

**Texas Small Employer  
Health Insurance  
Survey Results:  
2001 and 2004**



**Texas Department  
of Insurance**

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## ***Section I: Survey Overview***

One of the most valuable components of the State Planning Grant research work is the small employer survey conducted in 2001 and again in 2004 using supplemental grant funds. The original survey was mailed to 50,000 small employers to collect information on their attitudes and perceptions regarding insurance, and their ability and willingness to purchase private coverage. More than 13,000 completed surveys were received, a strong indication of the importance of this issue among small businesses. The results of the survey provided some of the most useful data obtained in the course of our study, and has been used by numerous state agencies, legislative committees and various stakeholder groups in the discussion about health care and health insurance expansion options. The data were particularly useful in the development of policy options for addressing small employers' insurance problems, some of which have already been enacted. Despite the accomplishments under the original grant study and subsequent action by the Texas Legislature and other stakeholders, small employers continue to face problems when shopping for affordable health insurance. While Texas has made significant progress in expanding coverage options for small businesses, the majority still do not offer insurance to their workers. To evaluate the effectiveness of previous efforts and identify new issues that may have emerged within this particular population, small employers were re-surveyed in March 2004. Though some new questions were added to the survey to address changes that have since occurred, the majority of questions remained the same. Due to a more limited budget, only 20,000 surveys were mailed. A total of 4,303 usable survey responses were received, which was a response rate of over 21 percent.

Some of the more significant findings of the 2004 survey are as follows:

- The primary reason employers do not offer insurance is still because it is unaffordable; 54 percent of employers reported they can afford \$100 a month or less per employee for health insurance premiums; 34 percent can pay \$50 or less, and 14 percent would not purchase insurance at any cost.
- Eighty-one percent of employers believe employers *should* provide insurance if they can afford to do so. In a separate question, however, only seven percent indicated they believe employers are *primarily* responsible for assuring people have coverage. Forty-one percent believe individuals are themselves responsible; 32 percent said the federal government is responsible, and 12 percent believe state governments are responsible.
- Of those employers who currently offer insurance, 18 percent are very likely to discontinue coverage within the next five years; 24 percent report they are somewhat likely to do so.
- Sixty-nine percent of employers said it is more important for government to focus on improving access to affordable health insurance than improving access to affordable health care, while 26 percent said that improving access to affordable health care is more important
- When small businesses do offer coverage, employees often are unable to afford their required contribution. This is particularly true of "family coverage." Workers in small businesses often must pay a higher share of the premium cost than workers in large firms. The average cost of family coverage for small businesses is more than \$11,000 a year per-employee, and many workers must pay 50 percent or more of the cost. For low wage workers, this expense is truly unaffordable. A significant decrease in cost would be necessary in order for many of these workers to "take up" the health insurance that is available to them.

## ***Survey Methodology***

Following a series of questions requesting basic demographic information on the firm's size, type of industry, financial data, and employee information, both surveys asked employers to indicate whether or not they currently offer health insurance. The respondents are then directed to one of two series of questions based on whether they do or do not offer health insurance. Firms that do not offer coverage were asked to answer questions in the following areas:

- reasons why small firms do not offer health insurance;
- the extent to which employers are interested in providing insurance;
- how much employers are able to pay for coverage;
- the types of benefits they are most interested in; and
- whether the employer is aware of the legislative reforms designed to increase the affordability and availability of health insurance.

Employers who currently provide insurance answered a separate set of questions that address other areas, including:

- the extent to which employees participate in the group health plan;
- reasons why employees do not enroll in the benefit plan;
- cost information;
- employer and employee contribution rates; and
- whether the firm plans to continue offering health insurance.

All employers were asked at the end of the survey to indicate their level of support for various options for expanding health insurance.

## ***Demographics***

The companies responding to the 2004 survey had an average of 10.4 total employees, with 8.5 full-time employees and 1.9 part-time employees. These figures varied slightly from the 2001 survey, on which companies averaged 11.4 total employees, 9.5 full-time employees and 1.9 part-time employees. In both years, the average number of contract workers per company was slightly more than 0.5, which represents one contract worker for every two small firms.

To determine whether survey responses varied across geographic regions of the state, all respondents were asked to provide the zip code of the business mailing address. Unfortunately, only two-thirds of respondents provided the requested zip code in 2004, down from three-quarters in 2001. These relatively low response rates somewhat limit the ability to analyze the data set on a geographic basis. Of those employers who did provide zip codes, most are located in the state's major metropolitan areas, including Harris, Dallas, Tarrant, Travis, Lubbock, Nueces, and Bexar counties. Table 1 provides a detailed breakdown of responses by geographic area.

**Table 1: Percentage of Respondents by Geographic Area**

	<b>2004 Percentage of Respondents</b>	<b>2001 Percentage of Respondents</b>	<b>Percent Change</b>
Metroplex	26.1%	26.9%	-3.0%
Gulf Coast	17.9%	19.7%	-9.2%
Lower Rio Grande	16.2%	16.5%	-1.5%
Central Texas	10.5%	11.2%	-5.5%
High Plains	6.1%	5.5%	9.8%
Northeast Texas	6.0%	5.6%	6.3%
Upper Rio Grande	4.6%	3.3%	39.2%
Other	4.6%	4.5%	0.3%
North Texas	4.1%	3.5%	17.2%
East Texas	3.6%	3.1%	15.1%
West Texas	0.3%	0.1%	149.5%

Most surveyed employers - 69.1 percent in 2001 and 71.8 percent in 2004 - report they have been in business for ten or more years. Furthermore, 38.9 percent of businesses in 2001 and 43.7 percent in 2004 reported that they had been in business for 20 or more years. Only one percent of surveyed employers had been in business less than one year in both 2001 and in 2004.

Over 40 percent of surveyed companies were in the service industry in both 2001 and 2004, while about 12 percent were in retail sales and 10 percent were in construction. Approximately 16 percent of respondents were in an industry that was not listed as an answer choice on both the 2001 and the 2004 survey. A detailed breakdown of respondents by industry sector is provided in Table 2 below.

**Table 2: Percentage of Respondents by Industry Sector**

	<b>2004 Percentage of Respondents</b>	<b>2001 Percentage of Respondents</b>	<b>Percent Change</b>
Services	43.2%	45.7%	-5.5%
Other	15.9%	16.0%	-0.4%
Retail	12.3%	11.5%	7.6%
Construction	10.2%	9.0%	14.0%
Manufacturing	6.3%	6.6%	-3.8%
Wholesale	4.2%	4.1%	2.3%
Food Service	3.6%	3.1%	14.5%
Agriculture, Forestry, Fishing	3.1%	3.2%	-1.7%

The annual gross revenue and total net worth figures were also strikingly consistent in the 2001 and 2004 surveys. Over one-quarter of surveyed companies reported annual gross revenues between \$200,000 and \$500,000 in both years, and another 20 percent reported revenues between \$500,000 and \$1,000,000. Approximately 28 percent of the surveyed companies reported annual gross revenues of \$1,000,000 or more, while only nine percent reported revenues of \$100,000 or less. In both years, approximately one-fifth of the respondents reported an overall net worth of between \$200,000 and \$500,000 as well, while over 35 percent reported net worth figures of \$200,000 or less. Finally, approximately 20 percent of respondents indicated that their companies had an estimated net worth of \$1,000,000 or more.

The distribution of average annual salaries was also extremely consistent in 2001 and 2004. The average annual salaries of full-time employees (excluding the business owner) fell between \$25,000 and \$50,000 for approximately 38 percent of respondents in both years, while an additional 20 percent had average annual salaries of \$20,000 to \$25,000. Twenty-five percent of respondents reported average annual salaries of below \$20,000 in 2004, while almost 30 percent reported such low salaries in 2001. Only one percent of respondents reported average annual salaries of more than \$75,000 in both surveys.

Additional average wage figures were collected on the 2004 survey that were not included on the 2001 survey. First, nearly 27 percent of the responding companies reported having mostly salaried employees, while an additional 28 percent reported having mostly hourly employees earning between \$10 and \$15 per hour. Twenty-seven percent of responding companies also reported either having mostly minimum wage employees or mostly employees earning less than \$10 per hour. Similarly, 55.4 percent of responding companies indicated that they had two or fewer employees earning less than \$10 per hour, and almost 27 percent reported having three to 10 low-wage employees. Finally, only seven percent of survey respondents indicated that they had more than 10 low-wage employees.

The following Appendix contains a more in-depth analysis of the Small Employer Survey results, including a comparison of the 2001 and 2004 surveys when possible. After separately discussing the responses of companies not offering insurance and companies offering insurance, a summary of respondents' opinions regarding possible future policy options is also provided.

## ***Section II: Employers Not Currently Offering Health Insurance***

A total of 51.7 percent of companies indicated that they did not currently offer health insurance in 2004, while only 45.9 percent did not offer coverage in 2001. Almost 85 percent of respondents said they had not provided health insurance coverage within the past five years, while only 41 percent had attempted to purchase health insurance during the same timeframe. Table 3 provides a detailed comparison of the percentage of companies that offered insurance or attempted to purchase it within the past three years.

**Table 3: History of Offering Insurance and Attempts to Purchase Insurance**

<b>Offered or attempted to purchase insurance</b>	<b>2004 Percentage of Respondents</b>	<b>2001 Percentage of Respondents</b>	<b>Percent Change</b>
Employers who offered insurance within past 5 years	15.5%	15.1%	2.9%
Employers who have not offered insurance within past 5 years	83.7%	84.5%	-1.0%
Employers that attempted to purchase insurance within past 5 years	40.9%	40.7%	0.6%
Employers that did not attempt to purchase insurance within past 5 years	58.0%	58.4%	-0.7%

A large majority of employers not offering insurance (73 percent in 2004 and 77 percent in 2001) indicated that employees were interested in the benefit, with approximately 31 percent showing a strong level of interest. Yet, despite the significant interest among employees, few employers expect to offer insurance within the next three years. Only 1.6 percent of the surveyed firms in 2004 and 3.7 percent in 2001 stated they definitely will offer insurance, while 75 percent indicated that they either definitely or probably will not offer coverage.

**Table 4: Likelihood of Offering Insurance within the Next Three Years**

	<b>2004 Percentage of Respondents</b>	<b>2001 Percentage of Respondents</b>	<b>Percent Change</b>
Company will definitely not offer health insurance in next 3 years	24.8%	25.2%	-1.6%
Company probably will not offer health insurance in next 3 years	53.9%	49.3%	9.4%
Company probably will offer health insurance in next 3 years	18.2%	20.4%	-11.0%
Company definitely will offer health insurance in next 3 years	1.6%	3.7%	-56.6%

When asked to indicate the primary reason for not offering insurance, employers report that cost is clearly the most significant factor. Sixty-five percent of the employers in 2004 and 62 percent of employers in 2001 indicated that they either tried to purchase coverage but found it too expensive, or they have not attempted to purchase coverage because they know it is unaffordable.



