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*Providing Insights that Contribute
to Better Health Policy*

Expanding Health Insurance Coverage Through Incremental Reforms: Snapshots of Employer Views

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Introduction

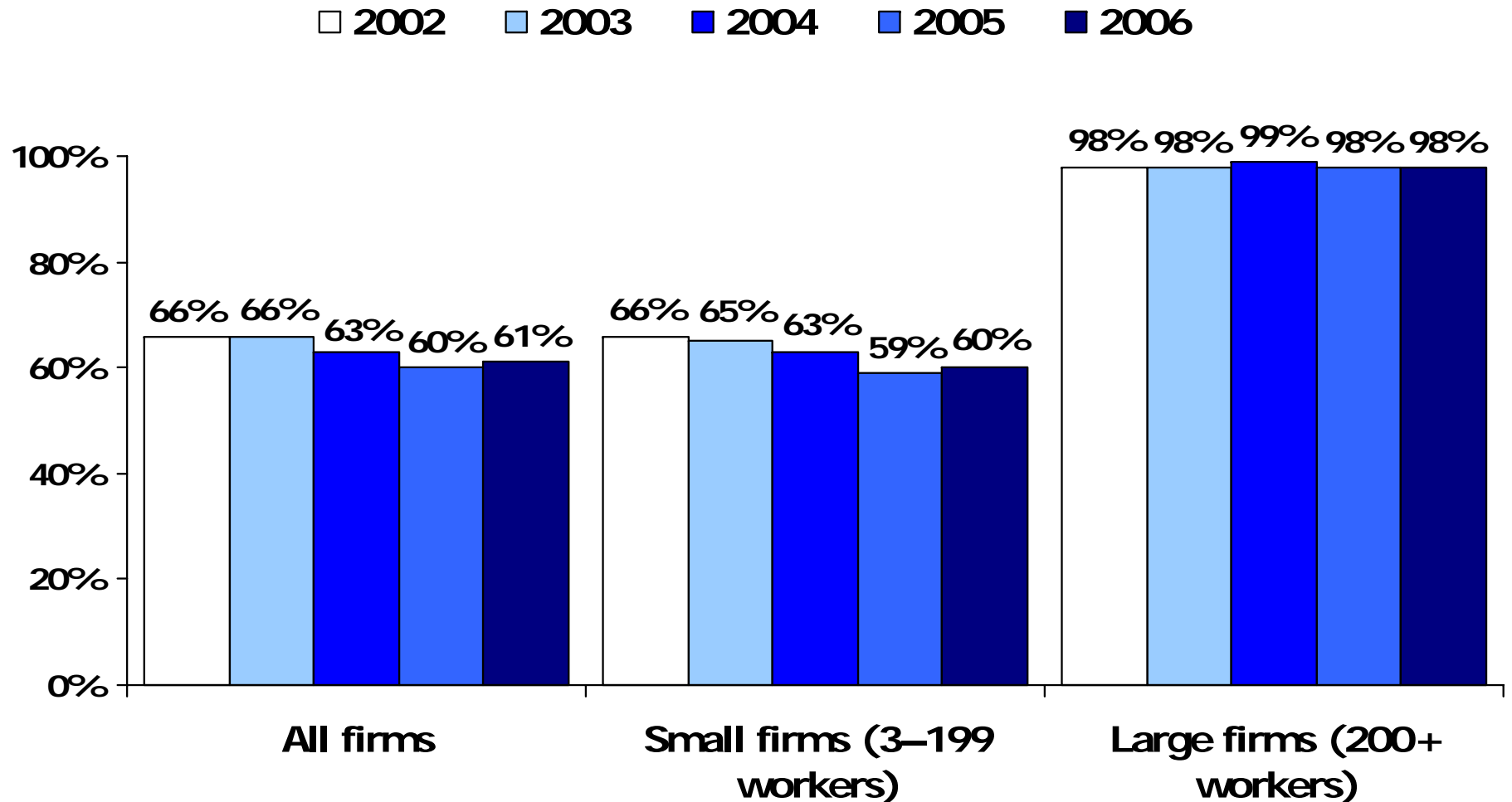
This chartpack is a companion piece to an article: H. Whitmore, S. R. Collins, J. R. Gabel, and J. D. Pickreign, "[Employers' Views on Incremental Measures to Expand Health Coverage](#)," *Health Affairs*, Nov./Dec. 2006 25(6):1668–78. Additional information on the project methodology is [available at the end of this chartpack](#). The major findings of this study include:

- Most employers view health benefits as important in attracting highly qualified employees, with just over one-third viewing them as “very important.”
- Among all firms, including those that do not offer health benefits, two-thirds (66%) “strongly” or “somewhat” agreed with the statement that “all employers should share in the cost of health insurance for employees, either by covering their own workers or by contributing to a fund to cover the uninsured.”
- Employers of all sizes expressed strong support for new options that would require administrative changes, with interest highest among small employers. These changes included making payroll deductions for premium payments on behalf of workers eligible to participate in public insurance programs or applying a worker’s federal tax credit for health insurance to his or her premium. One exception, however, was much more limited support for federal legislation to subsidize former employees’ COBRA premiums, with employers continuing to administer the plan.
- Relative to the support for policies that would require administrative actions, a smaller majority of employers were interested in policy options that would involve a greater financial commitment on their part. As with the administrative policy changes, however, interest was higher among small employers. These new options included offering and partly subsidizing employees’ coverage through state or federal employee benefits programs or state public insurance programs. A majority of firms agreed that the federal government should offer reinsurance with employers paying part of the cost, but the level of support was lower than that for more minor administrative actions.
- With respect to quality improvement, more than three of five (63%) employers who offered health benefits were very or somewhat interested in offering workers high performance provider networks, even if it meant limiting the number of network providers.
- In their views of the reducing of administrative costs, small employers were somewhat more focused on immediate relief from costs and large employers were more focused on achieving efficiency through standardization. For example, small employers were more likely to say that joint purchase of health insurance by employers and public insurance programs would be most beneficial in reducing administrative costs. Large firms were more likely to say that universally accepted quality performance measures for providers would be most beneficial in lowering costs.

Source: Commonwealth Fund Special Supplement to the 2005 Kaiser/HRET Survey of Employer-Based Health Benefits.



