



Alliance to Fight for Health Care

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Beyond Health: The Value of Employer-Provided Health Care Coverage

Alliance to Fight for Health Care Touts Research Underscoring Economic Value of Employer-Sponsored Health Care Coverage
ESI Saves Consumers \$100 Billion Annually

The **Alliance to Fight for Health Care**, a broad-based coalition comprised of businesses, patient advocates, employer organizations, unions, health care companies, consumer groups and other stakeholders that support employer-provided health coverage, hosted a panel discussion May 19 called **Beyond Health: The Value of Employer-Provided Health Care Coverage**, on the recent [economic research](#) by University of Chicago economist Casey B. Mulligan that highlights the economic, social, and public health benefits of the employer-provided health care system. In addition, a new survey from Mercer focuses on the actions employers have taken to support employees during the COVID-19 pandemic and control health care costs.

The research affirms the fundamental message: **employer coverage provides significant economic, social, and public health benefits to the approximately 160 million Americans covered through their employer.**

The panel discussion, moderated by **James A. Klein**, president, **American Benefits Council**, featured remarks by **Casey B. Mulligan**, economist at the **University of Chicago**, and **Tracy Watts**, senior partner and the U.S. Leader for Healthcare Policy at **Mercer**.

“People want and value their employer-provided health care coverage,” said **Casey B. Mulligan**, economist at the **University of Chicago**. “The employer-provided health care system delivers significant value—at least \$1.5 trillion in social value annually beyond the cost of insurance borne by businesses, workers, and government tax exemptions. That’s nearly \$10,000 per person. From providing coverage for about 160 million Americans to incentivizing work that stimulates the economy, this social value more than justifies the dominant mode of health insurance in the United States.”

“Despite challenges in the health care system and the economy at large brought on by the COVID-19 pandemic, we are seeing the strength and resiliency of the employer-provided health care system shine through,” said **Tracy Watts**, senior partner at **Mercer**. “The affordability issue is real for both employers and employees. Our latest survey of employer sponsored health plans revealed relatively

few employers made plan changes to shift cost to employees in 2021. In fact, many employers expanded benefits or added new resources to support their employees that included access to digital health resources, expanded behavioral health, and additional voluntary benefits.”

“Whatever one may think of the employer-sponsored health coverage system – or the many well-meaning alternatives to it – what is not in dispute is the immense value that employers bring to the table,” said **James A. Klein**, president of the **American Benefits Council**. “The Alliance’s goal is to advance public policy that makes health care more affordable, strengthens job-based coverage and supports continued innovation.”

SNAPSHOT

Employer health care coverage produces

\$1.5 trillion in annual social value for consumers every year



Social value includes the personal value that families receive from having access to employer-sponsored health coverage combined with the external value that families and the larger community receives from employer-sponsored health coverage due to the varied effects on work and insurance coverages

AN ECONOMIC WINNER:

Workers value ESI up to **84% more** than the total cost of health coverage

What employers and employees pay for ESI



How employees value that same coverage



ESI provides **\$100 billion in cost savings** for consumers every year, or **\$625 per person**. This equals:




*The [working paper](#) recently published by the National Bureau of Economic Research explores the numerous ways employer coverage adds value to our health care system, quantified as at least \$1.5 trillion annually, and produces \$100 billion in cost savings for consumers every year.

The paper also refutes the myth that the tax incentives supporting employer-based coverage is a drain on the nation’s budget or an anachronism that needs to be eliminated. The revelation that workers value employer-sponsored insurance 75 to 84 percent more than employers and employees together pay for it is consistent with the latest American Benefits Council research findings that for every \$1 of federal tax expenditure, employers paid \$5.33 to finance health benefits.

[Executive Summary](#)

The **Alliance to Fight for Health Care** is a broad-based coalition comprised of businesses, patient advocates, employer organizations, unions, health care companies, consumer groups and other stakeholders that support employer-provided health coverage. Together, we are working to ensure that employer-provided coverage remains an effective and affordable option for working Americans and their families. The coalition, previously working as the **Alliance to Fight the 40**, led the successful effort to repeal the so-called 40% “Cadillac Tax” on health care coverage.

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