

POSITION STATEMENT

HEALTH CARE FOR PROFESSIONALS

*Adopted by the IEEE-USA
Board of Directors, 13 Feb. 2009*

Access to affordable health care is a growing problem for most Americans and their families, including many increasingly mobile professionals in science and engineering fields. Some manifestations of this problem include:

- The rising cost of providing coverage is causing many employers to reduce or eliminate health care benefits for their employees and retirees.
- Individuals seeking coverage for themselves and their families often find that insurance companies use “risk management” practices that force many to go without coverage or into costly State-sponsored “high risk” health care pools.
- Over 40 percent of businesses with less than 200 employees do not offer health care benefits.
- Businesses that do offer health benefits are increasingly capping their contribution.
- Small businesses cannot afford increased premiums for health benefits if a covered employee or their family has a catastrophic illness.
- Retirees and downsized workers are increasingly being cut off from affordable alternative health care plans.
- Employees cannot get a tax deduction for their health insurance premiums – even if their employer does not offer the benefit.
- Health care costs are increasingly cited as an incentive for employers to move operations outside the U.S.
- Medical malpractice laws encourage unnecessary tests, in order to build a case file should a lawsuit be filed, thereby further increasing costs.
- Many persons, facing higher out-of-pocket costs for health care, are deferring health care.

In order to help make affordable health care more accessible to all Americans and their families, IEEE-USA makes the following recommendations:

1. Allow tax deductions for health insurance and long-term care insurance premiums paid directly by individuals, for themselves and their families, regardless of employment status;

2. Encourage competitive pricing and the development of health care purchasing alliances to provide volume purchasing advantages, and by making group purchasing of health insurance possible across state lines;
3. Allowing establishment of Health Savings Accounts by individuals without underlying health insurance or who are not yet eligible for Medicare to:
 - permit their use by individuals and families with pre-existing conditions that make them uninsurable, and
 - encourage the use of HSAs to enable young and healthy workers to accumulate savings for future health care needs, and allow them to transfer unused account balances into tax-favored retirement accounts.
4. Provide relief to small businesses in situations in which a catastrophic illness makes insurance unaffordable.
5. Enact reforms that help to control costs and encourage preventive care and chronic disease management.
6. Enable guaranteed eligibility for coverage to provide portability and to mitigate bias by insurers in favor of the young and healthy and against those who are older or who have pre-existing conditions.

This statement was developed by the IEEE-USA Career and Workforce Policy Committee and represents the considered judgment of a group of U.S. IEEE members with expertise in the subject field. IEEE-USA advances the public good and promotes the careers and public-policy interests of the more than 215,000 engineers, scientists and allied professionals who are U.S. members of the IEEE. The positions taken by IEEE-USA do not necessarily reflect the views of the IEEE or its other organizational units.

BACKGROUND

Affordable health care is a growing problem for many Americans and their families. The rising cost of providing coverage is causing many employers to reduce or eliminate health care benefits for their employees and retirees. Individuals seeking coverage for themselves and their families are finding insurance plans are using “risk management” – where they pick those who will be least likely to use benefits and refuse coverage to those who might be likely to file claims. This forces many to go without coverage or into costly State-sponsored “high risk” health care pools.

Over 40 percent of small businesses employing 200 or less do not offer health care benefits, and this percentage is growing. [1]

Businesses that do offer health benefits are increasingly capping their contribution, so that all future cost increases for coverage are borne by the employees. For the private sector, 52 percent of employees participated in employer health benefit programs, accounting for \$1.85 per hour (7%) of compensation in 2007. For state and local government employees, 72 percent participated, accounting for \$4.35 per hour (11%) of compensation. [2]

Small businesses can be forced into a situation where they cannot afford the premiums to continue to provide health benefits if a covered employee or their family has a catastrophic illness.

Retirees increasingly are being cut off from health care through their former employers. Those taking early retirement (perhaps not through choice) are unable to sign up for Medicare benefits until they reach age 65 (unless they are disabled).

Self-employed persons can get a tax deduction for their health insurance premiums, but those employed cannot – even if their employer does not offer the benefit.

Health care costs in employer-based plans are cited as providing an incentive for the employer to move operations outside the U.S., where government-run plans are available to reduce the employer cost. This incentive for off-shoring jobs would be removed if the health care system were not employer-based.

Many persons, facing higher out-of-pocket costs for health care, are deferring routine health maintenance; nearly two-thirds in a survey said they went to the doctor only for more serious symptoms or conditions. Wellness programs reduce overall health costs while the lack of their use raises the overall long-term costs for everyone [3].

References

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- [2] “Benefit Cost Comparisons Between State and Local Governments and Private-Sector Employers”, *Employee Benefit Research Institute Notes*, June 2008, Vol. 29, No. 6, Page 3, Fig. 1; http://www.ebri.org/pdf/EBRI_Notes_06-2008.pdf
- [3] Campaign 2008: Facts on Benefits Issues, “Public Opinion: Health Care Costs”, <http://www.ebri.org/campaign/>; source: November 2007 *EBRI Notes*, [Figures 1 and 3](#).
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