Another seven percent of employers in 2001 and eight percent in 2004 were willing to offer the benefit, but have determined that the majority of their employees are unable to afford their share of the premium. Approximately four percent of the employers in both years report they were unable to obtain insurance because one or more employees have a pre-existing condition that makes the group uninsurable. It should be noted that under state insurance reforms enacted in 1993 and 1995, no small employer group may be denied coverage due to the health status of the applicants. The question does not, however, provide information that would allow us to determine whether the employer was actually wrongly denied coverage when they attempted to purchase insurance or if they simply believe they are ineligible for insurance. A detailed breakdown of responses is provided in Table 5.

**Table 5: Primary Reason for Not Offering Insurance**

<b>Reason insurance is not offered</b>	<b>2004 Percentage of Respondents</b>	<b>2001 Percentage of Respondents</b>	<b>Percent Change</b>
We have not tried to purchase insurance because we know it is too expensive	26.9%	26.8%	0.4%
We tried to purchase insurance but it was too expensive	38.4%	35.6%	8.1%
The majority of employees don't want insurance because they already have coverage	13.6%	15.1%	-10.2%
We could not obtain insurance because one or more of our employees has a pre-existing health condition	3.3%	4.0%	-16.3%
The majority of employees do not want health insurance because they do not think it is necessary	1.2%	0.9%	29.6%
The majority of employees prefer higher wages to health insurance	4.2%	4.7%	-10.6%
We are willing to offer coverage but the majority of employees are not able to afford their share of the premium	7.9%	7.1%	11.6%
Providing health insurance is too much of an administrative hassle	1.4%	1.5%	-8.5%

To examine employers' perceptions regarding the cost of insurance and determine the amount of money they are able to pay for coverage, employers were asked two separate questions about the cost of health insurance. Employers were first asked to estimate how much money per employee they believe insurance would cost including both the company's and the employee's contribution. The estimates varied considerably, as shown in the table below. More than 18 percent believe the cost would be \$200 or less, while one-quarter believed that it would cost \$201-\$300 per-employee-per-month. Meanwhile, nearly 13 percent estimate the cost to be more than \$500 a month.

**Table 6: Employers' Estimated Insurance Costs**

<b>Amount of Money Employer Estimates Insurance Will Cost</b>	<b>2004 Percentage of Respondents</b>
\$0-\$200 per-employee-per-month	18.1%
\$201-\$300 per-employee-per-month	24.8%
\$301-\$400 per-employee-per-month	19.3%
\$401-\$500 per-employee-per-month	11.1%
\$501-\$600 per-employee-per-month	6.3%
\$601-\$700 per-employee-per-month	2.4%
\$701-\$800 per-employee-per-month	1.4%
More than \$800 per-employee-per-month	2.6%

*Note: The 2001 survey data has been excluded from this report, because the response options in 2001 varied considerably from those above.*

When asked how much the firm would be able to pay for each employee's coverage, most employers (69 percent in 2004 and 79 percent in 2001) report that they could pay no more than \$100 a month. Forty-eight percent of companies in 2004 and 59 percent in 2001 actually responded that they could pay no more than \$50 per employee per month. This information is of particular importance as it confirms the fact that most small firms cannot afford premiums for even a relatively inexpensive benefit plan. A detailed breakdown of the maximum employer contribution responses is provided below.

**Table 7: Employers' Ability to Pay for Insurance**

<b>Maximum Premium Contribution Employer Can Afford Per-Employee-Per-Month</b>	<b>2004 Percentage of Respondents</b>	<b>2001 Percentage of Respondents</b>	<b>Percent Change</b>
The company would not purchase insurance at any cost	14.4%	13.7%	4.9%
Less than \$50 per-employee-per-month	17.2%	23.4%	-26.3%
\$50 per-employee-per-month	16.7%	22.1%	-24.1%
\$100 per-employee-per-month	20.3%	19.5%	4.3%
\$150 per-employee-per-month	7.8%	8.0%	-2.9%
\$200 per-employee-per-month	6.1%	4.6%	33.5%
\$250 per-employee-per-month	2.2%	1.7%	26.4%
\$300 or more per-employee-per-month	1.3%	1.7%	-24.3%

Several questions were included in the survey to determine the types of health care benefits that employers would most prefer if they were purchasing health insurance. When asked to choose between a basic benefit plan with annual benefit levels of \$10,000, \$20,000 or \$50,000, or a catastrophic policy with limits of \$100,000, \$250,000, \$500,000 or no limit, employers were surprisingly evenly divided in their choices. Nearly 46 percent chose a basic benefit plan and 48 percent chose a catastrophic plan in 2004, while these numbers were 48 percent for basic and 43

percent for catastrophic, respectively, in 2004. There was no consensus on policy limits, however, as illustrated in Table 8 below. The disparity of the distribution highlights the difficulty of designing a benefit plan that appeals to a large number of employers with diverse preferences and expectations.

**Table 8: Employers' Preference for Basic or Catastrophic Plans with Annual Limits**

Type of Benefit Plan	2004 Percentage of Respondents	2001 Percentage of Respondents	Percent Change
Preventive care, coverage for routine illnesses and minor injuries with a \$10,000 annual limit per person each year	15.3%	14.3%	6.9%
Preventive care, coverage for routine illnesses and minor injuries with a \$20,000 annual limit per person each year	12.7%	12.5%	1.5%
Preventive care, coverage for routine illnesses and minor injuries with a \$50,000 annual limit per person each year	17.8%	21.1%	-15.8%
Catastrophic coverage that would not cover routine illnesses with a \$100,000 annual limit per person each year	10.8%	12.4%	-13.1%
Catastrophic coverage that would not cover routine illnesses with a \$250,000 annual limit per person each year	10.6%	NA	NA
Catastrophic coverage that would not cover routine illnesses with a \$500,000 annual limit per person each year	11.0%	14.4%	-23.7%
Catastrophic coverage that would not cover routine illnesses with no annual limit	15.4%	16.6%	-7.6%

*Note: Catastrophic coverage with a \$250,000 maximum was not included as an answer choice on the 2001 survey*

When asked about the importance of specific benefits, employers' responses varied considerably as illustrated in Table 9. A majority of respondents expressed strong support for primary care only when an individual is sick (77 percent in 2004 and 72 percent in 2001), primary care when sick and for well-care (68 percent in 2004 and 67 percent in 2001), specialist care (74 percent in 2004 and 73 percent in 2001), in-patient hospital care (87 percent in 2004 and 85 percent in 2001), laboratory services (71 percent in both 2004 and 2001), prescription drugs (71 percent in both 2004 and 2001), radiological care (75 percent in 2004 and 73 percent in 2001), preventive screenings such as mammograms (65 percent in 2004 and 66 percent in 2001) and well-child care (53 percent in 2004 and 51 percent in 2001). Employers indicated the least amount of support for

maternity care, mental health services, alcohol or drug abuse treatment, chiropractic care, vision benefits and dental benefits. A comparison of companies' responses in 2001 and 2004 is provided below in Table 9.

**Table 9: Employers' Opinions on the Importance of Various Health Insurance Benefits**

A= Extremely Important  
 B= Very Important  
 C= Somewhat Important  
 D= Not Very Important  
 E= Not At All Important

Type of Health Insurance Benefit	Survey	A	B	C	D	E	NR
Visits to a primary care physician, such as a pediatrician or family doctor, but only when sick	2004	46%	31%	14%	4%	3%	4%
	2001	41%	31%	15%	4%	3%	6%
Visits to a primary care physician when sick <u>and</u> for annual well-person check-ups	2004	39%	29%	20%	6%	2%	4%
	2001	37%	30%	19%	6%	3%	5%
Visits to a specialist physician, such as a cardiologist or surgeon	2004	39%	35%	17%	4%	2%	4%
	2001	40%	33%	16%	4%	2%	5%
In-patient hospital care (for surgery, illness, emergencies, etc.)	2004	56%	29%	8%	2%	2%	4%
	2001	57%	28%	8%	2%	2%	4%
Maternity care for pregnant women	2004	19%	22%	22%	16%	18%	3%
	2001	20%	21%	23%	14%	16%	6%
Laboratory services (such as getting blood work or having a biopsy analyzed)	2004	35%	36%	19%	5%	3%	3%
	2001	35%	36%	18%	4%	2%	6%
Mental health services	2004	9%	16%	30%	23%	17%	4%
	2001	12%	17%	29%	22%	15%	6%
Prescription drugs	2004	40%	31%	18%	4%	3%	4%
	2001	41%	30%	17%	4%	3%	5%
X-Rays or MRI's	2004	36%	39%	17%	3%	2%	4%
	2001	36%	37%	17%	3%	2%	6%
Alcohol or drug abuse treatment	2004	6%	10%	27%	27%	26%	4%
	2001	7%	11%	27%	26%	23%	6%
Well-child care, including coverage for immunizations and routine check-ups	2004	26%	27%	23%	10%	11%	4%
	2001	26%	25%	23%	10%	10%	6%
Chiropractic services	2004	7%	12%	30%	24%	23%	4%
	2001	8%	14%	29%	22%	21%	6%
Preventive screenings (such as mammograms or prostate cancer testing)	2004	33%	32%	22%	6%	4%	4%
	2001	35%	31%	19%	6%	3%	5%
Vision care (visits to the eye doctor, glasses, contacts)	2004	14%	21%	31%	16%	14%	4%
	2001	14%	24%	30%	14%	12%	6%
Dental benefits	2004	13%	21%	31%	16%	15%	4%
	2001	15%	23%	30%	14%	12%	6%
Surgical treatment for obesity*	2004	3%	4%	16%	26%	46%	4%
Diet programs to treat obesity*	2004	5%	7%	19%	25%	40%	4%

Source: Final Results of the 2001 and 2004 Texas Small Employer Survey, Texas State Planning Grant.

Note: Questions related to surgical treatment for obesity and diet programs to treat obesity were not included in the 2001 Survey.

The Texas Legislature enacted several reforms intended to increase the affordability and availability of health insurance. Anecdotal information indicates that many small employers are unaware of the reforms, but little statistical information has been available until now. However, the 2001 and 2004 surveys both clearly confirm that few small employers are aware of the earlier reforms. As shown in the table below, more than two-thirds of the respondents indicated they are not familiar with guarantee-issue requirements that prohibit insurers from denying coverage based on an individual's health status, and almost three-fourths of the small employers did not know that Texas allows small employers to create purchasing alliances. Only 18 percent of the respondents were familiar with the Basic and Catastrophic benefit plans that were available in 2001, and only 11 percent of respondents were familiar with Consumer Choice benefit plans that were available beginning January 1, 2004. Table 10 provides a detailed breakdown of employers' knowledge of these recent insurance reforms.