Figure 1. Percentage of Firms Offering Health Benefits, by Firm Size, 2002–2006*

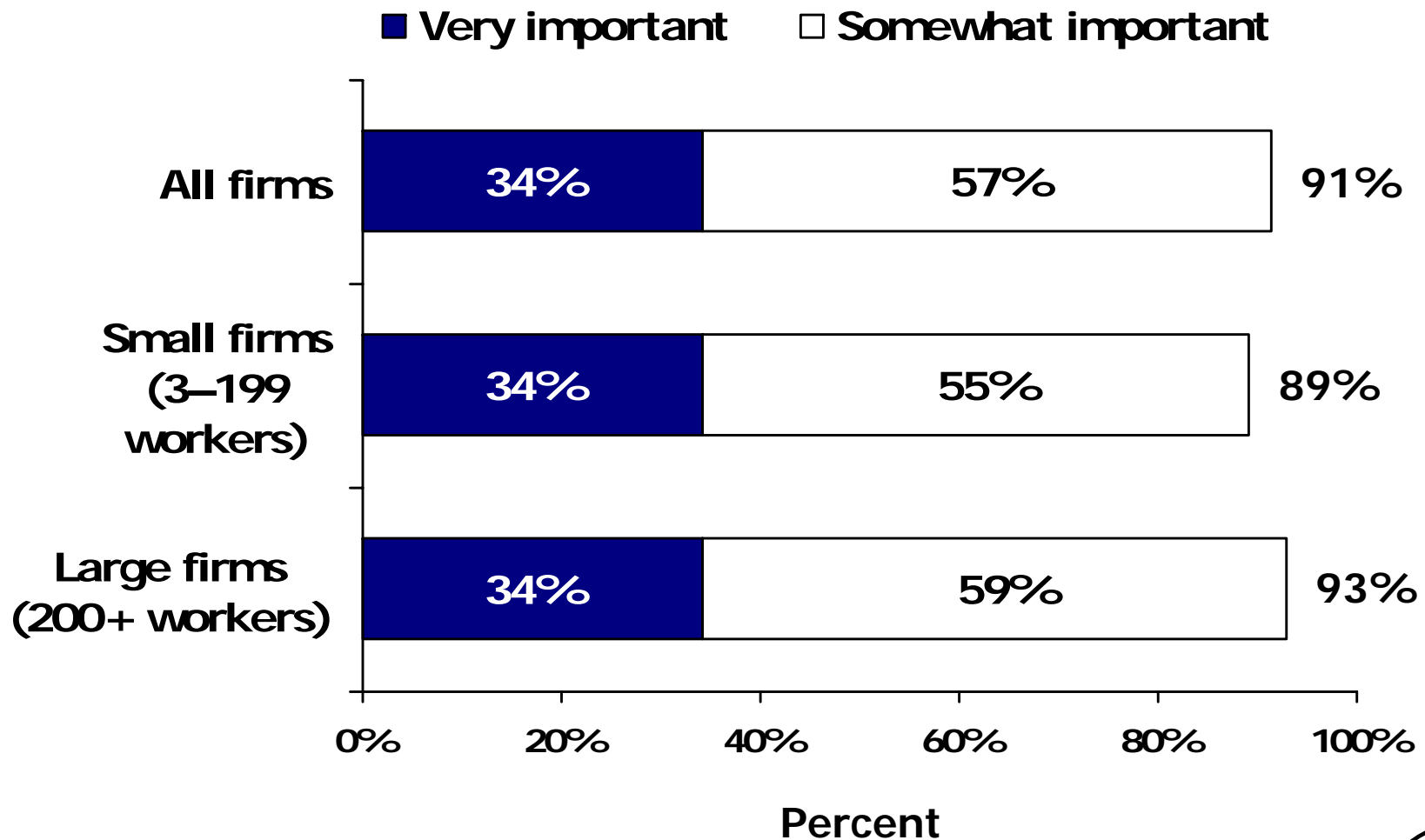


* Tests found no statistically different estimates from previous year shown within firm size.

Source: Commonwealth Fund Special Supplement to the 2005 Kaiser/HRET Survey of Employer-Based Health Benefits.
 Data source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2002–2006.



Figure 2. Among Firms Offering Health Benefits, How Important Are Firms' Health Benefits in Attracting Highly Qualified Employees?*



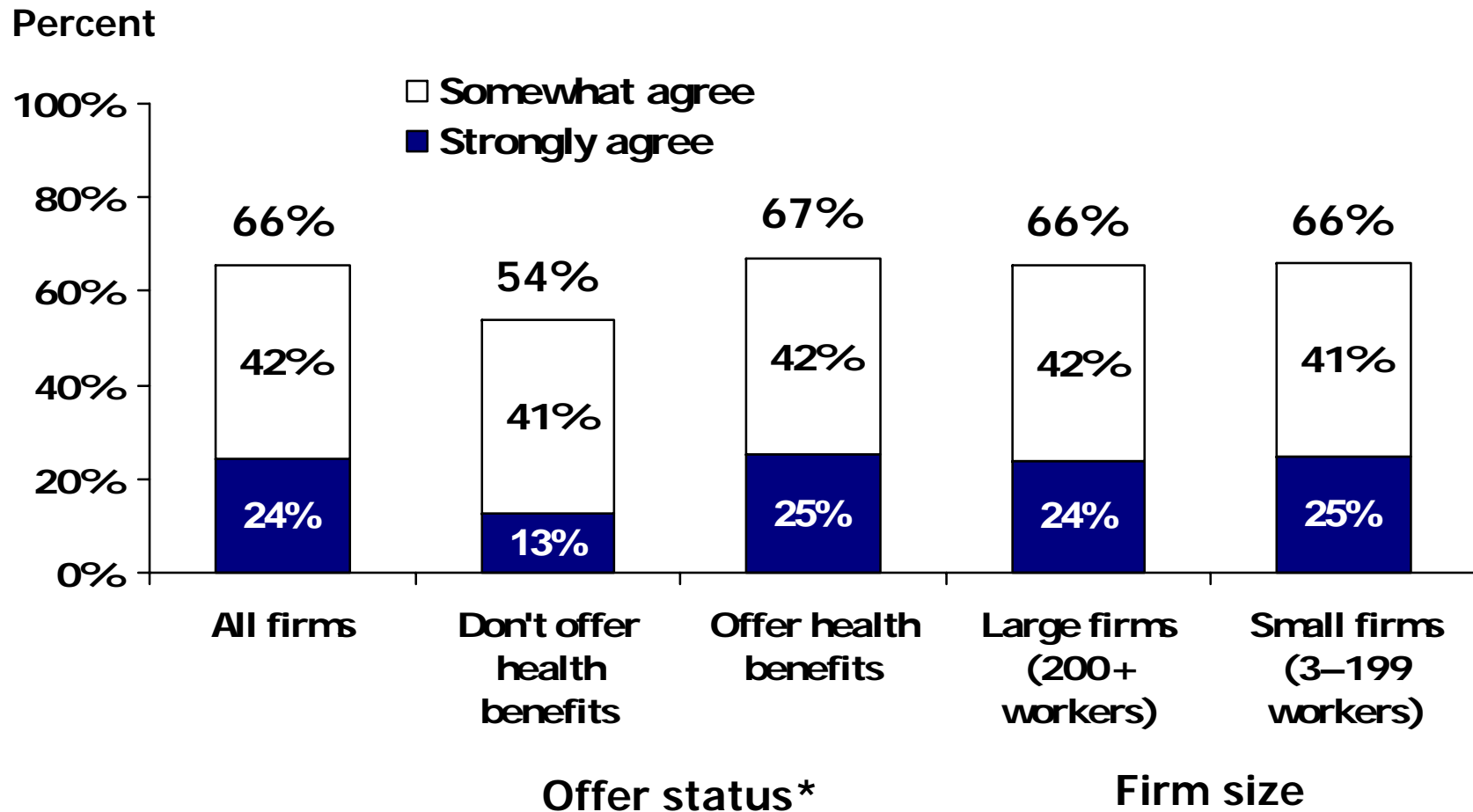
* Tests found no statistically different estimates between subgroups.

Note: All figures are shown with employee-based weights.

Source: Commonwealth Fund Special Supplement to the 2005 Kaiser/HRET Survey of Employer-Based Health Benefits.



Figure 3. Firms' Agreement with Statement That All Employers Should Share in the Cost of Health Insurance for Employees by Either Providing Health Insurance or Contributing to a Fund to Cover the Uninsured?



