



PARTNERSHIP FOR EMPLOYER-SPONSORED COVERAGE

July 30, 2021

The Honorable Patty Murray (D-WA)
Chair
U.S. Senate
Health, Education, Labor, & Pensions Committee
428 Senate Dirksen Office Building
Washington, D.C. 20510

The Honorable Frank Pallone (D-NJ)
Chair
U.S. House of Representatives
Energy and Commerce Committee
2125 Rayburn House Office Building
Washington, D.C. 20515

Submitted via publicoption@help.senate.gov and publicoption@mail.house.gov

Dear Chairs Murray and Pallone:

The Partnership for Employer-Sponsored Coverage (P4ESC) welcomes the opportunity to respond to your Request for Information (RFI) on the design and development of public option legislation. As an advocacy alliance representing employers of all sizes and millions of American workers, P4ESC is committed to ensuring that employer-sponsored health coverage is strengthened and remains a viable, affordable option for decades to come.

Employers support Congress and the Administration working in a bipartisan manner to address on-going cost and access issues in our nation's health care system. Employers know that real, meaningful improvements can be made without disrupting and/or severely impacting the market-based, employer-sponsored health coverage system that serves over 181 million hardworking Americans and their families.

Employees value employment-based health coverage. In a recent survey commissioned by the Society for Human Resource Management¹, 7 in 10 Americans rate their employer-sponsored health care plan as good or excellent. Employers of all sizes contribute vast resources to employees and their families through the employment-based health system and have a vested interest in health care quality, value, and system viability. Employers have been on the leading edge of health delivery innovation and modeling for decades and serve daily as advocates for employees and their families in assisting in accessing critical benefits and care.

A public option would create a public insurance plan to compete with private, market-based insurance plans in the Health Insurance Marketplace (healthcare.gov). Because of built-in advantages, like the federal government's ability to tie payments to Medicare or Medicaid rates and compel provider participation, the public option would likely crowd out its private competitors in time, creating pressure for a universal plan, and eliminating choice and market-based insurance plan options in the Health Insurance Marketplace.

We understand that support has grown among some lawmakers for supplanting employer-sponsored health coverage immediately with universal public coverage (Medicare for All) or more gradually through a public insurance option (public option) or by lowering the eligibility age for Medicare

¹ [American Workforce Roadmap - Worker Attitudes & Experiences with WORKPLACE HEALTHCARE 3.10.21 PDF.pdf](#)



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coverage (Medicare buy-in). However, all of these proposals would weaken employer-sponsored health coverage and access to a host of additional benefits offered by employers such as onsite medical clinics, wellness programs, HSAs, and low- or no-cost primary care services.

Further, while you are exploring different public option proposals, such as allowing employees to opt out of their employer's plan in favor of the public plan or allowing employers to choose between the public option and private market alternatives, it is important to understand that any public option will be pitted against private, market-based employer coverage and put employers at an economic disadvantage. Absent a firewall, the cost of the employer's plan could spiral as healthier employees migrate out of the plan, severely impacting the plan's health risk adjustment and threatening plan availability and affordability for other employees and their families. Under an employer-choice model, employers with older and less healthy populations might favor the public option, rapidly increasing costs for the public option.

In conclusion, we want to work with you and your colleagues on meaningful, cost-effective health system reforms. We urge Congress to devote its attention and resources toward issues to improve our current health care system such as increasing market competition, providing more coverage choices and access to providers for all Americans, and addressing systematic cost drivers and wasteful spending.

Sincerely,

American Hotel & Lodging Association
American Rental Association
Associated Builders and Contractors, Inc.
Associated General Contractors of America
Auto Care Association
The Council of Insurance Agents & Brokers
ERIC – The ERISA Industry Committee
FMI – The Food Industry Association
HR Policy Association
National Association of Health Underwriters
National Association of Wholesaler-Distributors
NFIB – National Federation of Independent Business
National Restaurant Association
National Retail Federation
Retail Industry Leaders Association
Society for Human Resource Management