverage in the United States, support for government-sponsored health insurance is increasing. When asked whether they would prefer a system in which an employer provides them with health insurance, the government provides them with health insurance, or they purchase health insurance directly from an insurance company, 41 percent say they would prefer to get health insurance through an employer, down from 48 percent in 2002. At the same time, more than one-third would prefer to get insurance through the government (36 percent, up from 25 percent in 2002). Just

fewer than 2 in 10 would prefer to get insurance directly from an insurance company (18 percent in 2003, 19 percent in 2002). It is interesting to note that this move in preference away from employment-based coverage toward government coverage is apparent among the various coverage-type groups (Figure 7).

Retiree Health Care

Almost half of current workers age 40 and over say they think about access to health insurance benefits a lot when determining the age at which they expect to retire (47 percent). Three in 10 think about it a little (31 percent), while 21 percent say they do not think about it. Nevertheless, almost 3 in 10 plan to retire before age 65 (28 percent), that is, before the age at which they

become eligible for benefits from Medicare. One-third of workers age 40 and over expect to receive health insurance coverage through a former employer or union during their retirement (34 percent, down from 40 percent in 2002 and 46 percent in 1998). Of those who are currently covered by health insurance but who do not expect to receive coverage from a former employer or union when they retire, 62 percent plan to work longer than they would like in order to continue receiving health insurance.

Retirees also say they thought about access to health insurance when determining the age at which to retire. Half thought about it a lot (49 percent) and one-fourth thought about it a little (24 percent). Of Americans who are retired or disabled, three-fourths left the labor force before age 65 (77 percent). Three in 10 report they obtained health insurance from their former employer or union (30 percent), and another 16 percent received insurance from their spouse's employer or union. One in 10 indicate they went without coverage during the period between leaving the work force and becoming eligible for Medicare (9 percent). Eighty-two percent of them say they did not work longer than they would have liked in order to keep health insurance coverage.

Three in five workers age 40 and over and retirees say that medical expenses are *extremely* (27 percent) or *very* (31 percent) important in planning for retirement. Another 25 percent think they

are somewhat important. These respondents are even more likely to think it is important to have a supplemental insurance policy in addition to Medicare during retirement. At least 4 in 10 each say it is *extremely* (40 percent) or *very* (43 percent) important to have one. Thirteen percent think it is *somewhat* important to have this type of policy. However, they are much less confident about their ability to afford the policy. Only 3 percent of those who think it is at least somewhat important are *extremely* confident of their ability to afford it, and 13 percent are *very* confident. About half are *somewhat* confident (47 percent), while almost 4 in 10 are not confident (36 percent).

Conclusion

Data from the 2003 Health Confidence Survey show that satisfaction with health care in the United States remains stable, while confidence in the future of health care in this country is declining. Americans in 2003 are more likely to say the American health care system is poor, but they continue to be at least somewhat satisfied with the health care they are receiving. They are increasingly dissatisfied with the costs of health insurance and the costs of care not covered by insurance, and they continue to identify health care as one of the nation's most critical issues. Americans continue to become less confident about certain aspects of health care as they look to the next 10 years and to the future of the Medicare system.

Health care costs are identified as the biggest issue in health care, and many Americans report feeling stress because of medical bills. Many say they are willing to accept some restrictions on health care in exchange for lower costs. Finally, as Americans approach retirement, most say that they take health care costs and coverage into consideration in making their retirement plans, and many expect to work longer than they would like to in order to keep health insurance coverage.

Other topics examined by the 2003 Health Confidence Survey include public policy preferences, personal cost saving alternatives, prescription drugs, and Americans' confidence in their ability to make necessary health care decisions. See www.ebri.org/hcs for the complete set of HCS materials for 2003, as well as those for previous years.

