



News Release

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MILLER & CHEVALIER AND THE AMERICAN BENEFITS COUNCIL ANNOUNCE RESULTS OF SECOND ANNUAL CORPORATE HEALTH CARE POLICY FORECAST SURVEY

*Survey Reveals Respondents' Concerns About Government-Run Health Plan,
Employer Mandate and Proposals to Tax Their Employees;
Respondents Also Call for More Attention to Cost and Quality Issues and Maintenance of ERISA Standards*

Washington D.C., June 17, 2009 – Miller & Chevalier Chartered and the American Benefits Council today announced the results of their second annual Corporate Health Care Policy Forecast Survey, measuring the current perspectives and attitudes of leading corporate benefits professionals on the direction of health care policy in the coming months.

By wide margins – and regardless of their personal political affiliation – the people who are responsible for structuring and managing employer-sponsored health plans expressed serious concerns about many features of health care reform that the President and several Congressional leaders have embraced and the absence of sufficient attention to improving the quality of health care and containing the costs of health coverage.

“Clearly, this is a group of voters that supports health care reform and supports the President. A higher percentage of this group than the country as a whole – including a quarter of those who are Republicans – voted for President Obama. Yet, they are very concerned about several issues that are front and center right now. The people responsible for employer-sponsored health plans covering over 130 million Americans believe it is vital that key elements of reform be properly addressed,” said James A. Klein, president of the American Benefits Council.

“Democrats, Republicans and Independents, alike, want to reform the health system but are worried about the impact on their employees of proposals to tax health benefits, about mandates on employers that will raise costs, and about a government-run plan that would shift costs to private employers and to families covered by employer plans,” Klein noted.

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

“Particularly in today’s economic environment, employers struggle to provide good health care options for their employees as costs become less manageable. Benefits executives told us repeatedly that cost is the biggest burden to providing quality health care to their employees,” said Miller & Chevalier lawyer Susan Relland. “Despite the recent months of debate, employers told us they hope that the current health reform discussion will include more meaningful focus on health care cost and quality issues.”

Employers continue 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: offering a consumer-directed health plan with a health savings account or health reimbursement arrangement; adopting high performance network strategies that encourage plan participants to use providers with the highest quality and the lowest cost; and requesting public reporting of provider quality.

The survey results also confirm that nearly unanimously, business leaders believe maintaining the federal framework of the Employee Retirement Income Security Act of 1974 (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.

Survey Highlights

In May, Miller & Chevalier and the American Benefits Council distributed the survey via e-mail to leading corporate benefits executives at a broad cross-section of U.S.-based companies that range in size from fewer than 1,000 to more than 50,000 employees. The survey was completed by 213 respondents who provided opinions on health care reform proposals, tax changes, and health care concerns within their organizations. Some survey highlights include:

- With the taxation of employer-sponsored health benefits now squarely on the table, respondents clearly assert that altering the tax exclusion will affect employer-sponsorship of plans. 82% want to maintain the current exclusion.
- Respondents would like to see more focus on cost (51%) and quality (72%) issues.
- Respondents overwhelmingly point to improvements in health care quality, such as reporting of quality outcomes and wellness or chronic care programs, as the areas that could have the most positive impact on their workforce.
- Quality initiatives that employers offer have not diminished since last year, despite the economic downturn. Fully 92% of respondents say their companies provide wellness or chronic care programs.
- Like last year, the question of limiting or repealing ERISA preemption received one of the strongest reactions from respondents. Corporate benefits executives overwhelmingly support maintaining ERISA standards (92%).
- Three-quarters of respondents say that their company would immediately reduce or cease altogether offering retiree health coverage if legislation were enacted that prevented employers from modifying retiree health care benefits in the future.
- Employers understand that continuing to provide health care to their employees is very important. 89% of respondents think employees would prefer to receive health insurance through employers even if similarly priced options were available through other sources.

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 Washington, D.C. law firm with a global perspective and leading practices in tax; employee benefits, including ERISA; international law and business; complex litigation; and government affairs. 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. For more information on the Council, visit www.americanbenefitscouncil.org.

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