**Table 10: Employers' Knowledge of Small Employer Health Insurance Reforms**

Description of Reform	2004 Percentage of "Yes" Responses	2001 Percentage of "Yes" Responses	Percent Change
Small employers cannot be denied health insurance coverage based on the health status of their employees.	31.0%	28.6%	8.5%
Small employers can purchase one of two standard benefit plans (the Basic and Catastrophic health plans) that offer more limited benefits at a lower cost.	NA	18.0%	NA
Small employers can now purchase a Consumer Choice Benefit Plan that does not include some of the mandated benefits that are normally included in a group plan.	10.8%	NA	NA
Small employers can join together to form purchasing alliances for the purpose of buying health insurance.	27.4%	25.7%	6.4%

*Note: The Basic and Catastrophic health benefit plans were no longer available in 2004, and the Consumer Choice benefit plans were not yet available in 2001.*

Employers were asked to indicate who they think is primarily responsible for assuring people have health insurance. Over 40 percent of the respondents indicated that the government is primarily responsible on both the 2001 and the 2004 surveys, but an almost identical percentage believe individuals are primarily responsible for obtaining their own coverage. Only seven percent believed employers should be responsible for providing insurance in the 2004 survey, which was down from ten percent in the 2001 survey. Table 11 analyzes companies' responses to the two surveys in more detail.

**Table 11: Entity Primarily Responsible for Assuring Individuals are Insured**

<b>Entity Employer Believes is Responsible for Assuring Individuals Are Insured</b>	<b>2004 Percentage of Respondents</b>	<b>2001 Percentage of Respondents</b>	<b>Percentage Change</b>
Federal Government	32.5%	27.4%	18.7%
State Government	11.5%	12.7%	-9.2%
Local Government	0.7%	1.0%	-25.2%
Employers	7.6%	10.3%	-26.2%
Individuals	41.0%	41.6%	-1.4%
None of the Above – Insurance is not important	0.8%	0.4%	73.4%
Other	2.0%	2.2%	-7.8%

### ***Section III: Employers Currently Offering Health Insurance***

Surveyed employers that currently offer health insurance were asked a separate series of questions about the premium rates, employees' participation, and the company's plans for the future. Of the surveyed employers, 2,032 (47 percent) reported they do offer insurance, which is down from the 54 percent offering coverage in the 2001 survey. In 2004, more than 87 percent of the companies offering coverage have done so for at least three years and more than two-thirds (67 percent) have provided coverage for more than five years. Nearly one-third have offered insurance for more than 15 years.

**Table 12: Length of Time Insurance Has Been Provided**

<b>Number of Years Insurance has been Provided</b>	<b>2004 Percentage of Respondents</b>	<b>2001 Percentage of Respondents</b>	<b>Percentage Change</b>
Less than One Year	4.2%	4.3%	-1.6%
1-2 Years	6.3%	10.3%	-38.3%
3-5 Years	20.6%	22.5%	-8.5%
6-10 Years	23.8%	20.1%	18.4%
11-15 Years	11.6%	11.1%	4.8%
More than 15 Years	31.6%	28.4%	11.3%

Typical of employment-based insurance plans, the surveyed small employers report that insurance is generally not available to part-time workers. Two-thirds of employers report that only full-time employees working 36 to 40 hours a week are eligible for the company's health plan. An additional 20 percent of the employers offer coverage for employees working either 30 or 35 hours per week. Only four percent provide coverage for employees working as few as 20 hours a week. Table 13 below compares these results to those of the 2001 Small Employer Survey.

**Table 13: Availability of Coverage Based on Number of Hours Worked**

<b>Number of Working Hours Required to Be Eligible for Insurance</b>	<b>2004 Percentage of Respondents</b>	<b>2001 Percentage of Respondents</b>	<b>Percentage Change</b>
At least 20 hours per week	3.8%	5.2%	-27.2%
At least 25 hours per week	1.1%	1.1%	-6.6%
At least 30 hours per week	15.6%	17.0%	-8.2%
At least 35 hours per week	5.2%	6.4%	-19%
At least 36-40 hours per week	66.0%	64.8%	1.9%
Other	6.8%	2.5%	172%

Insurance appears to be a popular benefit among employees. More than one-half the employers (56.8 percent in 2004 and 54.7 percent in 2001) reported that 90 percent or more of their

employees accept health insurance when offered. Meanwhile, 10 percent of respondents reported that more than one-half of their eligible employees decline insurance in both survey years. Table 14 provides a more detailed analysis of the percentage of companies declining coverage.

**Table 14 – Percentage of Employees who Decline Coverage When Offered**

Percentage of Employees Declining Coverage	2004 Percentage of Respondents	2001 Percentage of Respondents	Percentage Change
Less than 10%	56.8%	54.7%	3.7%
Between 10% and 20%	9.7%	9.6%	0.7%
Between 21% and 30%	6.6%	6.0%	9.7%
Between 31% and 40%	4.1%	4.0%	2.6%
Between 41% and 50%	5.6%	5.6%	-1.2%
More than 50%	10.2%	10.0%	2.0%

Of those employees who do not enroll in the employers' insurance plan, employers were asked to indicate the primary reason why most employees decline coverage. One-half of the employers report that employees are already covered under a spouse's or parent's plan. Another 22 percent indicate that employees refuse coverage because they cannot afford their portion of the premium contribution, and six percent report the primary reason is because employees do not want coverage. As shown in Table 15 below, these results are very consistent with those from the 2001 survey.

**Table 15 – Reasons Employees Decline Coverage When Offered**

Reason for Declining Coverage	2004 Percentage of Respondents	2001 Percentage of Respondents	Percentage Change
Already covered under spouse or parent's plan	50.0%	52.8%	-5.2%
Already covered under another employer's plan	4.4%	4.1%	7.2%
Cannot afford employee premium contribution	21.8%	16.4%	33.3%
Does not want insurance	6.0%	6.4%	-5.6%

Because cost plays a significant role in most employees' decision to accept or decline insurance when offered by the employer, premium contribution payments are an important indicator of take-up rates among employees. Of the surveyed employers who provide insurance, most employers report they pay a significant portion of the employee's premium, with more than half (55.3 percent) paying the full cost of coverage for employee-only benefits. Of those employers that require the employee to share the cost of their own coverage, 10 percent report their employees generally pay less than \$50 a month; sixteen percent report payments that generally fall between \$50 and \$100 a month; and 16.4 percent indicate employees generally pay more than \$100 a month.



Employers are significantly less likely to pay substantial portions of dependents' insurance costs. Only 12.1 percent of surveyed employers pay the full cost of coverage for the employees' spouse and 12.3 percent pay the full premium of the employees' children (tables 16 and 17). Almost three-fourths of the surveyed companies paid nothing towards the premium for the employee's children or spouse in both 2001 and 2004.

**Table 16 – Employers' Contributions for Spouse's Health Insurance Benefits**

<b>Percentage of Spouse's Premium Paid by the Employer</b>	<b>2004 Percentage of Respondents</b>	<b>2001 Percentage of Respondents</b>	<b>Percentage Change</b>
10% of premium cost	0.3%	0.8%	-65.4%
15% of premium cost	0.3%	0.3%	8.2%
20% of premium cost	0.3%	0.6%	-53.2%
25% of premium cost	0.9%	1.4%	-38.2%
50% of premium cost	4.5%	5.4%	-16.8%
More than half of premium cost	4.3%	4.7%	-8.0%
100% of premium cost	12.1%	12.4%	-2.4%
Company does not pay any portion	74.8%	69.9%	7.1%

**Table 17 – Employers' Contributions for Children's Health Insurance Benefits**

<b>Percentage of Children's Premium Paid by the Employer</b>	<b>2004 Percentage of Respondents</b>	<b>2001 Percentage of Respondents</b>	<b>Percentage Change</b>
10% of premium cost	0.5%	0.7%	-26.0%
15% of premium cost	0.1%	0.3%	-67.9%
20% of premium cost	0.4%	0.6%	-34.0%
25% of premium cost	0.8%	1.6%	-46.7%
50% of premium cost	4.4%	5.1%	-14.6%
More than half of premium cost	4.2%	4.5%	-6.3%
100% of premium cost	12.3%	13.1%	-6.2%
Company does not pay any portion	74.5%	69.7%	7.0%

Employers were also asked to indicate how much the cost of insurance has increased within the past three years. Approximately 38 percent of companies reported increases of more than 50 percent in 2004, with 10 percent reporting that their costs have at least doubled. This is a considerable increase over the results of the 2001 survey, where only one-fourth of companies reported rate increases of more than 50 percent. The majority of employers reported significantly lower increases, however, as 53 percent of companies experienced increases of 50 percent or lower in 2004. Table 18 provides a detailed comparison of the three-year rate increases reported in the 2001 and 2004 surveys.

**Table 18 – Health Insurance Rate Increases**

<b>Size of Three-Year Rate Increase</b>	<b>2004 Percentage of Respondents</b>	<b>2001 Percentage of Respondents</b>	<b>Percentage Change</b>
Less than 10%	2.2%	2.6%	-13.2%
10% to 25%	14.9%	22.3%	-33.0%
26% to 50%	35.9%	36.0%	-0.1%
51% to 75%	19.0%	14.7%	29.2%
76% to 100%	8.6%	6.5%	32.0%
101% to 150%	4.8%	3.0%	58.0%
More than 150%	5.2%	3.0%	73.8%

Most small employers report that they likely will continue to offer health insurance despite rising insurance premiums. Nearly one-fifth of the employers (18.7 percent) responded that they “absolutely” will not discontinue offering coverage (down from 23 percent in 2001), and another 38 percent reported it is “very unlikely” they will discontinue the benefit within the next five years on both surveys. However, many employers also indicate there is a reasonable chance that they will stop offering insurance coverage. More than 41 percent reported they are “almost certain,” “very likely” or “somewhat likely” to discontinue offering insurance, which is an increase of six percent from the 2001 survey. A detailed analysis of these three-year rate increases is provided in Table 19.

**Table 19 – Likelihood of Employers’ Discontinuing Health Insurance Offering**

<b>Likelihood of discontinuing health insurance benefits</b>	<b>2004 Percentage of Respondents</b>	<b>2001 Percentage of Respondents</b>	<b>Percentage Change</b>
Almost certain to discontinue coverage	7.5%	5.6%	34.2%
Very likely to discontinue coverage	10.2%	9.1%	12.5%
Somewhat likely to discontinue coverage	23.9%	21.1%	13.3%
Very unlikely to discontinue coverage	37.5%	38.0%	-1.3%
Absolutely not likely to discontinue coverage	18.7%	22.9%	-18.4%

### ***Section IV: Policy Options Considered by All Survey Participants***

All employers were asked to indicate their level of support for nine possible health insurance expansion options in both the 2001 survey and the 2004 survey. As shown in Table 20 below, the surveyed employers overwhelmingly support having the ability to purchase insurance through a large existing health insurance plan (91 percent); providing a financial incentive for small employers who offer health insurance (87 percent); allowing children not eligible for CHIP to “buy-in” to the program (79 percent); and or expanding the CHIP program to include more children (70 percent). Options receiving the least amount of support are expanding Medicaid to include low-income parents of children already enrolled in Medicaid (54 percent); providing a government subsidy to lower-income employees to help them pay their share of the cost of health insurance (52 percent); and expanding the state’s Medicaid program to include the low-income parents of children who are already enrolled in Medicaid (45 percent).