Endnotes

¹ The HCS examines a broad spectrum of health care issues, including Americans' satisfaction with health care today, their confidence in the future of the health care system and the Medicare program, and their attitudes toward health care reform. The survey is cosponsored by the Employee Benefit Research Institute (EBRI) and Mathew Greenwald & Associates, Inc. The 2003 survey was conducted within the United States between April 24 and May 24, 2003, through 20-minute telephone interviews with 1,002 individuals ages 21 and older. Random digit dialing was used to obtain a representative cross section of the U.S. population. Inter-

view quotas were established by sex of respondent, and the data were weighted by age and education to reflect the actual proportions in the population. The weighted sample yields a statistical precision of plus or minus 3 percentage points (see full survey for details).

² See Paul Fronstin, "National Health Spending Up 8.7 Percent Between 2000–2001; Spending for Health Care Will Continue to Grow," *EBRI Notes*, no. 6 (Employee Benefit Research Institute, June 2003).

³ Percentages in text may not match those in figures due to rounding.

Washington Update

by Jim Jaffe, EBRI

Congressional Focus: Spending

The government began another fiscal year Oct. 1 without a complete budget in place, as Congress continued to wrangle over spending priorities. Fiscal trench warfare and tedium were the order of the day rather than legislative fireworks. There were hundreds of decisions to be made, many of them contentious and very few that generated broad public interest. As they did last year, lawmakers enacted a "continuing resolution" to authorize government operations until a new budget is hashed out for Fiscal Year 2004.

Beyond the budget, several big pending issues can be carried over into the next legislative session next year if they're unresolved in 2003. Energy reform and a new Medicare drug benefit are both in this category. The probability of either no Medicare drug benefit being enacted, or one limited to a drug card, increases with each passing week.

There are ongoing concerns about the cost and progress of the war in Iraq and the related issue of record federal deficits, but whether these will break through the fog of partisan rhetoric and result in any legislative changes remains to be seen.

And there are issues where Congress is under pressure to come to closure before year-end, but is not required to do so. For the benefits

community, a top priority is a new pension discount rate (see below).

Pension Discount Rate Reform: Unclear

With a year-end deadline approaching, there was no consensus on Capitol Hill on what the new pension discount rate should be. Until a few years ago, pension funds determined their liability by calculating anticipated interest earnings, using the rate paid for 30-year Treasury bills. But when the government stopped issuing such debt, this standard became untenable. A two-year temporary fix, derived from the long-bond rate, ends on Dec. 31. If nothing is done, prior policy will kick back in, requiring massive new contributions for pension plans to meet funding standards. No one favors that outcome, and it appears unlikely.

The most popular option within the pension community is use of a blended corporate bond rate, a new standard that would effectively lower funding requirements. The Treasury Department is sympathetic to moving in this direction, but only if the corporate rates are matched to the specific timing of pension liabilities. This would be a more complex standard to administer. Treasury has suggested that the current temporary fix be renewed for a few years until details are worked out.

In late July, the House Ways and Means Committee approved pension reform legislation

that contained the corporate rate benchmark, but the procedure became embroiled in a highly divisive and partisan debate that alienated many Democrats who would otherwise support the substantive change. By mid-September, there was a truce, but no peace. The GOP House leadership was proceeding cautiously lest it reignite the fight.

Two other committee chairmen, Rep. John Boehner (R-OH) of the House Education and Workforce Committee, and Sen. Judd Gregg (R-NH) of the Senate Health, Education, Labor, and Pension Committee, have floated their own ideas. Boehner, whose committee shares jurisdiction with Ways and Means, thinks a temporary fix should be dealt with independent of the other, broader changes contained in the Ways and Means bill. Gregg has suggested, in S. 1550, using a benchmark based on the corporate bond rate through the end of 2008. The Senate Finance Committee entered the fray Sept. 17 when the panel approved a bill backed by Chairman Charles Grassley (R-IA), which embraces a variant of the Treasury yield-curve idea to match the duration of assets and liabilities. There was immediate strong negative reaction from plan sponsors.

