



Small Business Owners

SPEAK UP

Utah small businesses and their employees fall through the cracks of our health care system....

Hard Times Hurt Utah Small Business...

M. Smith owns a car, truck and tractor detailing company in Murray. This local small business does not offer health insurance for its 7 employees, and M. Smith is currently uninsured. *“Our average employee wage is \$9.00 an hour,”* explains M. Smith. *“Our company can’t afford to match the insurance premiums, but even if we could, our employees wouldn’t be able to afford their portion of the premium either.”*

M. Smith wanted to at least look into providing catastrophic insurance, but then the economic downturn hit. The company’s business dropped by 40% as customers came in less often and bought cheaper packages. *“We are looking at anything and everything to keep our business going,”* says M. Smith. Unfortunately, offering insurance is now totally off the table. This Utah small business just has to focus on surviving the recession.



A Policy Solution: Enact National Reforms *This Year*

The single biggest challenge facing Utah’s small business owners is providing affordable and accessible health insurance for their employees. Employers want to provide health benefits; employees want to be covered. But the cost is too high of a hurdle for our small businesses—especially in these hard times.

However, one proposal that would allow small businesses to jump this hurdle has received widespread support in the national health reform discussions. We should provide subsidies for our small businesses to provide health insurance to their employees. This will allow us to increase coverage and access by building on our current employer-sponsored insurance system. However, like most reform proposals, this one cannot be implemented in isolation. Cost containment and quality initiatives must also play a key role in reforms.

National and state reforms should focus on containing runaway costs by tackling the difficult issues of wasteful spending and high administrative costs within our health care system. Anywhere between 20 to 40% of health care spending has no value. A small business cannot function that way, and neither should our health care system!

Comprehensive health care reform is crucial to keeping small businesses competitive through the recession. And Utah needs reform more than other states because 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.