

80 percent of businesses with 9 or fewer employees want affordable health insurance:

Done right, it will be a boon to the business climate.



Do it wrong, and 57 percent of such businesses surveyed will either close, move out of state, or do business under the table.

This is the promise and peril facing the legislature...

Micro-Enterprise Resource Group – Universal Healthcare Survey Project Results

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Universal Health Care- Let's do it right! Input from the Microenterprise Community

The topic of universal health care for state citizens has universal support -- until the question arises of who pays.

MERG, the Microenterprise Resource Group is a collaborative networking group comprised of microentrepreneurs and member 501C3 organizations who promote the interests of microentrepreneurs statewide.

MERG, through its fiduciary agent, CEDF; received a grant from the Universal Health Care Foundation to survey microenterprises in Connecticut, to solicit their opinions and measure their needs for health care. Through its membership, MERG designed and distributed surveys to over 1000 microentrepreneurs. The survey covered a variety of aspects of health care insurance including need, potential solutions and impact to the business and the larger economy. Accompanying the survey was a power point presentation highlighting the fundamental facts relevant to this topic. Coordinated by MERG members, surveys were completed either as part of a focus group or through direct mail/email. There were 248 surveys completed.

Their responses are eye-opening – and important for the state legislature to understand before they begin the hard work of fashioning health care insurance for all.

It was important to ask the opinion of the smallest of businesses because microenterprises are the engines of growth for the state. Microenterprises represent 277,000 registered small businesses in Connecticut and an estimated 400,000 non-registered. They employ twice as many people as the top 25 largest employers in the state of Connecticut. They make up 73 percent of all registered businesses of all sizes in Connecticut.

Asked what kind of health coverage they have and asked what kind of state-mandated health insurance would be most helpful to them and their employees...

Here's what they said.

First, the overwhelming majority -- 85 percent of the businesses felt that health insurance is a necessity for themselves and their employees. However, 82 percent do not offer it to their employees.

The reason is obvious. More than two-thirds – nearly 69 percent -- said it is too expensive.

Nearly four-fifths said, if health care were affordable, it would help them recruit and retain employees.

The survey showed that 60 percent said they would provide health care for their workers if it were affordable. That's the good news.

soWHAT'S AFFORDABLE?

About 73 percent said that they would be willing to provide health care for employees if it cost \$100 a month or less per employee. And, even if it is \$100 a month, that represents a new cost for the majority of businesses that they don't have to pay currently.

If the health insurance were mandated, businesses would have to find the money. Where would they find the money? We asked, and here's what they said:

Most said they would cut other benefits such as life insurance, retirement plans, pass on the cost to customers, lay off employees, delay hiring more employees or lower the hourly wage of employees.

The work force they hire might change. They would be less likely to add employees, and instead, would hire subcontractors or pay people under the table.

If the health care is NOT affordable, 57 percent of respondents said they would close their doors, move their business out of state, or operate some portion of their business under the table to avoid additional expenses. Based on the number of registered microenterprises, this would equal a potential loss of 157,890 businesses in Connecticut.

Should this occur, there would be a significant loss in tax revenues to Connecticut.

But universal health care, if not designed properly, could significantly shift employment trends in Connecticut among the smallest businesses. That could have a huge impact on the economy.

For one, businesses would defer hiring or give preference to employees who are already covered by insurance, thus sidestepping the whole question of insurance and its ramifications. The biggest impact would be felt by single mothers or single fathers who need the jobs, or young people just out of high school or college who need the work and have no other source of insurance. These people, who often have a more difficult time getting employed under the best of circumstances, would face even greater odds.

Businesses are interested in how the state legislature designs this health insurance. They hope lawmakers do so with their needs in mind. Here are things microenterprises want to be included.

They would like to have access to affordable health insurance. They would prefer to buy insurance through a state pool. They are interesting in buying individual policies if tax credits for providing the insurance directly benefited the business owner. They are also interested in a state subsidy to provide the insurance.

