TEXAS EMPLOYERS SURVEY

June 3 – July 5, 2022

N = 349 respondents
margin of error: ± 5.2%
Which of the following benefits is most important for attracting and retaining employees?

- **Health care benefits**: 34% Most important, 26% Next most important
- **Financial benefits or bonuses**: 33% Most important, 19% Next most important
- **Flexible working benefits**: 20% Most important, 14% Next most important
- **Paid time off benefits**: 4% Most important, 19% Next most important
- **Family-friendly benefits**: 4% Most important, 7% Next most important
- **Retirement**: 2% Most important, 7% Next most important
- **Professional development**: 3% Most important, 5% Next most important
- **Wellness benefits**: 1% Most important, 2% Next most important
Which of the following is the fastest growing cost in your business?

- Wages & benefits: 49% (Fastest growing), 20% (Next fastest growing), 69%
- Health care: 15% (Fastest growing), 29% (Next fastest growing), 43%
- Inflation: 14% (Fastest growing), 16% (Next fastest growing), 30%
- Raw materials: 10% (Fastest growing), 8% (Next fastest growing), 18%
- Utilities and office supplies: 3% (Fastest growing), 6% (Next fastest growing), 9%
- Equipment: 2% (Fastest growing), 7% (Next fastest growing), 9%
- Taxes: 4% (Fastest growing), 4% (Next fastest growing), 8%
- Rent or mortgages: 1% (Fastest growing), 6% (Next fastest growing), 7%
- Repairs and maintenance: 1% (Fastest growing), 5% (Next fastest growing), 6%
- Theft: 0% (Fastest growing), 0% (Next fastest growing), 0%
How does the cost of health care coverage rank compare to other cost issues your organization faces as an employer?

- **15%** Number 1 issue
- **54%** Number 2 or 3 issue
- **14%** Number 4 or 5 issue
- **7%** In the top 6 to 10
- **4%** Not even in the top 10
- **6%** Unsure
Which best describes health care coverage your firm or business may provide for your employees?

- Yes, we provide employer-based health care insurance plans: 65%
- Yes, we provide employer-based health care coverage through an ERISA self funded-plan: 13%
- Yes, we provide health care coverage, but not sure what type: 3%
- Yes, we provide a subsidy to employees to purchase health care coverage through the ACA marketplace (ICHRA and QSEHRA): 2%
- No, we do not provide coverage, but we contribute toward the cost of purchasing health care: 3%
- No, we do not provide health care insurance coverage at this time: 13%

84% Yes
16% No
<table>
<thead>
<tr>
<th>Reason</th>
<th>Major reason</th>
<th>Minor reason</th>
<th>Not a reason</th>
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<tbody>
<tr>
<td>a. Premiums are too high</td>
<td>77%</td>
<td>7%</td>
<td>16%</td>
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<td>e. The financial status of the organization prohibits it at this time</td>
<td>50%</td>
<td>21%</td>
<td>29%</td>
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<td>d. Most employees are part-time, temporary or contract</td>
<td>32%</td>
<td>7%</td>
<td>61%</td>
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<td>f. Don’t know where to find affordable coverage</td>
<td>20%</td>
<td>30%</td>
<td>50%</td>
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<td>c. It is an administrative hassle</td>
<td>9%</td>
<td>21%</td>
<td>70%</td>
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<tr>
<td>b. Employee turnover is too high</td>
<td>9%</td>
<td>20%</td>
<td>71%</td>
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What is your impression of the current health insurance or coverage provided at your business/company?

- **61%** Favorable
  - **30%** Somewhat Favorable
  - **32%** Very Favorable
- **17%** Indifferent / Neutral
- **22%** Unfavorable
  - **13%** Somewhat Unfavorable
  - **9%** Very Unfavorable
In your own words, please indicate the most important concern you have about health care that you would like Texas Association of Business to help do something about for your industry.

- **Cost related**: 78%
- **Broad coverage / Benefits**: 13%
- **Access / Availability**: 8%
- **Need alternatives**: 4%
- **Need insurance**: 2%
- **Expand Medicaid**: 1%
- **Other**: 5%
- **Unsure / Refused**: 5%
IF COMPANY DOES NOT PROVIDE HEALTH COVERAGE: Would you consider providing health benefits to your employees if it were more affordable?

- Yes: 10%
- No: 1%
- Unsure: 4%
- Not asked: 84%
How important is offering health care coverage for hiring and retaining employees?

- **Extremely important**: 71%
- **Very important**: 17%
- **Somewhat important**: 9%
- **Not important**: 3%
IF PROVIDE OR CONTRIBUTE TO HEALTH COVERAGE: Has your organization engaged in, or planning to engage in, any of the following for the purposes of containing health care costs or the cost of coverage?

(%, Yes)

- a. Offered consumer-directed health plans with higher deductible and a health care savings account (HRAs, HSAs) 47%
- b. Provided incentives or rewards related to health and wellness 42%
- c. Moved coverage from the fully insured market to the self-funded market 21%
- d. Shifted a larger percentage of health care costs to employees 33%
- e. Limited or capped out-of-network coverage 26%
- f. Added incentives or requirements for mail order pharmacy 28%
- g. Managed access to high-cost specialty drugs, prior authorizations, step therapy, reduced the pharmacy network 28%
- h. Implemented reference-based pricing plan 7%
- i. Implemented employee incentives for choosing high-value providers (Narrow networks) 17%
- j. Changed or eliminated benefits 32%
Texas businesses should stand together against legislation that attempts to increase the cost of employer paid health care coverage.

Healthcare costs are rising at an unsustainable rate.

The state legislature should hold health care providers accountable for charging significantly more than the market price.

The state legislature should require all providers to disclose their prices publicly.
The state legislature should give employers more flexibility to contain costs.

Employers have the ability to contain health care costs.

The state legislature should be doing more to contain the cost of health care coverage offered by businesses in Texas.

In the next 5 to 10 years, the cost of providing health benefits will simply become too expensive for employers.
Should TAB, Texas Association of Business, oppose all legislation that increases the cost of health and drug coverage?

To allow for lower cost health insurance, should the Texas legislature allow employers and individuals the option to purchase a consumer choice benefits package that is exempt from all contract, benefits, or regulatory mandates that are in excess of requirements by the federal government?
Would you favor or oppose legislation that would enable a state regulator to interfere with an employer's ability to design, offer or otherwise make benefits available to employees?
Employers use Pharmacy Benefit Managers or PBMs to lower drug and healthcare costs for their employees. Last year, Texas lawmakers considered a number of bills that would have placed new regulations on how businesses can work with PBMs and the pharmacies they operate. When it comes to this type of legislation, which of the following is more important to you and your employees?

- Lower cost prescriptions, even if it means going to preferred pharmacies to fill them (68%)
- The ability to fill prescriptions at any pharmacy, even if it means higher drug costs for employers and/or employees (17%)
- Unsure (14%)
Should TAB, Texas Association of Business, include on its legislative scorecard key legislation that either (Ver X: increases or decreases / Ver Y: raises or lowers) the cost of health coverage?

- Yes: 78%
- No: 3%