

TRANSAMERICA CENTER
FOR HEALTH STUDIES®

One Year In: Businesses Respond to the Affordable Care Act
Transamerica Center for Health StudiesSM Survey
Fact Sheet: Businesses

Nine in ten (91 percent) employers believe that their employees are satisfied with the health insurance options offered to them.

- This is not far off from what employees actually reported this year – three-quarters (76 percent) are satisfied with the health insurance plan available through work.

In 2014, 33 percent of employers said they expect their companies to *increase* headcount in the next two years while accounting for the ACA, compared to 20 percent in 2013.

- Only 11 percent said they expect the number of employees at their company to decrease while accounting for the ACA.
- The increases are anticipated primarily among businesses with over 50 employees that are impacted by the employer mandate, with 44 percent indicating a likely increase in headcount while accounting for the ACA.

With the individual mandate taking effect in 2014 and the employer mandate looming in 2015, employers are placing more priority on offering health insurance to all employees and less priority on minimizing health care costs.

- In 2014, 12 percent of employers indicated that offering health insurance to all employees was the top benefits-related priority compared to 6 percent in 2013.
- In 2014, only 6 percent of employers said minimizing healthcare costs was their top benefits-related priority compared to 18 percent in 2013.

Little consensus exists among businesses on the impact the ACA will have on the quality of health care offered.

- Although a majority do not anticipate the ACA will impact the quality of the health insurance employers are able to offer their employees, the rest are split on whether the ACA will result in an improvement (28 percent) or a decline (21 percent) in quality.
- On the whole, businesses appear to be somewhat more optimistic about the impacts of the ACA. In July 2013, 36 percent of businesses said the ACA will provide no improvements the company is interested in, but just 28 percent say the same in 2014.

This survey was conducted online within the United States by Harris Poll on behalf of the Transamerica Center for Health StudiesSM between July 8 and July 30, 2014 among a sample of 751 employer decision makers aged 18+. Data were weighted (statistically adjusted) on employer size (by number of employees) to be representative of U.S. businesses. No estimates of theoretical sampling error can be calculated; a full methodology is available upon request. When comparing to the 2013 benchmark study, please note the qualification was slightly more restrictive in the 2014 study. In 2014, respondents were required to be: 1) Primary decision makers of employee benefits at their company; 2) Employed by or the proprietor of a for-profit (non-educational) organization; 3) Owner, CEO/Chairman, Director of HR, Benefits Manager, other HR professional responsible for employee benefits, or other professional responsible for employee benefits.

For more information and the full survey, please visit the Transamerica Center for Health Studies website linked below.

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- The biggest concern raised by the ACA remains potentially increased costs for the company to continue subsidizing or completely paying for employee health care benefits (32 percent), down from 38 percent in 2013.
- Regardless of expected effects of the ACA, companies overwhelmingly are satisfied (88 percent) with current options to offer employees health insurance.

Despite the lack of consensus on the effects of the ACA, businesses generally feel informed about the ACA as well as health care offerings and changes in the industry.

- A growing number of employers are staying informed on health industry changes (88 percent in 2014 v. 79 percent in 2013) and the ACA (86 percent in 2014 v. 70 percent in 2013).

Many businesses anticipate making health coverage-related changes in the next 1-2 years.

- 25 percent expect to make changes to their plan options.
- 19 percent expect to add health insurance.

Overall, employers are more likely to offer education and/or advice to employees on health care-related topics than they were a year ago.

- Over four in ten (42 percent) provide an employee benefits advisor (up ten percentage points from July 2013), and three in ten offer one-on-one counseling (29 percent in July 2014 up from 15 percent in 2013).
- In July 2014, 69 percent of employers engaged with their employees for education/advice on health-related topics at least annually, while in July 2013, 62 percent did so at least annually.

There still appears to be a misalignment in the information employers are providing and what employees need to make informed decisions.

- Over half of employees in 2014 say they need a description of what benefits are available to make an informed decision, but only 38 percent of employers provide information on the benefits available.
- Only 22 percent of employers have provided their employees with the notice of the new health insurance marketplace options and health coverage as required by the US Department of Labor.

Over two-thirds (68 percent) believe their employees would prefer receiving health insurance benefits through the company as part of a package. This is in line with what employees actually prefer (73 percent of employees would prefer receiving benefits directly through employers versus a subsidy).

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