

FOR IMMEDIATE RELEASE: April 2, 2013

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EBRI's 71st Policy Forum:

What's Next for Employment-Based Health Benefits?

WASHINGTON—With key provisions of the federal health care reform law scheduled to take effect in the near future, what's in store for the existing system of employment-based health benefits?

That was the focus of the 71st policy forum sponsored by the nonpartisan Employee Benefit Research Institute (EBRI), which brought in some of the nation's top health experts, including Assistant Secretary of Labor Phyllis Borzi. Employment-based health benefits remain the most common form of health coverage in the United States.

Among the key points raised at the EBRI policy forum:

- Recent discussions in Congress to possibly reduce or cap the tax exclusion for health benefits could result in a big shock for workers. Currently, workers are not taxed on the value of the health benefits they receive and employers can deduct their costs as a business expense. Budget deficit negotiations between the White House and Congress may change that as part of tax reform legislation.
- A significant influence on rising healthcare spending is the nation's rapidly aging population.
- While health care cost trends made some kind of change inevitable, enactment of the Patient Protection and Affordable Care Act (PPACA) exacerbated the employer impact on two key fronts: the administrative difficulties in dealing with health exchanges, and the fees imposed on employers.
- For small employers, the attraction of having workers get health coverage through a health exchange (rather than their jobs) is going to be very strong.

"EBRI's policy forums have a well-deserved reputation for bringing together the nation's leading thought leaders and policy experts to focus on the critical issues impacting employee benefits," noted Nevin Adams, EBRI's Director of Education and External Relations. "Enactment of PPACA has raised questions about whether employers will continue to offer health coverage as a benefit in the future, and in what form. Yet the importance of benefits as a criterion in choosing a job remains high, and health insurance in particular continues to be, by far, the most important employee benefit to workers."

The full article is published in March *EBRI Notes*, "'Post' Script: What's Next for Employment-Based Health Benefits?" available at www.ebri.org

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