Cash Balance Status: Confused

Anticipated government regulations and pending court cases have inhibited the conversion of defined

benefit pension plans to cash balance plans. The key issue is age bias, cited in a recent federal court decision critical of the way cash balance plans provide the transition for senior employees from defined benefit to cash balance plans. A bipartisan group of lawmakers is working to block the Treasury Department from issuing federal rules that might help cash balance conversions, and in September they succeeded in passing legislation in the House that would achieve that goal.

The provision, a proposed amendment to the Treasury/Transportation appropriations bill (H.R. 2989), was sponsored by Rep. Bernard Sanders (I-VT), who last year won a similar (and surprisingly overwhelming) bipartisan victory, and got his House colleagues to again take a stand against cash balance conversions. Accusations that pro-cash balance lobbyists used a manufactured document purporting to show Treasury opposition to the Sanders measure roiled the waters further. Despite this legislative shot across the bow, however, the Treasury Department continues to draft regulations on cash balance conversions, and odds are that the Sanders prohibition will not survive a House-Senate conference on Treasury's fiscal 2004 funding bill.

Because of their structure, cash balance plans can be disadvantageous to senior employees in defined benefit plans, which are by

their nature back-loaded and most advantageous to older, long-tenured workers. At issue here is whether employers may sweeten the new (converted) plans for this group to win their support, and whether such accommodations run afoul of age discrimination laws.

PBGC Reform: Needed

One issue that Congress definitely won't resolve this year involves reform of the Pension Benefit Guaranty Corporation (PBGC), which found itself with a record \$5.7 billion deficit on July 1. PBGC Executive Director Steven Kandarian was joined by other witnesses at a House Education and Workforce hearing in September in concluding that today's pension safety-net policies are untenable.

But no specific reforms were put on the table and there were differences of opinion about how severe the problem is and how quickly it needs to be addressed. All witnesses agreed that things would get at least somewhat better as the economy revives. Kandarian says the Bush administration will unveil a proposal soon. Kandarian pointed out that a few major industries—particularly steel and airlines—are responsible for most current PBGC claims.

Medicare: Pending

At this writing Congress continues to wrestle with a new Medicare drug benefit that would cost more than

\$400 billion during its first 10 years, but progress is slow and difficult. In addition to the classic partisan and urban-rural splits, personal acrimony between the Republican chairmen of the relevant committees, Charles Grassley (R-IA) at Senate Finance, and Bill Thomas (R-CA) of House Ways and Means, caused added friction. By mid-September, conferees announced agreement on the interim discount drug card that would be used before the full subsidy program began in 2006. This is a relatively minor part of the package, but could end up being all that Congress can agree to do.

Negotiations were punctuated by the announcement from the Centers for Medicare & Medicaid Services that Medicare physician reimbursement would drop by 4.2 percent next year. Doctors want Congress to reverse that decision and give them an increase instead, as happened earlier this year, and suggest that this change be included in the Medicare drug package. Doing so, of course, would add to an already expensive package.

Employer Health Spending: Up Again

Premiums for employment-based health benefits rose by 13.9 percent this year, according to a new report from the Kaiser Family Foundation. It was the third consecutive double-digit increase and the greatest annual increase posted since 1990. Workers are paying

48 percent more than they were three years ago, according to the report. While employers still typically pay 85 percent of the cost of coverage for employee-only coverage and about 73 percent for family coverage, they are increasingly trying to increase employee cost sharing, Kaiser reported. The study also found that employers are not dropping coverage. Kaiser and other analysts expect that another double-digit increase will be posted next year. The report is available online at www.kff.org/content/2003/20030909a/

EBRI in Focus

EBRI CD Available

As part of its 25th anniversary commemoration, EBRI produced a special two-CD set that contains almost all of the Institute's published research since its founding in 1978. The CDs include all EBRI periodicals (*Issue Briefs* and *Notes*), books, special reports, fact sheets, and testimonies before Congress and federal regulatory bodies. Samples of EBRI's *Choose to Save*[®] video public service announcements are also included, as are some historical photographs of EBRI founders and early trustees. Free copies of the CD set are being distributed to all EBRI Members and subscribers.