**Table 20 – Level of Support for Health Insurance Expansion Options**

A = Strongly Support  
 B = Generally Support  
 C = Generally Oppose  
 D = Strongly Oppose  
 NR = No Response

Description of Policy Option	Survey Year	A	B	C	D	NR
Allowing small businesses to purchase insurance through a large existing health insurance plan, such as the Texas state employees’ health plan or the health plan for federal government employees	2001	64%	25%	4%	3%	4%
	2004	64%	27%	3%	2%	4%
Reducing the mandated benefits insurers must include in their policies (such as coverage of immunizations, mammograms, chiropractic care, chemical/drug abuse, etc.) as long as insurers are also required to reduce their premium costs	2001	26%	31%	21%	17%	6%
	2004	32%	35%	17%	12%	5%
Providing a financial incentive to encourage small employers to provide health insurance for their employees	2001	54%	30%	7%	4%	5%
	2004	61%	26%	6%	3%	5%
Allowing children who are not eligible for the state’s CHIP program to “buy-in” to the program by paying the required premium	2001	34%	43%	10%	5%	8%
	2004	32%	47%	10%	5%	7%
Expanding the state’s CHIP program to include the parents of children who are already enrolled in CHIP	2001	23%	33%	21%	13%	10%
	2004	21%	33%	25%	14%	7%
Expanding the state’s CHIP program to include more children	2001	31%	38%	14%	7%	10%
	2004	30%	40%	15%	8%	8%
Providing a government subsidy to lower-income employees to help them pay their share of the cost of health insurance	2001	21%	29%	24%	19%	7%
	2004	22%	30%	24%	19%	5%
Expanding the state’s Medicaid program to include the low-income parents of children who are already enrolled in Medicaid	2001	15%	29%	28%	19%	9%
	2004	15%	30%	29%	20%	6%
Expanding the state’s Medicaid program to include more children	2001	21%	34%	22%	14%	10%
	2004	21%	36%	22%	14%	7%

Finally, all companies were asked in 2004 to indicate whether the most important goal for government should be to improve access to low-cost health care for those who don’t currently

have insurance or to focus on options for improving access to affordable health insurance. An overwhelming majority (69 percent) stated that the government's most important objective should be improving access to affordable health insurance.

### ***Conclusion***

Both the U.S. Congress and the Texas Legislature have enacted numerous reforms in recent years to help small employers with 2-50 employees obtain health insurance. While these reforms have helped increase the number of small firms that offer health insurance, many small employers continue to find that the cost of health insurance is unaffordable. Insurance enrollment information filed with the Texas Department of Insurance (TDI) indicates that 91,468 small employers provided health insurance benefits for their employees in the year 2004. While this number is up significantly from 36,952 in 1993, most small employers continue to not offer health insurance; in fact, this figure still represents only 25 percent of all small firms in Texas.

To better understand the reasons why small firms in Texas do not offer coverage, the TDI State Planning Grant program conducted surveys of 50,000 small employers throughout the state in 2001 and 20,000 small employers in 2004. The primary goals of the follow-up survey were to evaluate the effectiveness of previous efforts and identify new issues that may have emerged within this particular population as the economy has improved since 2001. The results of these two surveys were extraordinarily consistent for the majority of questions, underscoring the fact that further efforts are needed to address this significant problem.

Following is a detailed breakdown of all survey questions and responses received in 2001 and 2004. Since these surveys had differing sample sizes, each question was analyzed in percentage terms, including a "percent change" figure when possible.

*Appendix: Small Employer Health Insurance Survey Results by Question*

**PART A: ALL COMPANIES**

1. How long has your company been in business?

- a. Less than 1 year
- b. 1-4 years
- c. 5-9 years
- d. 10-19 years
- e. 20 or more years

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	43	1.0%	113	1.0%	-3.0%
B	475	11.0%	1,359	12.4%	-10.9%
C	664	15.4%	1,890	17.2%	-10.5%
D	1,210	28.1%	3,311	30.2%	-6.9%
E	1,879	43.7%	4,264	38.9%	12.3%
No Response	32	0.7%	31	0.3%	163.1%
<b>Total</b>	<b>4,303</b>	<b>100.0%</b>	<b>10,968</b>	<b>100.0%</b>	

2. Which of the following best describes your company's primary business?

- a. Agriculture, forestry, fishing
- b. Construction
- c. Food service
- d. Manufacturing
- e. Retail
- f. Services (medical care, personal services, laundry, repair business, legal, business services, computer services, etc.)
- g. Wholesale
- h. Other

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	135	3.1%	350	3.2%	-1.7%
B	441	10.2%	986	9.0%	14.0%
C	155	3.6%	345	3.1%	14.5%
D	272	6.3%	721	6.6%	-3.8%
E	531	12.3%	1,258	11.5%	7.6%
F	1,858	43.2%	5,013	45.7%	-5.5%
G	181	4.2%	451	4.1%	2.3%
H	684	15.9%	1,751	16.0%	-0.4%
No Response	46	1.1%	93	0.8%	26.1%
<b>Total</b>	<b>4,303</b>	<b>100.0%</b>	<b>10,968</b>	<b>100.0%</b>	

3. For calendar year 2003, what was your company's annual gross revenue?

- a. Less than \$25,000
- b. \$25,000 - \$50,000
- c. \$50,001 - \$100,000
- d. \$100,001 - \$200,000
- e. \$200,001 - \$500,000
- f. \$500,001 - \$ 1 million
- g. \$1,000,001 - \$2.5 million
- h. More than \$2.5 million

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	80	1.9%	189	1.8%	2.8%
B	64	1.5%	196	1.9%	-20.7%
C	231	5.4%	533	5.1%	5.2%
D	485	11.3%	1,350	12.9%	-12.8%
E	1,214	28.2%	2,915	27.9%	1.1%
F	888	20.6%	2,197	21.0%	-1.9%
G	770	17.9%	1,908	18.3%	-2.0%
H	430	10.0%	1,159	11.1%	-9.9%
No Response	141	3.3%	521	4.8%	-31.0%
<b>Total</b>	<b>4,303</b>	<b>100.0%</b>	<b>10,968</b>	<b>100.0%</b>	

4. As of December 31, 2003, what was your company's estimated net worth?

- a. Less than \$50,000
- b. \$50,000 - \$100,000
- c. \$100,001 - \$200,000
- d. \$200,001 - \$500,000
- e. \$500,001 - \$1 million
- f. \$1,000,001 - \$2.5 million
- g. \$2,500,001 - \$5 million
- h. More than \$5 million

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	496	11.5%	1,222	12.4%	-6.9%
B	469	10.9%	1,235	12.5%	-12.9%
C	557	12.9%	1,348	13.7%	-5.2%
D	893	20.8%	2,340	23.7%	-12.5%
E	723	16.8%	1,613	16.3%	2.8%
F	503	11.7%	1,171	11.9%	-1.5%
G	237	5.5%	576	5.8%	-5.6%
H	130	3.0%	366	3.7%	-18.5%
No Response	295	6.9%	1,097	10.0%	-31.5%
<b>Total</b>	<b>4,303</b>	<b>100.0%</b>	<b>10,968</b>	<b>100.0%</b>	

5. Which of the following best describes the wages of most of your employees?

- a. Minimum wage
- b. Hourly, more than minimum wage but less than \$10 per hour
- c. Hourly, between \$10 - \$15 per hour
- d. Hourly, between \$15 - \$20 per hour
- e. Hourly, more than \$20 per hour
- f. Salaried
- g. Independent contractors
- h. Hourly plus tips

Response	2004 Survey	
	Count	Percentage
A	69	1.6%
B	1,091	25.4%
C	1,219	28.3%
D	443	10.3%
E	126	2.9%
F	1,150	26.7%
G	117	2.7%
H	29	0.7%
No Response	59	1.4%
<b>Total</b>	<b>4,303</b>	<b>100.0%</b>

*NOTE: The 2001 survey data has been excluded from this report, because the response options in 2001 varied considerably from those above.*

6. How many employees earn less than \$10 an hour?

- a. 1-2
- b. 3-5
- c. 6-10
- d. 11-20
- e. 21-30
- f. 31-40
- g. 41-50
- h. None

Response	2004 Survey	
	Count	Percentage
A	1,169	27.2%
B	762	17.7%
C	379	8.8%
D	188	4.4%
E	63	1.5%
F	13	0.3%
G	11	0.3%
H	1,215	28.2%
No Response	503	11.7%
<b>Total</b>	<b>4,303</b>	<b>100.0%</b>

*NOTE: The 2001 survey data has been excluded from this report, because the 2001 survey asked for the number of employees earning less than \$8 per hour.*

7. Not including the business owner(s), approximately what is the average annual salary (excluding all benefits) for a full-time employee?
- a. Less than \$10,000
  - b. \$10,000 - \$15,000
  - c. \$15,001 - \$20,000
  - d. \$20,001 - \$25,000
  - e. \$25,001 - \$50,000
  - f. \$50,001 - \$75,000
  - g. More than \$75,000

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	126	2.9%	367	3.3%	-12.5%
B	332	7.7%	1,037	9.5%	-18.4%
C	622	14.5%	1,848	16.8%	-14.2%
D	844	19.6%	2,442	22.3%	-11.9%
E	1,628	37.8%	4,209	38.4%	-1.4%
F	191	4.4%	471	4.3%	3.4%
G	57	1.3%	178	1.6%	-18.4%
No Response	503	11.7%	416	3.8%	208.2%
<b>Total</b>	<b>4,303</b>	<b>100.0%</b>	<b>10,968</b>	<b>100.0%</b>	

8. If some of your employees have children who are covered under State Medicaid or Children's Health Insurance Programs (CHIP), have any of those employees ever indicated to you that they would prefer their children be covered under an employment-based health plan instead of under Medicaid or CHIP?
- a. I do not know if any of my employees' children are covered under Medicaid or CHIP, and none have indicated that they would prefer to be covered under an employment-based health plan.
  - b. I do know that some employees have children who are covered under Medicaid or CHIP, but I have not had any discussions with my employees about their preference.
  - c. Less than 5 employees have indicated to me that they would prefer to enroll their children in an employment-based health plan rather than Medicaid or CHIP.
  - d. Between 5 and 10 employees have indicated to me that they would prefer to enroll their children in an employment-based health plan rather than Medicaid or CHIP.
  - e. More than 10 employees have indicated to me that they would prefer to enroll their children in an employment-based health plan rather than Medicaid or CHIP.

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	2,858	66.4%	7,614	69.4%	-4.3%
B	595	13.8%	1,233	11.2%	23.0%
C	296	6.9%	482	4.4%	56.5%
D	40	0.9%	107	1.0%	-4.7%
E	11	0.3%	36	0.3%	-22.1%
No Response	503	11.7%	1,496	13.6%	-14.3%
<b>Total</b>	<b>4,303</b>	<b>100.0%</b>	<b>10,968</b>	<b>100.0%</b>	



9. Within the past three years, has an insurance agent told you they do not have a company that will insure your group, or in some way discouraged you from trying to obtain health insurance?
- a. Yes
  - b. No

Response	2004 Survey	
	Count	Percentage
No	3,376	78.5%
Yes	866	20.1%
No Response	61	1.4%
<b>Total</b>	<b>4,303</b>	<b>100.0%</b>

*NOTE: This question was not asked on the 2001 survey.*

10. Does your company currently offer health insurance coverage to its employees?
- a. Yes
  - b. No

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
Yes	2,032	47.2%	5,918	54.0%	-12.5%
No	2,224	51.7%	5,037	45.9%	12.5%
No Response	47	1.1%	13	0.1%	821.5%
<b>Total</b>	<b>4,303</b>	<b>100.0%</b>	<b>10,968</b>	<b>100.0%</b>	

IF YES, PLEASE SKIP TO "PART C" ON PAGE 21.  
 IF NO, PLEASE CONTINUE WITH "PART B" ON THE NEXT PAGE.