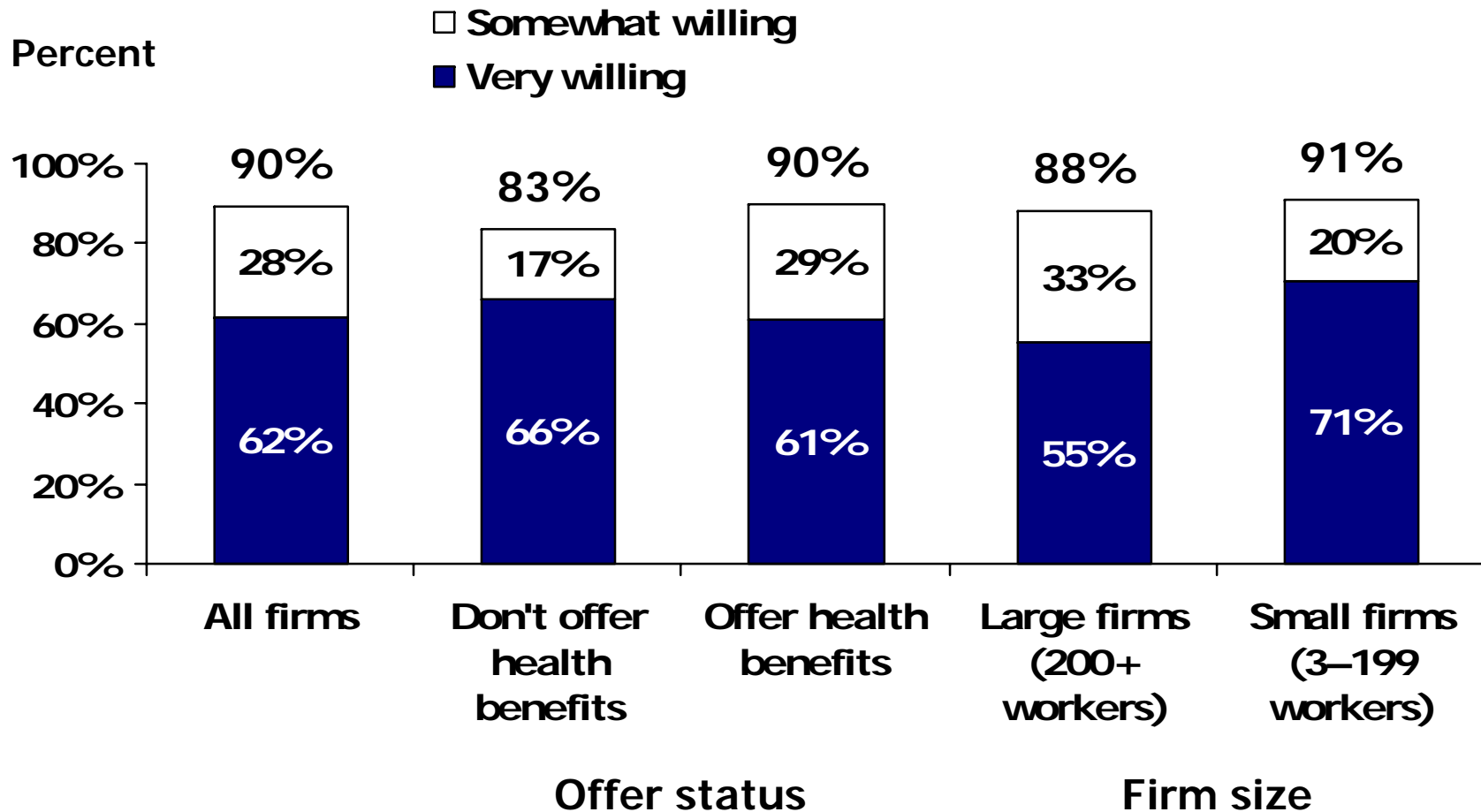
* Difference between subgroups is statistically significant at $p < .05$.

Note: All figures are shown with employee-based weights.

Source: Commonwealth Fund Special Supplement to the 2005 Kaiser/HRET Survey of Employer-Based Health Benefits.



Figure 4. How Willing Would Firms Be to Provide Eligible Low-Income Employees with Information About How to Apply for Government Administered Health Programs?*



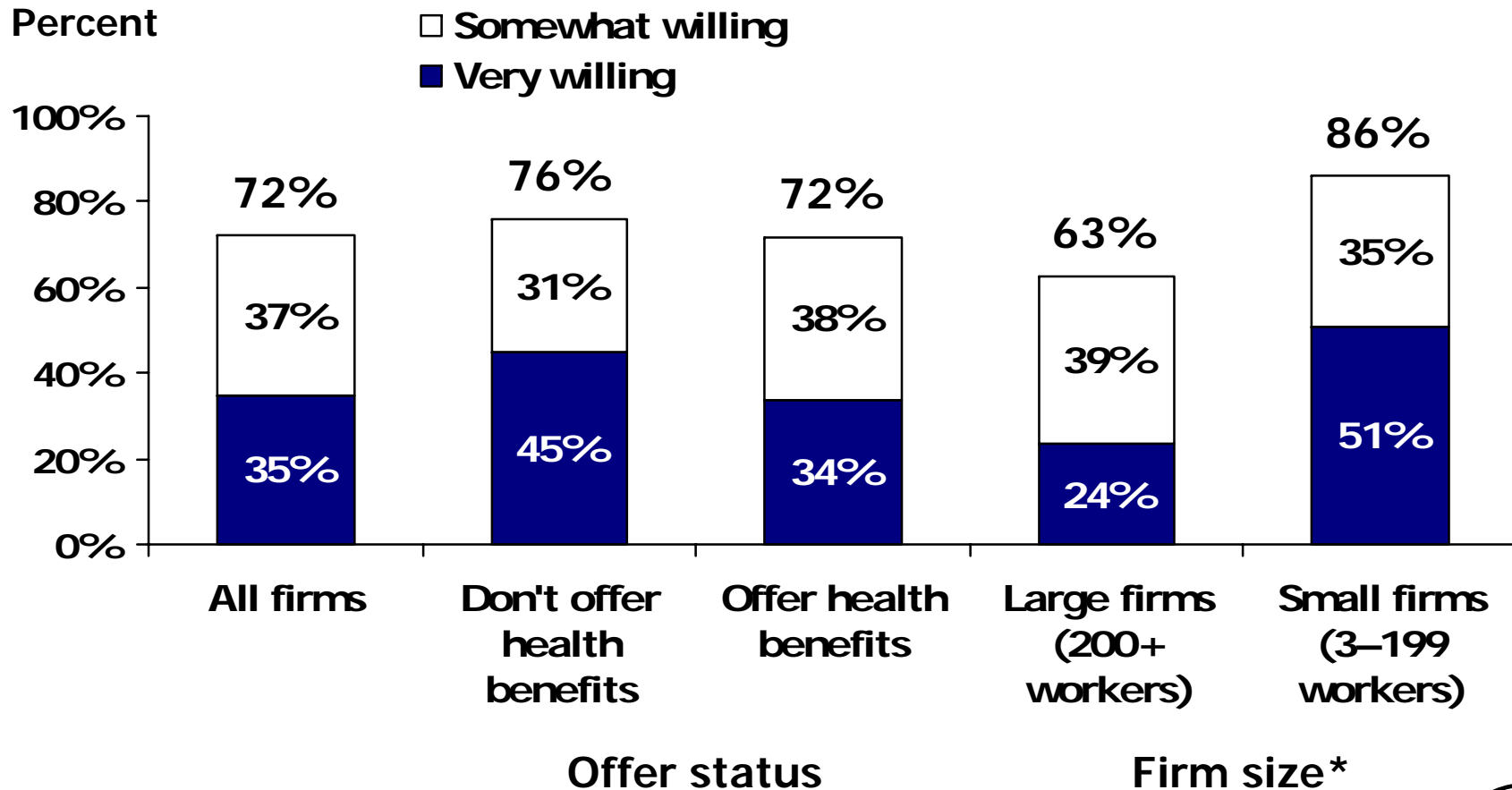
* Tests found no statistically different estimates within subgroups.

