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New Jersey Affordable Health Benefits Survey: Summary of Findings

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The views expressed in this report are exclusively those of the authors, who are solely responsible for any errors or omissions.

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Executive Summary

For decades, health reimbursement arrangements (HRAs) have allowed employers to help fund employee health care expenses on a tax favored basis to complement or substitute for traditional employer-provided health insurance. Recently, two new options—the Qualified Small Employer HRAs (QSEHRA) and Individual Coverage HRAs (ICHRA)—were created to expand the flexibility and adoption of HRAs, including their use in the non-group health coverage market. In light of the concern over New Jersey’s shrinking and unstable small group market, the *New Jersey Affordable Health Benefits Survey* provides a glimpse into New Jersey employers’ familiarity with QSEHRAs and ICHRAs, the extent of current and planned adoption, and possible reasons for those who have chosen not to offer this option. The survey respondents make up a diverse group of firms in terms of industry types, size, and geography, though larger and health insurance-offering employers are likely over-represented in our sample. Most respondents (86%) report offering health care coverage; the offer rate is high (81%) even among firms with fewer than 50 employees. Fewer than 10% of the firms currently—or plan to in the next two years—offer either ICHRA or QSEHRA, and the actual enrollment among their employees varies greatly from 0% to 100%. Among those currently not offering these HRA options, the most frequently cited reason was lack of familiarity. Smaller numbers of respondents also indicated brokers’ guidance and perceived employee preferences as reasons against offering.

While our study cannot be fully generalized to New Jersey or other parts of the country, the findings offer important insights on the perspectives of businesses with respect to providing defined-contribution style health care coverage to their workers. Moreover, the survey may be adapted as a useful tool to monitor the changing sentiments and practices regarding coverage offerings by employers within the state and beyond.

New Jersey Affordable Health Benefits Survey: Summary of Findings

Introduction

The size of the small group insurance market in New Jersey has decreased by more than 60% in the last decade (NJHCQI 2022).¹ This shrinking market has prompted concerns over possible adverse selection in its risk pool giving rise to increased premiums and continued decline in membership. Health reimbursement arrangements (HRAs) allow employers to help fund employee health care expenses on a tax favored basis to complement or substitute for traditional employer-provided health insurance.² Recently, two new HRAs—Qualified Small Employer Health Reimbursement Arrangements (QSEHRA) in 2017 and Individual Coverage Health Reimbursement Arrangements (ICHRA) in 2020—were created as alternatives to the traditional group health insurance plans.^{3,4} These HRAs were created in response to a Trump administration’s 2017 Executive Order⁵ to expand the flexibility and adoption of HRAs, including their use with non-group health coverage.⁶ However, little is known about the awareness and appeal of these options among employers. This study assesses New Jersey employers’ familiarity with these new forms of HRAs as well as the extent of, and plans for, their adoption.

Survey Design, Fielding, and Analytic Sample

We designed and deployed the *New Jersey Affordable Health Benefits Survey*, a cross-sectional, anonymous online survey to assess the extent to which New Jersey employers offer or are considering offering ICHERAs or QSEHRAs, their understanding of these options, and reasons for not offering, when applicable. The survey also collected information about the characteristics of the responding firms and their employees. Survey questions were adapted from the Medical Expenditure Panel Survey – Insurance Component (MEPS-IC) when feasible.⁷ The survey instrument is provided in Appendix 1. This study was reviewed and approved by the Rutgers University Institutional Review Board.

Two leading New Jersey business associations sent email invitations with a link to the survey to their email distribution lists (with approximately 36,300 combined recipients). Initial emails were sent the week of April 26, 2022 followed by two reminder emails. Data collection concluded May 24, 2022, yielding 191 responses. Seven of these responses not reporting at least one location in New Jersey were excluded from the analysis. The final analytic sample contained data from 184 respondents.

To gauge the representativeness of this convenience sample, we compare respondent characteristics to summary statistics from MEPS-IC 2020. These comparisons should be interpreted with caution, as the units of analysis differ between our survey (firms with at least one New Jersey establishment (location) and the MEPS-IC (employment establishments in New Jersey). Frequency distributions of survey responses are provided in Appendix 2, and the comparisons with MEPS-IC in Appendix 3.

Health Reimbursement Arrangements in Focus:

Individual Coverage HRAs (ICHRA) allow employers of any size to reimburse employees for qualified medical expenses, including monthly premiums and out-of-pocket costs. Employees must be enrolled in individual (not group) health insurance coverage to use the funds. Employers may offer ICHRAs to certain classes of employees in lieu of traditional group health insurance plans. If ICHRAs are considered unaffordable, employees must opt out in order to be eligible for premium tax credit (PTC) in the ACA individual market exchange.

Through **Qualified Small Employer HRAs (QSEHRA)**, small businesses that do not offer group health insurance plans may instead reimburse employees for health care expenses including health insurance premiums they purchased on their own. QSEHRAs are only available for businesses with fewer than 50 full-time-equivalent employees. If QSEHRAs are considered unaffordable, employees may still enroll and be eligible for PTC when purchasing individual health coverage.

Findings

Respondent and Firm Characteristics

Nearly three-quarters (137, or 74%) of respondents hold high-level positions in their respective firms: human resources (35%), owners or co-owners (21%), presidents or other executives (12%), and finance (11%). Thirty-five (19%) respondents did not answer this question.

More than three quarters (141, or 77%) of the responding firms reported having just one or two locations (i.e., establishments) in New Jersey. Firms with more locations are more likely to also have a presence outside of the state (Exhibit 1). Among the 36 firms (20%) with non-NJ locations, most (28), however, are headquartered in New Jersey.

While respondent firms were from all 21 New Jersey counties, they are more concentrated in the central northwest (41%) and northeast (33%) regions than in the central east (17%) and south (13%), as shown in Exhibit 2.

Exhibit 1. Number of establishments among respondents

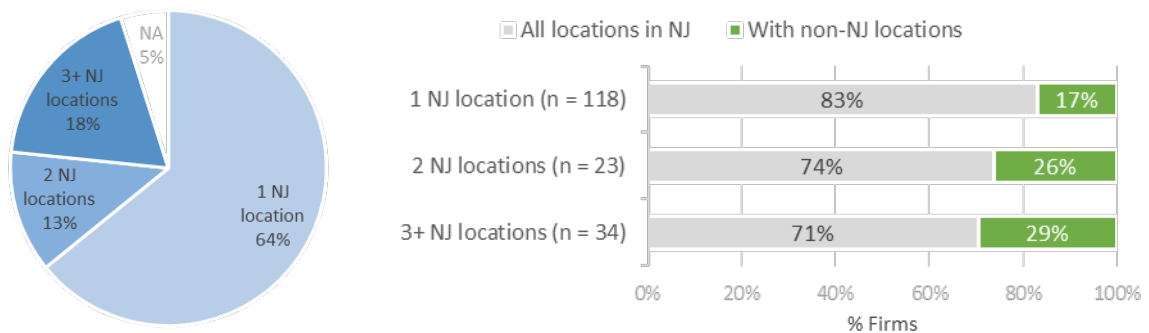
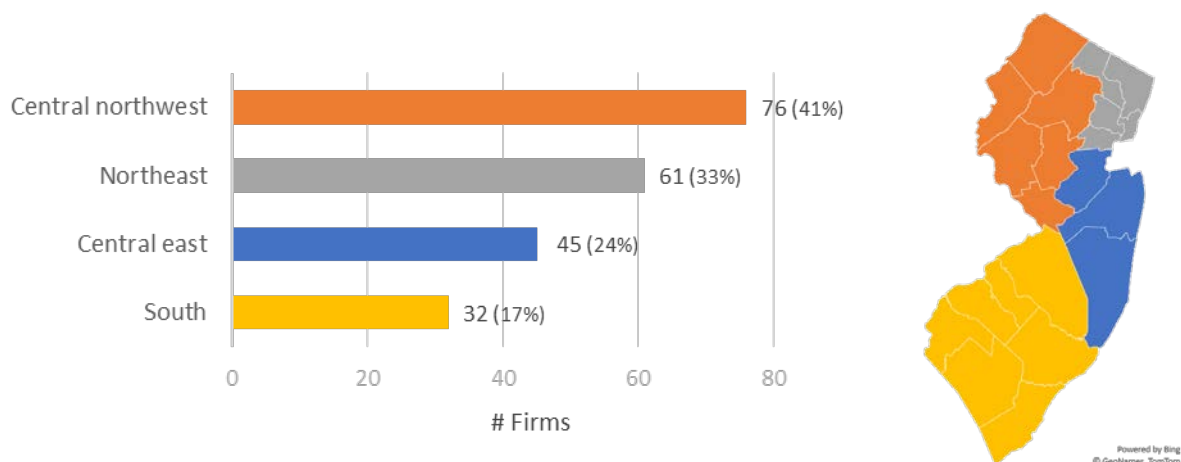