EBRI Education on the Road

Presentations by EBRI President Dallas Salisbury in October included:

- Oct. 1, Pacific Maritime Association board meeting in Napa, CA, a presentation titled "A Look at Benefits: social, economic and political perspectives."
- Oct. 3, Southern Employee Benefit Council, Sea Island, GA, a speech on "The Prospects of Educating and Advising Americans to Get Them to Financial Security in an Individual-Choice World."
- Oct. 8, a Merrill Lynch financial conference in New York City. Salisbury opened the conference with a plenary session speech on the impact of retirement plans

on corporate balance sheets, the importance to chief financial officers of understanding pension financial management, the direction of public policy, accounting reform, and other factors affecting pension management, as well as the role of EBRI in the pension market.

- Oct. 9, a conference co-sponsored with ECRI (formerly the Emergency Care Research Institute) in Plymouth Meeting, PA, a presentation on why public and private purchasers need to be aware of evidence-based medicine, the issues involved, and how this knowledge is useful to both corporate and public policy.
- Oct. 14, at a conference sponsored by the Kibble & Prentice firm in Seattle, WA, a speech on the 2003 Retirement Confidence Survey findings and legislative changes and proposals that may affect retirement and savings plans. His presentation also focused on the future retirement funding gap caused by insufficient personal savings and limitations on Social Security benefits.
- Oct. 15, National Rural Electric Cooperative Association, Arlington, VA, a presentation on "Meeting the Challenge of Retirement Economic Adequacy: Health, Assets, and Income."
- Oct. 16, CIGNA's legislative conference in Washington, DC, where he and Rep. Early Pomeroy (D-ND) provided a "point-counterpoint" discussion on benefits issues. Salisbury also

discussed recently released results of the EBRI/ICI 401(k) database.

- Oct. 17, the Deere Inc., monthly senior officer meeting, a presentation "Meeting Workforce, Health, and Retirement Challenges in the Global Economy."

EBRI in National Journal Health Policy Review

Paul Fronstin, EBRI senior research associate and director of the Health Research and Education Program, was one of 10 health care specialists asked by the *National Journal* to assess the various presidential candidates' health plans, as reported in the national news magazine's July 19 issue. The lengthy article creates a rating system for judging how well each candidate's plan addresses five of the most pressing problems confronting the nation's health care system: the uninsured, consumer spending, government spending, quality of care, and whether care is financially and geographically accessible to patients.

The group used by the *National Journal* included conservative, liberal, and nonideological experts, mostly from research and educational organizations. Each candidate's marks were averaged to produce a final score. For a copy of the article, contact Fronstin at (202) 775-6352, fronstin@ebri.org

Paul Jackson

Paul H. Jackson, 79, a former trustee and chairman of EBRI's

Research Committee, died Aug. 31 at his home in Bethesda, MD. Jackson was Washington office manager of The Wyatt Co. actuarial and benefit consulting firm from 1964 to 1989. With William W. Fellers, he developed the UP-1984 mortality table, used as a standard for non-insured pension plans. He also was a founder and director of the Retirement Policy Institute, and wrote more than 100 technical papers and articles on group insurance, pensions, investment risk, the valuation of assets, disability retirement, and mortality. A prolific worker and major player in the actuarial and retirement fields, and as a friend and former colleague, Paul will be greatly missed.

New Publications & Internet Resources

[Note: To order publications from the U.S. Government Printing Office (GPO), call (202) 512-1800; to order congressional publications published by GPO, call (202) 512-1808. To order U.S. General Accounting Office (GAO) publications, call (202) 512-6000; to order from the Congressional Budget Office (CBO), call (202) 226-2809.]