Note: All figures are shown with employee-based weights.

Source: Commonwealth Fund Special Supplement to the 2005 Kaiser/HRET Survey of Employer-Based Health Benefits.



Figure 5. How Willing Would Firms Be to Assist Employee Enrollment in Government Administered Health Programs by Making Payroll Deductions on Their Behalf to the State for the Premium Amount?



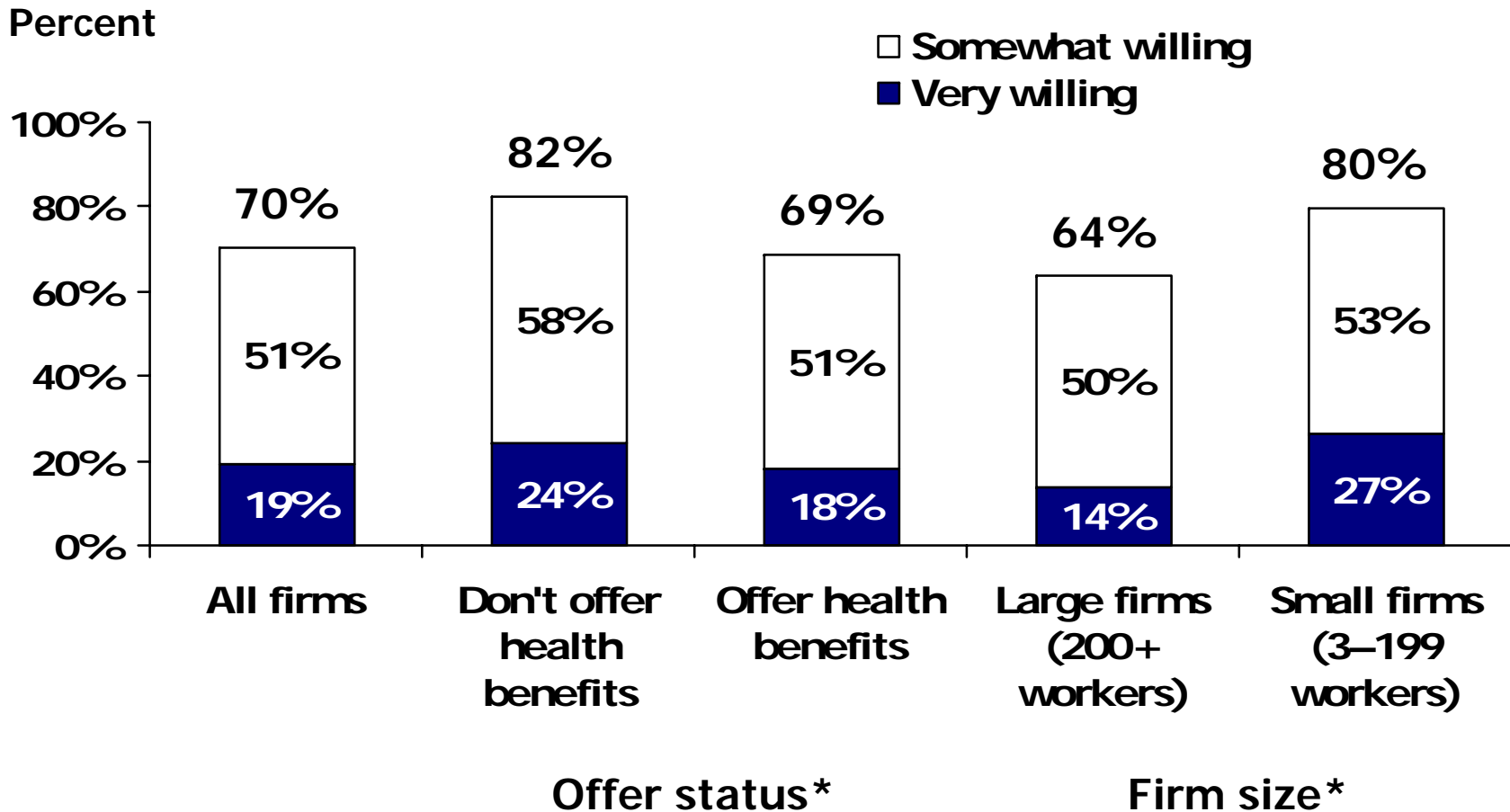
* Difference between subgroups is statistically significant at $p < .05$.

Note: All figures are shown with employee-based weights.

Source: Commonwealth Fund Special Supplement to the 2005 Kaiser/HRET Survey of Employer-Based Health Benefits.



Figure 6. If Tax Credit Were Available to Help Low-Income Workers Pay for Health Insurance, How Willing Would Firms Be to Collect Credit and Apply to Employee Share of Premium?



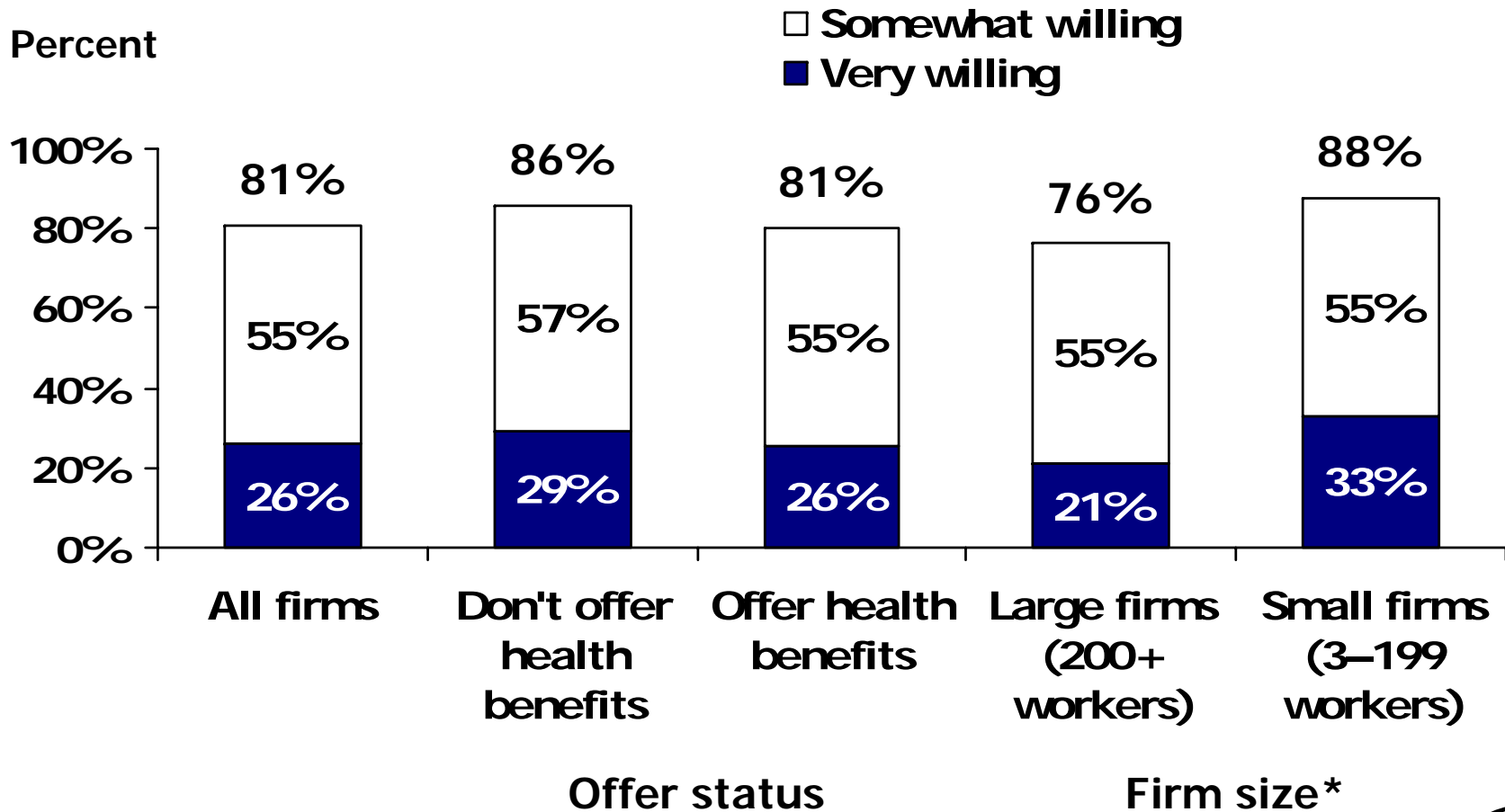
* Differences between subgroups are statistically significant at $p < .05$.

