Small Utah businesses urge health reform

New survey » Containing costs is imperative, they say.

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Rod Odekirk can't compete as a small business and offer health care. So in 2001, he dropped his employees' coverage.

Holding onto it, the owner of General Ceiling said, would have meant "I would be consistently outbid."

Odekirk isn't alone.

Hammered by mounting health care costs, Utah's small businesses are ready to buy into bold reform -- including a public health insurance option -- so they can offer coverage to their workers and still have a fighting chance of turning a profit.

A survey of 300 randomly selected small businesses in the state shows only 40 percent are able to offer their employees health insurance. And most of those, or 79 percent, are struggling to pay for it. Of the companies that don't provide coverage, 88 percent say it's because they can't afford it.

"What comes through loud and clear is the health care crisis is huge, it's crushing, and something needs to be done right away," said John Arensmeyer, CEO and founder of Small Business Majority, the Sausalito, Calif., organization that commissioned the research.

For Utah's small businesses, comprehensive health care reform is an economic imperative. They view lack of access to affordable, high-quality health insurance as a significant barrier to entrepreneurship, see reform as necessary to getting the economy back on track and see themselves, along with the government, insurers and providers, as part of the solution, according to a report on the findings of the Utah Small Business Healthcare Survey.

Their top priority for reform: controlling costs.

"It [the rising cost of health insurance] is unsustainable," said Betsy Burton, owner of the King's English Bookshop, whose health insurance costs skyrocketed more than 20 percent last year.
alone. "There is no way you can make a profit in a business with a low profit margin like the book business at that rate."

At the same time, however, Burton -- whose 24-year-old son has a seizure disorder that can't be controlled with medication -- knows just how important health insurance is. In the past four months, her son has made six trips to the Mayo Clinic in Rochester, Minn., for treatment. That's why she continues to find ways to offer coverage to her seven full-time employees.

"When the agent came and told us how much it was going to be, we just about died," she said. "But then we looked at the other options -- [such as] high deductibles -- things that wouldn't help our employees. So we kind of sucked it up and did it. But it's over a third of our payroll."

Despite their conservative political leaning -- nearly half of the business leaders polled, or 49 percent, identified themselves as Republican -- Utah's small businesses say they are ready to embrace major change. Most support a minimum coverage standard, having a choice between a private or public health insurance plan and getting rid of pre-existing medical conditions as a provision for being denied a policy.

And while they don't want a government-run health system, 68 percent of Utah's small business community thinks both the state and federal governments should get involved.

"To us, this reinforces the need for a bipartisan solution, which is where Congress is heading right now," Arensmeyer said.

Chamber of commerce representatives said it can't happen soon enough.

"Eighty percent of our members employ fewer than 50 people," said Natalie Gochnour, chief operating officer of the The Salt Lake Chamber, "but we believe this issue affects small businesses, medium-size businesses, large businesses, sole proprietors -- our entire business
fabric is confronted with this behemoth problem of large and rising health care costs and it's bringing us to a standstill. There's no time like now to fix it."

Scott Baker, president of the Murray Area Chamber of Commerce, agreed.

"Quit talking. We've got to do something now," he said. "We've been talking about this issue for years. It's time to get [it] done."

Judi Hilman, executive director of the Utah Health Policy Project, said the small business community's struggle with rising health care costs -- and its eagerness to tackle the problem -- isn't surprising.

"Small businesses experience firsthand the current flaws in our system," she said, "and we believe their perspective must be at the heart of reform efforts moving forward."

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