Aging

International Longevity Center-USA and AARP Foundation. *Unjust Desserts: Financial Realities of Older Women*. Free. International Longevity Center-USA Ltd., Attn: Communications, 60 E. 86th St., New York, NY 10028, (212) 606-3383; also available online at www.ilcusa.org.

Jackson, Richard, and Neil Howe. *The 2003 Aging Vulnerability Index: An Assessment of the Capacity of Twelve Developed Countries to Meet the Aging Challenge*. \$12 + \$4 S&H. CSIS Press, Center for Strategic and International Studies, 1800 K St., NW, Washington, DC 20006, (202) 775-3119, e-mail: books@csis.org.

Employee Benefits

Aon Consulting, Inc. *Fiduciary Fundamentals Under ERISA*. Free. Cassie Casler, Aon Consult-

ing, 222 Merrimac St., Newburyport, MA 01950-5626, (978) 463-3402.

Fidelity Workplace Services. *HR and Benefits: The Next Outsourcing Wave*. Free online at www.fidelity.com/.

Mercer Human Resource Consulting. *Survey of Employers' Time-Off and Disability Programs*. \$200. Mercer Human Resource Consulting, 1166 Ave. of the Americas, 28th Fl., New York, NY 10036, (212) 345-2451.

U.S. Chamber of Commerce. *Statistics and Research Center. The 2002 Employee Benefits Study*. U.S. Chamber of Commerce Members, \$50; nonmembers, \$95. U.S. Chamber of Commerce, Publications Fulfillment, 1615 H St., NW, Washington, DC 20062, (800) 638-6582.

Workplace Economics. *2003 State Employee Benefits Survey: Benefits in Effect January 1, 2003*. \$135. Workplace Economics, P.O. Box 33367, Washington, DC 20033-0367, (202) 223-9191, fax: (301) 774-7485.

Health Care

Bectel, Robert, Steven R. Gregory, and Mary Jo Gibson. *Across the States 2002: Profiles of Long-Term Care*. Free. AARP, 601 E St., NW, Washington, DC 20049, (202) 434-2277.

Conning Research & Consulting, Inc. *Consumer-Directed Health Plans: Hoped-For Results and Unintended Consequences*. \$1,000. Conning Research & Consulting, Inc., City Place II, 185 Asylum St., Hartford, CT 06103, (888) 707-1177, fax: (860) 520-1521.

Deloitte & Touche. *Human Capital Advisory Services. 2003 Consumer-Driven Health Care Survey*. For further information, contact the Human Capital Advisory Services practice of Deloitte & Touche at (888) 361-9960.

Isaacs, Stephen L., and James R. Knickman. *To Improve Health and Health Care: Volume VI, The Robert Wood Johnson Foundation Anthology*. \$24. Jossey-Bass Publishers, 350 Sansome St., Fifth Floor, San Francisco, CA 94104, (800) 956-7739.

J.D. Power and Associates. *J.D. Power and Associates 2002 National Managed Care Satisfaction Study: Managed Care Members' Perspectives of Their Health Plan Experience*. \$1,495. Dennis Goodman, Research Associate, J.D. Power and Associates, Healthcare Division, 1640 South Stapley Drive, Suite 251, Mesa, AZ 85204, (480) 344-4816, fax: (480) 344-4899, dennis.goodman@jdpa.com.

U.S. Congressional Budget Office.
How Many People Lack Health
Insurance and for How Long?
Order from CBO.

Insurance

North, David A., and Catherine D.
Bennett. *The Art of Self-Insur-
ance*. For further information,
contact Director of Corporate
Communications, Sedgwick
Claims Management Services,
Inc., 1100 Ridgeway Loop Road,
Memphis, TN 38120, (901) 415-
7400.

Strain, Dan. *Life Insurance: The
Savings Dilemma of Traditional
Insurance*. \$15.95. Trafford
Publishing, #8, 301 South Front
St., New Bern, NC 28560-2105,
(888) 232-4444 or (250) 383-6864,
fax: (250) 383-6804.