Note: All figures are shown with employee-based weights.

Source: Commonwealth Fund Special Supplement to the 2005 Kaiser/HRET Survey of Employer-Based Health Benefits.



Figure 7. If a Tax Credit Were Available to Help Low-Income Workers Pay for Health Insurance, How Willing Would Firms Be to Reduce Eligible Employees' Withholding Tax by the Amount of the Credit?



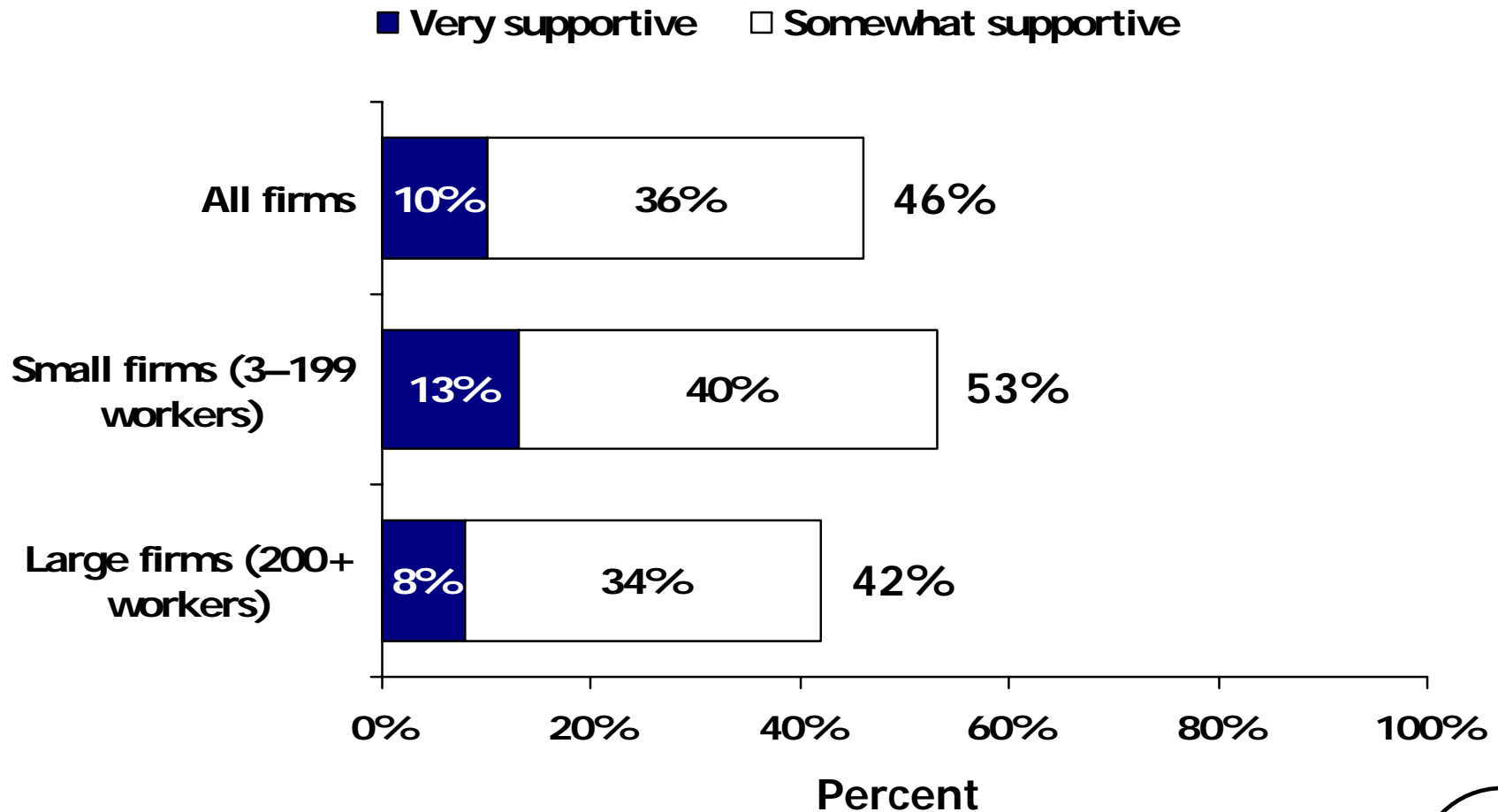
* Difference between subgroups is statistically significant at $p < .05$.

Note: All figures are shown with employee-based weights.

Source: Commonwealth Fund Special Supplement to the 2005 Kaiser/HRET Survey of Employer-Based Health Benefits.



Figure 8. How Supportive Are Firms of Legislation That Would Provide Federal Premium Assistance to Former Workers Who Elect COBRA Coverage, if Firms Had to Help Administer the Plan?*



