

BENEFITS AND BEHAVIOR 2012

SPOTLIGHT ON  
HEALTH CARE REFORM

## Employers most impacted by Health Care Reform taking a “wait and see approach” — many seem to be in denial

++++ Guardian recently conducted a national survey of  
 ++++ U.S. employers offering group insurance benefits  
 ++++ to gauge current awareness and understanding of  
 ++++ the Patient Protection and Affordable Care Act  
 ++++ (PPACA). The survey also captured employer  
 ++++ viewpoints about the influence government and  
 ++++ private exchanges may have on their future medical  
 ++++ and non-medical benefits strategy. While larger  
 ++++ employers (with over 500 employees) seem to  
 ++++ have a moderate understanding of PPACA  
 ++++ provisions and the insurance exchanges, small  
 ++++ businesses with fewer than 50 employees, who  
 ++++ will be the first impacted by Health Care Reform  
 ++++ (HCR), are not as prepared or knowledgeable  
 ++++ when it comes to the actual law and its provisions.

### KEY FINDINGS

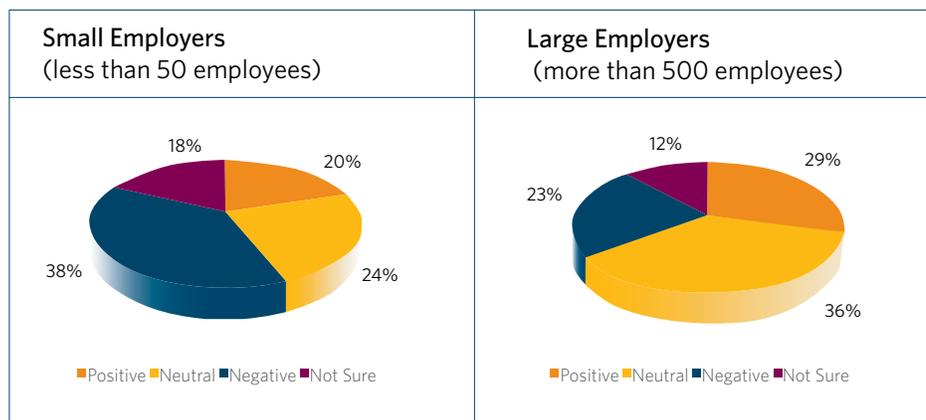
**Half** of all small businesses say they have little to no knowledge of PPACA provisions

**1 in 5** small businesses indicate they are familiar with the state-level exchanges set forth in PPACA

**8 in 10** small employers want no changes to their current channels for obtaining employee benefits

## ONE YEAR AFTER PPACA BECAME LAW, SMALL BUSINESSES ARE MORE LIKELY TO HAVE A NEGATIVE THAN POSITIVE VIEW TOWARD HEALTH CARE REFORM.

A majority of employers have negative to neutral attitudes toward HCR. A lack of awareness and familiarity are major factors contributing to the 80% of small companies (<50 employees) who feel more negative than positive about HCR and unsure of how their companies will respond to the new law over the next three to five years.



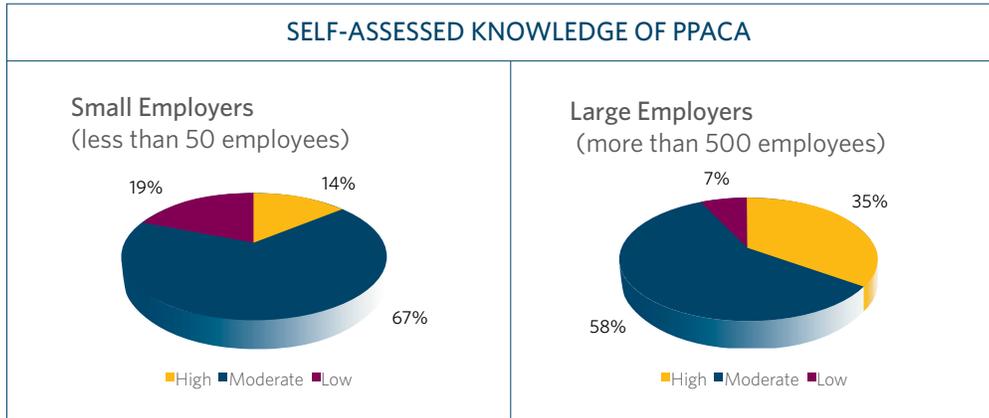
## BENEFITS PLAN SPONSORS PREFER THE STATUS QUO – A SIGN OF DENIAL?

Most employers surveyed, regardless of size, believe that they will continue to offer and fund medical and non-medical group insurance benefits in a post-PPACA environment. However, 37% of small businesses with fewer than 100 employees vs. 5% of larger firms are more likely to say they will continue to purchase medical and non-medical benefits using the same channels they do today (i.e., not use government or private exchanges).