Exhibit 2. Respondent locations in New Jersey



Among survey respondents, 24% represent firms with fewer than 10 employees, and 30% with 100 or more employees across all New Jersey locations. Though not directly comparable (as described on page 1), the MEPS-IC estimates are shown as reference in Exhibit 3 (and in some of the subsequent exhibits). Relative to the MEPS-IC, our sample appears to skew towards larger firms.

More than three quarters (131, or 71%) of the respondents reported that a large majority (i.e., at least 75%) of their employees are full-time; firms with mostly part-time employees make up only 8% of our sample (Exhibit 4).

Exhibit 5 displays the share of employees in each of the three wage categories across the 151 firms who responded. Very few (13, or 7%) firms surveyed report having any employees

who earn less than \$13 per hour, i.e., considered low-wage.* In the majority (149, or 81%) of the firms, low-wage employees make up less than half of their workforce. This is on par with the NJ MEPS-IC estimate (81%). On the other hand, in nearly a quarter (22%) of the firms, a majority of their employees earn more than \$31 per hour. Thirty-three (18%) respondents skipped the question about employee earning.

A minority (10%, or 18 out of 184) of the firms reported that collective bargaining agreements cover at least some of the New Jersey employees. However, nearly twice as many (35) surveyed did not answer this question. Nationally, 6% of establishments in the MEPS-IC for 2020 report having employees covered by collective bargaining arrangements.

Exhibit 3. Firm size

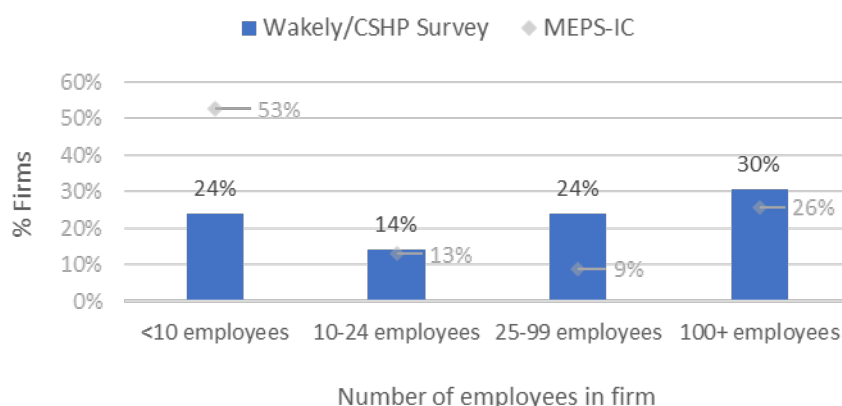
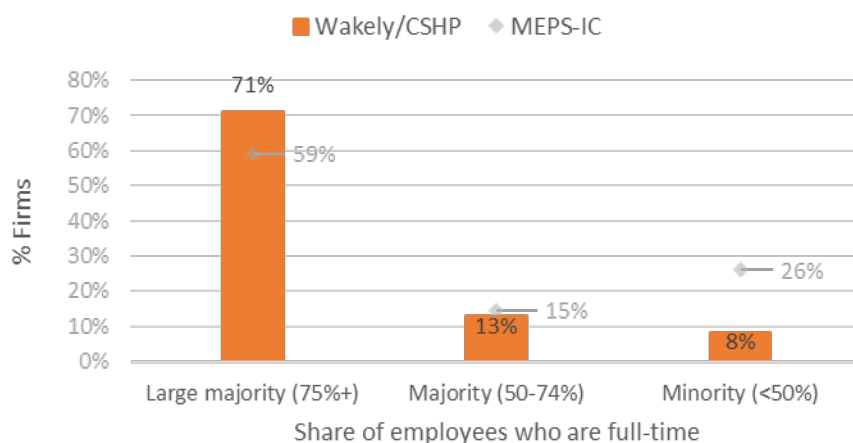


Exhibit 4. Share of full-time employees



* Low-wage is defined as earning at or below the 25th percentile for all hourly wages in the United States based on data from the Bureau of Labor Statistics. In 2020, that level was \$13/hour.

Exhibit 5. Share of income categories among firms

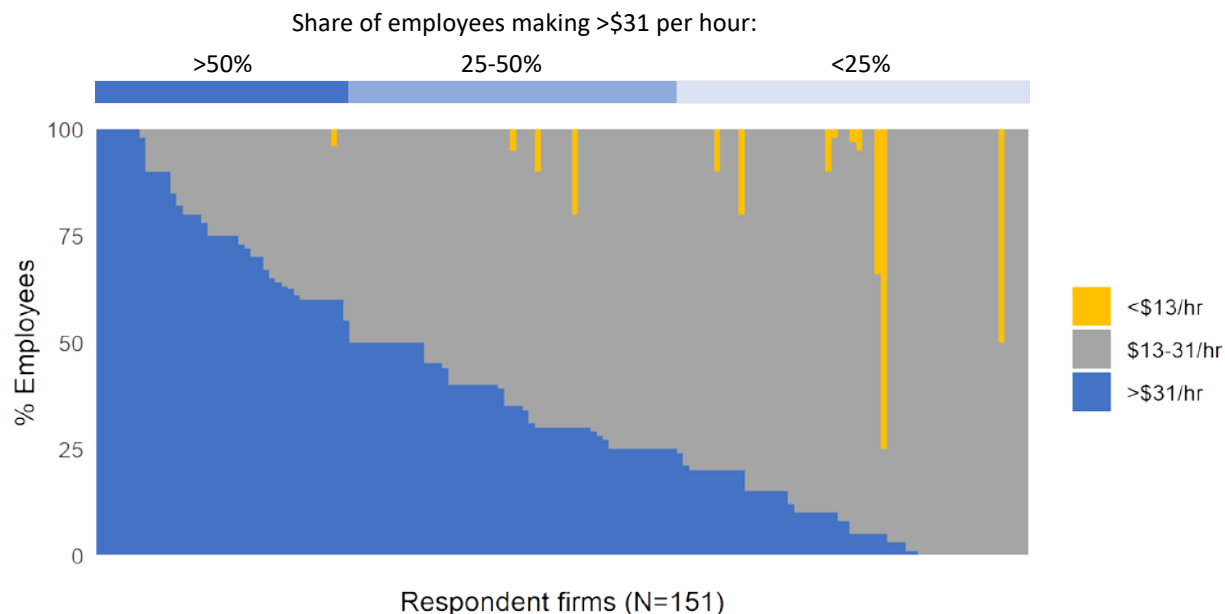
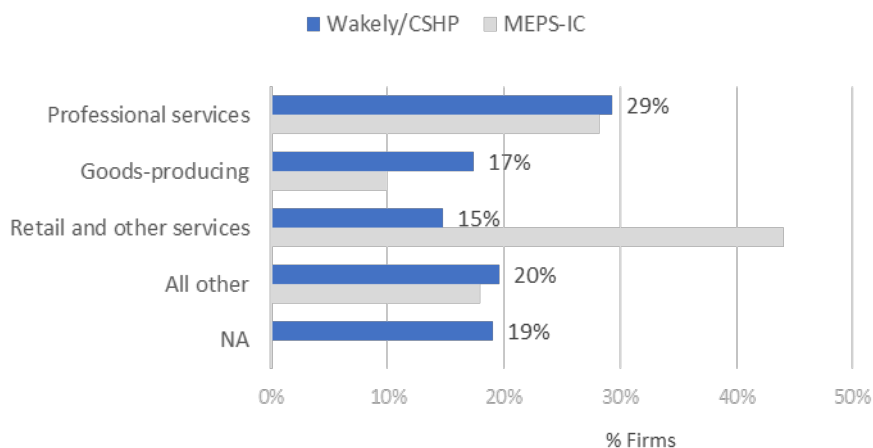


