

# Study Shows Small Business Owners Support Health Reform

## Many Can't Keep Up with Rising Health Care Costs



Robert Wood Johnson Foundation

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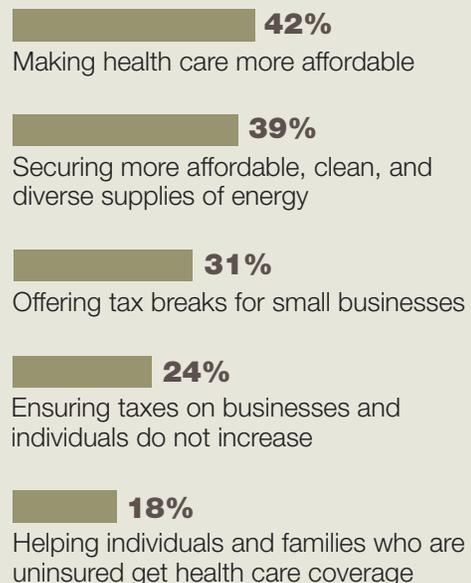
A recent study of small business owners' views on health reform conducted by the Robert Wood Johnson Foundation showed that business owners are very supportive of health care reform and that health care remains one of the most vexing issues facing their businesses.

Results showed that among small business owners paying for some portion of their employees' health benefits:

- More than one-third (36 percent) of small business owners report that rising costs are likely to force them to cut some portion of coverage for their employees within the next three to five years.
- Forty-two percent of small business owners think that making health care more affordable is one of the most important goals the next President and Congress need to focus on first.
- A majority of small business owners surveyed believe a variety of approaches will help control costs and increase coverage, including small business tax credits (75 percent); government-sponsored pools (71 percent); medical liability reform (66 percent); ensuring portability of health plans (61 percent); expanding the use of health savings accounts (56 percent); and guaranteeing a choice of public and private health plans (54 percent).

- About half (51 percent) of small business owners believe one way to help control costs and increase coverage is to make it against the law for insurers to deny coverage based on pre-existing conditions.
- A plurality of small business owners (40 percent) indicated they think employer mandates would hurt their businesses.

### Ranking of Most Important Issues for Congress and the President to Address



■ When these elements were combined into packages taking a particular approach to reform:

- More than three in four small business owners surveyed (78 percent) say they would support a reform package that combines government-sponsored purchasing pools to allow small businesses to purchase insurance at negotiated bulk rates, along with tax credits to make offering insurance more affordable for small businesses.
- When asked if they would support a plan requiring employers with 10 or more employees who do not provide health coverage to pay four percent of their payroll to help cover the uninsured, a majority (53 percent) of those surveyed favored the proposal.
- Sixty-eight percent of those surveyed supported a ‘market-based’ approach which provided employees with tax credits to purchase their own portable, private health insurance, encouraged the use of health savings accounts and passed medical liability reform designed to limit frivolous lawsuits.
- Fifty-three percent supported an approach that combined a guaranteed choice of portable public or private health plans, required insurers to provide coverage regardless of age or pre-existing conditions and was paid for by repealing recent tax cuts for Americans making more than two-hundred and fifty-thousand dollars.



*The study was funded by the Robert Wood Johnson Foundation. Lake Research Partners conducted trials April 24–May 22, 2008 in Chicago, IL; Philadelphia, PA; Denver, CO; Fremont, CA; and St. Cloud, MN; and Public Opinion Strategies conducted a national telephone survey June 26–July 30, 2008 of 400 small business owners, chief executive officers and presidents of businesses who have 2–50 employees and pay for at least some portion of their employees’ health benefits.*



For more information, go to [www.rwjf.org](http://www.rwjf.org).