

About 50 of the largest U.S. employers will form

About 50 of the largest U.S. employers will form a health insurance pool for about four million part-time, temporary and contract employees who lack coverage, as well as early retirees, former employees who have exhausted their COBRA coverage and children of employees who are students but no longer qualify for coverage.

The initiative recognizes that, although the conventional wisdom is that most Americans get health insurance coverage through their employer, nearly four in five people who went without health insurance during all or part of 2001 and 2002 were connected to the workforce. Many of those without coverage worked for large businesses that no longer offer coverage. More than 25 percent of the nation's uninsured -- nearly 10 million Americans -- worked for firms with 500 or more employees or were dependents of those workers as of 2001. Also, many small businesses do not offer health insurance coverage. Only 65 percent of small firms (firms with 3 to 199 workers) offered health insurance in 2003. In addition, some workers with employer-offered health insurance cannot enroll in it because they cannot afford to pay their share of the premiums. The average full-time employee receiving employer-provided health insurance was asked to pay \$42 of the monthly premium for individual coverage and \$201 per month for family coverage in 2003. Seventeen percent of workers offered health insurance coverage did not enroll. Under the plan announced yesterday, employees at the companies -- which include Ford Motor, Gap, Home Depot, IBM, Sears Roebuck and Textron -- would have access to a number of health plans, from low-cost discount cards for medical services to comprehensive benefit packages. The employers would hire a single health insurer to provide the health plans, which would have lower prices than individual health insurance policies currently available on the market. Under the plan, employees would cover the cost of their health insurance, which could range from \$30 per year for a membership card that provides access to group coverage rates to as much as \$2,000 per year for more comprehensive coverage provided regardless of current medical conditions. The plan could take effect by early 2005. The employers said they decided to form the health insurance pool because double-digit premium rate increases in each of the past three years are "not sustainable," "American business is fundamentally saying something has to be done now," J. Randall MacDonald, senior vice president for IBM, said. Increased health care costs are "perhaps the single most important domestic issue facing our nation," he said. The employers maintain that gaps in health insurance are hurting productivity and boosting costs. Their hope is that the plan will decrease absenteeism, reduce the number of uninsured U.S. residents and could help control medical care cost inflation. The plan would allow major employers, for the first time, to provide health care coverage for part-time employees. A Sears spokesman called it a "fabulous opportunity."

Referred from: (<http://www.consumeraffairs.com>)