

## Time has come to address soaring health care costs

by Michael\_Kinsman

Talk to any business owner - from one at the tiniest company to one at a giant corporation - and you'll find out that health care benefits is the one workplace issue that gives everyone the frights.

They would be foolish not to worry about the rising costs of providing health care.

Health care is often the most expensive employee benefit and it only makes sense that trying to control its cost is a practical business tool.

Recently, the Society for Human Resource Management reported that health care costs are expected to rise 11.2 percent next year, down slightly from the past year.

This is part of a long-running pattern at which the cost of health care greatly supersedes the inflation rate or other increases in the cost of doing business.

How could you ignore this?

The implications of health care cost containment are not pretty. Every worker should be aware of them and thinking about them.

Let's look at the issue of the large employers. These companies usually offer the best benefits packages.

To be competitive and attract the best employees, they typically have a solid benefit package that includes health care coverage and some type of pension provision, whether it is a traditional defined-benefit plan or making contributions into 401(k) accounts.

But now the biggest companies are feeling global pressure. Foreign operators can pay lower salaries and fewer benefits than in the United States and jobs that can be relocated often are.

That ratchets up the pressure on U.S. companies to cut their payrolls by eliminating jobs and reducing

health care benefits for those who remain.

Now, let's look at small employers.

The National Federation of Independent Businesses reports that cost and availability of health care is the most crucial issue facing small businesses. And, because an estimated 99.7 percent of all U.S. business have 500 or fewer employees, this is a big headache.

The result of this is that fewer small businesses will likely be able to offer health care coverage in the future, and workers who enjoy those benefits today might find they are paying a higher share of the cost of health care or see their benefits eliminated.

This is not a new issue. It has been building for two decades. But the need for health care coverage has never been greater in our society. Today a moderately serious illness is enough to drive any middle-class household toward insolvency.

Government policies long have established work as the vehicle for most people to obtain medical benefits. Job tenures have gotten shorter and less secure and, at the same time, health care costs have spiraled upward.

This double whammy is putting the squeeze on everyone. But workers who have taken health care benefits for granted can no longer do that.

Isn't it time to figure out a way to give adequate and affordable health care coverage to everyone, instead of relying on the good intentions of employers to provide it?

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