Labor Force

Bernstein, Jared, and Dean Baker.
*The Benefits of Full Employment:
When Markets Work for People*.
\$11.95. Economic Policy Institute,
Attn: Zanetta Green, 1660 L St.,
NW, Suite 1200, Washington, DC
20036, (202) 775-8810.

Muson, Howard. *Valuing Experi-
ence: How to Motivate and Retain
Mature Workers*. Conference
Board Associates, \$35; full price,
\$140. The Conference Board, 845
Third Ave., New York, NY 10022,
(212) 339-0345.

Pension Plans/Retirement

Institute of Management & Admin-
istration, Inc. *Managing 401(k)
Plan Costs & Fees Reference
Guide 2003*. \$124.95 (print &
electronic), \$119 (electronic
only). IOMA, 29 West 35th St.,
5th Floor, New York, NY 10001-
2299, (212) 244-0360.

Krass, Stephen J. *The Pension
Answer Book*. 2003 Edition.
\$199. Aspen Publishers, 7201
McKinney Cir., Frederick, MD
21704, (800) 638-8437.

Plan Sponsor and Fidelity Invest-
ments. 2002 Research Report:
Pension Funding and Liabilities.
An abbreviated version of the
report is available at
institutional.fidelity.com.

U.S. Congress. Joint Committee on
Taxation. (1) *Present Law and
Background Relating to Em-
ployer-Sponsored Defined
Benefit Plans and the Financial
Position of the Pension Benefit
Guaranty Corporation ("PBGC")*.
(2) *Present Law and Background
Relating to the Funding Rules
for Employer-Sponsored Defined
Benefit Plans and the Financial
Position of the Pension Benefit
Guaranty Corporation ("PBGC")*.
Free. Joint Committee on
Taxation, 1015 Longworth House
Office Building, Washington, DC
20515-6675, (202) 225-2647.

U.S. General Accounting Office.
*Retirement Income:
Intergenerational Comparisons of
Wealth and Future Income*.
Order from GAO.

Wilshire Associates. 2003 Corporate
Funding Survey on Pensions
(FASB 87). Free. Wilshire Associ-
ates, Inc., ATTN: Stephen
Nesbitt, 1299 Ocean Ave., Suite
700, Santa Monica, CA 90401,
(310) 451-3051, fax: (310) 458-
0520.

Watson Wyatt Worldwide. 2002
*Survey of Actuarial Assumptions
and Funding: Pension Plans with
1,000 or More Active Partici-
pants*. \$50. Watson Wyatt
Worldwide, 1717 H St., NW,
Suite 800, Washington, DC
20006, (202) 715-7000.

Social Security

U.S. General Accounting Office.
*Social Security and Minorities:
Earnings, Disability Incidence,
and Mortality Are Key Factors
That Influence Taxes Paid and
Benefits Received*. Order from
GAO.

U.S. Social Security Administration.
(1) *Social Security Programs
Throughout the World: Asia and
the Pacific*, 2002. (2) *Social
Security Programs Throughout
the World: Europe*, 2002. Order
from GPO.

Workers' Compensation

Telles, Carol A., Aniko Laszlo, and Te-Chun Liu. *CompScope Benchmarks: Multistate Comparisons, 1994-2000*. WCRI Members, \$95; nonmembers, \$195. Workers Compensation Research Institute, 955 Massachusetts Ave., Cambridge, MA 02139, (617) 661-9274, fax: (617) 661-9284.

