A Wake Up Call for Corporate America: An Editorial Project

In 2003, the cost per employee, for family health care coverage, when averaged across all plan designs was $9,068. Of this amount, the employer paid $6,656. If increases average a conservative 10% per year over the next several years, then in 2008, the cost per employee will be $14,601, with the employer paying $10,659 per employee. This assumes the current percent contribution between employer and employee remains constant. For most employers, this is a crisis situation, with little relief in site.

This invited editorial provides a detailed over-view of employer reactions to routine double digit annual increases in health care costs based on numerous published employer surveys. Commentary explores why there is little hope for moderation in health care costs: the baby boomers, the graying of America, escalating hospital charges and the obesity epidemic. The editorial documents that 50% - 70% of all diseases and medical problems are caused by life style choice: smoking, obesity, excess stress, lack of fitness, poor nutrition, lack of compliance in managing diabetes, hypertension, etc. The dichotomy of the health care cost crisis is that of the $1.8 trillion annual budget, less than 6% is devoted to prevention of all kinds, including attempts to influence lifestyle choices.

The editorial concludes, “A Wake-Up Call for Corporate America is that an employee health care cost crisis is here. If the employer assumes the responsibility to pay for the diagnosis and treatment of employee/dependent illness, then serious consideration must be given to the reallocation of existing investment in human capital funds. This redirection of funding should be toward health enhancement programs and services that optimize employee/dependent health, which can reduce health care use, moderate cost increases, reduce illness absence and improve work performance”.

(Whitmer R., Pelletier K., Anderson D., et.al) Journal of Occupational and Environmental Medicine (45) (9), Sept. 2003; 916-925.) Purchase this article