**PART B: COMPANIES NOT CURRENTLY OFFERING HEALTH INSURANCE**

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11. Has your company offered health insurance coverage to its employees within the past 5 calendar years (1999-2003)?

- a. Yes
- b. No

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
Yes	349	15.5%	761	15.1%	2.9%
No	1,878	83.7%	4,254	84.5%	-1.0%
No Response	18	0.8%	22	0.4%	83.6%
<b>Total</b>	<b>2,245</b>	<b>100.0%</b>	<b>5,037</b>	<b>100.0%</b>	

12. Has your company attempted to purchase health insurance within the past 5 calendar years (1999-2003)?

- a. Yes
- b. No

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
Yes	919	40.9%	2,050	40.7%	0.6%
No	1,303	58.0%	2,944	58.4%	-0.7%
No Response	23	1.0%	43	0.9%	20.0%
<b>Total</b>	<b>2,245</b>	<b>100.0%</b>	<b>5,037</b>	<b>100.0%</b>	

13. Which statement best describes your company's position on purchasing health insurance?

- a. The company will definitely not offer health insurance in the next 3 years.
- b. The company will probably not offer health insurance in the next 3 years.
- c. The company will probably offer health insurance in the next 3 years.
- d. The company will definitely offer health insurance in the next 3 years.

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	557	24.8%	1,270	25.2%	-1.6%
B	1,211	53.9%	2,484	49.3%	9.4%
C	408	18.2%	1,029	20.4%	-11.0%
D	36	1.6%	186	3.7%	-56.6%
No Response	33	1.5%	68	1.4%	8.9%
<b>Total</b>	<b>2,245</b>	<b>100.0%</b>	<b>5,037</b>	<b>100.0%</b>	

14. Which statement best describes your employees' level of interest in health insurance?

- a. Employees are very interested in whether health insurance will be offered.
- b. Employees are somewhat interested in whether health insurance will be offered.
- c. Employees are not interested in whether health insurance will be offered.

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	713	31.8%	1,542	30.6%	3.7%
B	927	41.3%	2,316	46.0%	-10.2%
C	567	25.3%	1,067	21.2%	19.2%
No Response	38	1.7%	112	2.2%	-23.9%
<b>Total</b>	<b>2,245</b>	<b>100.0%</b>	<b>5,037</b>	<b>100.0%</b>	

15. Do you feel that not offering health insurance has negatively affected your ability to attract qualified employees?

- a. Yes
- b. No

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
Yes	1,023	45.6%	2,389	47.4%	-3.9%
No	1,170	52.1%	2,506	49.8%	4.8%
No Response	52	2.3%	142	2.8%	-17.8%
<b>Total</b>	<b>2,245</b>	<b>100.0%</b>	<b>5,037</b>	<b>100.0%</b>	

16. Which statement best describes your company's reason for not offering health insurance?  
Please select only one.

- a. We have not tried to purchase insurance because we know it is too expensive.
- b. We tried to purchase insurance but it was too expensive.
- c. The majority of employees don't want insurance because they already have coverage under another family member's policy or some other type of coverage (such as Medicare, Medicaid, or CHIP).
- d. We haven't tried to purchase coverage because we believe we cannot get coverage since one or more of our employees has a pre-existing health condition that makes our group uninsurable.
- e. The majority of employees do not want health insurance because they do not think it is necessary.
- f. The majority of employees prefer higher wages to health insurance.
- g. We are willing to offer coverage, but the majority of employees are not able to afford their share of the premium.
- h. Providing health insurance is too much of an administrative hassle.

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	605	26.9%	1,352	26.8%	0.4%
B	863	38.4%	1,792	35.6%	8.1%
C	305	13.6%	762	15.1%	-10.2%
D	75	3.3%	201	4.0%	-16.3%
E	26	1.2%	45	0.9%	29.6%
F	94	4.2%	236	4.7%	-10.6%
G	178	7.9%	358	7.1%	11.6%
H	31	1.4%	76	1.5%	-8.5%
No Response	68	1.4%	215	4.3%	-67.6%
<b>Total</b>	<b>2,245</b>	<b>100.0%</b>	<b>5,037</b>	<b>100.0%</b>	

*Note: The following information should assist you in answering Questions 17-19.*

When employers offer health insurance, the employer usually pays a percentage of the premium cost and the employee pays the remaining percentage. For example, the employer may pay 75% of the cost and the employee would pay the remaining 25%. The actual percentages may vary depending on the insurer and the employer.

17. If your company has received an estimate for health insurance within the past 3 years, please indicate the estimated total monthly premium for all the company's employees combined, including both the employer's and the employee's contribution.
- a. We haven't received an estimate for health insurance within the past 3 years.
  - b. The estimated monthly premium was less than \$2,000 a month.
  - c. The estimated monthly premium was \$2,001 - \$3,000 a month.
  - d. The estimated monthly premium was \$3,001 - \$4,000 a month.
  - e. The estimated monthly premium was \$4,001 - \$5,000 a month.
  - f. The estimated monthly premium was \$5,001 - \$7,500 a month.
  - g. The estimated monthly premium was \$7,500 - \$10,000 a month.
  - h. The estimated monthly premium was more than \$10,000 a month.

Response	2004 Survey	
	Count	Percentage
A	1,390	61.9%
B	221	9.8%
C	205	9.1%
D	77	3.4%
E	63	2.8%
F	37	1.6%
G	25	1.1%
H	16	0.7%
No Response	211	9.4%
<b>Total</b>	<b>2,245</b>	<b>100.0%</b>

*NOTE: The 2001 survey data has been excluded from this report, because the response options in 2001 varied considerably from those above.*

18. If your company were to purchase health insurance coverage today, approximately how much money per employee do you believe insurance would cost? Please indicate the total amount of the premium cost including both the company's contribution and the employee's contribution. The estimate should indicate the cost for employee-only coverage (i.e. does not include the cost of coverage for the employee's spouse or children).

- a. Less than \$200 per employee per month
- b. \$201-\$300 per employee per month
- c. \$301-\$400 per employee per month
- d. \$401-\$500 per employee per month
- e. \$501-\$600 per employee per month
- f. \$601-\$700 per employee per month
- g. \$701-\$800 per employee per month
- h. More than \$800 per employee per month

Response	2004 Survey	
	Count	Percentage
A	407	18.1%
B	557	24.8%
C	433	19.3%
D	249	11.1%
E	141	6.3%
F	54	2.4%
G	32	1.4%
H	59	2.6%
No Response	313	13.9%
<b>Total</b>	<b>2,245</b>	<b>100.0%</b>

*NOTE: The 2001 survey data has been excluded from this report, because the response options in 2001 varied considerably from those above.*

19. If your company decided to purchase health insurance, approximately what is the maximum amount it would be able to pay for each employee per month? Please indicate only how much the company would be able to pay, not including the employee's contribution.
- The company would not be interested in purchasing health insurance at any cost
  - Less than \$50 per employee per month
  - \$50 per employee per month
  - \$100 per employee per month
  - \$150 per employee per month
  - \$200 per employee per month
  - \$250 per employee per month
  - \$300 or more per employee per month

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	323	14.4%	691	13.7%	4.9%
B	387	17.2%	1,178	23.4%	-26.3%
C	376	16.7%	1,111	22.1%	-24.1%
D	456	20.3%	981	19.5%	4.3%
E	174	7.8%	402	8.0%	-2.9%
F	138	6.1%	232	4.6%	33.5%
G	49	2.2%	87	1.7%	26.4%
H	29	1.3%	86	1.7%	-24.3%
No Response	313	13.9%	269	5.3%	161.1%
<b>Total</b>	<b>2,245</b>	<b>100.0%</b>	<b>5,037</b>	<b>100.0%</b>	

Please use these directions for questions 20-36. If you were to purchase health insurance for your company's employees, please indicate the importance of each of the benefits listed below (20-36) using the following scale:

- a = Extremely important; an essential benefit
- b = Very important
- c = Somewhat important
- d = Not very important
- e = Not at all important

20. Visits to a primary care physician, such as a pediatrician or family doctor, but only when sick

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	1,028	45.8%	2,083	41.4%	10.7%
B	684	30.5%	1,573	31.2%	-2.4%
C	306	13.6%	769	15.3%	-10.7%
D	80	3.6%	191	3.8%	-6.0%
E	63	2.8%	146	2.9%	-3.2%
No Response	84	3.7%	275	5.5%	-31.5%
<b>Total</b>	<b>2,245</b>	<b>100.0%</b>	<b>5,037</b>	<b>100.0%</b>	

21. Visits to a primary care physician when sick and for annual well-person check-ups

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	873	38.9%	1,885	37.4%	3.9%
B	653	29.1%	1,504	29.9%	-2.6%
C	450	20.0%	944	18.7%	7.0%
D	135	6.0%	311	6.2%	-2.6%
E	50	2.2%	124	2.5%	-9.5%
No Response	84	3.7%	269	5.3%	-29.9%
<b>Total</b>	<b>2,245</b>	<b>100.0%</b>	<b>5,037</b>	<b>100.0%</b>	

22. Visits to a specialist physician, such as a cardiologist or surgeon

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	876	39.0%	1,990	39.5%	-1.2%
B	776	34.6%	1,681	33.4%	3.6%
C	370	16.5%	812	16.1%	2.2%
D	99	4.4%	202	4.0%	10.0%
E	45	2.0%	78	1.5%	29.4%
No Response	79	3.5%	274	5.4%	-35.3%
<b>Total</b>	<b>2,245</b>	<b>100.0%</b>	<b>5,037</b>	<b>100.0%</b>	

23. In-patient hospital care (for surgery, illness, emergencies, etc.)

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	1,260	56.1%	2,879	57.2%	-1.8%
B	639	28.5%	1,400	27.8%	2.4%
C	186	8.3%	344	6.8%	21.3%
D	39	1.7%	58	1.2%	50.9%
E	34	1.5%	82	1.6%	-7.0%
No Response	87	3.9%	274	5.4%	-28.8%
<b>Total</b>	<b>2,245</b>	<b>100.0%</b>	<b>5,037</b>	<b>100.0%</b>	



24. Maternity care for pregnant women

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	416	18.5%	1,018	20.2%	-8.3%
B	500	22.3%	1,043	20.7%	7.6%
C	484	21.6%	1,167	23.2%	-6.9%
D	368	16.4%	725	14.4%	13.9%
E	403	18.0%	781	15.5%	15.8%
No Response	74	3.3%	303	6.0%	-45.2%
<b>Total</b>	<b>2,245</b>	<b>100.0%</b>	<b>5,037</b>	<b>100.0%</b>	

