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Future of Employment-Based Health Benefits Unclear

Washington, D.C. – March 14, 2019 — A new study from the Employee Benefit Research Institute (EBRI) assesses how legislative proposals and regulatory actions could impact the future of the employment-based health benefits system.

The study, “*What Does the Future Hold for the Employment-Based Health Benefits System?*,” examines the history of employment health benefits and the potential impact a variety of legislative proposals and regulatory actions could have on its future. The Cadillac tax, Medicare-for-all, the public plan option, Medicaid and Medicare buy-in, the Trump Administration Proposal on Health Reimbursement Arrangements — all could result in a dramatic change for the more than 167 million individuals under age 65 who are covered by employment-based health benefits and for the companies who provide benefits to employees.

“Public policies related to the Cadillac tax, Medicare-for-all, and proposals that allow insurance to be purchased in the individual market using employer funding may all affect whether there is an employment-based health benefits system in the future,” said Paul Fronstin, Director of Health Research, EBRI, and author of this report. “Market developments, including the gig economy and high-priced medical advances like specialty medications, can also significantly impact the system.”

The report concludes that policy proposals to expand the number of people with health insurance coverage should be evaluated by their effect on health care costs, quality, and coverage, as well as its impact on the voluntary, market-driven, employment-based system. It also explores the consequences of de-linking health insurance from employment.

Copies of the report are available at ebri.org.

About EBRI:

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