

## HEALTH PLAN TRENDS

### *group size & industry*

#### TEXAS



**THE UNITED BENEFIT ADVISORS® (UBA)** employee benefits survey is the nation's definitive employee benefits benchmarking survey. This valuable data enables meaningful study of trends among different size employer groups, within specific regions and states, and by industry groups. Data in the 2023 UBA Employee Benefits Benchmarking Trends Report and State Trends Reports are based on responses from 10,389 employers representing nearly one million employees across the nation—and more than \$28 billion in healthcare dollars spent. In Texas, the survey includes employee benefit plans offered by 671 employers covering nearly 46,000 employees.

With this granular data, UBA Partner Firms help employers avoid the top two benchmarking pitfalls:

- 1) Automatically adopting the practices of the nation's largest employers who are most often studied by other data sets but are not typically the best benchmarks.
- 2) Looking only at plan data supplied by a single carrier.

UBA Partner Firms help employers of all sizes benchmark their employee benefits plans more accurately based on both national and regional trends and also compared to local, industry, and sized-based peers.

This State Trends Report highlights key cost benchmarks among the following groups:

- Small, midsize, and large employers
- Four of the top industries in Texas

When employers compare their plan to local peers of the same size or industry, the top three questions typically asked are:

- 1) What type of plans do my peers offer?
- 2) What is the cost per employee?
- 3) What are the in-network deductibles and out-of-pocket maximums?

## TOP BENCHMARKS BY GROUP SIZE

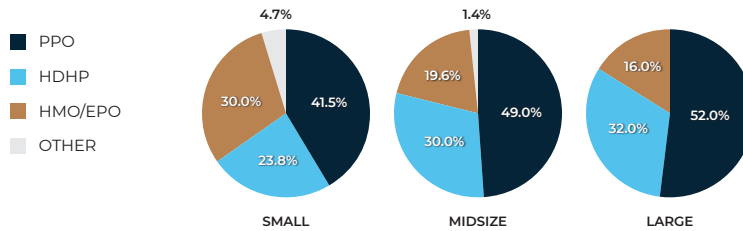
**UBA EMPLOYEE BENEFITS BENCHMARKING** provides data from employer groups of all sizes. Group size has a tremendous impact on cost, making it an important benchmark for any employer.

### WHAT TYPES OF PLANS DO MY SIZE-BASED PEERS OFFER?

Preferred provider organization (PPO) plans are prevalent in Texas, particularly among larger groups. After PPO plans, small businesses have strong interest in health maintenance organization (HMO)/exclusive provider organization (EPO) plans, while midsize and large groups turn to high deductible health plans (HDHPs), sometimes referred to as “consumer-directed” plans. Point of service (POS) plans are virtually nonexistent in the state.

### PREVALENCE OF PLAN TYPE BY GROUP SIZE

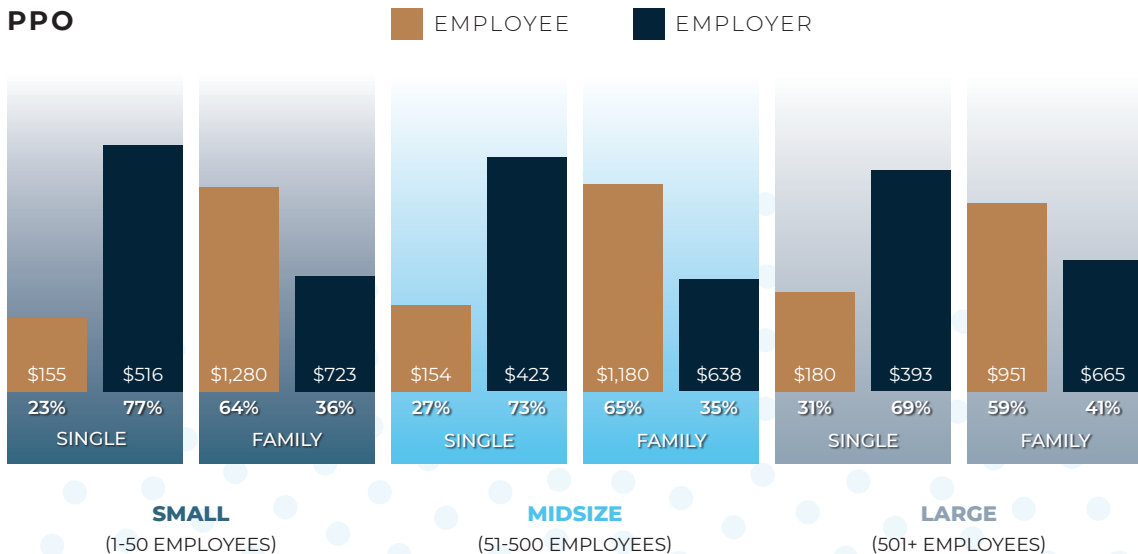
GROUP SIZE	PPO	HDHP	HMO/EPO
SMALL (1-50 EMPLOYEES)	41.5%	23.8%	30.0%
MIDSIZE (51-500 EMPLOYEES)	49.0%	30.0%	19.6%
LARGE (501+ EMPLOYEES)	52.0%	32.0%	16.0%



