Access to Affordable Health Care

ISSUE

The rising cost of quality health insurance is a major concern for the engineering industry. ACEC encourages Congress to address health care costs and adopt policies that will help engineering firms and other businesses continue to offer quality health insurance benefits to their employees.

OVERVIEW

Average health insurance premiums for family coverage have increased by 131 percent since 1999, and these sky-rocketing costs are forcing more employers to scale back coverage or ask employees and their families to help pick up the costs. Over 95 percent of America’s engineering firms currently offer health insurance to their employees, but they cite the rising cost of insurance as the primary obstacle to continuing to offer benefits to their employees. ACEC supports efforts to reduce health care costs so that A/E firms can continue to provide insurance for their employees.

ACEC is concerned that the Affordable Care Act (ACA), approved by Congress in 2010, focuses on coverage and does not adequately address costs. The legislation relies on mandates and increased taxes, and limits flexibility. For example, firms with more than 50 employees could face fines if their health insurance does not meet certain standards. In addition, the legislation contains significant new tax increases that will raise costs for employers. Moreover, the small business tax credits included in the legislation are only temporary and may not be available to many A/E firms because of restrictions on average wages.

ACEC has endorsed changes to the ACA that would help slow the growth in insurance costs, including repealing the employer mandate provisions, eliminating the tax on fully-insured health insurance plans used by many small firms, and changing the definition of full-time employee for purposes of the employer mandate from 30 to 40 hours per week. Changes to the medical malpractice liability system would bring down the cost of malpractice insurance and would reduce the practice of defensive medicine and its associated costs.

In addition, allowing businesses to combine their collective buying power through trade associations like ACEC and purchase health insurance products across states lines would increase competition and lower costs. Since 1965, ACEC member firms have had the opportunity to purchase health, vision, dental, life and disability insurance for their employees through the ACEC Life/Health Insurance Trust. ACEC supports the Small Business Health Fairness Act (H.R. 1101), which would facilitate association health plans (AHPs), and submitted comments on the Department of Labor’s proposed rule on AHPs.