The health care situation is suffocating small Utah County companies, lobbyists told local residents on Tuesday.

Among the 40 percent of small businesses offering employees health insurance, 79 percent seriously struggle to do so, according to a Salt Lake Tribune survey.

Amid escalating coverage costs, many Utahns are turning to public programs like Medicaid and rejecting promising job offers for fear of getting cut off.

One lobbyist described a man denied private health insurance after an injurious car accident. He now closely monitors his income levels to ensure his family maintains Medicaid qualification standards.

"This is a family that could conceivably make enough money to buy private insurance, but they consciously choose to stay in the public program," said Lincoln Nehring, Medicaid policy director. "It's the only way that they can get the care they need."

Limited health insurance options act as disincentives to embrace employment opportunities.

"Because of my salary and the federal poverty guidelines, the kids can still qualify for the Children's Health Insurance Program," said Janice Houston, coverage initiatives director.

"However, if I get a raise for $1,000 that qualification goes away — so we're stuck."

Such explosive enrollment growth feeds Utah's looming budget deficit of $850 million.

"We could eliminate all money that we're giving to our colleges and universities and we still wouldn't have enough," Nehring said.

Utah Health Policy Project representatives encouraged Utah County residents to conduct honest discussions with the legislature and community concerning cuts and taxes.

"It's a cost issue," Nehring said. "We just can't spend what we are currently spending on health care. We have to change, we have to do something."

State officials are currently considering two controversial tax increases on tobacco and food. Increasing tobacco tax to $2 a pack would not only rack in $60 million, but also provide broader health benefits.

"It's pretty clear that when the cost of tobacco goes up, the rate of smoking goes down, particularly among our young people," Nehring said.

Despite dismal conditions, UHPP praised strong state leadership and community support for programs like the Utah Health Exchange, which offers options for more people to afford coverage.

"Pretty much everybody that I talk to has a story of how somehow the health care system has failed them," said Jessica Kendricks, community engagement director. "But, we see the problems, we know there are policy solutions and we want to work toward getting reforms."