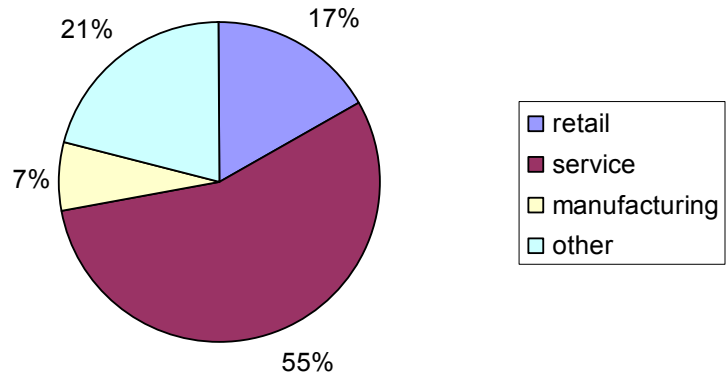
Top priorities are affordability and continuous coverage. In the category of their criteria in selecting coverage are availability of doctors and specialists, level of care under the plan, and insurance that covers pre-existing conditions.

A consistent number of participants stated that should universal health care insurance be mandated, they would need a transition period to help them prepare for the task of providing coverage and accommodating the new expense.

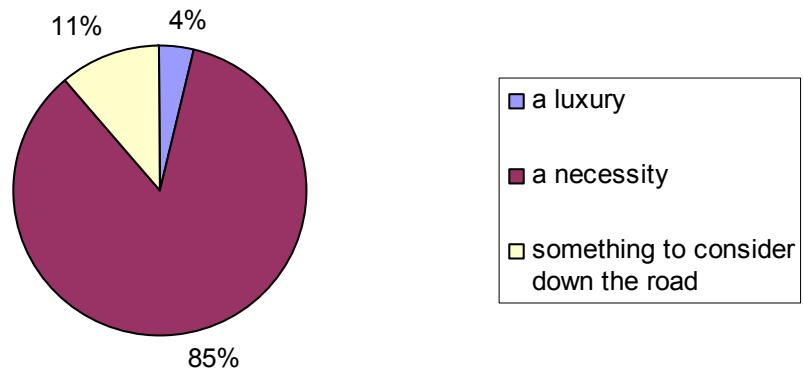
In sum,

The microenterprise community would like to have a solution to the problem of affordable health care insurance. They are hoping that their legislators seriously consider this input in designing any models.

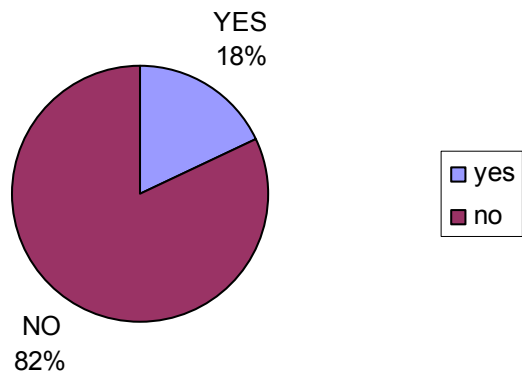
What category describes your business?



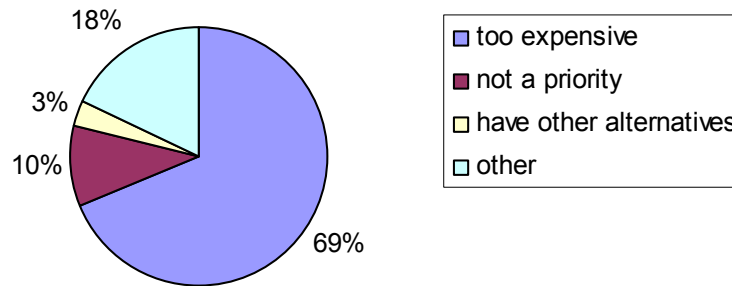
How do you view healthcare?



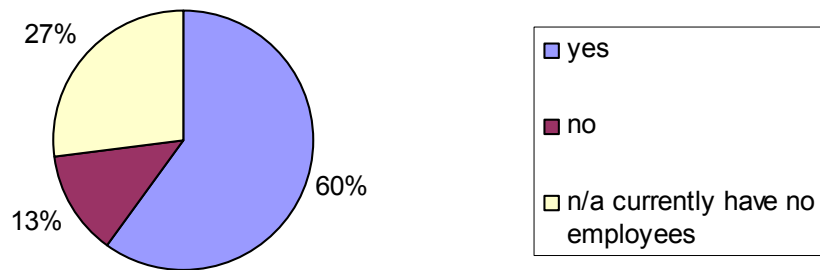
Do you currently offer health insurance to employees?