Exhibit 6 shows the distribution of the survey respondents across industry types.[§] While our sample cover a range of sectors, gauging from the MEPS-IC estimates, businesses in retail and other services may be somewhat underrepresented among the respondents.

Exhibit 6. Industry types[§]



[§] Professional services (n=54): Professional and business services, information, education and health services. Goods producing (n=32): Construction, manufacturing, agriculture, fishery, forestry. Retail and other services (n=27): Leisure and hospitality, other services. All other (n=36): Financial, trade, transportation and utilities. Note: 35 (19%) of respondents did not select an industry type.

Offer and Uptake Rates of Health Insurance Coverage

Most (158, or 86%) respondents reported offering health care coverage, much higher than MEPS-IC estimate of 58% in New Jersey establishments. As shown in Exhibit 7, in all offering firms combined, a very high share of employees (nearly three quarters) are eligible for coverage, and more than half of their employees enroll in offered plans.

While the offer rates are high across the board, some variations by firm size and industry type do exist. Nearly all (99%) firms with 50 or more employees offer coverage, consistent with the MEPS-IC estimate of 98%. The smaller firms in our sample, on the other hand, have a much higher offer rate of 81% compared to the 41% found in MEPS-IC. Across all industry types, well above 80% -- and 97% of goods-producing -- businesses in our study offer coverage, substantially higher than the statewide averages (Exhibit 8).

Exhibit 7. Health insurance offering, eligibility, and enrollment

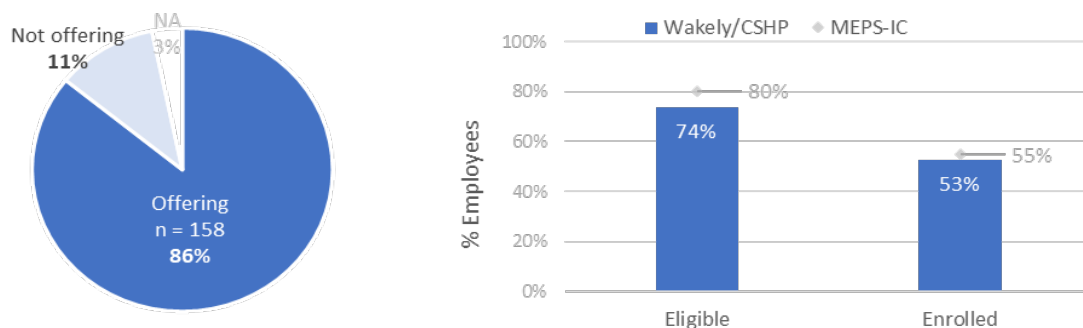
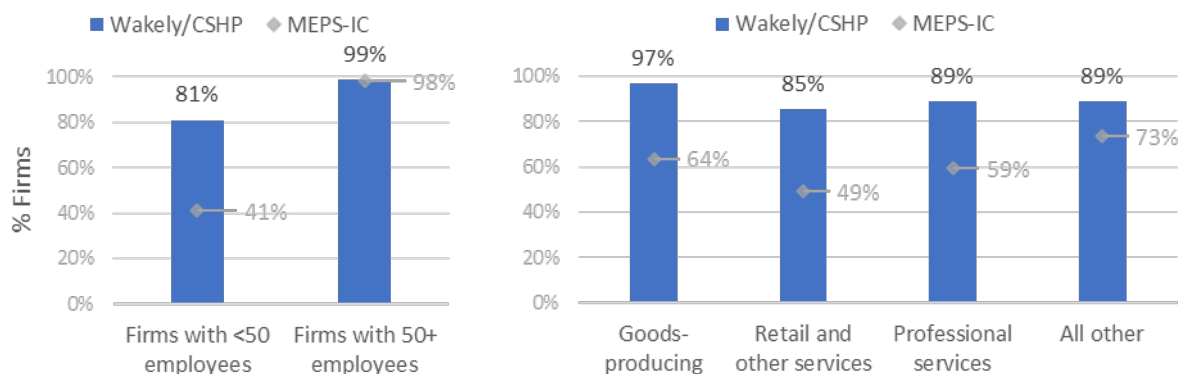


Exhibit 8. Health insurance offering by firm size and by industry.



Offering of ICHRA and QSEHRA Options

Of the 158 firms that reporting offering any health care coverage, only 11 currently offer either ICHRA or QSEHRA. Exhibit 9 summarizes what we know about these respondents.

Respondents who currently are not offering either of the HRA options reported on the likelihood that their firms will offer ICHRA or QSEHRA in the next two years. As Exhibit 10 shows, only 15 of the 178 firms report that they are “somewhat” or “very likely” to offer either of the HRA options in the near future, with smaller firms and goods-producing businesses expressing somewhat more interest than others (Exhibit 11).

Among firms that are not currently offering either type of HRA (n=175), about half cite “not knowing enough” as an important reason for their decision. Additionally, smaller numbers report broker recommendations, administrative complexity, and lack of interest from employees as reasons for not offering (Exhibit 12).

