

— THE TEXAS EMPLOYER VOICE

What Texas employers *are telling us* about the cost of coverage.

TAB's 2024 Employer Healthcare Survey captured responses from more than 200 Texas businesses across every sector and region. The results are unambiguous: employers want to keep offering coverage — but unsustainable cost growth and a steady accumulation of state mandates are making it harder every renewal cycle.

85%

say healthcare costs are rising at an unsustainable rate

92%+

want a cost estimate required before new mandates pass

75%+

say health benefits are essential to attract & retain workers

51%

say cost growth is limiting their ability to raise wages or hire

01 Legislative & Regulatory Action

- 90%+** support requiring a cost estimate before the Legislature passes any new mandate on employer healthcare benefits.
- 79%** want the Legislature to hold healthcare providers accountable for charging significantly more than the marketplace.
- 76%** support requiring all healthcare providers to disclose their prices publicly.
- 73%+** want the option to purchase a more affordable plan without state-imposed mandates that exceed federal requirements.

02 Impact on Business Operations

- 51%** say health benefit costs have interfered with their ability to raise salaries or add new employees.
- 56%+** believe government regulation of healthcare coverage is driving up costs.
- 57%** strongly oppose any state mandates that would further increase health and drug coverage costs.
- 34%** identify healthcare benefits as the fastest-growing cost in their business — ahead of wages at 30%.



Texas employers want to keep offering coverage. The data shows the constraint isn't willingness — it's affordability. Holding the line on new mandates and restoring transparency are the levers the Legislature controls.

— FINDINGS SUMMARY · TAB 2024 EMPLOYER HEALTHCARE SURVEY

— TAB'S PATH FORWARD

The path towards healthcare *affordability* in Texas

Texas employers cover more than 15 million Texans through employer-sponsored coverage — and they want to keep doing it. But the path forward requires the Legislature to take five concrete steps. Each one is a marker on the road back to affordability.

01

PRIORITY

Preserve ERISA Preemption for Self-Funded Employer Plans

The path forward starts with leaving alone what already works. Federal ERISA preemption is the reason the **50%+ of Texas employers** who self-fund coverage can deliver consistent benefits across their workforce without navigating a patchwork of state mandates. State requirements imposed directly on self-funded ERISA plans risk preemption challenges, drive up administrative costs, and could push employers to drop coverage altogether. Protect what's working.

02

PRIORITY

Mandate Reform

Texas ranks **3rd nationally** for insurance mandates exceeding federal minimums, and every one added to the fully-insured market raises premiums for the employers and workers who can least afford it. Texas already has a cost-benefit analysis process for new mandates — TAB urges the 90th Legislature to use it. **A tool that exists but goes ignored is no tool at all.**

03

PRIORITY

Expansion of Flexible Plan Options

Texas employers need viable alternatives to one-size-fits-all coverage. The 89th Legislature advanced value-based care; TAB wants to build on that foundation with a **mandate-lite health plan**, tiered networks, reference-based pricing, direct primary care arrangements, and HSA-compatible plans. **Employers who want richer benefits should be able to offer them, and those who cannot afford today's mandated plans should have a real alternative.**

04

PRIORITY

Employer-Accessible Data & Price Transparency

Texas workers with employer coverage still can't get a straight answer on what care will cost before they receive it. TAB supports completing the HB 138 rulemaking and ensuring employers have **access to actionable benchmarking data to compare costs** and steer employees toward higher-value care. Clear, actionable pricing at the point of care is the missing link between transparency on paper and cost decisions that actually change behavior.

05

PRIORITY

Protect Against Fraud, Waste & Abuse

The fight against healthcare fraud must extend beyond Medicaid to the employer-sponsored plans covering half of all Texans. Texas OIG and the AG's MFCU recovered nearly **\$600 million in FY2025** — proof the enforcement infrastructure works when resourced. TAB urges the Legislature to explore mechanisms that bring public enforcement resources and private-sector plan administrators together.



TAB stands ready to be a resource — providing **member data**, **technical bill review**, and **federal tracking** at every step.