

Reaching Out to Employers About Health Reform's Potential

The Affordable Care Act (ACA) of 2010 offers an unprecedented opportunity to increase health insurance coverage and access for many Americans. The new law is particularly relevant to the business community as the timeline for implementation moves forward. The ACA has enormous potential to provide employers, especially small and mid-sized, with the tools needed to introduce or expand coverage for their employees (Blumberg 2010). Numerous businesses across the country, however, remain confused about the requirements of the law and how to meet their new obligations; many are unaware of its possible benefits.

Businesses have long been interested in the topic of health insurance and its effect on their industry. However, they are not of one mind on health reform: some are adamantly opposed to it, and others have been working for years to promote change. Despite differing views, employers' motivations for taking an interest in the ACA are very similar: they want to positively affect the health status of their employees to maintain or improve productivity, they are concerned about insurance affordability and quality, and they are interested in offering a benefit that attracts and retains the desired workforce for their company.

Employers have to be one of the leading change agents for improving health and transforming health care.

– Andrew Webber, 2010

Because employers are operating in uncertainty about the implications of the new law, this is an exceptional opportunity for foundations and their grantees to raise awareness around how the ACA can contribute to improved health and productivity of the workforce.

RELEVANT FEATURES OF THE LAW

Some illustrative examples of the ACA's provisions for employers include:

- Small firms with fewer than 25 employees (whose average annual wages are below \$50,000) that provide health insurance may qualify for a tax credit up to 35 percent of their premiums to help compensate for the cost of insurance

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(Alliance for Health Reform 2010).

- Beginning in 2014, businesses with fewer than 100 employees will be able to purchase health plans normally accessible only to larger employers by shopping in a health insurance exchange (Blumberg 2010).
- Businesses with fewer than 50 employees do not have to pay a penalty if their employees get tax credits through a health insurance exchange; they are exempt from the law's employer responsibility requirements (Van de Water 2010).
- Businesses of all sizes may see a reduction in health costs and lower premiums of high-cost early retirees through the Early Retiree Reinsurance Program, a part of the law that was implemented in June 2010 (HHS 2011).
- Employers with fewer than 100 employees will be eligible for grants to provide comprehensive workplace wellness programs (Mitchell 2010).

Health foundations and businesses are natural partners in the effort to champion meaningful health reform (GIH 2007). Foundations interested in engaging the business community have several possible avenues for their work, including creating and developing partnerships, educating and conducting outreach, and supporting convenings of multistakeholder or business-specific coalitions.

WORKING WITH BUSINESS

In an effort to determine the best activities and the most useful approaches to engage employers, funders are exploring how best to craft partnerships with the business community, invest in outreach to employers, and tailor messages about the benefits of health reform. There are several points foundations might consider when supporting or conducting outreach efforts that intersect the business community and health reform.

- **Be a timely, unbiased source of information.** Employers are receptive to neutral sources of straightforward information on the health reform law that are immediately relevant to their needs and the possible problems or benefits they might encounter. If a group is perceived as too “progressive,” businesses may disregard their communications. Additionally, materials designed for accessibility and understandability (without the sometimes esoteric language of policymakers) may be better received.
- **Consider the diversity among businesses.** Employers in the public, private, and nonprofit sectors may be more amenable to approaches that are specifically designed for their size and type of business. For example, a self-employed entrepreneur likely has a different set of concerns than the owner of a large corporation. The former may be interested in the appeal of the newly created high-risk pools, whereas the latter may be interested in outcomes of the Early Retiree Reinsurance Program (HHS 2011).
- **Make the business case rather than the advocacy case.** Employers are more likely to engage in the health reform discussion when they understand how it will benefit them. Businesses may not be motivated by the concept of health care as a right for all. Most employers are more focused on growing their business and improving their profits than on social justice. Foundations might demonstrate the advantages of the insurance exchanges in reducing the burden of providing health insurance.
- **Involve employers in peer-to-peer outreach.** When business leaders and employer organizations provide education, consultation, and technical assistance to each other, there can be enhanced success in outreach and education. It may also be valuable for foundations to develop a cadre of partners in the business community to draw on for expertise.
- **Advance positive narratives from business leaders who have seen the benefits of the law.** Foundations and their grantees can correct misinformation and counter negative messages by reframing the debate with stories of how businesses are embracing and benefitting from the new law. Foundations can also support research to continue to gather feedback on employer opinions (for example, polling business leaders to assess their evolving attitudes about the ACA).

CONCLUSION

With approximately 170 million Americans under the age of 65 receiving health coverage through their employer, businesses are a vital player in the health insurance system (U.S. Census Bureau 2011). In addition to thinking about health insurance, employers must consider a number of other complex factors:

market conditions, the state of the economy, and the financial status of their company. With health reform’s focus on cost control, and health promotion and disease prevention activities, employers may be able to leverage the dollars they are already paying for employee health insurance. By thoughtfully and strategically engaging employers in the health reform dialogue, foundations can help them maximize the benefits of the ACA.

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