



ERIC The ERISA Industry Committee

The Only National Association Advocating Solely for the Employee Benefit and Compensation Interests of America's Largest Employers

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Statement by The ERISA Industry Committee for the April 14, 2016 Hearing on “Innovations in Health Care: Exploring Free-Market Solutions for a Healthy Workforce” before the Subcommittee on Health, Employment, Labor and Pensions of the Education and the Workforce Committee

Chairman Kline, Ranking Member Scott, Subcommittee Chairman Roe, Subcommittee Ranking Member Polis, and members of the Committee and Subcommittee, thank you for this opportunity to submit a statement for the record on behalf of The ERISA Industry Committee (ERIC). ERIC is the only national trade association advocating solely for the employee benefit and compensation interests of the country's largest employers. ERIC supports the ability of its large employer members to tailor retirement, health, and compensation benefits for millions of workers, retirees, and their families. ERIC's members provide comprehensive health and retirement benefits to millions of active and retired workers and their families. Preserving and enhancing the employer-sponsored health and retirement systems and the tax incentives that support them are key policy goals of ERIC and its members.

ERIC welcomes the opportunity to comment on the many strong attributes of our national system of medical care, where the private health plans sponsored by employers provide the high-quality, affordable health care on which 175 million Americans rely.

Beyond providing the foundation on which the American health system rests, employer-sponsored plans also drive the engine for medical innovation, which in turn leads to higher quality, more efficient health care. In addition to pursuing ground-breaking efforts with respect to payment and delivery system reforms, employers have improved the health of American workers through pioneering wellness programs, which often are available to the families of workers as well as the workers themselves. Employers have taken great pains and often incurred considerable expense to develop wellness programs that appropriately encourage workers to take charge of their health and provide the tools necessary to achieve their individual goals.

Employers also have instituted significant advances in bringing health care to where workers and their families live and work, focusing their attention on eliminating time and location as factors that can impede the delivery of health care. For instance, many employers have built and expanded onsite medical clinics so that their employees can access medical services easily and conveniently, often enabling them to obtain treatment early on so that small medical issues do not turn into more dangerous conditions.

Many employers have also introduced telehealth services to their workers not only to increase ease of access for young and old alike but also to make specialized medical care available to workers and their families in regions where such care would otherwise be difficult to obtain or virtually unavailable. Employers have been at the forefront of this effort to expand telehealth and have considerably outpaced any governmental efforts to do so.

In addition to this innovative role, employer-sponsored health plans also embrace another key feature: their plans are tailored to the needs and attributes of their workforces. Thus, employers with an aging workforce with many chronic conditions can structure both their health plans and their wellness programs to focus on these conditions, whereas a tech employer with younger employees might focus on issues of more immediate concern to this age group. The bottom line is that a one-size health plan does not fit all workforces, and employer-sponsored health plans have achieved considerable success in tailoring benefits for their own unique group of health plan participants.

Employer-sponsored group health plans play an essential, irreplaceable role in the American health care system. They offer high-quality, efficient medical care to 175 million people, the vast majority of whom like their health plans and want to keep them. We all must take care to encourage employers to continue not only their important work as plan sponsors but also their key role as medical innovators and not to take steps that would discourage plans from taking on these considerable financial and administrative challenges that benefit us all.

Thank you for this opportunity to submit testimony on this important issue. ERIC stands ready to work with Congress to enact legislative changes that will strengthen the employer-sponsored system and improve health coverage for all Americans. If ERIC can be of further assistance, please do not hesitate to contact James Gelfand, Senior Vice President for Health Policy, at jgelfand@eric.org or (202) 789-1400.