25. Laboratory services (such as getting blood work or having a biopsy analyzed)

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	789	35.1%	1,758	34.9%	0.7%
B	802	35.7%	1,792	35.6%	0.4%
C	421	18.8%	895	17.8%	5.5%
D	105	4.7%	188	3.7%	25.3%
E	56	2.5%	115	2.3%	9.3%
No Response	72	3.2%	289	5.7%	-44.1%
<b>Total</b>	<b>2,245</b>	<b>100.0%</b>	<b>5,037</b>	<b>100.0%</b>	

26. Mental health services

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	210	9.4%	603	12.0%	-21.9%
B	365	16.3%	840	16.7%	-2.5%
C	681	30.3%	1,447	28.7%	5.6%
D	519	23.1%	1,104	21.9%	5.5%
E	381	17.0%	742	14.7%	15.2%
No Response	89	4.0%	301	6.0%	-33.7%
<b>Total</b>	<b>2,245</b>	<b>100.0%</b>	<b>5,037</b>	<b>100.0%</b>	

27. Prescription drugs

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	901	40.1%	2,063	41.0%	-2.0%
B	706	31.4%	1,527	30.3%	3.7%
C	410	18.3%	863	17.1%	6.6%
D	82	3.7%	181	3.6%	1.6%
E	63	2.8%	136	2.7%	3.9%
No Response	83	3.7%	267	5.3%	-30.3%
<b>Total</b>	<b>2,245</b>	<b>100.0%</b>	<b>5,037</b>	<b>100.0%</b>	

28. X-Rays or MRI's

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	797	35.5%	1,832	36.4%	-2.4%
B	872	38.8%	1,844	36.6%	6.1%
C	391	17.4%	834	16.6%	5.2%
D	57	2.5%	147	2.9%	-13.0%
E	46	2.0%	100	2.0%	3.2%
No Response	82	3.7%	280	5.6%	-34.3%
<b>Total</b>	<b>2,245</b>	<b>100.0%</b>	<b>5,037</b>	<b>100.0%</b>	

29. Alcohol or drug abuse treatment

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	142	6.3%	364	7.2%	-12.5%
B	215	9.6%	571	11.3%	-15.5%
C	616	27.4%	1,371	27.2%	0.8%
D	606	27.0%	1,309	26.0%	3.9%
E	582	25.9%	1,132	22.5%	15.4%
No Response	84	3.7%	290	5.8%	-35.0%
<b>Total</b>	<b>2,245</b>	<b>100.0%</b>	<b>5,037</b>	<b>100.0%</b>	

30. Well-child care, including coverage for immunizations and routine check-ups

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	578	25.7%	1,319	26.2%	-1.7%
B	599	26.7%	1,276	25.3%	5.3%
C	519	23.1%	1,141	22.7%	2.1%
D	231	10.3%	526	10.4%	-1.5%
E	237	10.6%	495	9.8%	7.4%
No Response	81	3.6%	280	5.6%	-35.1%
<b>Total</b>	<b>2,245</b>	<b>100.0%</b>	<b>5,037</b>	<b>100.0%</b>	

31. Chiropractic services

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	152	6.8%	416	8.3%	-18.0%
B	276	12.3%	717	14.2%	-13.6%
C	677	30.2%	1,473	29.2%	3.1%
D	536	23.9%	1,106	22.0%	8.7%
E	514	22.9%	1,041	20.7%	10.8%
No Response	90	4.0%	284	5.6%	-28.9%
<b>Total</b>	<b>2,245</b>	<b>100.0%</b>	<b>5,037</b>	<b>100.0%</b>	

32. Preventive screenings (such as mammograms or prostate cancer testing)

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	749	33.4%	1,761	35.0%	-4.6%
B	714	31.8%	1,578	31.3%	1.5%
C	485	21.6%	977	19.4%	11.4%
D	123	5.5%	276	5.5%	0.0%
E	82	3.7%	171	3.4%	7.6%
No Response	92	4.1%	274	5.4%	-24.7%
<b>Total</b>	<b>2,245</b>	<b>100.0%</b>	<b>5,037</b>	<b>100.0%</b>	

33. Vision care (visits to the eye doctor, glasses, contacts)

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	304	13.5%	706	14.0%	-3.4%
B	479	21.3%	1,223	24.3%	-12.1%
C	703	31.3%	1,524	30.3%	3.5%
D	364	16.2%	759	15.1%	7.6%
E	309	13.8%	548	10.9%	26.5%
No Response	86	3.8%	277	5.5%	-30.3%
<b>Total</b>	<b>2,245</b>	<b>100.0%</b>	<b>5,037</b>	<b>100.0%</b>	

34. Dental benefits

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	281	12.5%	736	14.6%	-14.3%
B	469	20.9%	1,163	23.1%	-9.5%
C	685	30.5%	1,512	30.0%	1.6%
D	365	16.3%	720	14.3%	13.7%
E	348	15.5%	613	12.2%	27.4%
No Response	97	4.3%	293	5.8%	-25.7%
<b>Total</b>	<b>2,245</b>	<b>100.0%</b>	<b>5,037</b>	<b>100.0%</b>	

35. Surgical treatment for obesity

Response	2004 Survey	
	Count	Percentage
A	76	3.4%
B	96	4.3%
C	360	16.0%
D	591	26.3%
E	1,027	45.7%
No Response	95	4.2%
<b>Total</b>	<b>2,245</b>	<b>100.0%</b>

NOTE: This question was not asked on the 2001 survey.

36. Nutrition and diet programs to treat obesity

Response	2004 Survey	
	Count	Percentage
A	104	4.6%
B	151	6.7%
C	429	19.1%
D	562	25.0%
E	906	40.4%
No Response	93	4.1%
<b>Total</b>	<b>2,245</b>	<b>100.0%</b>

NOTE: This question was not asked on the 2001 survey.

37. In order to make health insurance more affordable, if you had to choose between an insurance policy that provides coverage only for routine health care expenses (such as annual check-ups, minor illnesses and injuries, limited hospital coverage) and a policy that provides coverage only for major catastrophic illnesses (such as cancer, organ transplants, major surgery or major injury), which type of coverage would you prefer? Please select only one.

- Benefits for preventive care, routine illnesses and minor injuries with a benefit level that would pay costs up to \$10,000 per person each year
- Benefits for preventive care, routine illnesses and minor injuries with a benefit level that would pay costs up to \$20,000 per person each year
- Benefits for preventive care, routine illnesses and minor injuries with a benefit level that would pay costs up to \$50,000 per person each year
- Benefits for major catastrophic illnesses that would not cover routine illnesses but would provide coverage for medical expenses with a benefit level of \$100,000 per person each year
- Benefits for major catastrophic illness that would not cover routine illnesses but would provide coverage for medical expenses with a benefit level of \$250,000 per person each year
- Benefits for major catastrophic illness that would not cover routine illnesses but would provide coverage for medical expenses with a benefit level of \$500,000 per person each year
- Benefits for major catastrophic illness that would not cover routine illnesses but would provide coverage for medical expenses with no benefit level maximum.

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	344	15.3%	722	14.3%	6.9%
B	285	12.7%	630	12.5%	1.5%
C	399	17.8%	1,063	21.1%	-15.8%
D	242	10.8%	625	12.4%	-13.1%
E	237	10.6%	NA	NA	NA
F	247	11.0%	726	14.4%	-23.7%
G	345	15.4%	838	16.6%	-7.6%
No Response	146	6.5%	433	8.6%	-24.3%
<b>Total</b>	<b>2,245</b>	<b>100.0%</b>	<b>5,037</b>	<b>100.0%</b>	

NOTE: Option "E" was not included on the 2001 survey.

In recent years, the Texas Legislature passed several reforms that were intended to make health insurance more affordable and more widely available to small employers. Please indicate whether you are aware of each of the reforms listed in questions 38-40:

**38. Small employers cannot be denied health insurance coverage based on the health status of their employees or dependents.**

- a. Yes, I am familiar
- b. No, I am not familiar

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
Yes	696	31.0%	1,439	28.6%	8.5%
No	1,512	67.3%	3,510	69.7%	-3.4%
No Response	37	1.6%	88	1.7%	-5.7%
<b>Total</b>	<b>2,245</b>	<b>100.0%</b>	<b>5,037</b>	<b>100.0%</b>	

**39. Small employers can now purchase a Consumer Choice Benefit Plan that does not include some of the mandated benefits that are normally included in a group plan.**

- a. Yes, I am familiar
- b. No, I am not familiar

Response	2004 Survey	
	Count	Percentage
Yes	243	10.8%
No	1,961	87.3%
No Response	41	1.8%
<b>Total</b>	<b>2,245</b>	<b>100.0%</b>

*NOTE: This question was not asked on the 2001 survey.*

**40. Small employers can join together to form purchasing alliances for the purpose of buying health insurance.**

- a. Yes, I am familiar
- b. No, I am not familiar

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
Yes	615	27.4%	1,297	25.7%	6.4%
No	1,576	70.2%	3,642	72.3%	-2.9%
No Response	54	2.4%	98	1.9%	23.6%
<b>Total</b>	<b>2,245</b>	<b>100.0%</b>	<b>5,037</b>	<b>100.0%</b>	

41. How would you best describe your level of knowledge about issues concerning health insurance purchases?
- I am very comfortable discussing and evaluating health insurance purchasing issues.
  - I am fairly comfortable discussing and evaluating health insurance purchasing issues.
  - I am fairly uncomfortable discussing and evaluating health insurance purchasing issues.
  - I am very uncomfortable discussing and evaluating health insurance purchasing issues.
  - I am so uncomfortable discussing and evaluating health insurance purchasing issues that I try to avoid it.

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	315	14.0%	762	15.1%	-7.3%
B	883	39.3%	2,007	39.8%	-1.3%
C	651	29.0%	1,331	26.4%	9.7%
D	191	8.5%	460	9.1%	-6.8%
E	150	6.7%	342	6.8%	-1.6%
No Response	55	2.4%	135	2.7%	-8.6%
<b>Total</b>	<b>2,245</b>	<b>100.0%</b>	<b>5,037</b>	<b>100.0%</b>	

42. Which statement best describes how you feel about health insurance?
- Employers should provide health insurance for their employees and pay 100% of the cost of the employees' family members if they can afford to do so**
  - Employers should provide health insurance for their employees and pay at least 75% of the cost of the employees' family members if they can afford to do so.**
  - Employers should provide health insurance for their employees and pay at least 50% of the cost of the employees' family members if they can afford to do so.**
  - Employers should provide health insurance for their employees if they can afford to do so, but they should not be expected to pay for coverage of the employees' family members.**
  - Employers should not feel responsible for providing health insurance for their employees, even if they can afford to do so.**

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	83	3.7%	1,164	23.1%	-84.0%
B	215	9.6%	325	6.5%	48.4%
C	489	21.8%	886	17.6%	23.8%
D	1,038	46.2%	1,761	35.0%	32.2%
E	350	15.6%	717	14.2%	9.5%
No Response	70	3.1%	184	3.7%	-14.6%
<b>Total</b>	<b>2,245</b>	<b>100.0%</b>	<b>5,037</b>	<b>100.0%</b>	

43. Of the following choices, which entity do you think is primarily responsible for assuring people have health insurance?

