



# Indiana Manufacturers Association

*Indiana's Leading Voice for Industry*

## **MEDIA RELEASE**

**One American Square, Suite 2400, Box 82012, Indianapolis, IN 46282**

**Phone: (317) 632-2474 or (800) 462-7762 Fax (317) 231-2320**

**Contact Charlene Hickey at the above numbers or at [chickey@imaweb.com](mailto:chickey@imaweb.com)**

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## **Indiana Manufacturers Association Releases Health Care Survey; Health Care Ranks as Top Business Cost Concern**

*Indianapolis-* A recent survey by the Indiana Manufacturers Association reveals the depth of employers' concern over the current crisis in our health care system and the double-digit increases that most employers are currently experiencing.

The *Indiana Manufacturers Association 2003 Health Care Purchasers' Survey* is one of the most comprehensive health care surveys ever conducted by the association. The results highlight one of the most critical issues currently facing Indiana employers.

According to Patrick J. Kiely, President of the Indiana Manufacturers Association, "Not only are Indiana companies finding it more difficult to continue to absorb annual double-digit health care cost increases, the survey also found it is becoming increasingly difficult for employers to provide even the basic coverage for their employees."

The survey found that last year, 17 percent of respondents experienced a 0-10 percent health care premium increase; 48 percent experienced an 11-20 percent increase; 25 percent experienced a 21-30 percent increase; 2 percent experienced a 31-40 percent increase; 1 percent experienced a 41-50 percent increase; and 6 percent experienced more than a 50 percent increase.

Because of these significant escalating costs, 68 percent of those surveyed ranked health care costs as one of the most important issues facing their companies. The following issues ranked far behind health care as the top business concern: increasing workforce skills (13 percent), reducing regulatory burdens (8 percent), controlling worker's compensation costs (8 percent), reducing business taxes (7 percent) and reducing litigation costs (3 percent).

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The survey revealed that 93 percent of the respondents currently provide coverage for their employees. However, 77 percent said that increasing costs are impeding their ability to provide health benefits. Further, 43 percent believe that Indiana's health insurance rates hinder their companies' competitiveness; and 43 percent say rising costs threaten their ability to remain in business.

Mr. Kiely further stated, "With the dramatic health care cost increases that employers have experienced, coupled with dramatic increases anticipated in the future, everyone, including employers, employees, suppliers and customers, are all negatively effected. In fact, the survey found that because of rising costs, 77 percent of surveyed employers increased employee deductibles and/or co-payments; 64 percent increased employees' share of the premium cost; and 33 percent reduced the level of benefit coverage."

Health care costs will be a top priority for the Indiana Manufacturers Association as the Indiana General Assembly reconvenes this week in Indianapolis. The IMA will continue to work with elected officials and regulatory agencies to bring health care cost increases under control.

The Indiana Manufacturers Association is Indiana's leading and most experienced voice for Indiana industry, both at the Indiana State House and with the Indiana congressional delegation. The Indiana Manufacturers Association represents more than 1,500 employers who employ over 500,000 Hoosiers.