

## AMERICAN MEDICAL ASSOCIATION HOUSE OF DELEGATES

Resolution: 102  
(A-20)

Introduced by: Resident and Fellow Section

Subject: Recognizing the Need to Move Beyond Employer-Sponsored Health Insurance

Referred to: Reference Committee A

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1 Whereas, Americans entering the workforce currently have from one-quarter to one-eighth of  
2 the average job tenure as workers now aging into retirement<sup>1</sup>; and  
3

4 Whereas, Trends such as a higher average worker education level and an increasing share of  
5 available jobs in industries with shorter-tenured careers are also contributing to increasing  
6 worker mobility, likely more so than any generational differences<sup>1</sup>; and  
7

8 Whereas, Union membership has been in a prolonged decline, decreasing by 50% in the last 40  
9 years, decreasing the collective bargaining power of today's workers to attain benefits such as  
10 quality health insurance<sup>2</sup>; and  
11

12 Whereas, The number of Americans that have employer-sponsored health insurance has  
13 declined steadily over the past 20 years to 66% in 2014, with the greatest decline seen among  
14 low- and middle-income families<sup>3</sup>; and  
15

16 Whereas, Even among those workers with employer-sponsored health insurance, as many as  
17 25% have out-of-pocket costs so high as to be effectively uninsured<sup>4</sup>; and  
18

19 Whereas, In addition to being increasingly inaccessible and insufficient for workers, reliance on  
20 employer-sponsored health insurance results in undesirable effects on the American worker  
21 such as "job-lock" (being unable to leave a job because of reliance on its health benefits),  
22 medical bankruptcy when a patient changes or loses their job while they or a family member  
23 requires ongoing medical treatment, and downward pressure on wages<sup>5</sup>; and  
24

25 Whereas, The predominance of employer-sponsored insurance arose by accident out of an  
26 attempt to reduce inflation during WWII by capping wage growth with the Stabilization Act of  
27 1942, and was never intended to become the principal form of health insurance in the United  
28 States<sup>6</sup>; and  
29

30 Whereas, As a result of these and other trends, reliance upon a health insurance system tied to  
31 employment is becoming increasingly untenable for large portions of the United States  
32 population; therefore be it  
33

34 RESOLVED, That our American Medical Association recognize the importance of providing  
35 avenues for affordable health insurance coverage and health care access to patients who do  
36 not have employer-sponsored health insurance, or for whom employer-sponsored health  
37 insurance does not meet their needs (New HOD Policy); and be it further

- 1 RESOLVED, That our AMA recognize that a significant and increasing proportion of patients are
- 2 unable to meet their health insurance or health care access needs through employer-sponsored
- 3 health insurance, and that these patients must be considered in the course of ongoing efforts to
- 4 reform the healthcare system in pursuit of universal health insurance coverage and health care
- 5 access. (New HOD Policy)

Fiscal Note: Not yet determined

Received: 02/21/20

#### References:

1. Job Hopping Analysis: Trends by Generation and Education Level. LiveCareer/TIRO Communications Online Publication. 2018. <https://www.livecareer.com/wp-content/uploads/2018/05/2018-Job-Hopping-Report.pdf>
2. Union Members Summary. U.S. Bureau of Labor Statistics. Jan 18 2019. <https://www.bls.gov/news.release/union2.nr0.htm>
3. Long, Michelle; Rae, Matthew; Claxton, Gary; Damico, Anthony. Trends in Employer-Sponsored Insurance Offer and Coverage Rates, 1999-2014. Kaiser Family Foundation. Mar 21, 2016. <https://www.kff.org/private-insurance/issue-brief/trends-in-employer-sponsored-insurance-offer-and-coverage-rates-1999-2014/>
4. Collins, Sara; Gunja, Munira; Doty, Michelle. How Well Does Insurance Coverage Protect Consumers from Health Care Costs?: Findings from the Commonwealth Fund Biennial Health Insurance Survey, 2016. The Commonwealth Fund. Oct 18 2017. <https://www.commonwealthfund.org/publications/issue-briefs/2017/oct/how-well-does-insurance-coverage-protect-consumers-health-care>
5. Currie, Janet; Madrian, Brigitte C. Health, Health Insurance and the Labor Market. Handbook of Labor Economics, Vol. 3C. Pub. 1999. O. Ashenfelter and D. Card eds. (Amsterdam: Elsevier)
6. Mihm, Stephen. Employer-Based Health Care was a Wartime Accident. The Chicago Tribune. Feb 24 2017. <https://www.chicagotribune.com/opinion/commentary/ct-obamacare-health-care-employers-20170224-story.html>

#### RELEVANT AMA POLICY:

##### The Future of Employer-Sponsored Insurance H-165.829

Our AMA: (1) supports requiring state and federally facilitated Small Business Health Options Program (SHOP) exchanges to maximize employee choice of health plan and allow employees to enroll in any plan offered through the SHOP; and (2) encourages the development of state waivers to develop and test different models for transforming employer-provided health insurance coverage, including giving employees a choice between employer-sponsored coverage and individual coverage offered through health insurance exchanges, and allowing employers to purchase or subsidize coverage for their employees on the individual exchanges

Citation: CMS Rep. 6, I-14

##### Trends in Employer-Sponsored Health Insurance H-165.843

Our AMA encourages employers to:

- a) promote greater individual choice and ownership of plans;
- b) enhance employee education regarding how to choose health plans that meet their needs;
- c) offer information and decision-making tools to assist employees in developing and managing their individual health care choices;
- d) support increased fairness and uniformity in the health insurance market; and
- e) promote mechanisms that encourage their employees to pre-fund future costs related to retiree health care and long-term care.

Citation: CMS Rep. 4, I-07; Reaffirmed CMS Rep. 1, A-17