- a. The federal government
- b. The state government
- c. Local government
- d. Employers
- e. Individuals
- f. None of the above – insurance is not important
- g. Other

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	730	32.5%	1,380	27.4%	18.7%
B	259	11.5%	640	12.7%	-9.2%
C	16	0.7%	48	1.0%	-25.2%
D	171	7.6%	520	10.3%	-26.2%
E	920	41.0%	2,094	41.6%	-1.4%
F	17	0.8%	22	0.4%	73.4%
G	46	2.0%	112	2.2%	-7.8%
No Response	86	3.8%	221	4.4%	-12.7%
<b>Total</b>	<b>2,245</b>	<b>100.0%</b>	<b>5,037</b>	<b>100.0%</b>	

PLEASE SKIP TO "PART D" ON PAGE 29.



**PART C: COMPANIES CURRENTLY OFFERING HEALTH INSURANCE**

**44. How many years has your company offered health insurance?**

- a. Less than one
- b. 1-2 years
- c. 3-5 years
- d. 6-10 years
- e. 11-15 years
- f. More than 15 years

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	87	4.2%	255	4.3%	-1.6%
B	130	6.3%	608	10.3%	-38.3%
C	423	20.6%	1,334	22.5%	-8.5%
D	488	23.8%	1,189	20.1%	18.4%
E	238	11.6%	655	11.1%	4.8%
F	648	31.6%	1,680	28.4%	11.3%
No Response	37	1.8%	197	3.3%	-45.8%
<b>Total</b>	<b>2,051</b>	<b>100.0%</b>	<b>5,918</b>	<b>100.0%</b>	

**45. Which employees are eligible for the company's health plan?**

- a. Only full-time employees (working 36-40 hours per week)
- b. All employees working at least 20 hours per week
- c. All employees working at least 25 hours per week
- d. All employees working at least 30 hours per week
- e. All employees working at least 35 hours per week
- f. All full and part-time employees, regardless of the hours worked
- g. Other

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	1,353	66.0%	3,833	64.8%	1.9%
B	78	3.8%	309	5.2%	-27.2%
C	22	1.1%	68	1.1%	-6.6%
D	320	15.6%	1,006	17.0%	-8.2%
E	107	5.2%	381	6.4%	-19.0%
F	101	4.9%	NA	NA	NA
G	38	1.9%	148	2.5%	-25.9%
No Response	32	1.6%	173	2.9%	-46.6%
<b>Total</b>	<b>2,051</b>	<b>100.0%</b>	<b>5,918</b>	<b>100.0%</b>	

NOTE: Option "F" was not included on the 2001 survey.

46. How many employees at your company are eligible to purchase health insurance through the plan offered by your company?

- a. 1-5
- b. 6-10
- c. 11-15
- d. 16-20
- e. 21-30
- f. 31-50

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	871	42.5%	2,265	38.3%	11.0%
B	480	23.4%	1,330	22.5%	4.1%
C	257	12.5%	715	12.1%	3.7%
D	131	6.4%	460	7.8%	-17.8%
E	142	6.9%	509	8.6%	-19.5%
F	107	5.2%	370	6.3%	-16.6%
No Response	63	3.1%	269	4.5%	-32.4%
<b>Total</b>	<b>2,051</b>	<b>100.0%</b>	<b>5,918</b>	<b>100.0%</b>	

47. Approximately what percentage of employees are eligible to purchase health insurance but do not?

- a. Less than 10% of eligible employees decline the insurance
- b. Between 10% and 20% of eligible employees decline the insurance
- c. Between 21% and 30% of eligible employees decline the insurance
- d. Between 31% and 40% of eligible employees decline the insurance
- e. Between 41% and 50% of eligible employees decline the insurance
- f. More than 50% of eligible employees decline the insurance

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	1,164	56.8%	3,240	54.7%	3.7%
B	199	9.7%	570	9.6%	0.7%
C	135	6.6%	355	6.0%	9.7%
D	85	4.1%	239	4.0%	2.6%
E	114	5.6%	333	5.6%	-1.2%
F	209	10.2%	591	10.0%	2.0%
No Response	145	7.1%	590	10.0%	-29.1%
<b>Total</b>	<b>2,051</b>	<b>100.0%</b>	<b>5,918</b>	<b>100.0%</b>	

48. Of those employees who do not purchase health insurance, which of the following statements applies most often?
- The employee doesn't take the insurance because he/she is covered under a spouse's or parent's plan.
  - The employee doesn't take the insurance because he/she has coverage under another employer's plan (either through a second job or a retiree plan).
  - The employee doesn't take the insurance because he/she cannot afford his/her part of the premium.
  - The employee doesn't take the insurance because he/she does not want it.

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	1,026	50.0%	3,124	52.8%	-5.2%
B	91	4.4%	245	4.1%	7.2%
C	448	21.8%	970	16.4%	33.3%
D	123	6.0%	376	6.4%	-5.6%
No Response	363	17.7%	1,203	20.3%	-12.9%
<b>Total</b>	<b>2,051</b>	<b>100.0%</b>	<b>5,918</b>	<b>100.0%</b>	

49. Approximately how much is each employee required to contribute towards his/her own insurance coverage each month (not including coverage for children or spouse)?
- Employees do not pay anything for their own coverage – the company pays the entire cost.
  - Employees pay less than \$50 a month
  - Employees pay \$50 - \$75 a month
  - Employees pay \$76 - \$100 a month
  - Employees pay \$101 - \$125 a month
  - Employees pay \$126 - \$150 a month
  - Employees pay \$151 - \$200 a month
  - Employees pay more than \$200 a month

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	1,135	55.3%	3,575	60.4%	-8.4%
B	196	9.6%	775	13.1%	-27.0%
C	164	8.0%	523	8.8%	-9.5%
D	167	8.1%	356	6.0%	35.4%
E	81	3.9%	439	7.4%	121.5%
F	73	3.6%			
G	81	3.9%			
H	102	5.0%			
No Response	52	2.5%	250	4.2%	-40.0%
<b>Total</b>	<b>2,051</b>	<b>100.0%</b>	<b>5,918</b>	<b>100.0%</b>	

NOTE: Options "E" through "H" above were combined into one response on the 2001 survey.

50. Approximately what percentage of the total cost of insurance does each employee contribute towards the cost of his/her own coverage each month (not including coverage for children or spouse)?

- a. 0%
- b. 5%
- c. 10%
- d. 15%
- e. 20%
- f. 25%
- g. 30%
- h. More than 30%

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	1,134	55.3%	3,595	60.7%	-9.0%
B	65	3.2%	149	2.5%	25.9%
C	69	3.4%	159	2.7%	25.2%
D	39	1.9%	94	1.6%	19.7%
E	93	4.5%	229	3.9%	17.2%
F	177	8.6%	490	8.3%	4.2%
G	54	2.6%	103	1.7%	51.3%
H	369	18.0%	892	15.1%	19.4%
No Response	51	2.5%	207	3.5%	-28.9%
<b>Total</b>	<b>2,051</b>	<b>100.0%</b>	<b>5,918</b>	<b>100.0%</b>	

51. Approximately what percentage of the total cost of the spouse's premium does your company pay?

- a. The company does not pay any portion of the spouse's premium
- b. The company pays 10% of the spouse's premium
- c. The company pays 15% of the spouse's premium
- d. The company pays 20% of the spouse's premium
- e. The company pays 25% of the spouse's premium
- f. The company pays 50% of the spouse's premium
- g. The company pays more than half (51-99%) of the spouse's premium
- h. The company pays all of the spouse's premium

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	1,535	74.8%	4,136	69.9%	7.1%
B	6	0.3%	50	0.8%	-65.4%
C	6	0.3%	16	0.3%	8.2%
D	6	0.3%	37	0.6%	-53.2%
E	18	0.9%	84	1.4%	-38.2%
F	92	4.5%	319	5.4%	-16.8%
G	89	4.3%	279	4.7%	-8.0%
H	248	12.1%	733	12.4%	-2.4%
No Response	51	2.5%	264	4.5%	-44.3%
<b>Total</b>	<b>2,051</b>	<b>100.0%</b>	<b>5,918</b>	<b>100.0%</b>	

52. Approximately what percentage of the total cost of the children's premium does your company pay?

- a. The company does not pay any portion of the children's premium
- b. The company pays 10% of the children's premium
- c. The company pays 15% of the children's premium
- d. The company pays 20% of the children's premium
- e. The company pays 25% of the children's premium
- f. The company pays 50% of the children's premium
- g. The company pays more than half (51-99%) of the children's premium
- h. The company pays all of the children's premium

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	1,529	74.5%	4,122	69.7%	7.0%
B	10	0.5%	39	0.7%	-26.0%
C	2	0.1%	18	0.3%	-67.9%
D	8	0.4%	35	0.6%	-34.0%
E	17	0.8%	92	1.6%	-46.7%
F	90	4.4%	304	5.1%	-14.6%
G	87	4.2%	268	4.5%	-6.3%
H	253	12.3%	778	13.1%	-6.2%
No Response	55	2.7%	262	4.4%	-39.4%
<b>Total</b>	<b>2,051</b>	<b>100.0%</b>	<b>5,918</b>	<b>100.0%</b>	

53. Is your current policy fully-insured by an insurance company or an HMO, or is it a self-insured policy in which the business assumes the risk of all health insurance costs?

- a. Fully insured by an insurance company or HMO
- b. Self-insured by the business with no stop-loss coverage
- c. Self-insured by the business with stop-loss coverage
- d. I don't know

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	1,815	88.5%	4,953	83.7%	5.7%
B	14	0.7%	28	0.5%	44.3%
C	39	1.9%	113	1.9%	-0.4%
D	133	6.5%	611	10.3%	-37.2%
No Response	50	2.4%	213	3.6%	-32.3%
<b>Total</b>	<b>2,051</b>	<b>100.0%</b>	<b>5,918</b>	<b>100.0%</b>	

**54. On average, about how often do you change insurance carriers?**

- a. Every year
- b. Every two years
- c. Every three years
- d. Every four years
- e. Every five years
- f. The company has not changed carriers within the past five years

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	143	7.0%	348	5.9%	18.6%
B	371	18.1%	1,181	20.0%	-9.4%
C	395	19.3%	1,154	19.5%	-1.2%
D	146	7.1%	441	7.5%	-4.5%
E	133	6.5%	403	6.8%	-4.8%
F	794	38.7%	2,107	35.6%	8.7%
No Response	69	3.4%	284	4.8%	-29.9%
<b>Total</b>	<b>2,051</b>	<b>100.0%</b>	<b>5,918</b>	<b>100.0%</b>	

**55. Approximately how much has the cost of your health insurance plan increased since 2001?**

- a. Does not apply – we have offered health insurance coverage for less than three years
- b. Less than 10%
- c. 10% - 25%
- d. 26% - 50%
- e. 51% - 75%
- f. 76% - 100%
- g. 101% - 150%
- h. More than 150%

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	131	6.4%	465	7.9%	-18.7%
B	46	2.2%	153	2.6%	-13.2%
C	306	14.9%	1,318	22.3%	-33.0%
D	737	35.9%	2,128	36.0%	-0.1%
E	389	19.0%	869	14.7%	29.2%
F	177	8.6%	387	6.5%	32.0%
G	98	4.8%	179	3.0%	58.0%
H	106	5.2%	176	3.0%	73.8%
No Response	61	3.0%	243	4.1%	-27.6%
<b>Total</b>	<b>2,051</b>	<b>100%</b>	<b>5,918</b>	<b>100.0%</b>	

56. How likely is your company to discontinue providing health insurance within the next 5 years?

- a. Almost certain to discontinue
- b. Very likely to discontinue
- c. Somewhat likely to discontinue
- d. Very unlikely to discontinue
- e. Absolutely not likely – the company will continue providing health insurance.