### HOW MUCH DO MY SIZE-BASED PEERS PAY PER EMPLOYEE?

Small businesses in Texas contribute the most toward single and family PPO plan premiums compared to their larger counterparts. They also contribute 89% of HDHP premiums for singles, however, large employers are paying the most toward family HDHPs.

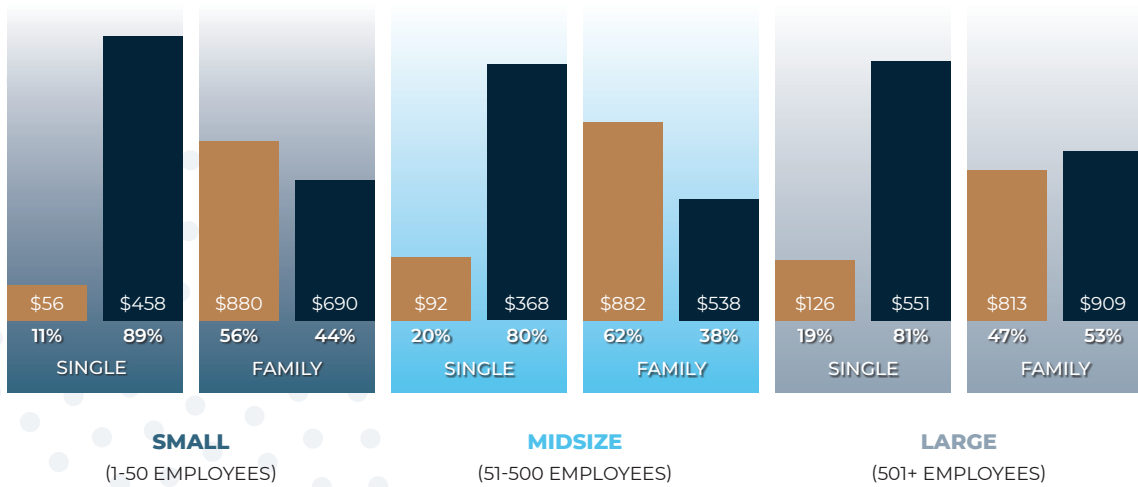
### AVERAGE MONTHLY PREMIUM CONTRIBUTION SPLIT



**AVERAGE MONTHLY PREMIUM CONTRIBUTION SPLIT**

**HDHP**

EMPLOYEE EMPLOYER



**WHAT ARE THE DEDUCTIBLES AND OUT-OF-POCKET COSTS FOR MY SIZE-BASED PEERS?**

Deductibles for small and midsize groups in Texas are generally higher than those found nationally and regionally. Nationally, PPO plans have a median in-network deductible of \$1,800 for singles, and \$2,000 in the central U.S. HDHPs have a median in-network deductible of \$3,000 nationally and \$4,250 in the central U.S. Small businesses in Texas are setting higher out-of-pocket maximums for singles than their larger counterparts.