Exhibit 9. Firms offering ICHRA or QSEHRA

| Among 158 firms offering any health care coverage: | |
|--|---|
| 9 offer ICHRA | 2 (of 65 eligible firms) offer QSEHRA |
| Extent of offering: | |
| <ul style="list-style-type: none"> • 2 offer to 100% employees • 7 offer to fewer (range: 0-95%) | (Not applicable) |
| Extent of enrollment: | |
| <ul style="list-style-type: none"> • Among the 9 firms, share of employees enrolled range from 0% to 80% | <ul style="list-style-type: none"> • One of the firms reported 0% employees enrolled, and the other reported 20% |
| Respondent familiarity: | |
| <ul style="list-style-type: none"> • 1 very familiar • 5 somewhat familiar • 2 not familiar | <ul style="list-style-type: none"> • 2 somewhat familiar |

Exhibit 10. Likelihood in the next 2 years that firms will offer ICHRA or QSEHRA

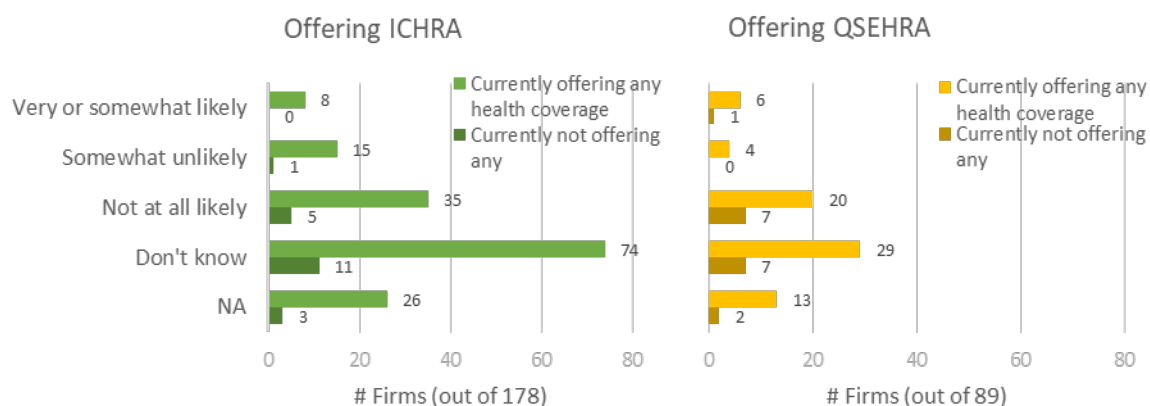


Exhibit 11. Very or somewhat likely to offer in 2 years

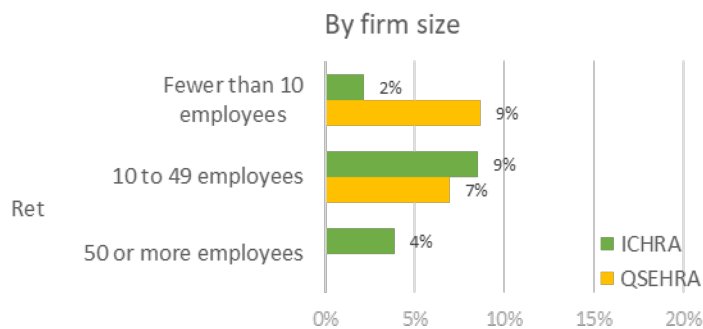
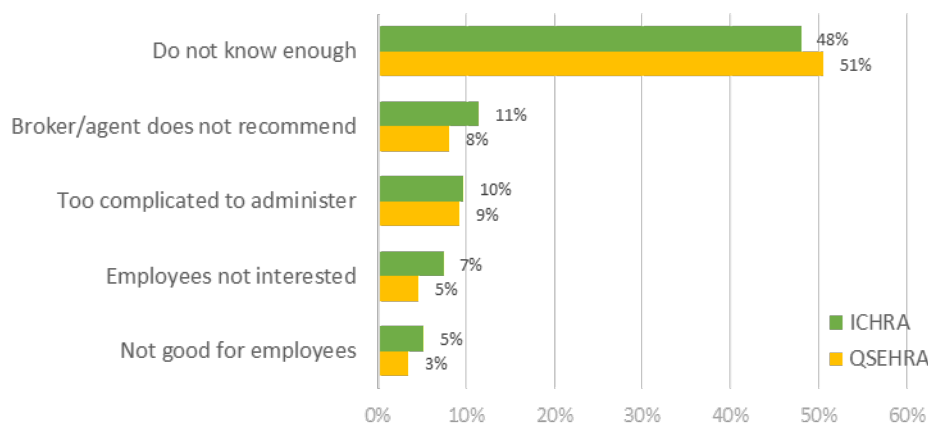


Exhibit 12. Reasons for not offering ICHRA or QSEHRA



Conclusion

Through collaborating with New Jersey based business organizations, the New Jersey Affordable Health Benefits Survey successfully reached a diverse group of New Jersey employers in terms of geography, size, and industry. Compared to available data, our sample appears to over-represent larger firms and firms that offer health insurance coverage. Individuals responding to our survey were largely owners or senior executives and are thus able to understand and comment on their firm's benefits offerings.

Overall, we find that very few of the survey respondents currently – or plan to in the next two years – offer either ICHRA or QSEHRA. Lack of familiarity with ICHRA and QSEHRA clearly stands out as an important explanation for the low uptake. Small (under 50 employees) and goods-producing firms voice somewhat greater interest in these HRA models. While ICHRA

and QSEHRA have been available for two years or more, it appears that few employers know enough to consider offering them. Before judgements can be made about the viability and value of these HRAs for employers and employees, more needs to be done to educate employers and brokers about these options.

In interpreting our findings, it is important to note that while diverse, our sample cannot be considered representative of New Jersey employers and New Jersey findings cannot be considered generalizable to other parts of the country. Comparisons of characteristics of our respondents to the MEPS-IC sample, which is designed to represent all private employment establishments in New Jersey, suggest that our respondents are on average larger businesses and more likely to offer health benefits. In future follow-up efforts, it would be valuable to use more representative sampling methods or, at minimum, obtain information on firms' non-New Jersey establishments to facilitate better comparisons with estimates from the MEPS-IC.

Our survey instrument (Appendix 1) appears to have captured the domains of interest for this study well, and it may be valuable to use in other jurisdictions or repeat over time to track changes in employer knowledge and behavior related to HRAs. Future applications of the survey would benefit from some changes. First, since our focus was on New Jersey, our questions apply to New Jersey portions of employer organizations. An additional question about the number of employer establishments outside New Jersey would enable more robust comparisons to MEPS-IC and possibly the development of weighting adjustments to match MEPS-IC distributions of establishment characteristics. In addition, using probability sampling of employers, based on commercially available lists, would also strengthen the generalizability of survey findings. Offering response incentives, such as gift cards, may enhance response rates and sample representation. We also recommend that when respondents state they have little or no familiarity with the HRA models (questions HI5 and HQ5), that this be followed with a question about whether others in the employer organization are very or somewhat familiar with the models. This would enable a more nuanced analysis of familiarity.

The extent to which employers adopt these new forms of HRAs could significantly influence the landscape of the health insurance markets, particularly the potential extent of migration from the small group to the non-group markets. More than shedding an initial light on the perspectives of New Jersey businesses with respect to providing defined-contribution style health care coverage to their workers, this study offers a useful tool for monitoring the changing sentiments and practices of employers within the state and beyond.

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- ⁴ Rubleski, J. S. An Emerging Health Insurance Option Primarily for Small Business: Individual Coverage HRA. Seidman Business Review 27 (2021)
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- ⁷ Agency for Healthcare Research and Quality. Medical Expenditure Panel Survey - Insurance/Employer Component. https://meps.ahrq.gov/survey_comp/Insurance.jsp (2021)

Appendix 1: Survey instrument

Start of Block: Default Question Block

Intro

New Jersey Affordable Health Benefits Survey

The goal of the **New Jersey Affordable Health Benefits Survey** is to explore ways to make health benefits easier to offer and more affordable for employers and employees. We invite you to participate in this research study and are eager to hear from you, even if your organization does not offer health care coverage to your employees.

The survey is being conducted by the Rutgers University Center for State Health Policy in collaboration with the New Jersey Business and Industry Association and the Employer Association of New Jersey. This project is funded by the Robert Wood Johnson Foundation.

Participation in this study involves completing a brief survey, which should take **about 10 minutes** to complete.