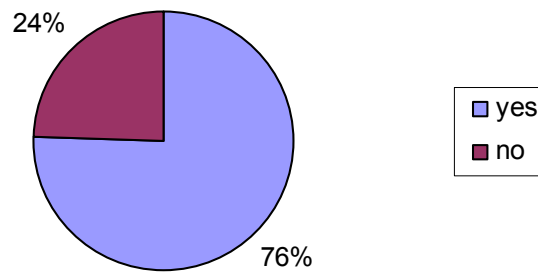
What are the reasons you chose not to offer insurance?



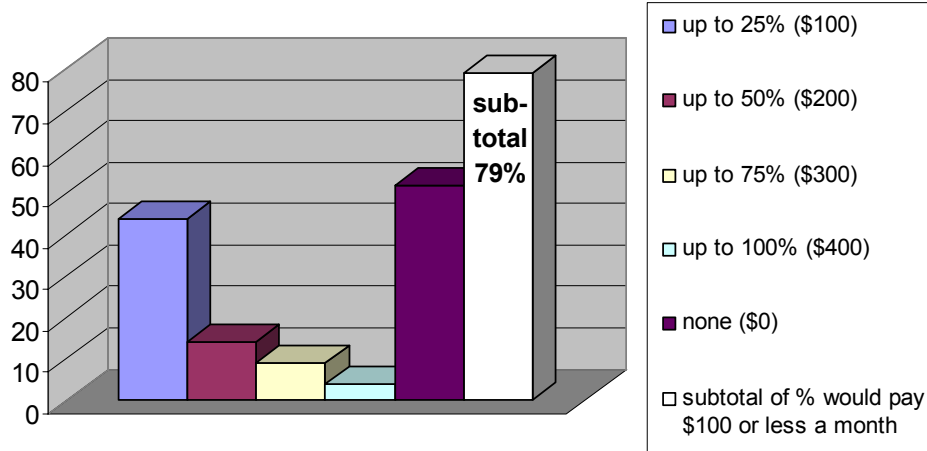
If health insurance was affordable, would you provide it to your employees?



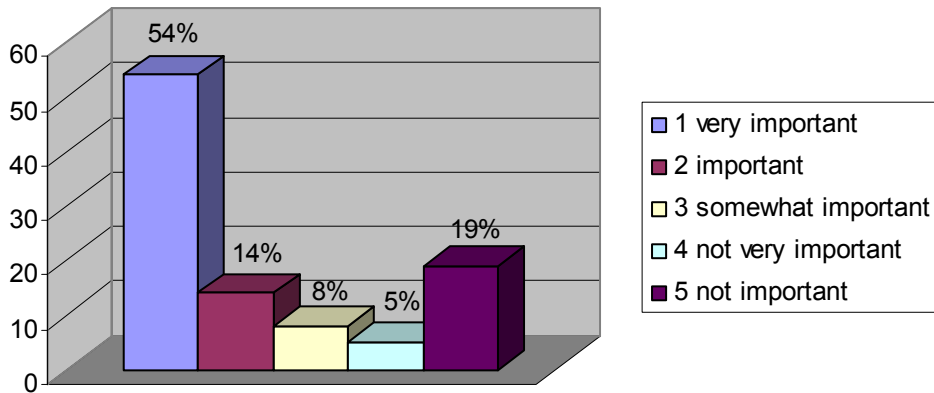
Would you be willing to contribute towards the premiums for insurance for your employees?



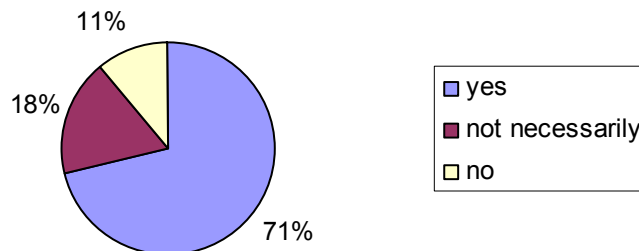
If the average monthly premium per employee was \$400, what percentage would you be willing to cover through your business?