**MEDIAN SINGLE IN-NETWORK DEDUCTIBLES AND OUT-OF-POCKET COSTS**

GROUP SIZE	PPO		HDHP	
	DEDUCTIBLE	OOP MAXIMUM	DEDUCTIBLE	OOP MAXIMUM
SMALL (1-50 EMPLOYEES)	\$3,000	\$7,150	\$6,250	\$6,900
MIDSIZE (51-500 EMPLOYEES)	\$3,000	\$6,000	\$5,000	\$6,350
LARGE (501+ EMPLOYEES)	\$1,500	\$6,900	\$2,800	\$5,800

**TOP BENCHMARKS BY INDUSTRY**

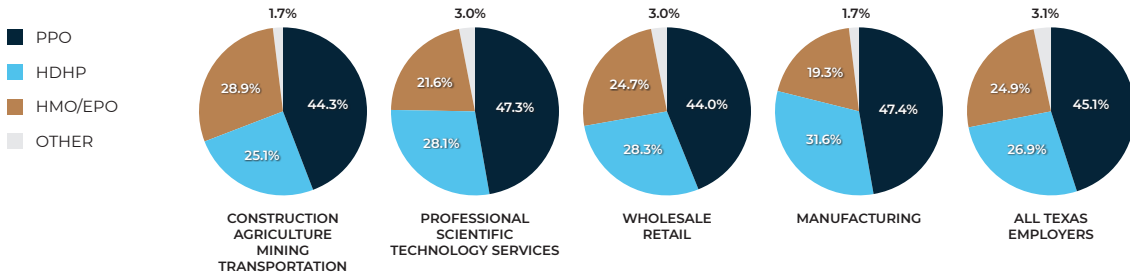
**IN TEXAS**, four of the top industries studied in UBA’s Employee Benefits Benchmarking are Construction/Agriculture/Mining/Transportation, Professional/Scientific/Technology Services, Wholesale/Retail, and Manufacturing.

**WHAT TYPES OF PLANS DO MY INDUSTRY PEERS OFFER?**

The Manufacturing and Professional/Scientific/Technology Services industries in Texas have an above-average prevalence of PPO plans. After PPO plans, the Manufacturing industry has the highest interest in HDHPs, while the Construction/Agriculture/Mining/Transportation sector has strong interest in HMO/EPO plans.

PREVALENCE OF PLAN TYPE BY INDUSTRY

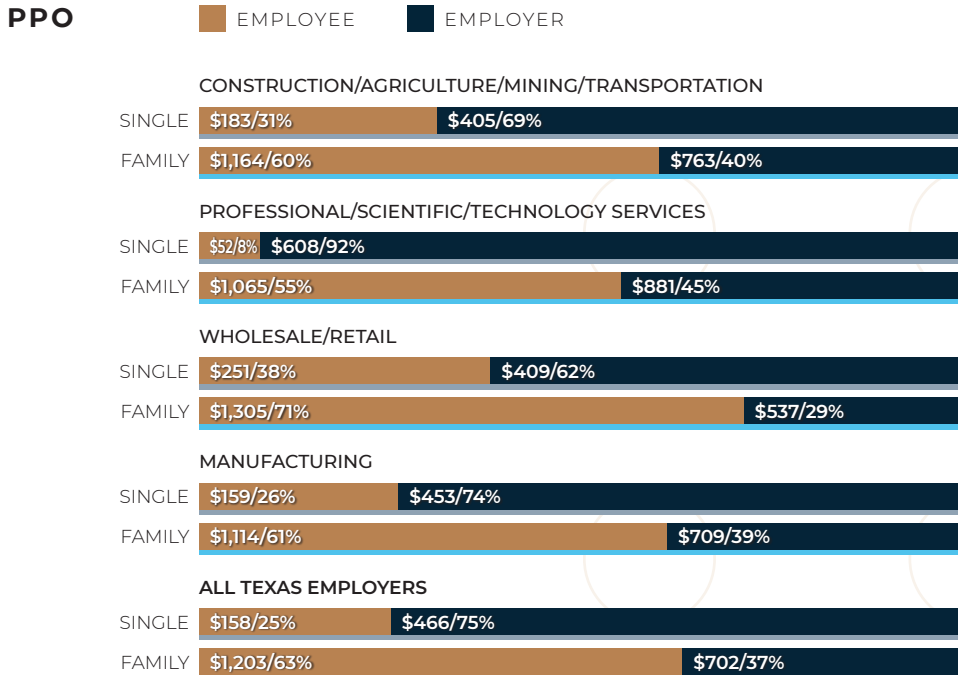
TOP 4 TEXAS INDUSTRIES	PPO	HDHP	HMO/EPO
CONSTRUCTION/AGRICULTURE/MINING/TRANSPORTATION	44.3%	25.1%	28.9%
PROFESSIONAL/SCIENTIFIC/TECHNOLOGY SERVICES	47.3%	28.1%	21.6%
WHOLESALE/RETAIL	44.0%	28.3%	24.7%
MANUFACTURING	47.4%	31.6%	19.3%
<b>ALL TEXAS EMPLOYERS</b>	<b>45.1%</b>	<b>26.9%</b>	<b>24.9%</b>



