
Texas Businesses Say Legislature Should Address Rising Cost of Health Insurance

Texas businesses pay for most of the health insurance in the state, so the Texas Association of Business surveyed their membership as well as human resource managers in the state to better understand how healthcare impacts business.

Texas employers say that health care is the most important benefit (34%) for attracting and retaining employees, which is just slightly ahead of financial benefits (33%). Flexible working benefits (20%) or paid time off (4%) rounded out the selections.

Even with today's significant inflationary pressures, employers say health care costs are rising faster than raw materials, equipment, utilities, taxes, and general inflation. It is unsurprising then, that 78% of respondents rank healthcare costs as one of the top issues affecting their business.

Companies are using the options in their power to control costs, including by offering HSAs and HRAs (47%), providing incentives related to health and wellness (42%), adding incentives to use a mail-order pharmacy (28%), managing access to high-cost specialty drugs, using prior authorizations, or reducing their pharmacy network (28%), or changing or eliminating benefits (32%).

Even with those cost control measures, 87% of employers say that healthcare costs are rising at an unsustainable rate. Among those who do not offer health care coverage to their employees, 77% say that high premiums were the major reason for not offering it.

When presented with a list of solutions and actions to the Texas health care cost crisis:

- 87% agree that Texas businesses should stand together against legislation that attempts to increase the cost of employer-paid health care coverage.
- 77% agree that the legislature should give employers more flexibility to contain costs
- 86% agree that the legislature should require all providers to disclose their prices publicly.
- 75% oppose legislation that would allow the state to interfere with an employer's ability to design, offer, or otherwise make health benefits available to employees.
- 58% want the legislature to allow employers to purchase coverage that is exempt from all legal and regulatory mandates beyond federal requirements.
- 68% want to keep the ability to offer patients lower-cost prescriptions by using in-network or PBM-affiliated pharmacies.

Against this backdrop, an overwhelming majority said that TAB should oppose all legislation that increases the cost of health and drug coverage, with only 5% saying they shouldn't. Also, 78% also favor requiring the Texas Association of Business to include on their legislative scorecard key legislative votes that either increase or decrease the cost of health coverage.

Survey responses were collected in June and July 2022 among n=349 TAB/Chamber members and human resource managers. The margin of error to the results of this survey are $\pm 5.2\%$ at the .95 confidence interval.