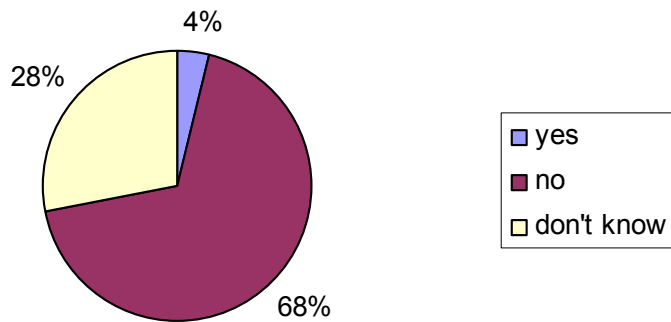
Rate the importance of providing health insurance to your employees on a scale of 1 to 5.



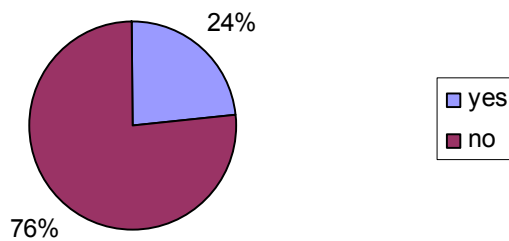
Do you believe that offering health insurance would assist you in recruiting and/or retaining employees?



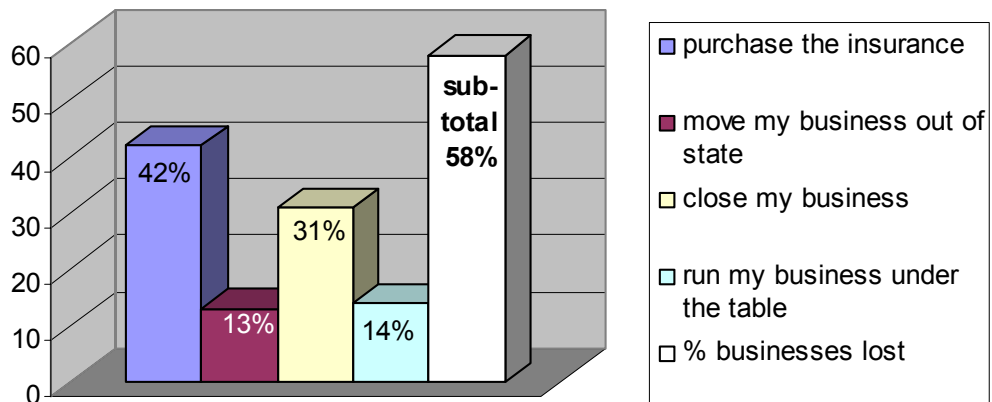
Do you think the State of Connecticut is doing what they should be on issues of health care?



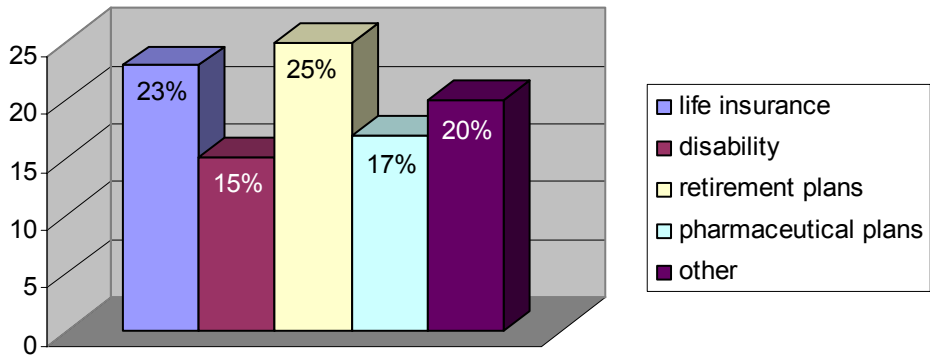
Do you believe that the State of Connecticut should pass legislation that requires health insurance to be covered through all small businesses?



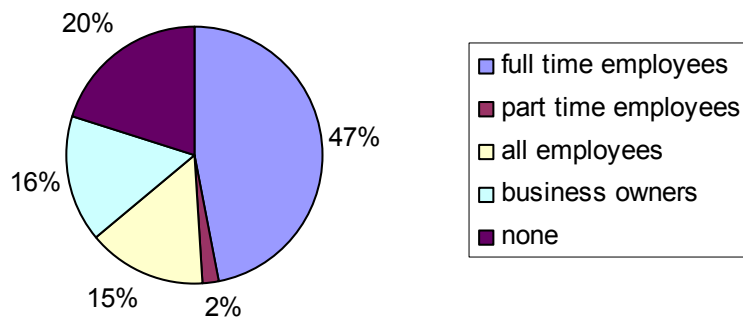
If required to provide health insurance, what course of action would you consider?