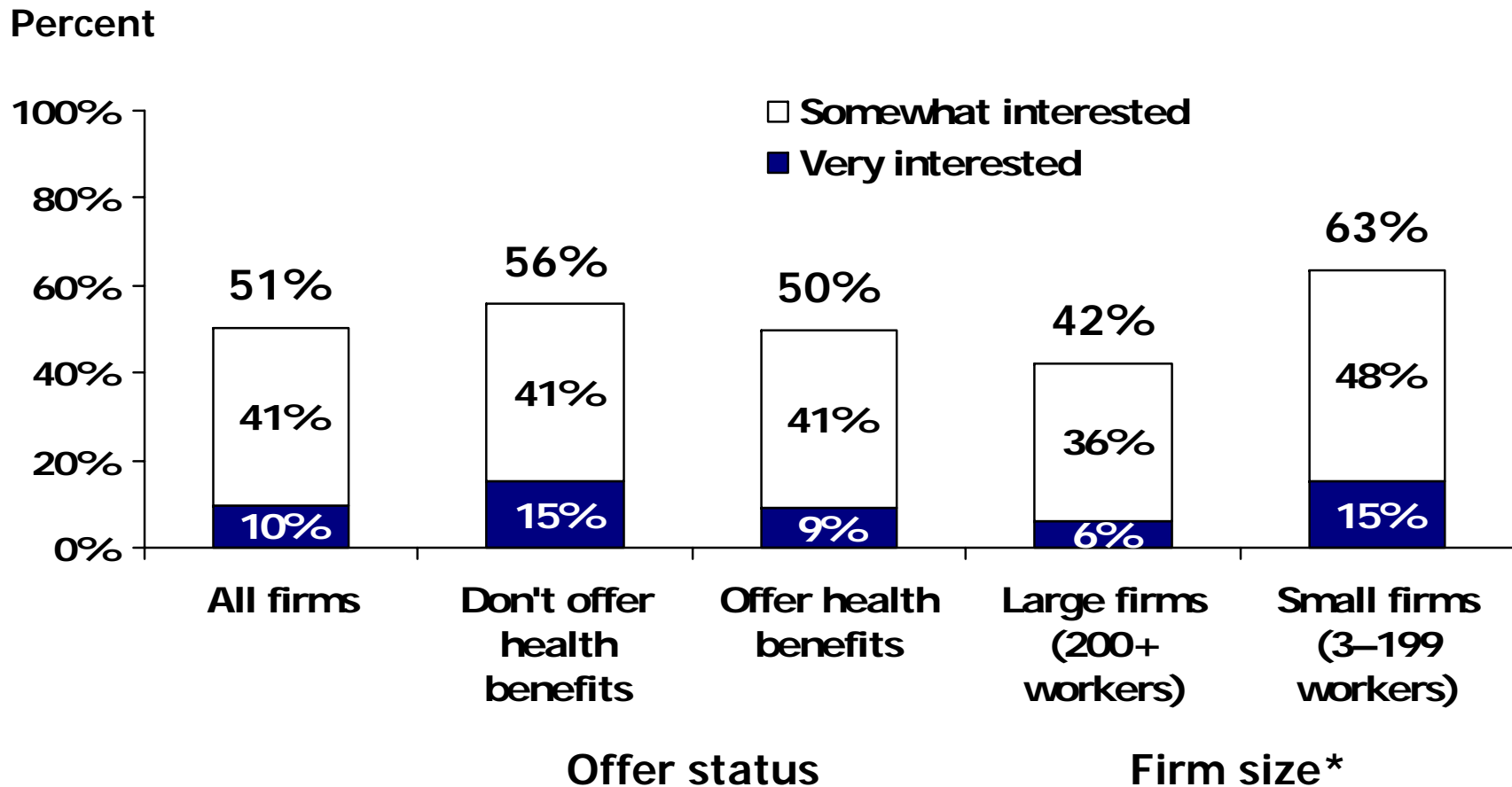
* Difference between subgroups is statistically significant at $p < .05$.

Note: All figures are shown with employee-based weights.

Source: Commonwealth Fund Special Supplement to the 2005 Kaiser/HRET Survey of Employer-Based Health Benefits.



Figure 9. How Interested Would Firms Be in Providing an Option to Employees That Would Allow Employees and Their Dependents to Participate in Public Health Insurance Programs, with Firms Paying Part of the Monthly Premium Cost?



* Difference between subgroups is statistically significant at $p < .05$.

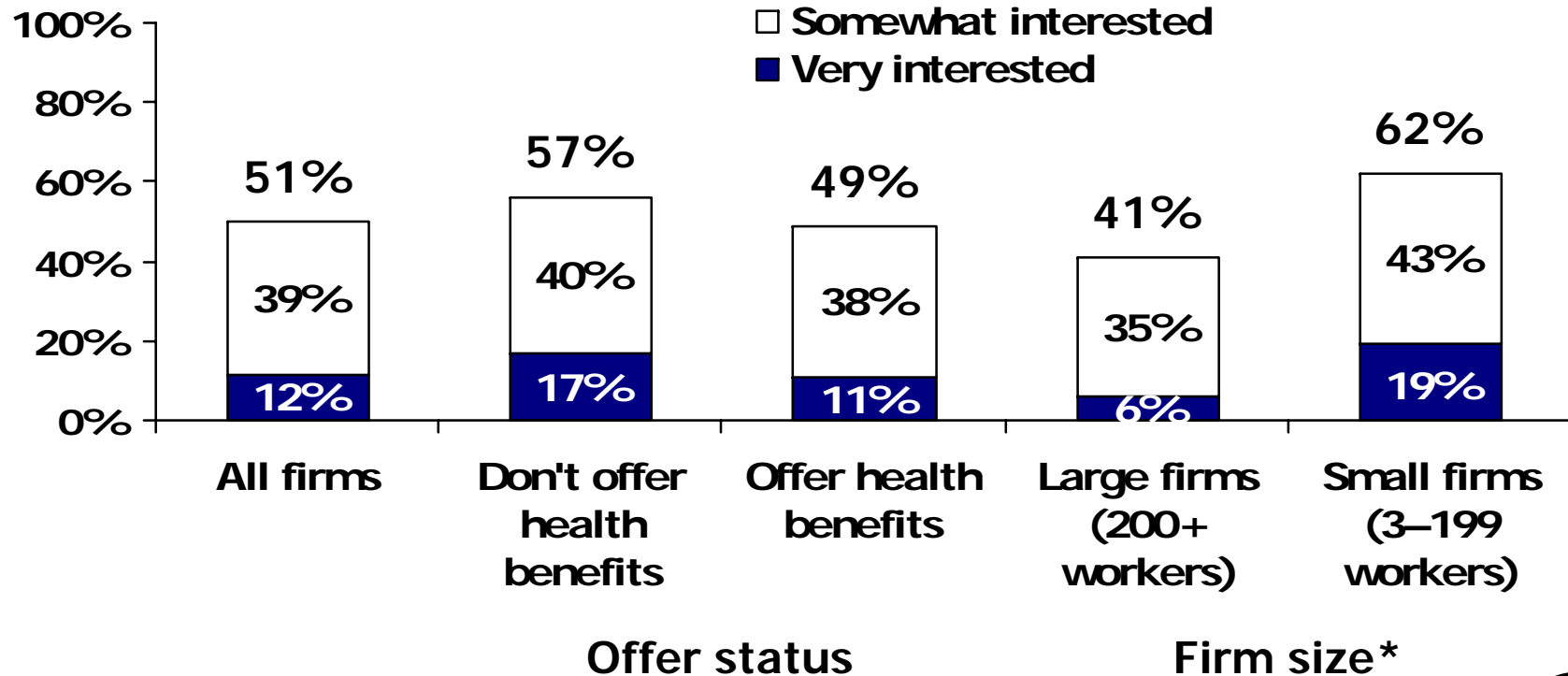
Note: All figures are shown with employee-based weights.

Source: Commonwealth Fund Special Supplement to the 2005 Kaiser/HRET Survey of Employer-Based Health Benefits.



Figure 10. How Interested Would Firms Be in Covering Employees Through the Same Insurance Program That Covers State Public Employees or the Federal Insurance Program That Covers the United States Congress, with Firms Paying at Least Part of the Monthly Premiums?

