

ACA IMPACT ON EMPLOYER-SPONSORED HEALTH BENEFITS

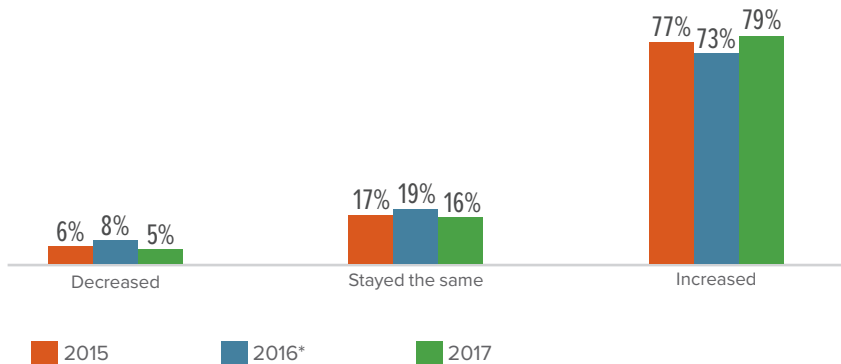
SHRM RESEARCH SPOTLIGHT

KEY FINDINGS

- **Employer-sponsored health care costs continue to increase year over year for the majority of organizations.** Similar to previous years, health care coverage costs increased for nearly eight out of 10 organizations (79%) in 2017. On average, these organizations reported an 11% increase in costs. One-quarter (25%) saw an increase of 5% or less, 41% reported an increase of 6% to 10%, and 34% had an increase of more than 10%.
- **Organizations are waiting to assess the impact of the excise tax.** Fourteen percent of organizations have already taken action to avoid paying the excise tax. Some (44%) are waiting for final guidance before taking any action or plan to do an analysis to avoid paying the tax. Just 1% have opted to pay the tax, and 15% have not yet considered its impact.
- **Taxing insurance contributions could result in higher health care costs for employees.** If insurance contributions lose tax-exempt status, two-thirds of organizations (67%) anticipate that employee health insurance premiums would increase, and 60% expect increased out-of-pocket health care costs.
- **Prohibiting preexisting condition exclusions is the most important element of the ACA, according to HR professionals.** Eighty-three percent of HR professionals agreed that not allowing preexisting exclusions was one of the most important aspects of the ACA, followed by preventative care coverage with no cost-sharing (52%).

More than 177 million Americans receive health care benefits through employers.

ORGANIZATIONS' HEALTH CARE COVERAGE COSTS INCREASED AGAIN IN 2017

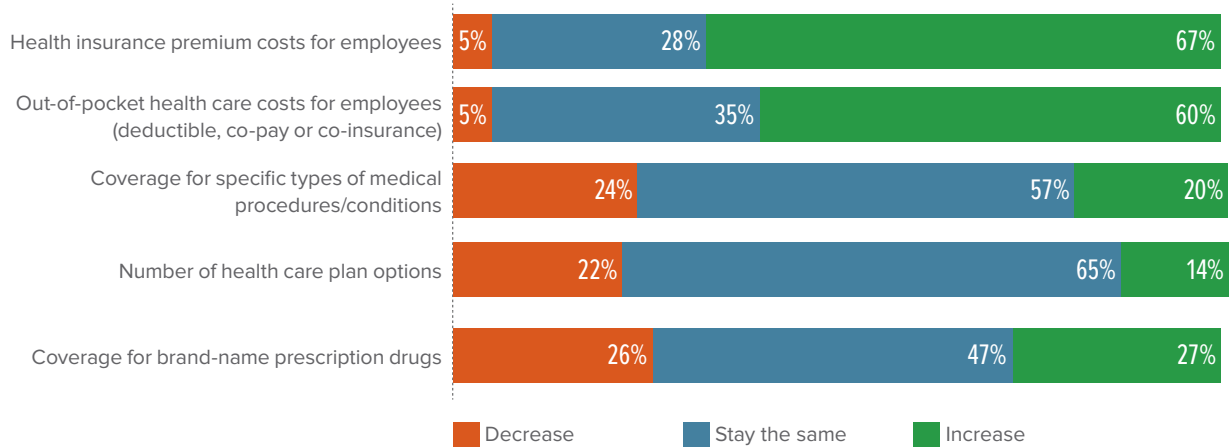


ORGANIZATIONS ARE WAITING TO ASSESS IMPACT OF EXCISE TAX*

		Total
ALREADY TOOK ACTION/WILL NOT OWE TAX		
25% Plan won't trigger tax	14% Changed plan to avoid tax	39%
WAITING TO TAKE ACTION/WILL DO ANALYSIS		
26% Awaiting final guidance	18% Will do analysis to avoid tax	44%
TOOK NO ACTION/WILL PAY TAX		
15% Not yet considered	1% Will pay tax	16%