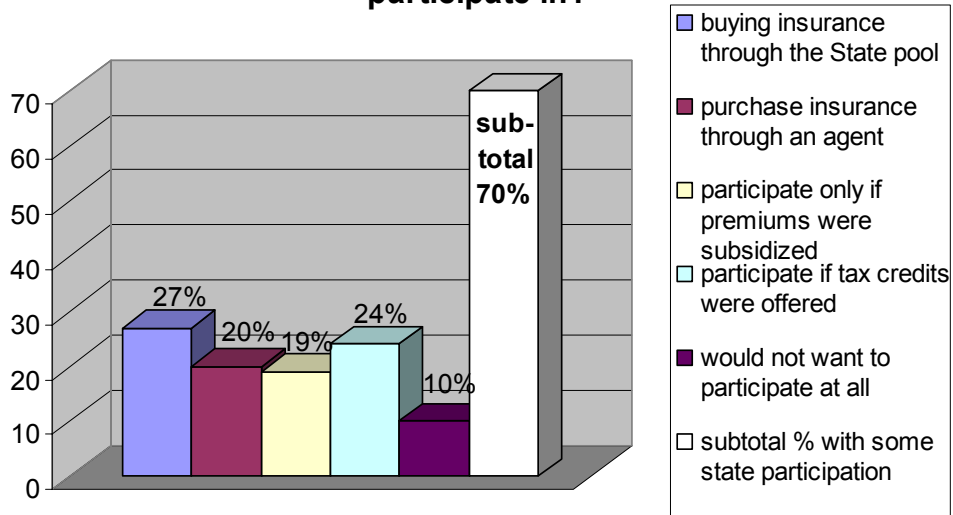
If you were mandated to provide health insurance and cover its cost for employees, what other benefits would you cut?



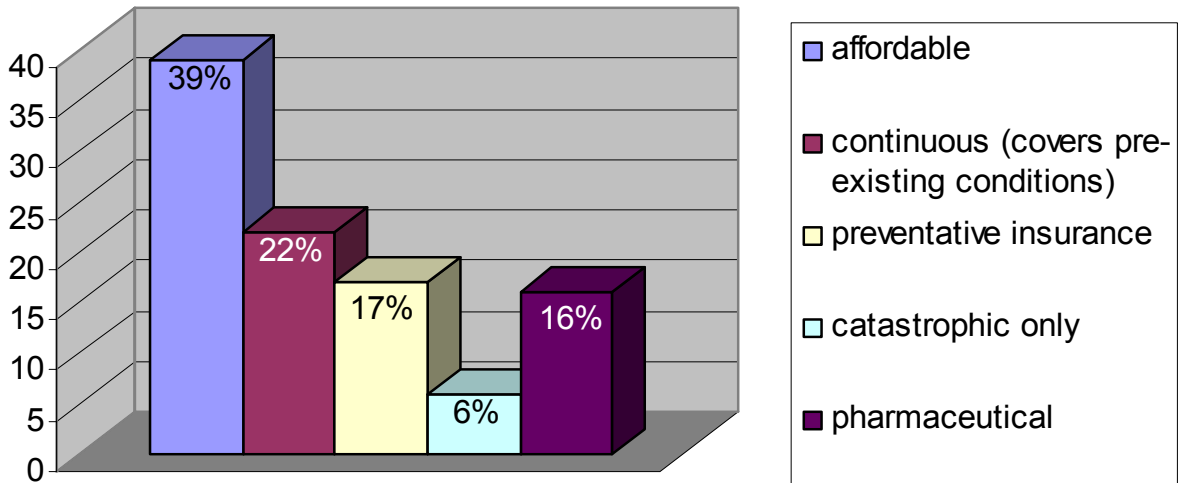
If mandated to provide health coverage to your employees, you would cover:



