

## Health-care cost a killer for Utah small businesses

JEFF DEMOSS

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SALT LAKE CITY -- As Congress once again takes up the thorny issue of health care reform, small employers in Utah continue to struggle with the rising costs of insuring their workers.

Survey results released Wednesday confirm what small-business owners throughout Utah already know about providing health care for their employees: Most can't afford it.

A June survey of 300 small-business owners in the state -- those with 100 or fewer employees -- found that 60 percent don't pay for any part of the cost of health insurance for their employees. Among that 60 percent, 88 percent said it's because they don't have the money for it.

Among the 40 percent of respondents providing insurance benefits, 79 percent said they are struggling to do so.

The report is from Small Business Majority, a Sausalito, Calif.-based nonprofit group that seeks to solve the problem of skyrocketing costs for employer-based health care.

John Pitt, president and chief executive of the Davis Chamber of Commerce, said the survey results "underscore and lend specificity to what has become a painful fact: Utah's small businesses are struggling to afford health care coverage."

While Utah is not known for favoring government intervention in the private sector, a majority of Utah respondents, 68 percent, said the state and federal government will have to be partners for any significant reform to happen.

"Our small-business owners want and need a federal-state partnership around bipartisan health reforms this year," Pitt said.

According to Small Business Majority, the annual cost of health benefits to American small businesses will more than double, from \$156 billion this year to \$339 billion in 2018, without some sort of reform in the system.

The Utah survey also found that the current health care system is presenting a barrier to entrepreneurship. Nearly three-fourths of respondents said more people would start businesses if they could get insurance despite having pre-existing medical conditions.

While acknowledging the challenge of rising costs, John Arensmeyer, founder and chief executive of Small Business Majority, said the fact that many Utah small businesses still offer some form of health benefits is encouraging.

"Utah small-business owners are not shirking their responsibility," Arensmeyer said. "They feel a responsibility to provide health care for their employees and are willing to do their part in fixing our broken system."

## SURVEY HIGHLIGHTS

\*60 percent of Utah small businesses don't offer any employee health insurance

\*79 percent of those offering health coverage say they are struggling to do so

\*80 percent support establishing an insurance pool from which participants select coverage

\*46 percent think businesses should be required to pay for some employee coverage; 40 percent say there should be no requirement

\*69 percent prefer having the choice of a private or public health insurance plan

\*74 percent see pre-existing condition rules as a barrier to starting a business