

Are we fed up yet?

Oregon Business asked subscribers in the *Input* online survey whether the cost of health care is a “major problem that threatens your company’s financial health.” Four in 10 answered “yes.” That result dovetails with national data indicating that, with insurance premiums rising 10% to 15% per year, most employers are hiking employee premiums, co-pays and deductibles while decreasing services and benefits.

Still, there’s no indication that a majority of business leaders are ready to jump ship and abandon the current private-sector-based system, which relies on employers to sponsor and pay for employees’ health insurance. About one in three of the 732 respondents to the survey favors universal health care administered by the federal government and paid for by taxes and fees. Support is greatest among sole proprietors — not surprising, since they are most likely to be buying insurance on the individual market, where policies are expensive and often unavailable to those with preexisting conditions. Support for universal coverage is also higher at small companies, which face the greatest challenge coping with double-digit annual premium increases.

Roderick Cruickshank of The Partners Group, a benefits consulting firm in Portland, says, “We’re not at a point where the employer market is ready to throw the current system to the wind and say ‘uncle.’ They don’t see [universal coverage] as a solution or an option yet.”

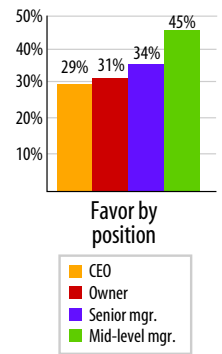
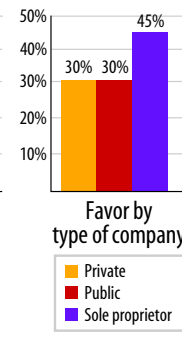
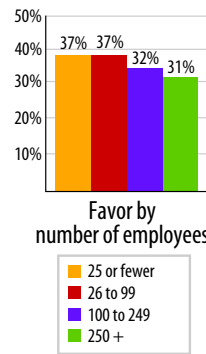
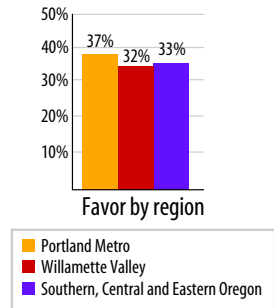
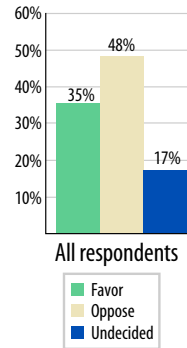
Oregon business leaders blame health insurance companies most for skyrocketing costs (see chart, right). But Cruickshank thinks that blame is largely misplaced. “The rates we pay today are in large part because government plans — Medicaid and Medicare — aren’t being funded at the cost of care, so costs are shifted by hospitals and doctors to the private employer market.”

The Oregon Business Council recently issued a white paper (www.orbusinesscouncil.org) that cites numerous causes of cost escalation, including: lack of competition among providers; medical malpractice premiums; insulation of consumers from the real costs of medical care; lack of comparative data for evaluating the quality and cost of care; the aging population; a rise in chronic conditions and unhealthy lifestyles; and direct-to-consumer advertising of drugs and new medical technologies.

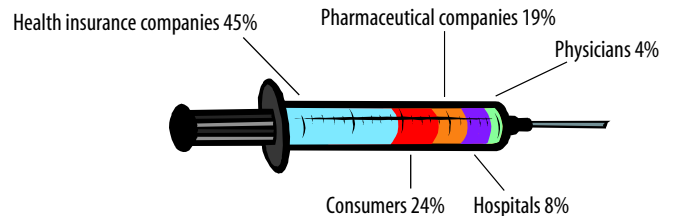
— Mitchell Hartman

Business leaders’ support for universal health care

If health care costs continue to rise, would you favor universal coverage managed by the government and paid for through taxes and patient fees?

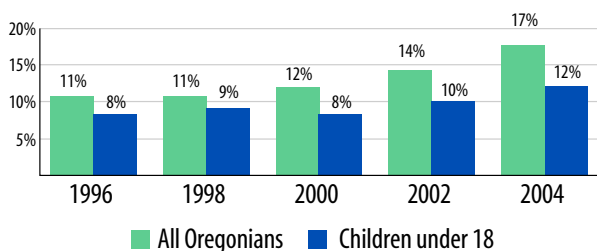


Who do business leaders think is most responsible for rising health care costs?



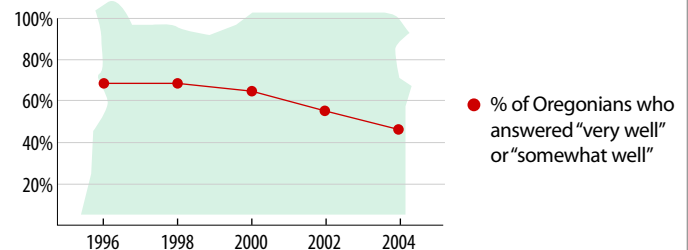
Source for two charts above: Input survey

How many Oregonians don't have health insurance?



Source for two bottom charts: Oregon Progress Board, 2004 Oregon Population Survey

How well is Oregon doing providing affordable health care?



Input was sponsored this quarter by Davis Wright Tremaine LLP. Research was conducted by Conkling Fiskum & McCormick.