Your participation is voluntary, and your response will be **anonymous**. At any point during the survey, you are free to discontinue by closing the webpage. We will not ask for any personally identifiable information, and we will only release group averages.

If you have questions about the survey, please contact Jolene Chou, Senior Research Analyst at the Rutgers Center for State Health Policy at 848-932-4660 or jchou@ifh.rutgers.edu.

If you have any questions about your rights as a research participant, you can contact the Institutional Review Board at Rutgers (which is a committee that reviews research studies in order to protect research participants) at: Arts & Sciences Institutional Review Board, Rutgers University, the State University of New Jersey; Liberty Plaza / Suite 3200, 335 George Street, 3rd Floor, New Brunswick, NJ 08901; 732-235-2866; human-subjects@ored.rutgers.edu.

If you do not wish to take part in the research, close this web page. If you wish take part in the research, follow the directions below. Please print out this consent form if you would like a copy of it for your files.

Consent *By beginning this research, I acknowledge that I am 18 years of age or older and have read and understand the information above. I agree to take part in the research, with the knowledge that I am free to withdraw my participation in the research without penalty.*

Do you consent to these terms?

- ☐ Yes (1)
- ☐ No (2)

Skip To: End of Survey If By beginning this research, I acknowledge that I am 18 years of age or older and have read and un... != Yes

End of Block: Default Question Block

Start of Block: Block 1

B1 Does your organization have any locations **in New Jersey**?

- ☐ Yes (1)
- ☐ No (2)
- ☐ Don't know (3)

Skip To: End of Survey If Does your organization have any locations in New Jersey? != Yes

Page Break

B2 How many locations does your organization have **in New Jersey**? (DO NOT count telecommuting from home as separate locations.)

- ☐ Enter number of locations (1) _____
- ☐ Have locations in New Jersey, but don't know number (2)

Skip To: End of Survey If Condition: Enter number of locations Is Equal to 0. Skip To: End of Survey.

Skip To: B3a If Condition: Enter number of locations Is Equal to 1. Skip To: In which New Jersey county is your or....

Skip To: B3b If Condition: Enter number of locations Is Greater Than 1. Skip To: In which New Jersey counties does you....

Skip To: B3b If How many locations does your organization have in New Jersey? (DO NOT count telecommuting from ho... = Have locations in New Jersey, but don't know number

Skip To: End of Survey If How many locations does your organization have in New Jersey? (DO NOT count telecommuting from ho... != Enter number of locations

B3a In which New Jersey county is your organization located?

- ☐ Atlantic (1)
 - ☐ Bergen (2)
 - ☐ Burlington (3)
 - ☐ Camden (4)
 - ☐ Cape May (5)
 - ☐ Cumberland (6)
 - ☐ Essex (7)
 - ☐ Gloucester (8)
 - ☐ Hudson (9)
 - ☐ Hunterdon (10)
 - ☐ Mercer (11)
 - ☐ Middlesex (12)
 - ☐ Monmouth (13)
 - ☐ Morris (14)
 - ☐ Ocean (15)
 - ☐ Passaic (16)
 - ☐ Salem (17)
 - ☐ Somerset (18)
 - ☐ Sussex (19)
 - ☐ Union (20)
 - ☐ Warren (21)
-

Display This Question:

If If How many locations does your organization have in New Jersey? (DO NOT count telecommuting from home as separate locations.) Text Response Is Greater Than 1

Or How many locations does your organization have in New Jersey? (DO NOT count telecommuting from ho... = Have locations in New Jersey, but don't know number

B3b In which **New Jersey** counties does your organization have locations? (Check all that apply)

- ☐ Atlantic (1)
 - ☐ Bergen (2)
 - ☐ Burlington (3)
 - ☐ Camden (4)
 - ☐ Cape May (5)
 - ☐ Cumberland (6)
 - ☐ Essex (7)
 - ☐ Gloucester (8)
 - ☐ Hudson (9)
 - ☐ Hunterdon (10)
 - ☐ Mercer (11)
 - ☐ Middlesex (12)
 - ☐ Monmouth (13)
 - ☐ Morris (14)
 - ☐ Ocean (15)
 - ☐ Passaic (16)
 - ☐ Salem (17)
 - ☐ Somerset (18)
 - ☐ Sussex (19)
 - ☐ Union (20)
 - ☐ Warren (21)
-

B4 Does your organization have any locations **outside** of New Jersey? (DO NOT count telecommuting from home as separate locations.)

- ☐ Yes (1)
 - ☐ No (2)
 - ☐ Don't know (3)
-

Display This Question:

If Does your organization have any locations outside of New Jersey? (DO NOT count telecommuting from... = Yes

B5 In what state is the headquarters of your organization located?

- ☐ New Jersey (1)
- ☐ Another state in the U.S. (2)
- ☐ Don't know (3)

Page Break

H1 Does your organization **currently** offer any health care coverage to its **active** employees at any **New Jersey** location(s)?

- ☐ Yes - offering (1)
- ☐ No - not offering (2)
- ☐ Don't know (3)

H1_note **Active employee:** A person who was employed full- or part-time regardless of whether the employee was considered permanent, temporary, or seasonal. Include owners and officers of the organization. Exclude individuals who were contract laborers, retirees, laid off, or left employment prior to the survey year.

Page Break



E1

How many employees are on your organization's payroll at its **New Jersey** location(s) in a **typical** pay period?

Enter number of employees on payroll:



E2

For the same **typical** pay period, how many of the **New Jersey** employees worked fewer than 35 hours per week?

*Enter number of employees working **fewer** than 35 hours:*

Page Break

Display This Question:

If Does your organization currently offer any health care coverage to its active employees at any Ne... = Yes - offering

And And How many employees are on your organization's payroll at its New Jersey location(s) in a typical pay period? Enter number of employees on payroll: Text Response Is Not Empty

H2

Approximately how many, or what percentage, of your **#{E1/ChoiceTextEntryValue}** **New Jersey employees** are **ELIGIBLE** for at least one health care coverage option through your organization?

You may enter either a number or a percentage:

- ☐ Number (2)
- ☐ Percentage (3)

Display This Question:

If Approximately how many, or what percentage, of your \${q://QID10/ChoiceTextEntryValue} New Jersey... = Number



H2_num

Enter a number:

Display This Question:

If Approximately how many, or what percentage, of your \${q://QID10/ChoiceTextEntryValue} New Jersey... = Percentage



H2_pct Enter a percentage (%):

Display This Question:

If Does your organization currently offer any health care coverage to its active employees at any Ne... = Yes - offering

And And How many employees are on your organization's payroll at its New Jersey location(s) in a typical pay period? Enter number of employees on payroll: Text Response Is Empty

H2_E1null

Approximately **how many** of your **New Jersey employees** are **ELIGIBLE** for at least one health care coverage option through your organization?

Page Break

Display This Question:

If If How many employees are on your organization's payroll at its New Jersey location(s) in a typical pay period? Enter number of employees on payroll: Text Response Is Not Empty

And Does your organization currently offer any health care coverage to its active employees at any Ne... = Yes - offering

H3

Approximately how many, or what percentage, of your **#{E1/ChoiceTextEntryValue}** New Jersey employees are **ENROLLED** in any health care coverage through your organization?

