



HEALTH REFORM IS KEY TO ECONOMIC RECOVERY

UTAH SMALL BUSINESS HEALTH CARE SURVEY

A Utah Health Policy Project Research Summary

July 14, 2009

SUMMARY

Few voices are as important in the debate over health reform as those of small business owners. There are nearly 60,000 of them in Utah, employing a staggering 50% of our state's workforce. They are also key to economic recovery: From 2004 to 2005, our small businesses provided 87% of *new* jobs in the state. No wonder small businesses have been called the engine of Utah's economic recovery.

So what do *they* think about health care reform? Anecdotally, we hear stories of small business struggling with double-digit increases in premiums every year or losing quality employees because they can't provide benefits. However a quantitative measure of small business owners and their attitudes towards health reform has been lacking in the health care debate – at least until now. Small Business Majority and Utah Business Group on Health (hosted by UHPP) joined together to sponsor a scientific survey of 300 randomly selected Utah small businesses. The research was conducted by Lake Research Partners in early June.

The results lend specificity to what has become a painful fact: Utah's small businesses are struggling to afford health care coverage. They lack the buying power of big employers, and so they pay more for health benefits than they can handle.

Quite simply, Utah's small business owners want and need a Federal-state partnership around bipartisan health reforms. Their need for comprehensive health reform this year cannot be overstated.

MISS DIANE'S PRESCHOOL, OREM



In 1986, Diane Knight opened Miss Diane's Preschool. She loved teaching 4 year olds, while still being able to work from home and be a mom. However, this year Miss Diane's Preschool had to close its doors, simply because of the Knight's difficulty obtaining health insurance.

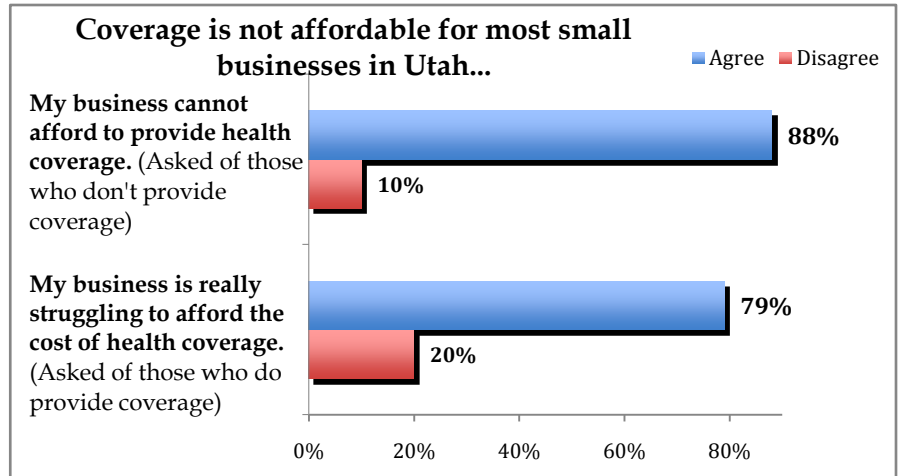
Diane and her husband Alan are healthy, active Utahns. But in 2000, they were both diagnosed with cancer. Though they successfully fought their cancer, their health history makes them uninsurable. Only in the anonymity of a large group can they gain access to coverage.

"Miss Diane cannot get health insurance, but Mrs. Knight can," says Diane. "So, I made the hard decision to close my beloved preschool and go to work full time teaching kindergarten at the local school district. And though I love 5 year olds as much as I love 4 year olds, I shouldn't have to close my successful small business just for health insurance."

Yet health coverage and care is prohibiting many entrepreneurs from pursuing their dreams. *"Health insurance has become a major source of distress in our lives – ironically even more distressing than the fear of cancer itself,"* Diane concludes.

SURVEY HIGHLIGHTS

- 88% of Utah small businesses not offering health insurance say they can't afford to, while 79% of those who *do* offer it say they are really struggling to do so;
- 64% say health care reform is important to get the economy back on track;
- 68% agree that the state and federal government must be partners in reforming health care.



REFORM PRIORITIES

In terms of reform proposals now under consideration, the survey found that...

- 80% support the proposal to establish a health insurance pool to create a marketplace where small businesses and individuals can choose their coverage;
- 79% want to eliminate pre-existing condition rules, and 74% agree that more people would become entrepreneurs and start businesses if they knew that they could get health insurance despite their pre-existing health conditions;
- 69% prefer having the choice between a private and a public health insurance plan;
- 67% say it is important for individuals, employers, insurers, the government and health care providers to share the responsibility for making health care more affordable.

The survey has an overall margin of error of 5.7%, with a 95% confidence interval. Nearly 50% of respondents were Republican, 14% Democrat, and 24% Independent.

CONCLUSION

Utah small business owners have spoken in unambiguous terms about the need for comprehensive health reforms. As the economy falls deeper into recession, the urgency for reform grows ever stronger. The single biggest challenge facing Utah's small business owners today is the cost of providing health insurance for their employees.

Congress must enact bold health care reforms that bend the cost curve. Small businesses are the foundation of our economy. They cannot lead the way to economic recovery – as they must – without immediate, lasting relief from rising health care costs. For a full copy of the survey visit www.healthpolicyproject.org. News coverage of a recent press conference announcing the findings featuring Small Business Majority, Utah Business Group on Health, and 5 Utah Chambers of Commerce can be found here: <http://www.healthpolicyproject.org/Newsroom.html>

