



Statement of the U.S. Chamber of Commerce

ON: *“Innovations in Health Care: Exploring Free-Market Solutions for a Healthy Workforce”*

TO: **THE HOUSE EDUCATION AND THE WORKFORCE COMMITTEE’S SUBCOMMITTEE ON HEALTH, EMPLOYMENT, LABOR, AND PENSIONS**

DATE: *April 28, 2016*

The Chamber’s mission is to advance human progress through an economic, political and social system based on individual freedom, incentive, initiative, opportunity and responsibility.

The U.S. Chamber of Commerce is the world's largest business federation representing the interests of more than 3 million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations. The Chamber is dedicated to promoting, protecting, and defending America's free enterprise system.

More than 96% of Chamber member companies have fewer than 100 employees, and many of the nation's largest companies are also active members. We are therefore cognizant not only of the challenges facing smaller businesses, but also those facing the business community at large.

Besides representing a cross-section of the American business community with respect to the number of employees, major classifications of American business—e.g., manufacturing, retailing, services, construction, wholesalers, and finance—are represented. The Chamber has membership in all 50 states.

The Chamber's international reach is substantial as well. We believe that global interdependence provides opportunities, not threats. In addition to the American Chambers of Commerce abroad, an increasing number of our members engage in the export and import of both goods and services and have ongoing investment activities. The Chamber favors strengthened international competitiveness and opposes artificial U.S. and foreign barriers to international business.

Statement on
“Innovations in Health Care:
Exploring Free-Market Solutions for a Healthy Workforce”
Submitted to
THE HOUSE EDUCATION AND THE WORKFORCE COMMITTEE’S
SUBCOMMITTEE ON
HEALTH, EMPLOYMENT, LABOR, AND PENSIONS
on behalf of the
U.S. CHAMBER OF COMMERCE
April 14, 2016

The U.S. Chamber of Commerce, the world’s largest business federation representing the interests of more than three million businesses and organizations of every size, sector, and region, appreciates this opportunity to provide a statement for the record as part of the House Education and the Workforce Committee’s Subcommittee on Health, Employment, Labor, and Pensions April 14, 2016, hearing titled “Innovations in Health Care: Exploring Free-Market Solutions for a Healthy Workforce.” The Chamber and its members continue to strongly support employer-sponsored health care coverage and the innovations it produces throughout the health care system. We have summarized our views, and the views of the employer community, below for the record.

The Chamber is dedicated to promoting, protecting, and defending America’s free enterprise system. More than 96% of Chamber member companies have fewer than 100 employees, and many of the nation’s largest companies are also active members. We are therefore cognizant not only of the challenges facing smaller businesses, but also those facing the business community at large. Besides representing a cross-section of the American business community with respect to the number of employees, major classifications of American business—e.g., manufacturing, retailing, services, construction, wholesalers, and finance—are represented.

The Chamber and its members have long championed the invaluable benefits that the employer-sponsored health care system provides to both employees and employers alike. As Subcommittee Chairman Roe and Subcommittee Ranking Member Polis noted in their opening statements, more than 175 million Americans currently rely on health insurance through employer-sponsored plans, making it the most popular form of insurance today. Most importantly, the employer-sponsored system allows employers to customize the benefits offered to best serve the needs of their workforce and manage cost growth in health care.

Employer-sponsored health coverage has always been an important component of employee compensation and is also critical for businesses to attract and retain employees. The private sector has played an essential role in benefit developments that are improving health, reducing unnecessary costs and rewarding high value care throughout the health care system. Employers have crafted workplace wellness programs, disease management and care coordination initiatives, value-based insurance incentives, and health information technology resources to improve the health of their employees.

As the witnesses demonstrated, employers have driven recent advancements in health care coverage through the adoption of workplace wellness programs, the implementation of private exchanges, use of the Accountable Care Organization (ACO) model, and the integration of telemedicine into plans. However, providing affordable health insurance coverage is becoming progressively more challenging with new restrictions on plan design and new requirements governing employer-sponsored coverage.

For example, despite being incentivized under the Affordable Care Act (ACA), employer wellness programs are currently in a state of limbo. Employers whose programs are compliant with the Health Insurance Portability and Accountability Act (HIPAA) and the ACA cannot be sure that they will not be sued by the Equal Employment Opportunity Commission (EEOC). In 2014, EEOC filed several high profile cases against employers that alleged that the employers' wellness programs were not voluntary under the Americans with Disabilities Act (ADA). Since then, the EEOC has released proposed rules seeking to incorporate a variety of new restrictions on workplace wellness programs. Onerous regulations like these will deter employers from being able to innovate and offer workplace wellness programs best suited to their employees' needs.

Any forthcoming health care reforms must take into consideration the vital role of the employer-sponsored system in facilitating the innovation and creativity that is happening in the private sector offering of health care coverage. As the foundation of our health care system, we support flexibility for our nation's employers as they continue their commitment to providing innovative, sustainable and high-value care for all Americans.

The Chamber thanks you for taking the time to hold this important hearing on the importance of encouraging innovations in health care and how employers continue to support a healthy workforce. We look forward to working with you as you continue to examine this important issue. Please do not hesitate to contact us if we may be of assistance in this matter.