You may enter either a number or a percentage:

- ☐ Number (1)
- ☐ Percentage (2)

Display This Question:

If Approximately how many, or what percentage, of your **#{q://QID10/ChoiceTextEntryValue}** New Jersey... = Number



H3_num

Enter a number:

Display This Question:

If Approximately how many, or what percentage, of your **#{q://QID10/ChoiceTextEntryValue}** New Jersey... = Percentage



H3_pct Enter a percentage (%):

Display This Question:

If If How many employees are on your organization's payroll at its New Jersey location(s) in a typical pay period? Enter number of employees on payroll: Text Response Is Empty

And Does your organization currently offer any health care coverage to its active employees at any Ne... = Yes - offering



H3_E1null

Approximately how many of your **New Jersey employees** are **ENROLLED** in any health care coverage through your organization?

Page Break

HI The next few questions are about a new health benefit option called **Individual Coverage Health Reimbursement Arrangements (ICHRA)**. This arrangement allows employers of any size to reimburse employees for qualified medical expenses, including monthly premiums and out-of-pocket costs. Employees must be enrolled in individual (not group) health insurance coverage to use the funds. Employers may offer ICHRAs to certain classes of employees in lieu of traditional group health insurance plans.

Display This Question:

If Does your organization currently offer any health care coverage to its active employees at any Ne... = Yes - offering

And And How many employees are on your organization's payroll at its New Jersey location(s) in a typical pay period? Enter number of employees on payroll: Text Response Is Not Empty

HI1 Does your organization **OFFER** an **ICHRA** to any of your **#{E1/ChoiceTextEntryValue}** New Jersey employees?

- ☐ Yes (1)
- ☐ No (2)
- ☐ Don't know (3)

Display This Question:

If Does your organization currently offer any health care coverage to its active employees at any Ne... = Yes - offering

And And How many employees are on your organization's payroll at its New Jersey location(s) in a typical pay period? Enter number of employees on payroll: Text Response Is Empty

HI1_E1null Does your organization **OFFER** an **ICHRA** to any of your **New Jersey** employees?

- ☐ Yes (1)
- ☐ No (2)
- ☐ Don't know (3)

Display This Question:

If Does your organization OFFER an ICHRA to any of your \${q://QID10/ChoiceTextEntryValue} New Jersey... = Yes

Or Does your organization OFFER an ICHRA to any of your New Jersey employees? = Yes

HI2a Does your organization OFFER an ICHRA to all or just some of your New Jersey employees?

- ☐ To all New Jersey employees (4)
- ☐ To some New Jersey employees (5)

Display This Question:

If Does your organization OFFER an ICHRA to all or just some of your New Jersey employees? = To some New Jersey employees

HI2b To which **categories** of your New Jersey employees does your organization **OFFER** an ICHRA?

Please choose all that apply:

- ☐ Full-time employees (4)
- ☐ Part-time employees (5)
- ☐ Temporary or seasonal employees (6)
- ☐ Salaried employees (7)
- ☐ Hourly employees (8)
- ☐ Employees covered under a collective bargaining agreement (10)
- ☐ Employees not covered by a collective bargaining agreement (11)
- ☐ Employees in different locations (13)
- ☐ Other - please specify: (14) _____

Page Break

Display This Question:

If Does your organization OFFER an ICHRA to any of your \${q://QID10/ChoiceTextEntryValue} New Jersey... = Yes

And Does your organization OFFER an ICHRA to all or just some of your New Jersey employees? = To some New Jersey employees



HI3

Approximately what **percentage (%)** of your **\${E1/ChoiceTextEntryValue} New Jersey** employees does your organization **OFFER** an ICHRA?

Please enter a percentage (%):

Display This Question:

If Does your organization OFFER an ICHRA to any of your New Jersey employees? = Yes

And Does your organization OFFER an ICHRA to all or just some of your New Jersey employees? = To
some New Jersey employees



HI3_E1null

Approximately what **percentage (%)** of your **New Jersey** employees does your organization **OFFER** an **ICHRA**?

Please enter a percentage (%):

Display This Question:

If Does your organization OFFER an ICHRA to any of your \${q://QID10/ChoiceTextEntryValue} New Jersey... =
Yes



HI4

Approximately what **percentage (%)** of your **\${E1/ChoiceTextEntryValue}** New Jersey employees are **CURRENTLY ENROLLED** in an **ICHRA**?

Please enter a percentage (%):

Display This Question:

If Does your organization OFFER an ICHRA to any of your New Jersey employees? = Yes



HI4_E1null

Approximately **what percentage (%)** of your **New Jersey** employees are **CURRENTLY ENROLLED** in an **ICHRA**?

Please enter a percentage (%):

Page Break

HI5 How familiar are you personally with ICHRAs?

- ☐ Very familiar (1)
- ☐ Somewhat familiar (2)
- ☐ Not familiar (3)

Page Break

Display This Question:

If Does your organization OFFER an ICHRA to any of your \${q://QID10/ChoiceTextEntryValue} New Jersey... = No

Or Does your organization currently offer any health care coverage to its active employees at any Ne... = No - not offering

Or Does your organization OFFER an ICHRA to any of your New Jersey employees? = No

HI6 To the best of your knowledge, why does your organization **not** offer an ICHRA for your **New Jersey** employees? (Check all that apply)

- ☐ Do not know enough about ICHRAs (1)
- ☐ Believe that it is not good for employees (2)
- ☐ Broker/agent does not recommend (3)
- ☐ Employees are not interested in ICHRAs (4)
- ☐ ICHRAs are too complicated to administer (5)
- ☐ Other (specify) (6) _____

Display This Question:

If Does your organization OFFER an ICHRA to any of your \${q://QID10/ChoiceTextEntryValue} New Jersey... = No

Or Does your organization OFFER an ICHRA to any of your \${q://QID10/ChoiceTextEntryValue} New Jersey... = Don't know

Or Does your organization currently offer any health care coverage to its active employees at any Ne... = No - not offering

Or Does your organization currently offer any health care coverage to its active employees at any Ne... = Don't know

Or Does your organization OFFER an ICHRA to any of your New Jersey employees? = No

Or Does your organization OFFER an ICHRA to any of your New Jersey employees? = Don't know

HI7 Over the **next 2 years**, how likely do you think your organization will be to offer an ICHRA to your **New Jersey** employees?

- ☐ Very likely (1)
- ☐ Somewhat likely (2)
- ☐ Somewhat unlikely (3)
- ☐ Not at all likely (4)
- ☐ Don't know (5)

Page Break

HQ We now would like to ask about another health benefits option called **Qualified Small Employer Health Reimbursement Arrangement (QSEHRA)**. Through QSEHRA, small businesses that do not offer group health insurance plans may instead reimburse employees for health care expenses including health insurance premiums they purchased on their own. QSEHRAs are only available for businesses with fewer than 50 full-time-equivalent employees.

HQ0 Does your organization have **FEWER THAN 50 full-time-equivalent** employees?

- ☐ Yes -- fewer than 50 (1)
- ☐ No -- 50 or more (2)
- ☐ Don't know (3)

Skip To: E3_E1null If Does your organization have FEWER THAN 50 full-time-equivalent employees? = No -- 50 or more

Skip To: E3_E1null If Does your organization have FEWER THAN 50 full-time-equivalent employees? = Don't know

Display This Question:

If Does your organization have FEWER THAN 50 full-time-equivalent employees? = Yes -- fewer than 50

And Does your organization currently offer any health care coverage to its active employees at any Ne... = Yes - offering

HQ1 Does your organization **OFFER** a **QSEHRA** to any **New Jersey** employees?

- ☐ Yes (1)
- ☐ No (2)
- ☐ Don't know (3)

Display This Question:

If Does your organization OFFER a QSEHRA to any New Jersey employees? = Yes

And And How many employees are on your organization's payroll at its New Jersey location(s) in a typical pay period? Enter number of employees on payroll: Text Response Is Not Empty



HQ4 Approximately what **percent (%)** of your **{E1/ChoiceTextEntryValue}** **New Jersey** employees are **CURRENTLY ENROLLED** in an **QSEHRA**?

