

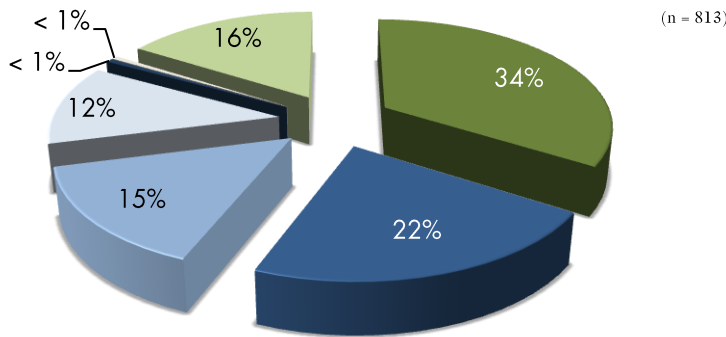
SHRM Research: Health Care Reform Poll

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Health Care Resources
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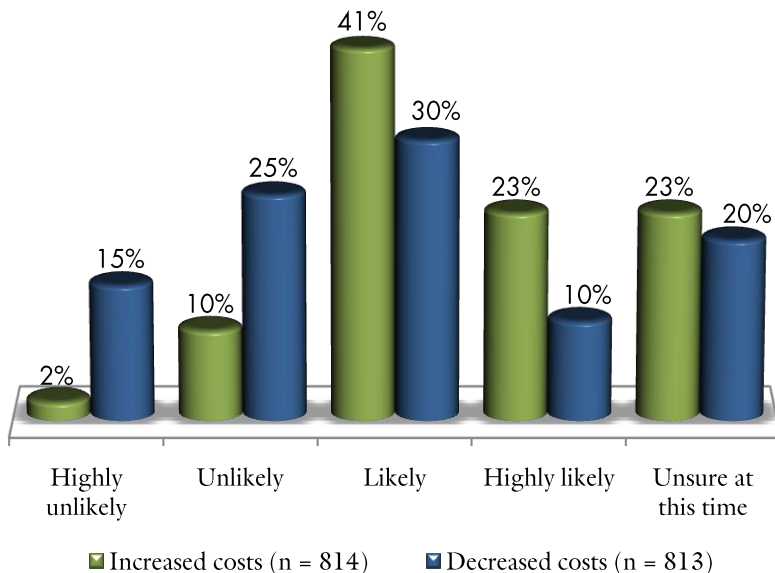


Is your organization engaging in an analysis to determine the impact of the new health care reform law on your health care plan?



- Will not conduct an analysis and already decided not to drop health care coverage (34%)
- Currently conducting analysis (22%)
- Plan to conduct such an analysis (15%)
- Already conducted an analysis and decided not to drop health care coverage (12%)
- Will not conduct an analysis and already decided to drop health care coverage (< 1%)
- Already conducted an analysis and decided to drop health care coverage (< 1%)
- Unsure at this time (16%)

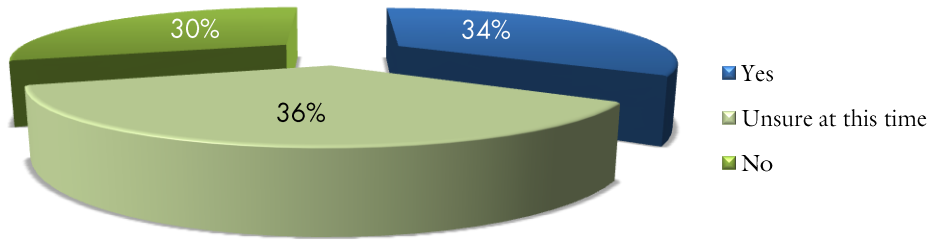
Will your organization pass on to employees any *increased or decreased* health care coverage costs (e.g., premiums, co-pays, etc.) in 2011 that may be directly or indirectly related to the new health care reform law?



