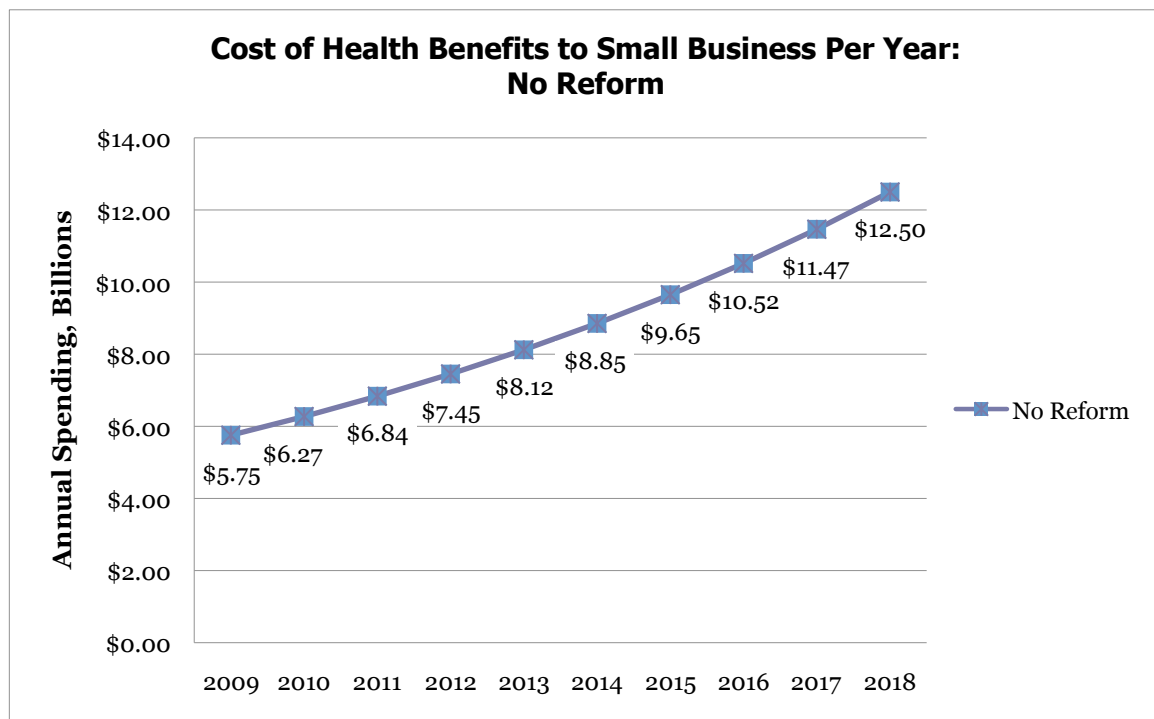


Healthcare Reform Will Help Ohio Small Businesses

Without change, health insurance premiums will continue to skyrocket.

Ohio's small businesses and self-employed entrepreneurs spent \$5.3 billion in healthcare premiums in 2008. According to projections based on research by MIT economist Jonathan Gruber,¹ that number will rise to \$12.5 billion by 2018 without relief from comprehensive reform.²



Small businesses in Ohio are burdened by high premiums.

Small businesses in Ohio support healthcare reform to relieve them from rising and unpredictable health insurance rates, according to results of a telephone survey conducted in December 2008 and sponsored by Small Business Network on Health Care and Small Business Majority.³ The survey of 300 small business owners found:

- Just 31% of Ohio's small business owners reported paying for health insurance for their employees. Of those, 71% say they're really struggling to do so.
- Of the 69% who don't provide insurance, more than three-quarters say they can't afford it.
- Ohio's small business owners overwhelmingly indicate that cost is the barrier to providing health insurance. Where they do offer coverage, cost creates a significant struggle to continue to afford it. They view lack of access to health insurance as a significant barrier to entrepreneurship, see reform as necessary and see themselves as part of the solution.

¹ "The Economic Impact of Healthcare Reform on Small Business," Small Business Majority, June 2009.

² Small Business Majority projections based on microsimulation modeling by Jonathan Gruber.

³ Small Business Majority survey of Ohio's small business owners, December 2008.

Ohio's small businesses pay higher rates because of insurance market consolidation.

- The top two insurers maintain 58% of the market share.⁴
- The average family premium among companies with fewer than 50 employees is \$10,140 per year⁵
- Insurance rates are volatile for small businesses and vary substantially from year to year. The variance in premiums among businesses with 10 or fewer employees is so great that one might pay up to four times as much as another, similar firm of the same size.⁶

Ohio's small businesses need reform to make healthcare affordable.

- A well-designed health insurance exchange would create a marketplace that is fair, efficient and predictable, relieving small business owners from the tedious and time-consuming task of shopping for health insurance in today's chaotic conditions.
- Insurance reform would ensure that thousands of Ohioans with histories of health problems would get coverage they've been denied.
- Tax credits and individual subsidies, included in the proposals now before Congress, would help businesses afford coverage for their employees.
- Long-term cost containment would reduce rates by eliminating waste and inefficiency.

Facts about small business in Ohio

- Ohio had 199,047 small employers in 2006, representing 96% of the state's employers and 34% of its private-sector employment. (2006 County Business Patterns, US Census)
- 718,466 self-employed entrepreneurs make up 13% of Ohio employment and fuel Ohio's economy in every industry. (Internal Revenue Service, 2005) These entrepreneurs and the state's small business employees together make up 43% of the workforce.
- Small businesses created all of Ohio's net new jobs from 2004 to 2005. (Small Business Administration Office of Advocacy, Ohio Small Business Profile)
- Of the uninsured adults in Ohio, 60% have jobs. (Center for American Progress from US Census data)
- Just 47% of firms with fewer than 50 employees in Ohio offer health insurance. (Kaiser Family Foundation, State Health Facts)

Small Business Majority conducts extensive scientific polling and research to determine small business owners' perspectives on healthcare reform and brings a nonpartisan voice to policy discussions nationwide. Based in Sausalito, CA, with offices in Washington, DC, and New York City, the organization works with small business owners, healthcare policy experts and elected officials nationwide. For more information about Small Business Majority and the research in this fact sheet, visit our website at www.smallbusinessmajority.org.

⁴ "Competition in health insurance: A comprehensive study of U.S. markets, 2007 update," American Medical Association.

⁵ "Small Group Health Insurance in 2008" America's Health Insurance Plans, March 2009.

⁶ Ibid.