Display This Question:

If Does your organization OFFER a QSEHRA to any New Jersey employees? = Yes

And And How many employees are on your organization's payroll at its New Jersey location(s) in a typical pay period? Enter number of employees on payroll: Text Response Is Empty



HQ4_E1null Approximately what **percent (%)** of your **New Jersey** employees are **CURRENTLY ENROLLED** in an **QSEHRA**?

Page Break

Display This Question:

If Does your organization have FEWER THAN 50 full-time-equivalent employees? = Yes -- fewer than 50

HQ5 How familiar are you personally with QSEHRAs?

- ☐ Very familiar (1)
- ☐ Somewhat familiar (2)
- ☐ Not familiar (3)

Page Break

Display This Question:

If Does your organization OFFER a QSEHRA to any New Jersey employees? = No

Or Does your organization currently offer any health care coverage to its active employees at any Ne... = No - not offering

HQ6 To the best of your knowledge, why does your organization **not** offer an QSEHRA for your **New Jersey** employees? (Check all that apply)

- ☐ Do not know enough about QSEHRAs (1)
- ☐ Believe that it is not good for employees (2)
- ☐ Broker/agent does not recommend (3)
- ☐ Employees are not interested in QSEHRAs (4)
- ☐ QSEHRAs are too complicated to administer (5)
- ☐ Other (specify) (6) _____

Display This Question:

If Does your organization OFFER a QSEHRA to any New Jersey employees? = No

Or Does your organization OFFER a QSEHRA to any New Jersey employees? = Don't know

Or Does your organization currently offer any health care coverage to its active employees at any Ne... = No - not offering

Or Does your organization currently offer any health care coverage to its active employees at any Ne... = Don't know

HQ7 Over the **next 2 years**, how likely do you think your organization will be to offer an QSEHRA to your **New Jersey** employees?

- ☐ Very likely (1)
- ☐ Somewhat likely (2)
- ☐ Somewhat unlikely (3)
- ☐ Not at all likely (4)
- ☐ Don't know (5)

Page Break

E3_transition To wrap up the survey, the next few questions are about **your company or organization**.

Display This Question:

If If How many employees are on your organization's payroll at its New Jersey location(s) in a typical... Text Response Is Empty



E3_E1null In a typical pay period, what **percentage (%)** of the employees at your **New Jersey** location(s) earned...

Less than \$13 per hour (less than approximately \$27,040 a year)? : _____ (1)

Between \$13 and \$31 per hour (approximately \$27,040 to \$64,480 a year)? : _____ (2)

More than \$31 per hour (more than approximately \$64,480 a year) : _____ (3)

Total : _____

Display This Question:

If If How many employees are on your organization's payroll at its New Jersey location(s) in a typical pay period? Enter number of employees on payroll: Text Response Is Not Empty



E3 In a typical pay period, what **percentage (%)** of the **{E1/ChoiceTextEntryValue}** employees at your **New Jersey** location(s) earned...

Less than \$13 per hour (less than approximately \$27,040 a year)? : _____ (1)

Between \$13 and \$31 per hour (approximately \$27,040 to \$64,480 a year)? : _____ (2)

More than \$31 per hour (more than approximately \$64,480 a year) : _____ (3)

Total : _____

Display This Question:

If To which categories of your New Jersey employees does your organization OFFER an ICHRA? Please ch... != Employees covered under a collective bargaining agreement

E4 Are any of your New Jersey employees covered under a collective bargaining agreement?

☐ Yes (1)

☐ No (2)

☐ Don't know (3)

Page Break

B6 Which of the following best describes your organization's industry? (Choose one best answer.)

- ☐ Natural resources and mining (e.g., agriculture, forestry, fishing and hunting) (1)
- ☐ Construction (2)
- ☐ Manufacturing (3)
- ☐ Trade, transportation, and utilities (e.g., wholesale, retail, warehousing) (4)
- ☐ Information (5)
- ☐ Financial activities (e.g., insurance, real estate, banking) (6)
- ☐ Professional and business services (e.g., legal, accounting, engineering, management, R&D) (7)
- ☐ Education and health services (including social assistance) (8)
- ☐ Leisure and hospitality (arts, accommodation, food services) (9)
- ☐ Other services (except public administration) (10)
- ☐ Public administration (11)
- ☐ Specify: (12) _____

Page Break

B7 Which of the following best describes **your role** in your organization? (Choose one best answer.)

- ☐ Owner / co-owner (1)
- ☐ President / CEO / managing director (2)
- ☐ Human resources professional (3)
- ☐ Other - please specify: (4) _____

End of Block: Block 1

Closing

That completes our survey. Thank you very much for your response. If you have any questions about this study, you may contact Jolene Chou, Senior Research Analyst at the Rutgers Center for State Health Policy, at 848-932-4660. If you have any questions about your rights as a research participant, you may contact the administrator of the Rutgers Institutional Review Board at 732-235-2866.

Appendix 2. Frequencies of All Variables

| Characteristic | # | % |
|--------------------------------|-----|-----|
| Number of locations in NJ | | |
| 1 | 118 | 64% |
| 2 | 23 | 13% |
| 3 to 10 | 22 | 12% |
| >10 | 12 | 7% |
| (No response) | 9 | 5% |
| Sites outside NJ | | |
| Yes | 36 | 20% |
| No | 135 | 73% |
| (No response) | 13 | 7% |
| Headquarters | | |
| Another state in the U.S. | 8 | 4% |
| New Jersey | 28 | 15% |
| (No response) | 148 | 80% |
| County (choose all that apply) | | |
| Atlantic | 10 | 5% |
| Bergen | 21 | 11% |
| Burlington | 9 | 5% |
| Camden | 9 | 5% |
| Cape May | 6 | 3% |
| Cumberland | 6 | 3% |
| Essex | 21 | 11% |
| Gloucester | 7 | 4% |
| Hudson | 12 | 7% |
| Hunterdon | 10 | 5% |
| Mercer | 18 | 10% |
| Middlesex | 24 | 13% |
| Monmouth | 14 | 8% |
| Morris | 34 | 18% |
| Ocean | 14 | 8% |
| Passaic | 13 | 7% |
| Salem | 2 | 1% |
| Somerset | 21 | 11% |
| Sussex | 5 | 3% |
| Union | 19 | 10% |
| Warren | 1 | 1% |
| Industry | | |
| Construction | 3 | 2% |
| Education and health services | 31 | 17% |
| Financial | 11 | 6% |

