

## 2010 Summer Chief Human Resource Officer Survey

### Questions on the New Health Care Law

1. Will the enactment of the Patient Protection and Affordable Care Act (PPACA) increase your company's health care costs?

96% Yes  
0% No  
4% Not Sure

2. If you answered yes to the previous question, how much do you think your health care costs will increase annually because of PPACA beyond what you were already anticipating?

56% 0 to 5 percent  
26% 6 to 10 percent  
18% More than 10 percent

3. If you answered yes to Question 1, which action are you likely to take: (please select only one)

19% Pass the majority of the added costs on to employees, dependents, retirees  
6% Have the company absorb the majority of the added costs  
64% Split the added costs between the company and employees, dependents, retirees  
11% Not sure

4. If PPACA is implemented in 2014 as currently designed, how likely is it that you will consider fundamental changes to your long-term health care benefits strategy for *active employees*?

49% Very likely  
30% Somewhat likely  
13% Not likely  
9% Not sure

5. If PPACA is implemented in 2014 as currently designed, how likely is it that you will consider fundamental changes to your long-term health care benefits strategy for *retirees*?

42% Very likely  
16% Somewhat likely  
12% Not likely  
6% Not sure  
24% We do not provide retiree benefits

6. Employers considering fundamental changes to their long-term health care benefits strategy will likely consider a continuum of options. Which of the following are you most likely to consider using over the long term for active employees? (please select only one)
- 14% Continue to offer a defined benefit plan without caps on employer contributions
  - 19% Continue to offer a defined benefit plan with caps on employer contributions
  - 8% Shift to a defined contribution plan and have employees seek individual coverage through private exchanges designed by employers
  - 10% Shift to a defined contribution plan and have employees seek individual coverage through the state exchanges
  - 49% Not sure
7. If you move away from a defined benefit to a defined contribution model of health care, to what extent will you gross up employees' pay to offset the loss of pre-tax benefits that will need to be purchased with after-tax dollars?
- 3% To the extent needed to fully offset the loss
  - 11% Only modestly
  - 20% Not at all
  - 66% Not sure/does not apply
8. With respect to changes in your company's retiree programs, which of the following are you likely to consider? (please select only one)
- 1% Offer a defined benefit plan without caps on employer contributions
  - 14% Offer a defined benefit plan with caps on employer contributions
  - 9% Offer a defined contribution plan and have employees seek individual coverage through exchanges designed by employers
  - 21% Offer a defined contribution plan and have employees seek individual coverage through the state exchanges
  - 26% Not sure
  - 29% We do not provide retiree benefits
9. As you seek to figure out new ways to control your company's health care costs, please check the five issues regarding the new health care law or potential changes to it that are of most concern to you as you design your strategy: (please check only five)
- 44% Revising grandfathering rules to allow employers more discretion to change and manage the costs of their plans while still maintaining grandfathered status
  - 33% Establishing appropriate rules for when employers must provide coverage to part-time and seasonal workers
  - 29% Assuring the Medicare payment reforms are implemented
  - 53% Assuring that the exchanges are operating effectively in all 50 states in 2014
  - 25% Opening up the state exchanges to large employers as soon as possible
  - 29% Delaying implementation of PPACA as long as possible
  - 37% Increasing penalties for individual mandates to address concerns over adverse selection in the individual insurance market
  - 57% Eliminating or revising the Cadillac tax
  - 75% Assuring that Medicare funding cuts and Medicaid eligibility expansion are accomplished without increasing cost shifting to private health plans
  - 39% Assuring that the penalties for employers who elect not to offer coverage are not substantially increased

- 43% Revising the new internal and external appeals requirements or exempting all ERISA plans from the new requirements
- 11% Other \_\_\_\_\_

10. Please state how likely it is that your company will be providing employer-sponsored health care benefits in 2020?

- 34% Likely
- 19% Not likely
- 47% Not sure

11. What would influence your company to shift away from employer-provided health benefits at some point in the next 10 years? (please mark all that apply)

- 80% Other companies in my industry moving away from providing benefits
- 31% Other companies in the geographical areas where we operate moving in this direction
- 35% The ability to permit lower-wage workers to take advantage of subsidies through health insurance exchanges
- 58% The option to move from a defined benefit system of health care to a defined contribution system with employees buying their own guaranteed issue coverage through exchanges
- 90% The cost of continuing to provide employment-based health care using a self-insured model becoming too expensive
- 9% Others \_\_\_\_\_

12. With respect to the future of the Patient Protection and Affordable Care Act, please check the statement that best reflects your perspective on the new health care law (please check only one):

- 3% PPACA should be repealed and no new health care reform law should be put in its place.
- 32% Congress should repeal PPACA and make another attempt at writing an effective health care reform law.
- 1% PPACA needs only minor adjustments to become an effective health care reform law.
- 56% PPACA should not be repealed, but it needs major adjustments to contain costs and correct the problems in our health care delivery system.
- 4% Not sure.
- 3% Other \_\_\_\_\_

13. With this question, we are trying to understand how involved you were during the debate that led to passage of PPACA (please check all that apply).

- 40% I took an active role with my company in monitoring the progress of the legislation and trying to influence its outcome.
- 30% I monitored the progress of the legislation, but found it difficult to discern what Congress was actually debating.
- 69% I relied on trade associations to which my company belongs to monitor and influence the outcome of the health reform debate.
- 5% Because of the highly contentious political environment, my company did not believe Congress would be able to agree on legislation that would become law.
- 2% During the course of the debate, I was not personally active in monitoring the legislation.