



MEMORANDUM

To: Interested Parties
From: Phillip Morris, Partner, Locust Street Group
Date: March 10, 2021
Re: Employer-Provided Coverage Research

On behalf of America's Health Insurance Plans, Locust Street Group conducted a nationwide survey of 1,000 consumers with employer-provided coverage (EPC) to understand their perceptions, priorities, and expectations about their current coverage, the health care system, and policies that impact their coverage. This survey was balanced to national demographics for gender, age, and region, was conducted online from January 25-29, 2021, and the margin of error is +/-3%.

The story of employer-provided coverage in 2021 is a compelling one. Amidst a global pandemic and economic uncertainty, 67% of Americans with employer-provided coverage report they are satisfied with their current coverage and 65% believe the quality of their plan is high. This satisfaction is driven by the choice of many quality doctors and providers, comprehensive coverage that includes the benefits and care most important to them, and premiums, co-pays, and deductibles that most believe are affordable.

We explored several key indicators to determine exactly what employer-provided plans are doing right, and the results were clear and encouraging. 76% of those with EPC agree that their plan "provides access to quality doctors, hospitals, and clinics" as well as "covers preventive services like screening and vaccines." Similarly, 71% reported "it is easy to use my insurance" and "I understand the benefits and services covered by my plan." During this critical time when access to and information about health care is of primary importance, employer-provided plans are an essential resource for millions of Americans.

Costs remain top of mind for consumers as the economy continues to recover from the COVID-19 pandemic. Even with added cost pressures from the pandemic, a majority of those with EPC, 53%, report that what they currently pay for coverage is reasonable – especially prescription drug costs (62% reasonable) – which have been a source of financial concern for Americans in recent years. This security during an uncertain time contributes to the fact that 67% of those with EPC report that their coverage gives them "financial peace of mind if something bad were to happen."

Employer-provided coverage is also playing a role in employee recruitment and retention. 75% reported the coverage their job provides had an impact on their decision to accept their job, and 78% reported it has an impact on their decision to stay at their current job. Consumer awareness of how much employers contribute towards their coverage is also rising. Two years ago, AHIP conducted a similar poll on the value of employer-



provided coverage and only 20% of consumers thought the average employer contributed 70% or more towards the cost of their employees' coverage. That number has nearly doubled to 39%.

Employer-provided plans are proving to be an important resource during the COVID-19 pandemic. 62% of those who sought a COVID-19 test reported that their employer-provided coverage was helpful in obtaining and covering it, with only 13% saying their plan was unhelpful. Likewise, 56% of consumers reported that the telehealth and mental health services covered by employer-provided plans are more valuable now than they were a year ago as more Americans practice social distancing and work to combat the effects of isolation and anxiety.

Finally, our survey explored public policy that impacts employer-provided coverage. 62% of consumers support the current tax treatment of employer-provided plans and most do not support taxing employee health benefits (only 31% support). A large majority, 72% of consumers, believe Congress should subsidize the cost of COBRA coverage during the pandemic so that Americans who lost their jobs can keep their coverage through their former employer at the same cost. In addition, health equity is an important priority as 73% of respondents believe it's important for health insurance providers to work to improve health equity. Our polling is clear that Americans view employer-provided coverage as a model we can build on and improve to ensure access to affordable, high-quality health coverage and care.