| Characteristic | # | % |
|--|-----|-----|
| Information | 3 | 2% |
| Leisure and hospitality | 7 | 4% |
| Manufacturing | 29 | 16% |
| Other services | 20 | 11% |
| Professional and business services | 20 | 11% |
| Trade, transportation and utilities | 25 | 14% |
| (No response) | 35 | 19% |
| Industry (collapsed) | | |
| Construction, manufacturing, agri, fish and forestry | 32 | 17% |
| Retail and other services | 27 | 15% |
| Professional services | 54 | 29% |
| All other | 36 | 20% |
| (No response) | 35 | 19% |
| Role of respondent | | |
| Human resources professional | 64 | 35% |
| Other - please specify: | 25 | 14% |
| Owner / co-owner | 39 | 21% |
| President / CEO / managing director | 21 | 11% |
| (No response) | 35 | 19% |
| Firm size (# payrolled employees) | | |
| 1-2 employees | 14 | 8% |
| 3-9 employees | 30 | 16% |
| 10-49 employees | 45 | 24% |
| 50-99 employees | 25 | 14% |
| 100+ employees | 56 | 30% |
| (No response) | 14 | 8% |
| Share of employees working <35 hrs/wk | | |
| None | 58 | 32% |
| 1-20% | 70 | 38% |
| 21-100% | 42 | 23% |
| (No response) | 14 | 8% |
| Share of employees earning <\$13 per hour | | |
| Mean = 1.64 | | |
| Fewer than 25% | 148 | 80% |
| 25% to 50% | 2 | 1% |
| More than 50% | 1 | 1% |
| (No response) | 33 | 18% |
| Share of employees earning \$13 - \$31 per hour | | |
| Mean = 61 | | |
| Fewer than 25% | 19 | 10% |
| 25% to 50% | 37 | 20% |
| More than 50% | 95 | 52% |
| (No response) | 33 | 18% |

| Characteristic | # | % |
|--|-----|-----|
| Share of employees earning > \$31 per hour | | |
| Mean = 37 | | |
| Fewer than 25% | 57 | 31% |
| 25% to 50% | 53 | 29% |
| More than 50% | 41 | 22% |
| (No response) | 33 | 18% |
| Collective bargaining agreement coverage | | |
| Don't know | 2 | 1% |
| No | 131 | 71% |
| Yes | 18 | 10% |
| (No response) | 33 | 18% |
| Health insurance currently offered | | |
| No - not offering | 20 | 11% |
| Yes - offering | 158 | 86% |
| (No response) | 6 | 3% |
| Employees eligible for health coverage | | |
| Mean = 85% | | |
| Up to 50% employees are eligible | 16 | 9% |
| >50% to 90% employees are eligible | 45 | 24% |
| >90% employees are eligible | 91 | 49% |
| (No response) | 6 | 3% |
| Not applicable | 26 | 14% |
| Employees enrolled in health coverage | | |
| Mean = 63% | | |
| Up to 50% employees are enrolled | 52 | 28% |
| >50% to 90% employees are enrolled | 67 | 36% |
| >90% employees are enrolled | 26 | 14% |
| (No response) | 13 | 7% |
| Not applicable | 26 | 14% |
| Currently offering ICHRA | | |
| Don't know | 13 | 7% |
| No | 122 | 66% |
| Yes | 9 | 5% |
| (No response) | 40 | 22% |
| ICHRA offered to some or all | | |
| To all New Jersey employees | 2 | 1% |
| To some New Jersey employees | 7 | 4% |
| (No response) | 175 | 95% |
| ICHRA offered to whom (choose all that apply) | | |
| Full-time employees | 5 | 3% |
| Salaried employees | 2 | 1% |
| Hourly employees | 1 | 1% |
| Employees not covered by a collective bargaining agreement | 1 | 1% |

| Characteristic | # | % |
|---|-----|-----|
| Employees in different locations | 1 | 1% |
| Other - please specify: | 2 | 1% |
| (No response) | 2 | 1% |
| Not applicable | 175 | 95% |
| ICHRA offered to whom - specify | | |
| According to Coverage plan | 1 | 1% |
| depends on the level plan selected | 1 | 1% |
| Not applicable | 175 | 95% |
| Percent of employees offered ICHRA | | |
| 0% | 1 | 1% |
| 20% | 1 | 1% |
| 30% | 1 | 1% |
| 70% | 1 | 1% |
| 95% | 1 | 1% |
| 100% | 2 | 1% |
| (No response) | 2 | 1% |
| Not applicable | 175 | 95% |
| Percent of employees enrolled in ICHRA | | |
| 0% | 1 | 1% |
| 3% | 1 | 1% |
| 10% | 1 | 1% |
| 15% | 1 | 1% |
| 18% | 1 | 1% |
| 50% | 1 | 1% |
| 79% | 1 | 1% |
| (No response) | 2 | 1% |
| Not applicable | 175 | 95% |
| Respondent familiar with ICHRA | | |
| Not familiar | 133 | 72% |
| Somewhat familiar | 23 | 13% |
| Very familiar | 5 | 3% |
| (No response) | 23 | 13% |
| Likelihood of offering ICHRA in next 2 years | | |
| Don't know | 85 | 46% |
| Not at all likely | 40 | 22% |
| Somewhat likely | 7 | 4% |
| Somewhat unlikely | 16 | 9% |
| Very likely | 1 | 1% |
| (No response) | 35 | 19% |
| QSEHRA eligible (i.e., with fewer than 50 FTEs) | | |
| Don't know | 3 | 2% |
| No -- 50 or more FTEs | 73 | 40% |
| Yes -- fewer than 50 FTEs | 81 | 44% |

| Characteristic | # | % |
|---|-----|-----|
| (No response) | 27 | 15% |
| Currently offering QSEHRA | | |
| Don't know | 8 | 4% |
| No | 55 | 30% |
| Yes | 2 | 1% |
| (No response) | 16 | 9% |
| Not applicable | 103 | 56% |
| Percent of employees enrolled in QSEHRA | | |
| 0% | 1 | 1% |
| 20% | 1 | 1% |
| (No response) | 0 | 0% |
| Not applicable | 182 | 99% |
| Respondent familiar with QSEHRA | | |
| Not familiar | 70 | 38% |
| Somewhat familiar | 9 | 5% |
| Very familiar | 2 | 1% |
| (No response) | 103 | 56% |
| Likelihood of offering QSEHRA in next 2 years | | |
| Don't know | 37 | 20% |
| Not at all likely | 28 | 15% |
| Somewhat likely | 6 | 3% |
| Somewhat unlikely | 4 | 2% |
| Very likely | 2 | 1% |
| (No response) | 107 | 58% |
| Source | | |
| EANJ | 88 | 48% |
| NJBIA | 96 | 52% |

Appendix 3. Comparisons with MEPS-IC 2020 Estimates

| | Wakely/CSHP | MEPS-IC (2020) | | |
|--------------------------------------|-------------|----------------|---------|-----------|
| Characteristics (%) | NJ | NJ | US | |
| | N = | 184 | 161,789 | 6,265,762 |
| Firm size | | | | |
| <10 employees | 23.9% | 52.6% | 52.4% | |
| 10-24 employees | 14.1% | 12.9% | 11.9% | |
| 25-99 employees | 23.9% | 8.9% | 8.9% | |
| 100+ employees | 30.4% | 25.7% | 26.9% | |
| (No response) | 7.6% | | | |
| Firm size | | | | |
| <50 employees | 48.4% | 70.4% | 69.4% | |
| 50+ employees | 44.0% | 29.6% | 30.6% | |
| (No response) | 7.6% | | | |
| Industry type | | | | |
| Goods-producing | 17.4% | 9.9% | 13.4% | |
| Retail and other services | 14.7% | 44.1% | 42.2% | |
| Professional services | 29.3% | 28.2% | 23.7% | |
| All other | 19.6% | 17.9% | 20.7% | |
| (No response) | 19.0% | | | |
| Full-time employees | | | | |
| 75% or more | 71.2% | 59.2% | 64.0% | |
| 50-74% | 13.0% | 14.6% | 14.4% | |
| Less than 50% | 8.2% | 26.1% | 21.6% | |
| (No response) | 7.6% | | | |
| Low-wage employees (\$13/hr or less) | | | | |
| 50% or more | 1.1% | 19.0% | 23.6% | |
| Less than 50% | 81.0% | 81.0% | 76.4% | |
| (No response) | 17.9% | | | |



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