HOW MUCH DO MY INDUSTRY PEERS PAY PER EMPLOYEE?

The Professional/Scientific/Technology Services industry in Texas pays an above-average percent of premiums for PPO plans and HDHPs, while the Wholesale/Retail industry in the state covers the least amount of the premiums for these plans.

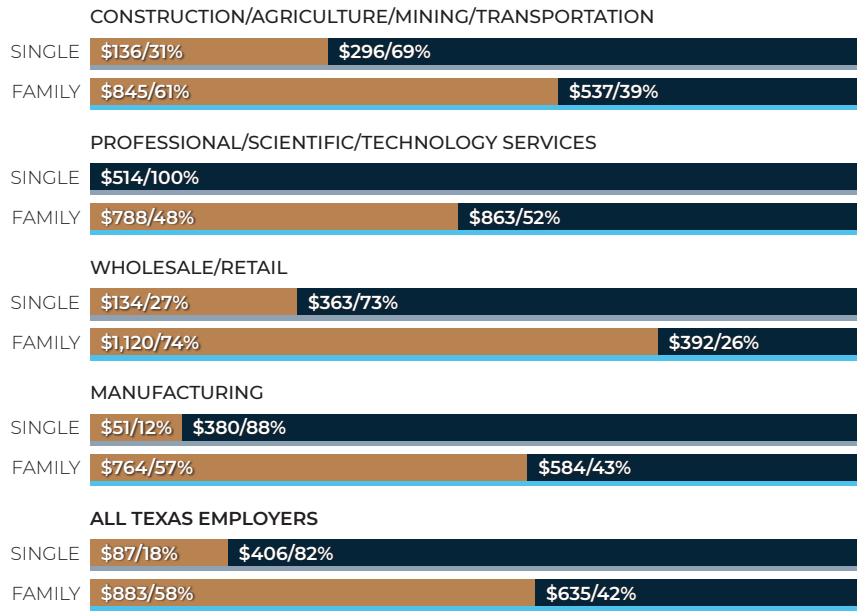
AVERAGE MONTHLY PREMIUM CONTRIBUTION



**AVERAGE MONTHLY PREMIUM CONTRIBUTION**

**HDHP**

EMPLOYEE EMPLOYER



**WHAT ARE THE DEDUCTIBLES AND OUT-OF-POCKET COSTS FOR MY INDUSTRY PEERS?**

The Professional/Scientific/Technology Services industry in Texas has lower plan deductibles and out-of-pocket maximums than other top industries in the state. The Wholesale/Retail industry has set a particularly high out-of-pocket maximum for singles.

**MEDIAN SINGLE IN-NETWORK DEDUCTIBLES AND OUT-OF-POCKET COSTS**

TOP 4 TEXAS INDUSTRIES	PPO		HDHP	
	DEDUCTIBLE	OOP MAXIMUM	DEDUCTIBLE	OOP MAXIMUM
CONSTRUCTION/AGRICULTURE/MINING/TRANSPORTATION	\$3,000	\$6,000	\$6,000	\$6,550
PROFESSIONAL/SCIENTIFIC/TECHNOLOGY SERVICES	\$2,500	\$6,000	\$5,000	\$6,000
WHOLESALE/RETAIL	\$3,000	\$7,150	\$5,000	\$6,350
MANUFACTURING	\$3,000	\$6,425	\$5,000	\$6,125
ALL TEXAS EMPLOYERS	\$3,000	\$6,350	\$5,000	\$6,350



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Make informed health plan decisions  
that retain top talent and help recruit  
new talent.

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