Percent



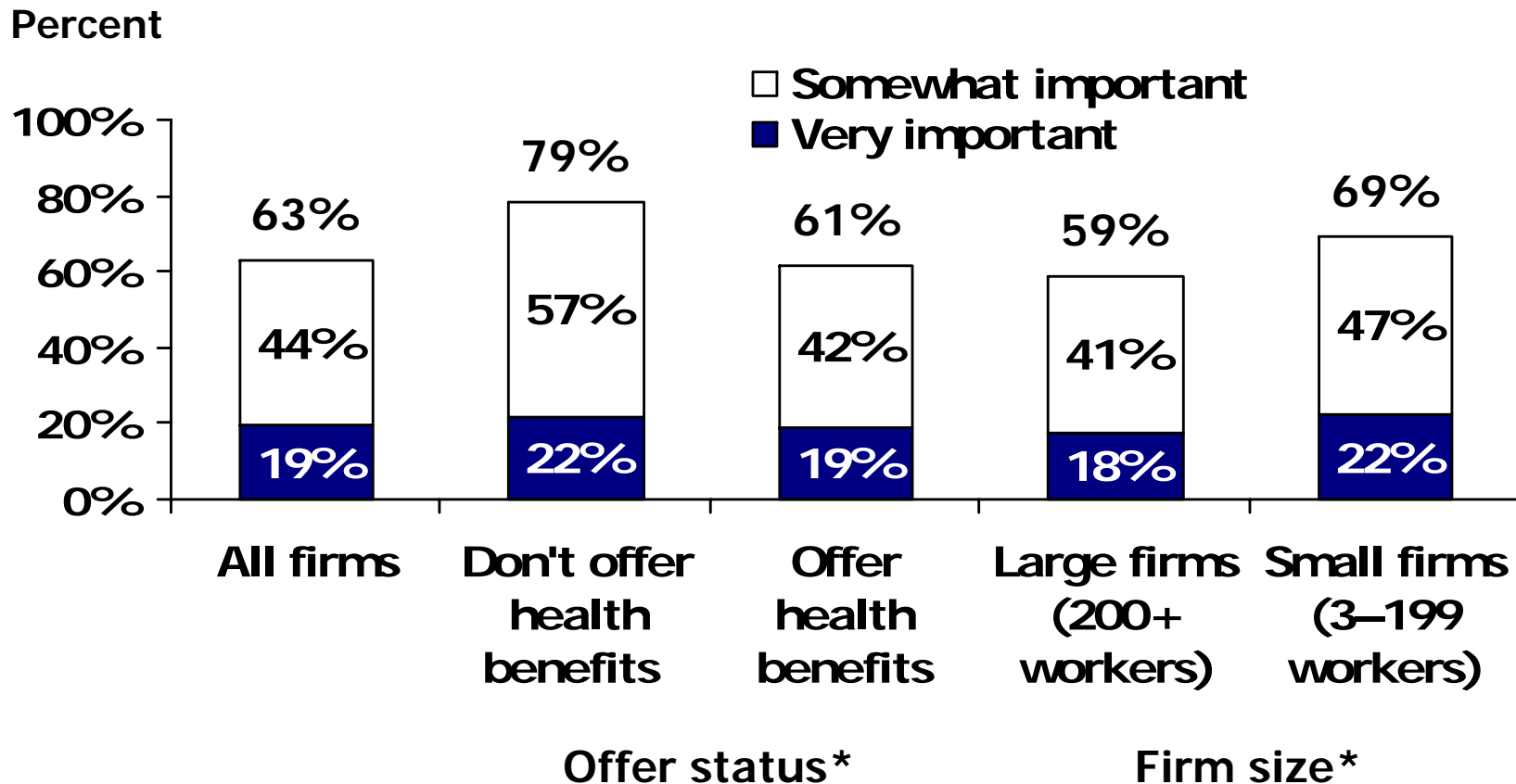
* Difference between subgroups is statistically significant at $p < .05$.

Note: All figures are shown with employee-based weights.

Source: Commonwealth Fund Special Supplement to the 2005 Kaiser/HRET Survey of Employer-Based Health Benefits.



Figure 11. What Are Firms' Views of the Importance of the Government Offering Reinsurance to Protect Employers Against Catastrophic Health Care Costs, Even if Employers Had to Pay Part of the Cost?



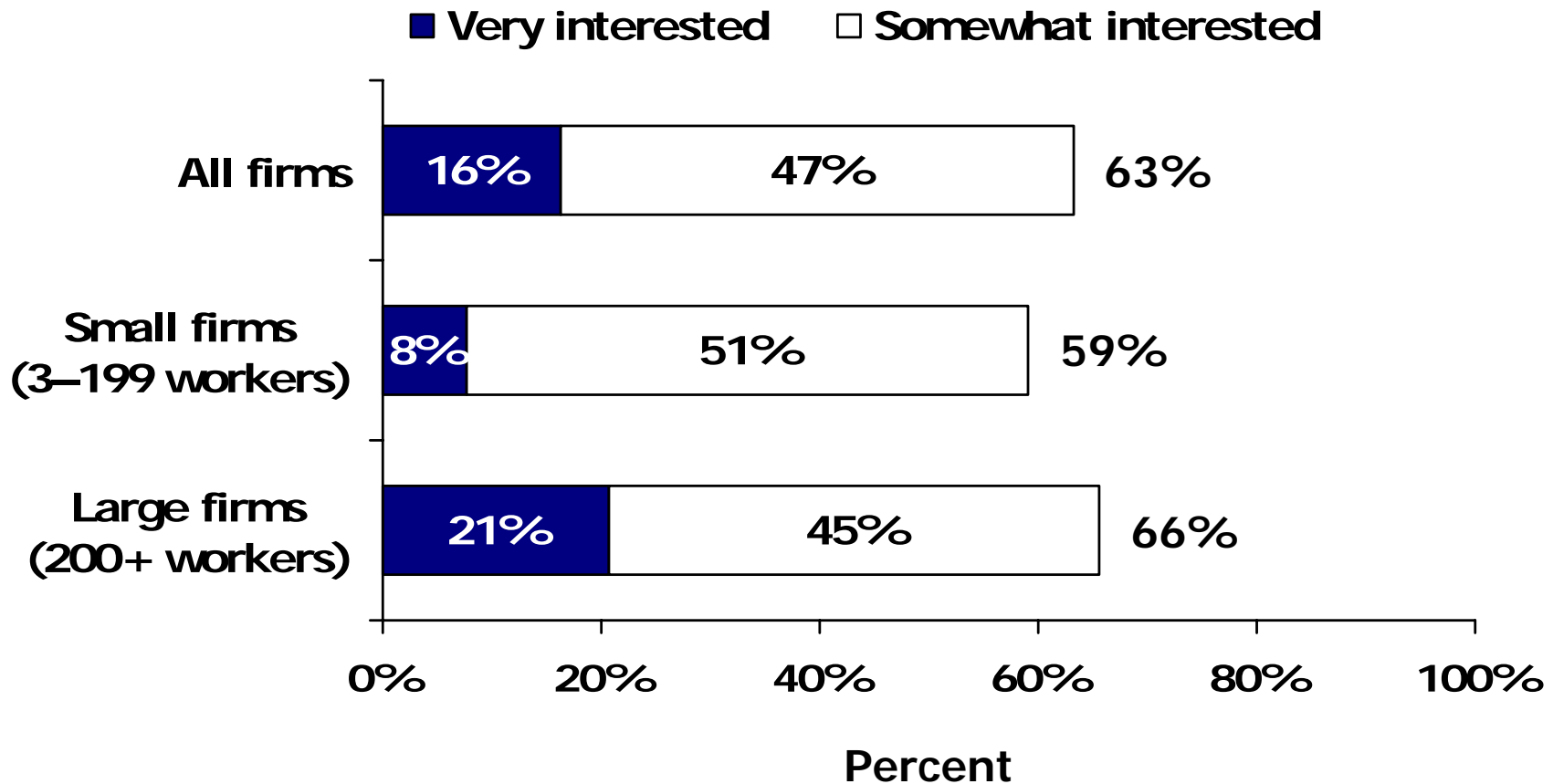
* Differences between subgroups are statistically significant at $p < .05$.

