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Health Care Reform Will Help Small Business

New Study Shows that Without Change, Premiums Will Continue to Skyrocket

Columbus, OH—New research released by the Small Business Majority shows that Ohio’s small businesses will benefit from health care reform by relieving them from rising and unpredictable health insurance rates. All five proposals currently before Congress include policy changes that will make providing insurance easier and more affordable for small businesses.

Current proposals that will support small businesses and entrepreneurs include:

- Establishing a health care exchange that would create a marketplace that is fair and efficient, relieving small business owners from having to shop for insurance.
- Changing insurance rules to ensure that tens of thousands of Ohioans, including many self-employed, with pre-existing conditions would get coverage that they have been denied.
- Providing tax credits that would help small businesses afford coverage for their employees.

The report details that Ohio’s small businesses and entrepreneurs spent \$5.3 billion on health care premiums in 2008. Projections, based on research by MIT economist Jonathan Gruber, show that the number will rise to \$12.5 billion by 2018 without relief from comprehensive health care reform.

Small business owner Gary Fisher, whose company owns and operates 13 Bagel Shops and Straus stores in Cincinnati, knows that relief from the health insurance crisis cannot come soon enough. After providing health insurance for 10 of his employees with huge premium increases each year, he received a letter from his insurer abruptly dropping coverage on October 31, leaving him searching for new coverage and unsure if he’ll be able to offer his employees any health insurance benefits.

“Small businesses need affordable options in order to provide employees with health insurance,” said Fisher. “Without health care reform, I doubt that I will again be able to afford to provide coverage to my employees with an employee contribution that they can afford. So at the end of the month, 10 more Ohioans will be uninsured.”

The Small Business Majority also reports that small businesses in Ohio support healthcare reform to relieve them from rising and unpredictable health insurance rates. The December 2008 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 are really struggling to do so.
- Of the 69% who don't provide insurance, more than three-quarters say they cannot afford it.
- Ohio's small business owners overwhelmingly report that cost is the barrier to providing health insurance.

The report also concludes that Ohio's small businesses pay higher rates because of insurance market consolidation. The top two insurers in Ohio maintain 58% of the market share. And, 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.

"Consumers and small businesses alike have been suffering from skyrocketing health insurance costs and unfair insurance practices," said Col Owens, co-chair of Ohio Consumers for Health Coverage. "Ohioans cannot wait any longer for comprehensive health care reform."

For more information about Small Business Majority and the research in the new report, visit www.smallbusinessmajority.org.

Ohio Consumers for Health Coverage is a nonpartisan coalition uniting the diverse consumer voice with the goal of achieving affordable, high quality care for all. Our membership includes AARP, AFSCME Council 8 AFL-CIO, American Cancer Society, Cerebral Palsy Association of Ohio, Faith Community Alliance of Greater Cincinnati, Legal Aid Society of Southwest Ohio, National Alliance for Mental Illness (Ohio), National Multiple Sclerosis Society Ohio Chapters, Ohio ACORN, Ohio Council of Churches, Service Employees International Union, Toledo Area Jobs with Justice, United Food and Commercial Workers Local 1059, UHCAN Ohio, We Are The Uninsured, and We Believe Ohio.

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