Employers eye moving sickest workers to insurance exchanges

By Jay Hancock, NPR

Can corporations shift workers with high medical costs from the company health plan into online insurance exchanges created by the Affordable Care Act? Some employers are considering it, say benefits consultants.

“It’s all over the marketplace,” said Todd Yates, a managing partner at Hill, Chesson & Woody, a North Carolina benefits consulting firm. “Employers are inquiring about it, and brokers and consultants are advocating for it.”

Health spending is driven largely by a few patients with chronic illnesses, such as diabetes, and those who need expensive treatments, such as organ transplants. Since most big corporations are self-insured, shifting even one high-cost worker out of the company plan could save the employer hundreds of thousands of dollars a year — while increasing the cost of claims absorbed by the marketplace policy by a similar amount.

And the health law might not prohibit it, opening a door to potential erosion of employer-based coverage.

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