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	153	7.5%	329	5.6%	34.2%
B	209	10.2%	536	9.1%	12.5%
C	490	23.9%	1,248	21.1%	13.3%
D	770	37.5%	2,251	38.0%	-1.3%
E	383	18.7%	1,354	22.9%	-18.4%
No Response	46	2.2%	200	3.4%	-33.6%
<b>Total</b>	<b>2,051</b>	<b>100%</b>	<b>5,918</b>	<b>100.0%</b>	

57. Since CHIP (Texas' Children's Health Insurance Plan) was implemented in 2000, have you seen a decline in the number of employees who cover their children under the health insurance plan offered by your business?

- a. I have not noticed any decrease in the number of employees who cover their children under our health plan.
- b. I have noticed a decrease in the number of employees who cover their children, and I am sure it is because these children are now enrolled in CHIP.
- c. I have noticed a decrease in the number of employees who cover their children, and I think it is because they are now enrolled in CHIP but do not know that for certain.
- d. I have noticed a decrease in the number of employees who cover their children, but I know that these children are **not** enrolled in CHIP.
- e. I have noticed a decrease in the number of employees who cover their children, but I do not know whether these children are now covered under CHIP.

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	1,567	76.4%	4,398	74.3%	2.8%
B	49	2.4%	126	2.1%	12.2%
C	28	1.4%	61	1.0%	32.4%
D	32	1.6%	47	0.8%	96.5%
E	106	5.2%	241	4.1%	26.9%
No Response	269	13.1%	1,045	17.7%	-25.7%
<b>Total</b>	<b>2,051</b>	<b>100%</b>	<b>5,918</b>	<b>100.0%</b>	

**58. Since the eligibility criteria for CHIP changed in September 2003, have you seen an increase recently in the number of children enrolled in your health plan?**

- a. I have not noticed any increase in the number of employees who cover their children under our health plan in the past six months.
- b. I have noticed an increase in the number of employees who cover their children under our health plan in the past six months, and I think it is because they lost coverage under CHIP but I do not know that for certain.
- c. I have noticed an increase in the number of employees who cover their children under our health plan in the past six months, but I know that it is not because these children lost coverage under CHIP.
- d. I have noticed an increase in the number of employees who cover their children under our health plan in the past six months, but I do not know if it is because these children lost coverage under CHIP.

Response	2004 Survey	
	Count	Percentage
A	1,717	83.7%
B	29	1.4%
C	9	0.4%
D	16	0.8%
No Response	280	13.7%
<b>Total</b>	<b>2,051</b>	<b>100%</b>

*NOTE: This question was not asked on the 2001 survey.*

**For questions 59-60, please write the appropriate number and fill in the corresponding bubbles on your answer sheet.**

**59. How many of your employees are currently insured under your company's health plan?**

Response	2004 Survey		2001 Survey		% Change
	Count	Average	Count	Percentage	
Employees	15,257	8.11	54,432	9.68	-16.2%

**60. Including employees, spouses and children, what is the total number of people currently insured under your company's health plan?**

Response	2004 Survey		2001 Survey		% Change
	Count	Average	Count	Percentage	
Lives	26,366	14.16	118,863	21.67	-34.7%



**PART D: ALL COMPANIES**

As part of our study, we are looking at a variety of proposals for expanding health insurance in Texas. For each of the options listed in questions 61-69 below, please indicate your level of support as follows:

- a = Strongly support**
- b = Generally support**
- c = Generally oppose**
- d = Strongly oppose**

**61.** Allowing small businesses to purchase insurance through a large existing health insurance plan, such as the Texas state employees' health plan or the health plan for federal government employees

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	2,770	64.4%	7,025	64.0%	0.5%
B	1,175	27.3%	2,709	24.7%	10.6%
C	113	2.6%	478	4.4%	-39.7%
D	67	1.6%	270	2.5%	-36.7%
No Response	178	4.1%	486	4.4%	-6.6%
<b>Total</b>	<b>4,303</b>	<b>100.0%</b>	<b>10,968</b>	<b>100.0%</b>	

**62.** Reducing the mandated benefits insurers must include in their policies (such as coverage of immunizations, mammograms, chiropractic care, chemical/drug abuse, etc.) as long as insurers are also required to reduce their premium costs

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	1,365	31.7%	2,895	26.4%	20.2%
B	1,497	34.8%	3,387	30.9%	12.7%
C	717	16.7%	2,273	20.7%	-19.6%
D	525	12.2%	1,808	16.5%	-26.0%
No Response	199	4.6%	605	5.5%	-16.2%
<b>Total</b>	<b>4,303</b>	<b>100.0%</b>	<b>10,968</b>	<b>100.0%</b>	

**63.** Providing a financial incentive to encourage small employers to provide health insurance for their employees

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	2,615	60.8%	5,902	53.8%	12.9%
B	1,118	26.0%	3,328	30.3%	-14.4%
C	250	5.8%	709	6.5%	-10.1%
D	128	3.0%	457	4.2%	-28.6%
No Response	192	4.5%	572	5.2%	-14.4%
<b>Total</b>	<b>4,303</b>	<b>100.0%</b>	<b>10,968</b>	<b>100.0%</b>	

64. Allowing children who are not eligible for the state's CHIP program to "buy-in" to the program by paying the full premium cost

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	1,359	31.6%	3,691	33.7%	-6.2%
B	2,019	46.9%	4,759	43.4%	8.1%
C	427	9.9%	1,105	10.1%	-1.5%
D	212	4.9%	493	4.5%	9.6%
No Response	286	6.6%	920	8.4%	-20.8%
<b>Total</b>	<b>4,303</b>	<b>100.0%</b>	<b>10,968</b>	<b>100.0%</b>	

65. Expanding the state's CHIP program to include the parents of children who are already enrolled in CHIP

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	892	20.7%	2,507	22.9%	-9.3%
B	1,427	33.2%	3,615	33.0%	0.6%
C	1,080	25.1%	2,343	21.4%	17.5%
D	591	13.7%	1,417	12.9%	6.3%
No Response	313	7.3%	1,086	9.9%	-26.5%
<b>Total</b>	<b>4,303</b>	<b>100.0%</b>	<b>10,968</b>	<b>100.0%</b>	

66. Expanding the state's CHIP program to include more children

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	1,291	30.0%	3,449	31.4%	-4.6%
B	1,713	39.8%	4,120	37.6%	6.0%
C	622	14.5%	1,526	13.9%	3.9%
D	347	8.1%	783	7.1%	13.0%
No Response	330	7.7%	1,090	9.9%	-22.8%
<b>Total</b>	<b>4,303</b>	<b>100.0%</b>	<b>10,968</b>	<b>100.0%</b>	

67. Providing a government subsidy to lower-income employees to help them pay their share of the cost of health insurance

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	950	22.1%	2,333	21.3%	3.8%
B	1,279	29.7%	3,166	28.9%	3.0%
C	1,033	24.0%	2,603	23.7%	1.2%
D	812	18.9%	2,072	18.9%	-0.1%
No Response	229	5.3%	794	7.2%	-26.5%
<b>Total</b>	<b>4,303</b>	<b>100.0%</b>	<b>10,968</b>	<b>100.0%</b>	

68. Expanding the state's Medicaid program to include the low-income parents of children who are already enrolled in Medicaid

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	659	15.3%	1,673	15.3%	0.4%
B	1,280	29.7%	3,182	29.0%	2.5%
C	1,243	28.9%	3,037	27.7%	4.3%
D	845	19.6%	2,129	19.4%	1.2%
No Response	276	6.4%	947	8.6%	-25.7%
<b>Total</b>	<b>4,303</b>	<b>100.0%</b>	<b>10,968</b>	<b>100.0%</b>	

69. Expanding the state's Medicaid program to include more children

Response	2004 Survey		2001 Survey		% Change
	Count	Percentage	Count	Percentage	
A	903	21.0%	2,294	20.9%	0.3%
B	1,554	36.1%	3,685	33.6%	7.5%
C	946	22.0%	2,405	21.9%	0.3%
D	612	14.2%	1,551	14.1%	0.6%
No Response	288	6.7%	1,033	9.4%	-28.9%
<b>Total</b>	<b>4,303</b>	<b>100%</b>	<b>10,968</b>	<b>100.0%</b>	

70. In general, for a typical employee in your firm, what percentage of a family's total take-home income do you think is a reasonable cost for their family's health insurance:

- a. 1-2%
- b. 3-4 %
- c. 5-6%
- d. 7-8%
- e. 9-10%
- f. 11-12%
- g. 13-14%
- h. 15% or more

Response	2004 Survey	
	Count	Percentage
A	496	11.5%
B	588	13.7%
C	1,046	24.3%
D	536	12.5%
E	950	22.1%
F	109	2.5%
G	63	1.5%
H	190	4.4%
No Response	325	7.6%
<b>Total</b>	<b>4,303</b>	<b>100%</b>

NOTE: This question was not asked on the 2001 survey.

**71. Which do you think is the most important goal for government to pursue:**

- a. Improve access to low cost health care for those who don't have health insurance, or
- b. Focus on options for improving access to affordable health insurance.

Response	2004 Survey	
	Count	Percentage
A	1,113	25.9%
B	2,961	68.8%
No Response	229	5.3%
<b>Total</b>	<b>4,303</b>	<b>100%</b>

NOTE: This question was not asked on the 2001 survey.

For questions 72-75, please write the appropriate number and fill in the corresponding bubbles on your answer sheet. Please review the examples for Question 59 on the previous page to see how you should record your responses, and especially note the use of the zero in Example #1.

**72. Including the owner(s), how many employees work for your company?**

Response	2004 Survey		2001 Survey		% Change
	Count	Average	Count	Average	
Total Employees	42,835	10.37	120,838	11.43	-9.3%

**73. How many employees work full-time (36-40 hours per week)?**

Response	2004 Survey		2001 Survey		% Change
	Count	Average	Count	Average	
Full-time Employees	34,917	8.45	100,382	9.54	-11.4%

**74. How many employees work part-time?**

Response	2004 Survey		2001 Survey		% Change
	Count	Average	Count	Average	
Part-time Employees	7,918	1.92	20,248	1.94	-1.1%

**75. How many employees are contract employers?**

Response	2004 Survey		2001 Survey		% Change
	Count	Average	Count	Average	
Contract Employees	2,493	0.61	5,700	0.55	11.6%