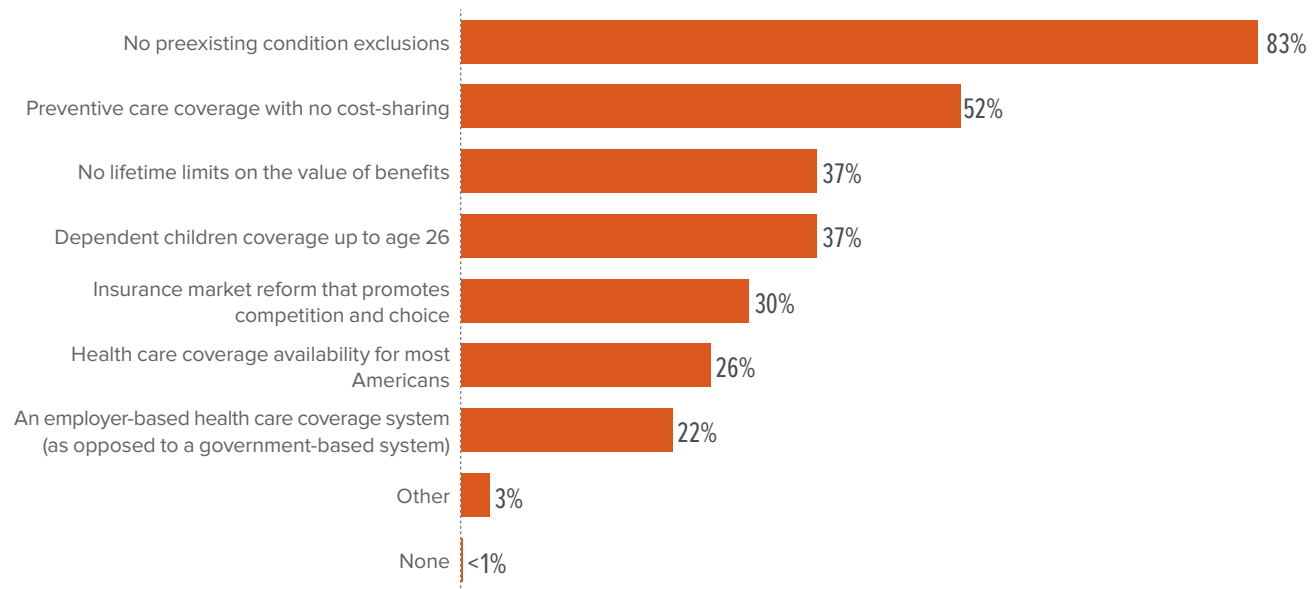
Note: n = 673. Percentages do not total 100% due to rounding. *Excise tax: a 40% tax on employers providing high-cost health benefits to their employees; scheduled to take effect in 2020.

IF INSURANCE CONTRIBUTIONS WERE TAXED, WHAT WOULD BE AFFECTED?



Note: n = 815-820. Percentages may not total 100% due to rounding.

WHAT ARE THE MOST IMPORTANT ELEMENTS OF THE ACA?



Note: n = 893. Percentages do not total 100% because respondents could select up to three options.

Methodology: A sample of HR professionals with the job function of benefits or compensation or with the job title of manager or above was randomly selected from SHRM's membership database. Overall, 918 responses were received. Respondents represented U.S. organizations across industries, organization sizes and sectors (privately-owned for profit (47%), nonprofit (23%), publicly owned for-profit (16%) and government (14%)). Data were collected in February 2017. The complete findings can be accessed at shrm.org/research in the 2017 Health Care Reform Survey Findings.