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U.S. business group eyes cost in healthcare reform

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By [Donna Smith](#)

WASHINGTON (Reuters) - An influential business group said on Thursday that its continued support for President Barack Obama's healthcare overhaul hinges on whether it slows the soaring growth rate of healthcare costs.

The Business Roundtable, which represents some of the largest employers in the United States, released a report saying that "effective" healthcare reforms could save employers as much as \$3,000 per worker by 2019.

"The report also shows that reform done wrong ... could make a bad situation much worse, in which case Business Roundtable could not support the bill," Eastman Kodak (EK.N: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)) Company Chairman and Chief Executive Antonio Perez said in a statement accompanying the release of the report.

Obama said it was further evidence that the U.S. healthcare system is broken.

"If we don't pass comprehensive reform, the report finds, health care costs that are already squeezing our businesses will continue to rise, and in 10 years, employment-based spending on health care for large employers will be fully 166 percent higher per employee than it is today," the president said in a statement.

"The yearly health insurance costs for the average employee will rise to a staggering \$28,530," he added, citing a finding by the report.

Companies represented by the Business Roundtable, which includes such giants as Verizon Communications Inc. (VZ.N: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)), The Boeing Company (BA.N: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)) and Exxon Mobil Corp. (XOM.N: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)), provide health insurance to more than 35 million workers and their families. The group has been a major force behind the healthcare overhaul push.

The business group opposes the bill approved last week by the U.S. House of Representatives. It says the measure fails to control costs and that some provisions, including one that would create a new government insurance plan, could undermine employer-sponsored health coverage.

The report, written by Hewitt Associates for the Business Roundtable, favors some of the cost-containment reforms included in legislation passed by the Senate Finance Committee.

These include changes in the government Medicare health insurance program for the elderly that would reward quality of care and not the quantity of services and treatments performed.

The report said a strong requirement that individuals be responsible for obtaining health insurance would help ensure that premiums do not jump with a proposal that would bar insurers from rejecting people with pre-existing conditions.

The Finance Committee weakened enforcement measures of the individual mandate provision, raising concerns that healthier people will delay seeking insurance, increasing the costs for those who buy insurance.

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