



News Release

FOR IMMEDIATE RELEASE

**MILLER & CHEVALIER AND THE AMERICAN BENEFITS COUNCIL
ANNOUNCE RESULTS OF CORPORATE HEALTH CARE POLICY SURVEY**
*Respondents Express Concerns About Health Care Reform Proposals of Both Presidential Candidates
Call for More Attention to Cost and Quality Issues and Maintenance of ERISA Standards,*

Washington D.C., September 15, 2008 – Miller & Chevalier Chartered and the American Benefits Council today announced the results of their 2008 Corporate Health Care Policy Forecast Survey, measuring the current perspectives and attitudes of leading corporate benefit professionals on the direction of health care policy in the coming year.

By wide margins – and regardless of their personal political affiliation – the people who design and administer employer health plans expressed concerns with both Presidential candidates' health care proposals, saying that Senator John McCain's proposal to repeal the tax exclusion for employer-provided health coverage and Senator Barack Obama's proposal to compel employers to "pay or play" would have strong negative impacts on American workers.

"This feedback should be a wake-up call to our political leaders that the people responsible for structuring and managing employer-sponsored health plans, which cover more than 130 million Americans, are deeply skeptical about key elements of both Presidential candidates' reform proposals. Rather than taxing workers' health benefits and compelling employers to provide coverage they can't afford, candidates should focus on initiatives to control costs and promote top quality care," said James A. Klein, president of the American Benefits Council.

The corporate benefits executives also urged Presidential and Congressional candidates to pay more attention to issues that affect the cost of health coverage and the quality of health services.

"Employers face a constant struggle to provide quality health care options for their employees as costs continue to skyrocket. Survey respondents indicated over and over that cost is the biggest health care burden to their companies," said Miller & Chevalier attorney Susan Relland. "While they appreciate the attention that has been paid to health care coverage, employers told us they hope that the coming months will bring useful debate on health care cost and quality issues."

Employers are actively working to address rising health care costs and have implemented programs designed to improve health care quality, with 92% of respondents saying their companies have adopted wellness or chronic care programs. Other programs and policies in wide use include (1) offering a consumer-directed health plan with a health savings account or health reimbursement arrangement, (2) requesting public reporting of provider quality and (3) participating in regional or national public-private collaboratives to establish and support uniform standards for measuring and reporting cost or quality information.

"In addition to the measures they have already adopted, employers would like to see enhanced government policies that promote reporting of quality outcomes and cost transparency and the use of health information technology," added Relland.

The survey results also confirm that nearly unanimously, business leaders believe maintaining the federal preemption framework of the Employee Retirement Income Security Act (ERISA), is vital to continuing employer-sponsored coverage. Regardless of their company's size, geography, industry or even the respondent's own political affiliation, respondents overwhelmingly support maintaining ERISA standards and oppose individual regulation at the state level.

“ERISA waivers for state initiatives would create disparities in the health plans offered within a single company's workforce and could interfere with employer strategies to promote wellness initiatives. Health reform efforts must build on the established federal framework that preserves uniformity in plan design and administration. Benefits executives see the efforts to grant states more authority as a direct threat to employers' ability to continue offering health coverage,” Klein added.

Survey Highlights

In late July and early August, Miller & Chevalier and the American Benefits Council distributed the survey via e-mail to leading health care executives at a broad cross-section of small and large U.S.-based corporations. The survey was completed by 187 respondents who provided opinions on health care proposals of the Presidential candidates, health care legislation likely to be enacted in 2008, and health care concerns within their organizations. Some survey highlights include:

- 74% of respondents say that a repeal of the employee tax exclusion for employer-sponsored health coverage (a proposal of Republican Presidential Candidate John McCain) would have a strong negative impact on their workforce. **Respondents clearly rejected the assertion that altering the tax exclusion for employer provided health coverage would not affect employer sponsorship of plans.** Only 4% of all respondents said the current tax treatment for workers is of “little or no importance” in continuing employer provided coverage.
- 46% of respondents say requiring employers to “pay or play” (a proposal of Democratic Presidential Candidate Barack Obama) would have a strong negative affect on their workforce; more than three times the number of respondents (14%) who viewed the idea positively.
- Although the Presidential candidates have spent a considerable and appropriate amount of time focusing on health care coverage issues, respondents say that **they would like to see more focus on cost (58%) and quality (74%) issues.**
- **Respondents overwhelmingly support maintaining ERISA standards (91%) and oppose individual regulation of employer-sponsored health plans at the state level (84%).**
- While respondents say they expect to comply with new mental health parity requirements if enacted, they can not independently shoulder all the costs. **39% of respondents said their company will increase employee premium contributions, 24% will make other adjustments to offset any cost increase, and 11% will do both.**
- If employees would be taxed on the cost of health insurance over a certain threshold, **respondents indicated that employers would be compelled to reduce the level of coverage for workers.**

For a full copy of the survey results and analysis, please contact Laura Miller at (312) 252-4104 or visit www.millerchevalier.com or www.americanbenefitscouncil.org.

About Miller & Chevalier

Founded in 1920, Miller & Chevalier is a leading Washington, D.C. law firm with more than 100 lawyers who practice in the areas of benefits, including ERISA; tax; federal healthcare programs; white collar; federal procurement fraud; international; and related litigation. For more information on the firm, visit www.millerchevalier.com.

About The American Benefits Council

The American Benefits Council is the national trade association for companies concerned about federal legislation and regulations affecting all aspects of the employee benefits system. The Council's members represent the entire spectrum of the private employee benefits community and either sponsor directly or administer retirement and health plans covering more than 100 million Americans.

###

CONTACTS:

Susan Relland, Employee Benefits Practice, Miller & Chevalier Chartered, 202-626-1486
Jason Hammersla, Director of Communications, American Benefits Council, 202-289-6700
Laura Miller, Media Relations, GreenTarget, 312-252-4104