Note: All figures are shown with employee-based weights.

Source: Commonwealth Fund Special Supplement to the 2005 Kaiser/HRET Survey of Employer-Based Health Benefits.



Figure 12. How Interested Are Firms in Offering a High Performance Provider Network to Employees, Even if It Means They Might Have a Smaller Number of Providers to Choose From?*



* Difference between subgroups is statistically significant at $p < .05$.

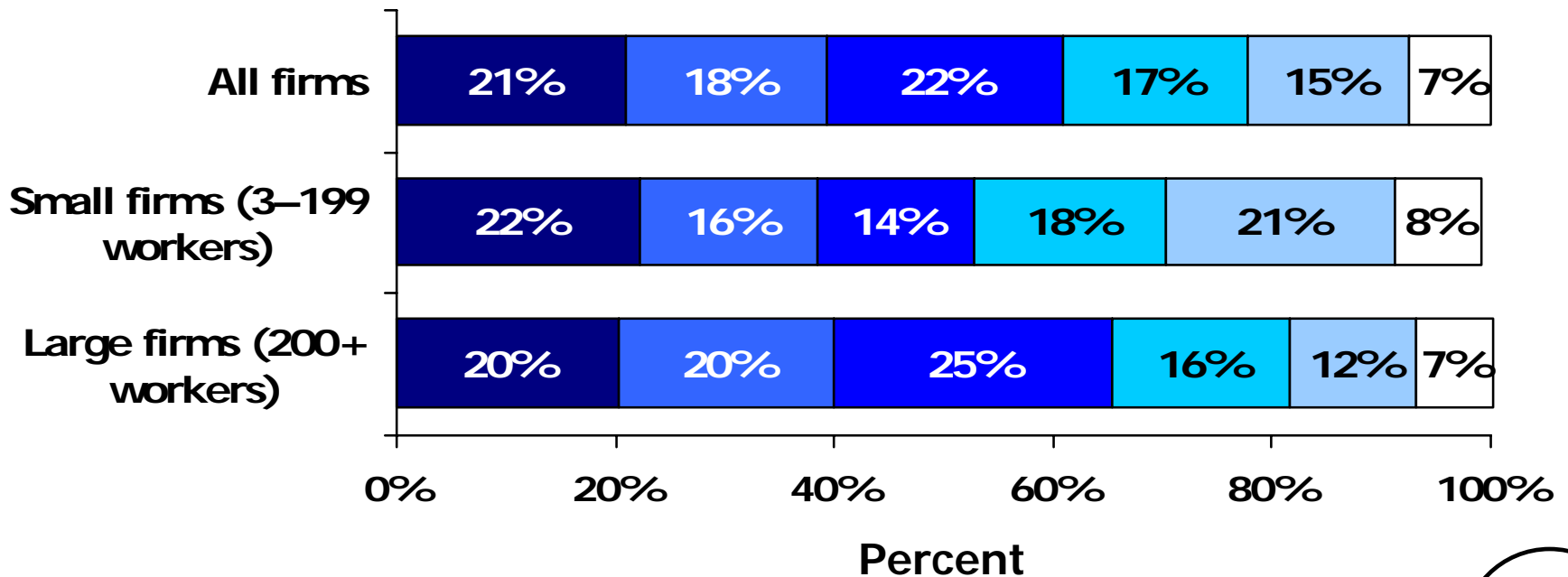
Note: All figures are shown with employee-based weights.

Source: Commonwealth Fund Special Supplement to the 2005 Kaiser/HRET Survey of Employer-Based Health Benefits.



Figure 13. To Best of Firms' Knowledge, Which of the Following Five Measures Would Be the Most Beneficial in Reducing Administrative Costs for Employers, Insurers, and Providers?*

- Standardization of health benefits
- Standardization of payment methods
- Universally accepted quality performance standards for providers
- Joint purchasing of health insurance by employers
- Joint purchasing of health insurance by employers and public insurance programs
- Don't know



* Difference between subgroups is statistically significant at $p < .05$.

Note: All figures are shown with employee-based weights.

Source: Commonwealth Fund Special Supplement to the 2005 Kaiser/HRET Survey of Employer-Based Health Benefits.



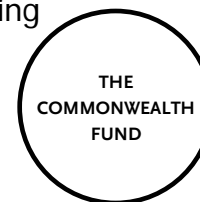
Methods

In 2005 The Commonwealth Fund sponsored a supplement to the annual Survey of Employer-Sponsored Health Benefits supported by the Kaiser Family Foundation and the Health Research and Educational Trust (Kaiser/HRET). The supplement sought to determine employer support for a variety of “incremental reform” measures designed to expand the level of employer-based health insurance coverage. Researchers at the Center for Studying Health System Change and The Commonwealth Fund analyzed the data and prepared this chartpack. The survey reports findings from a telephone survey of 2,995 randomly selected public and private nonfederal employers, including 2,013 who responded to the full survey and an additional 982 who responded to one question about whether or not they provide health coverage to their employees. Kaiser/HRET drew its sample from a Dun & Bradstreet list of the nation’s employers with three or more workers. Weights were created and used to make national, regional, firm size, and industry estimates. **All results presented in this report are weighted by workers, and as such the findings represent the experience of a typical worker rather than that of a typical firm.** For clarity, when reporting survey results, we use the term “percentage of firms” rather than the more cumbersome (and accurate) term, “percentage of workers in firms.” National Research LLC conducted the field work between January and May 2005. The overall response rate for the survey was 48 percent. All statistical tests are performed at the 0.05 level. Some values or percentages may not add up to 100 percent because of rounding.

Many variables with missing information were identified as needing complete information within the database. To control for item nonresponse bias, missing values within these variables were imputed using either a distributional approach (continuous variables) or a hot-deck approach (categorical variables). Although results are reported as a percentage of firms, all data are weighted by employees. Calculation of the weights follows a common approach. First, the basic weight is determined, followed by a survey nonresponse adjustment. Next, the weights are trimmed in order to reduce the influence of weight outliers. Finally, a post-stratification adjustment is applied.

The Center for Studying Health System Change is a nonpartisan policy research organization committed to providing objective and timely research on the nation’s changing health system to help inform policy makers and contribute to better health care policy. HSC, based in Washington, D.C., is funded principally by The Robert Wood Johnson Foundation and is affiliated with Mathematica Policy Research, Inc.

The Commonwealth Fund is a private foundation that aims to promote a high performing health care system that achieves better access, improved quality, and greater efficiency, particularly for society’s most vulnerable, including low-income people, the uninsured, minority Americans, young children, and elderly adults. The Fund carries out this mandate by supporting independent research on health care issues and making grants to improve health care practice and policy. An international program in health policy is designed to stimulate innovative policies and practices in the United States and other industrialized countries.



Source: Commonwealth Fund Special Supplement to the 2005 Kaiser/HRET Survey of Employer-Based Health Benefits.