Even if they discontinue offering medical benefits, 69% say their companies would still offer non-medical benefits to their employees. Small employers who are less familiar with HCR are least likely to discontinue offering non medical benefits through their current channel.

Notably, at least one-fourth of all employers (and higher among small firms with less than 100 employees) are unsure how their companies will handle *medical* benefits in the next three to five years, which has resulted in many putting benefits plan changes on hold.

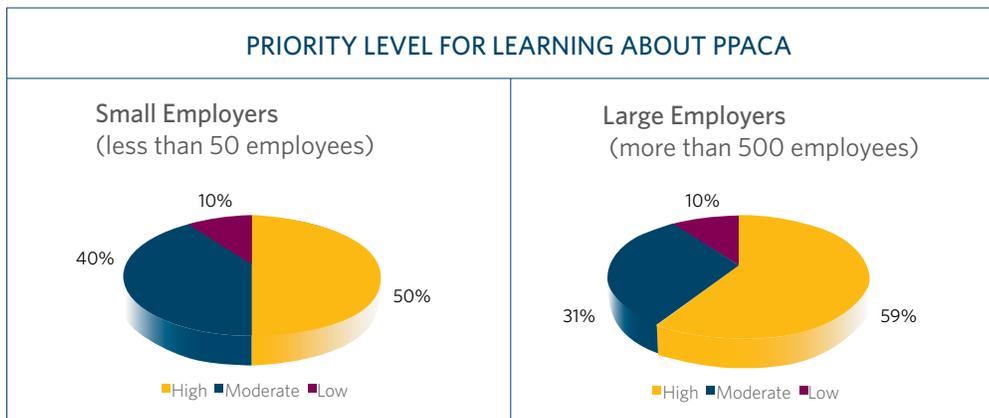




### THE CLOCK IS TICKING...

With 2014 marking the implementation of major PPACA provisions, such as the introduction of state-operated insurance exchanges and the requirement to offer essential health benefits (as defined by PPACA), limited time exists for smaller employers to familiarize themselves with the PPACA provisions. More importantly, small firms must determine, in advance of 2014, how PPACA could impact their existing employee benefits strategies moving forward.

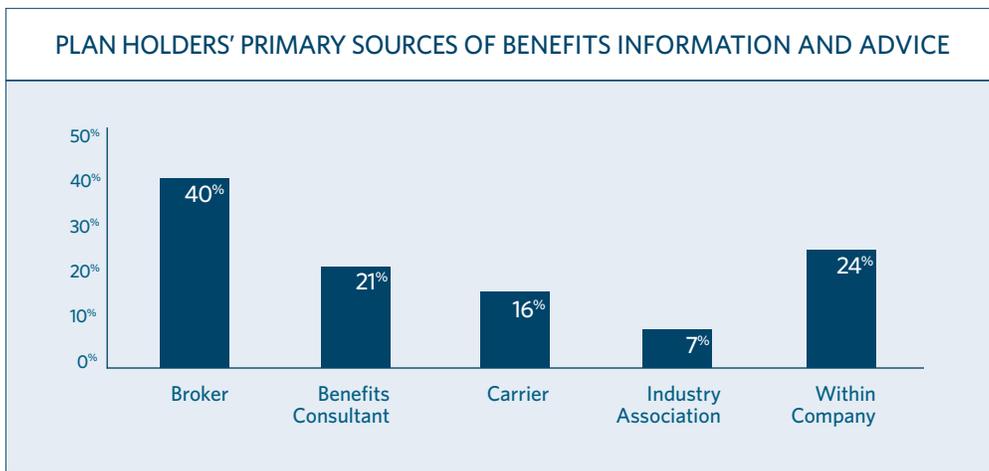
With the understanding of PPACA still at relatively low levels, a vast majority of employers realize the need to get up to speed on PPACA provisions — and in a hurry. On average, 90% of employers surveyed indicate that they want to be better educated and informed about HCR over the next 12 months.



However, smaller businesses (less than 50 employees), who will be impacted the most by PPACA's new requirements, recognize the need to be better educated about Health Care Reform but are less likely than large employers to say they are making this a top priority in 2012.

## WHERE WILL SMALL BUSINESSES TURN FOR PPACA INFORMATION & GUIDANCE?

Today, 40% of small businesses rely on their employee benefits brokers as the primary source of benefits advice and guidance. They are likely to follow this same path for assistance in navigating HCR laws and provisions.



As can be seen, a definite opportunity exists for brokers to help educate their clients on PPACA and its potential impact.

To view Guardian's entire Benefits and Behavior: Spotlight on Health Care Reform study, please visit [www.aboutemployeebenefits.com](http://www.aboutemployeebenefits.com).