Poll Findings

- Nearly one-half of organizations (46%) have decided *not to drop* health care coverage for employees as a result of the new health care reform law. Of these organizations, 34% made this decision without conducting an analysis to determine whether to continue offering health care coverage or to drop coverage and pay opt-out fines. Twelve percent did conduct such an analysis and decided not to drop coverage. More than one-third of organizations (37%) are still conducting or plan to conduct an analysis on the impact of health care reform.
- Forty-one percent of organizations indicated that they are likely to pass increased health care coverage costs to employees in 2011, regardless of whether these costs are directly related to the new health care reform law.
- More than one-third (34%) of organizations are considering alternative health care plans for employees as a result of the new health care reform law.
- Regardless of the financial implications, the primary reasons behind the organizations' decisions *not to drop* health care coverage were: 1) it would lower employee morale and job satisfaction, 2) it would make organizations non-competitive in recruiting new employees, and 3) it would give the message that the organizations do not value the health of their employees.
- The primary reason organizations would be likely to drop health care coverage and pay opt-out fines is if it would result in significant savings for the organization. Yet 50% of organizations indicated that they are unsure whether their organization would be likely to drop health care coverage at this time, meaning it is simply too early to tell.

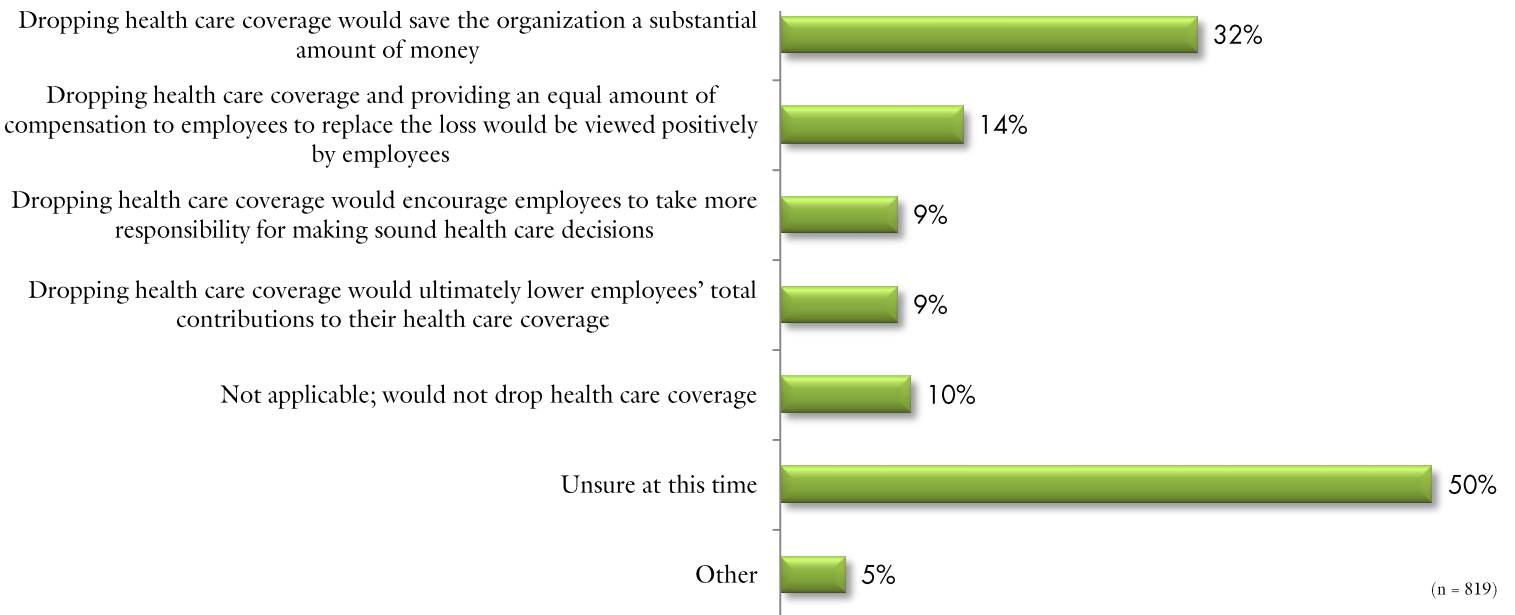
Is your organization considering alternative health care plans (e.g., less expensive coverage plans, health savings accounts, self-funding, etc.) as a result of the new health care reform law?



Even though it may be an economically sound decision for your organization to drop health care coverage and pay the opt-out fine, what would be your organization's primary reason for keeping health care coverage?



If it were an economically sound decision and your organization would be likely to drop health care coverage and pay the opt-out fine, what would be your organization's primary reason for doing so?



Methodology | A sample of HR professionals was randomly selected from SHRM's membership database, which included approximately 250,000 individual members at the time the poll was conducted. The sample was comprised of members with the title of manager and above, as well as members in the compensation and benefits functional area, with an organization staff size of 50 employees or more. For this analysis, 819 responses were used, yielding a response rate of 15%. The margin of error for this poll is +/- 3%.