Internet Documents

Changing Discount Rates for Determining Lump Sums
www.actuary.org/pdf/pension/discount_061703.pdf

Deferred Taxes in the Public Finances
emlab.berkeley.edu/users/burch/e231_sp03/Boskin.pdf

Health Benefits Advisor
www.dol.gov/elaws/ebsa/health/

Income of the Aged Chartbook, 2001
www.socialsecurity.gov/policy/docs/chartbooks/inc_aged/2001/

Kaiser/HRET Survey: 2002 State Employee Health Plans
www.kff.org/content/2003/6100/6100v3.pdf

Pension Issues: Lump-Sum Distributions and Retirement Income Security
benefitslink.com/articles/RL30496.pdf

Suspending the Employer 401(k) Match
www.bc.edu/centers/crr/issues/ib_12.pdf

Understanding the Impact of Employer Matching on 401(k) Saving
www.tiaa-crefinstitute.org/Publications/resdiags/76_6-2003.htm

Employment Law Sites

Employment Law Guide: Laws, Regulations, and Technical Assistance Services
www.dol.gov/asp/programs/guide.htm

Employment Law Links

www.cuyler.com/links/employment.asp

Employment Law Practice Center
www.law.com/jsp/pc/emplaw.jsp

employment laws assistance for workers & small businesses
www.dol.gov/elaws/

FirstStep Employment Law Advisor
www.dol.gov/elaws/FirstStep/

FreeAdvice: Employment Labor Law
employment-law.freeadvice.com/

Health Benefits Advisor
www.dol.gov/elaws/ebsa/health/

Hieros Gamos: Business Employment
www.hg.org/empbus.html

Hieros Gamos: Employment Law
www.hg.org/employ.html

Labor and Employment Laws of the Fifty States, District of Columbia and Puerto Rico
www.secure.law.cornell.edu/topics/Table_Labor.htm

National Employment Law Project
www.nelp.org/

National Employment Lawyers Association
www.nela.org/

Nolo: Law for All
nolo.com/

Wages (U.S. Department of Labor)
www.dol.gov/dol/topic/wages/

EBRI offers no endorsement of, and assumes no liability for, the currency, accuracy, or availability of any information on these sites.

EBRI

EMPLOYEE

BENEFIT

RESEARCH

INSTITUTE®

■ for employee benefits research

The premier organization

Established in 1978, the Employee Benefit Research Institute (EBRI) is the only nonprofit, nonpartisan organization committed to original public policy research and education on economic security and employee benefits.

EBRI's overall goal is to promote soundly conceived employee benefit programs. EBRI does not lobby or endorse specific approaches. Rather, it provides balanced analysis of alternatives based on the facts. Through its activities, EBRI is able to fulfill its mission to advance the public's, the media's, and policymakers' knowledge and understanding of employee benefits and their importance to our nation's economy.

Since its inception, EBRI's membership has grown to represent a cross section of pension funds; businesses; trade associations; labor unions; health care providers and insurers; government organizations; and service firms, including actuarial firms, employee benefit consulting firms, law firms, accounting firms, and investment management firms.

Today, EBRI is recognized as one of the most authoritative and objective resources in the world on employee benefit issues—health care, pensions, and economic security.

EBRI**EMPLOYEE
BENEFIT
RESEARCH
INSTITUTE®****Notes****© 2003.
Employee
Benefit
Research
Institute-
Education
and Research
Fund.
All rights
reserved.**

EBRI Notes (ISSN 1085-4452) is published monthly at \$300 per year or is included as part of a membership subscription by the Employee Benefit Research Institute, 2121 K Street, NW, Suite 600, Washington, DC 20037-1896. Periodicals postage rate paid in Washington, DC. POSTMASTER: Send address changes to: *EBRI Notes*, 2121 K Street, NW, Suite 600, Washington, DC 20037-1896. Copyright 2003 by Employee Benefit Research Institute. All rights reserved, Vol. 24, no. 10.

Who we are The Employee Benefit Research Institute (EBRI) was founded in 1978. Its mission is to contribute to, to encourage, and to enhance the development of sound employee benefit programs and sound public policy through objective research and education. EBRI is the only private, nonprofit, nonpartisan, Washington, DC-based organization committed exclusively to public policy research and education on economic security and employee benefit issues. EBRI's membership includes a cross-section of pension funds; businesses; trade associations; labor unions; health care providers and insurers; government organizations; and service firms.

