



THE TEXAS STATE CHAMBER

TAB's purpose is to champion the best business climate in the world, unleashing the power of free enterprise to enhance lives for generations.

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October 14th, 2022

Dear Chairman Harless and Members of the House Select Committee on Health Care Reform,

Thank you for the opportunity to provide testimony at the August 4th interim hearing. There were several discussions during the hearing related to the marketplace for employer sponsored health coverage. The Texas Association of Business (TAB) recently released our results from a survey of Texas employers focused on employer sponsored health coverage. We wanted to share these findings with the Committee as you continue your deliberations on this critical issue.

Employers represent the largest payor of care in our health system with nearly half of all Texans receiving health insurance through an employer sponsored health plan. Our survey provides insight into the value employers place in offering health benefits to their employees. When asked which benefit is most important for attracting and retaining employees, 34% of respondents said “health care benefits” – more than any other category including “financial benefits or bonuses”.

Our survey asked employers how important is offering health care coverage for hiring and retaining employees – 97% indicated some degree of importance with 71% selecting “extremely important”. Just 3% of respondents said offering health benefits were “not important” for hiring and retaining employees.

As our survey turned to the cost of health care, employers were clear – 87% agreed that Texas businesses should stand together against legislation that attempts to increase the cost of employer paid health care coverage.

While recent court rulings provide clarity on the ability for the legislature to preempt ERISA regulated health plans in certain areas, 75% of employers surveyed opposed legislation that would enable a state regulator to interfere with an employer's ability to design, offer or otherwise make benefits available to employees.

When employers who did not offer health coverage were asked for reasons why they did not offer coverage, 77% said that the major reason was because premiums were too high. Employers are making it clear that they want more low-cost options for health coverage, and they are looking for help from the legislature. 58% of employers wanted the legislature to allow employers to purchase health plans free of mandates in excess of federal requirements (Consumer Choice of Benefits Health Plans).

Enclosed you will find the press release on our survey results, the complete survey results, and a recent media mentions on the results. TAB strives to continue to make Texas the number one

place to do business and is committed to help businesses of all sizes offer their employees' health benefits. We want to continue to work with you to understand the impact of potential legislation on the business community.

Thank you,

A handwritten signature in black ink, appearing to read "Glenn Hamer". The signature is stylized with a large, circular flourish at the beginning and a long, sweeping tail.

Glenn Hamer
CEO, Texas Association of Business