What we do EBRI's work advances knowledge and understanding of employee benefits and their importance to the nation's economy among policymakers, the news media, and the public. It does this by conducting and publishing policy research, analysis, and special reports on employee benefits issues; holding educational briefings for EBRI members, congressional and federal agency staff, and the news media; and sponsoring public opinion surveys on employee benefit issues. **EBRI's Education and Research Fund** (EBRI-ERF) performs the charitable, educational, and scientific functions of the Institute. EBRI-ERF is a tax-exempt organization supported by contributions and grants. **The American Savings Education Council** (ASEC) and the **Consumer Health Education Council** (CHEC) are programs of EBRI-ERF. They are coalitions of private- and public-sector institutions with the goals of public education on saving, retirement planning, health insurance, and health quality.

Our publications *EBRI Issue Briefs* are monthly periodicals providing expert evaluations of employee benefit issues and trends, as well as critical analyses of employee benefit policies and proposals. *EBRI Notes* is a monthly periodical providing current information on a variety of employee benefit topics. *EBRI's Pension Investment Report* provides detailed financial information on the universe of defined benefit, defined contribution, and 401(k) plans. *EBRI Fundamentals of Employee Benefit Programs* offers a straightforward, basic explanation of employee benefit programs in the private and public sectors. *EBRI Databook on Employee Benefits* is a statistical reference volume on employee benefit programs and work force related issues.

Subscriptions/orders Contact EBRI Publications, (202) 659-0670; fax publication orders to (202) 775-6312. Subscriptions to *EBRI Issue Briefs* are included as part of EBRI membership, or as part of a \$199 annual subscription to *EBRI Notes* and *EBRI Issue Briefs*. Individual copies are available with prepayment for \$25 each (for printed copies) or for \$7.50 (as an e-mailed electronic file) by calling EBRI or from www.ebri.org. **Change of Address:** EBRI, 2121 K Street, NW, Suite 600, Washington, DC 20037, (202) 659-0670; fax number, (202) 775-6312; e-mail: PublicationsSubscriptions@ebri.org. **Membership Information:** Inquiries regarding EBRI membership, ASEC partnership, and/or contributions to EBRI-ERF should be directed to EBRI President/ASEC Chairman Dallas Salisbury at the above address, (202) 659-0670; e-mail: salisbury@ebri.org. **Editorial Board:** Dallas L. Salisbury, publisher; Steve Blakely, managing editor; Cindy O'Connor, production. Any views expressed in this publication and those of the authors should not be ascribed to the officers, trustees, members, or other sponsors of the Employee Benefit Research Institute, the EBRI Education and Research Fund, or their staffs. Nothing herein is to be construed as an attempt to aid or hinder the adoption of any pending legislation, regulation, or interpretative rule, or as legal, accounting, actuarial, or other such professional advice.

EBRI Notes is registered in the U.S. Patent and Trademark Office. ISSN: 1085-4452 1085-4452/90 \$.50+.50

Could we send a friend or colleague a complimentary copy of *EBRI Notes*?

Send an issue to _____

Organization _____

Address _____

City/State/ZIP _____

Your Name _____

Mail to: EBRI, 2121 K Street, NW, Suite 600, Washington, DC 20037
or Fax to: (202) 775-6312

Did you read this as a pass-along? Stay ahead of employee benefit issues with your own subscription to *EBRI Notes* for only \$49/year electronically e-mailed to you or \$99/year printed and mailed. For more information about subscriptions, visit our Web site at www.ebri.org or complete the form below and return it to EBRI.

Name _____

Organization _____

Address _____

City/State/ZIP _____

Mail to: EBRI, 2121 K Street, NW, Suite 600, Washington, DC 20037
or Fax to: (202) 775-6312