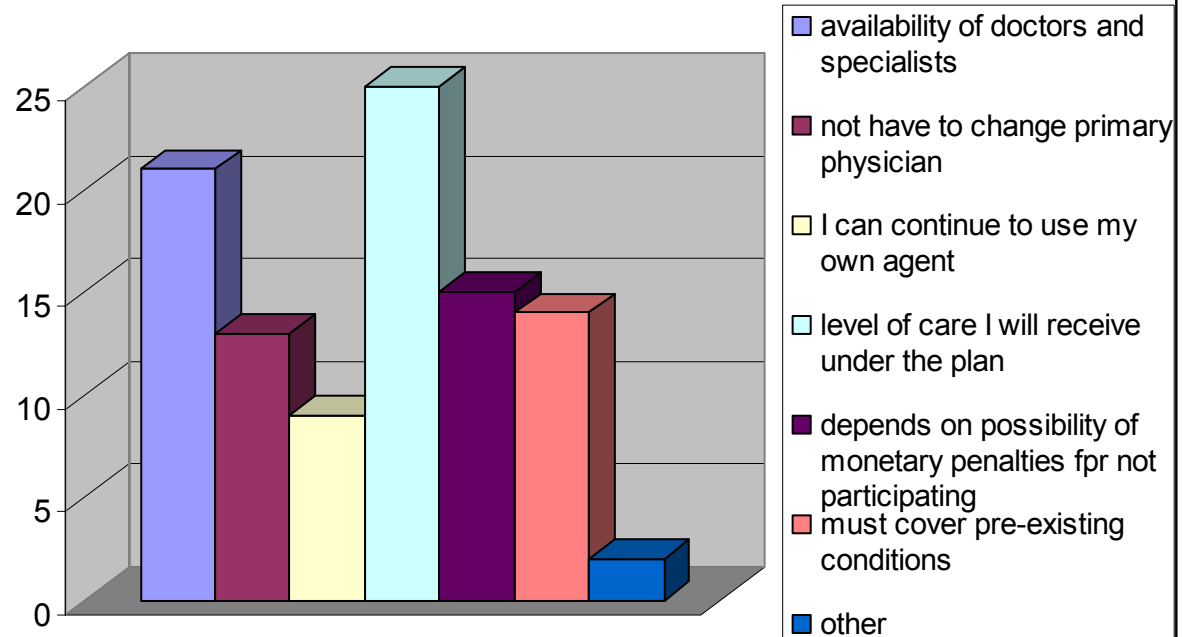
If required, what options would you be willing to participate in?



In order to meet your needs, which of the following criteria would be essential?

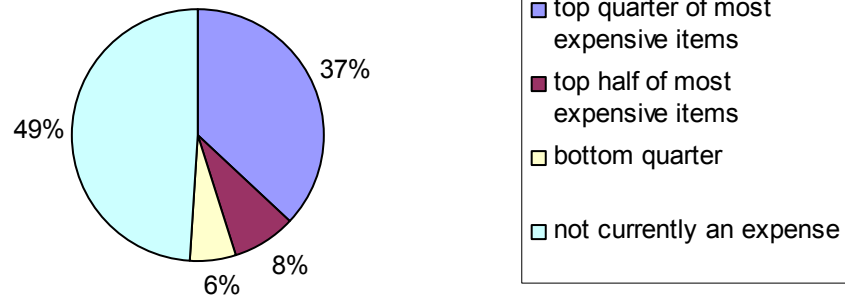


What would be your criteria for selecting coverage?

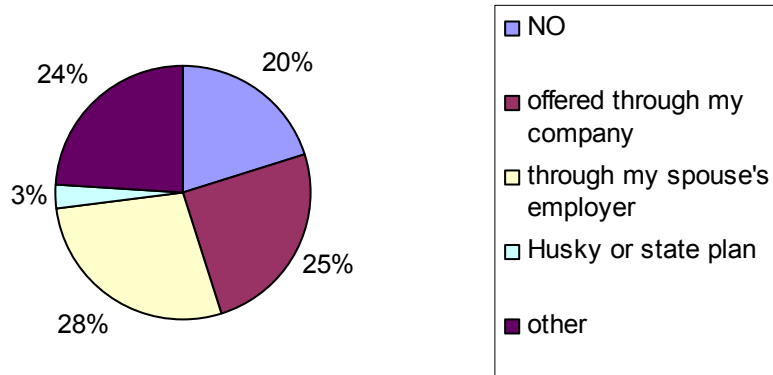


Your current situation:

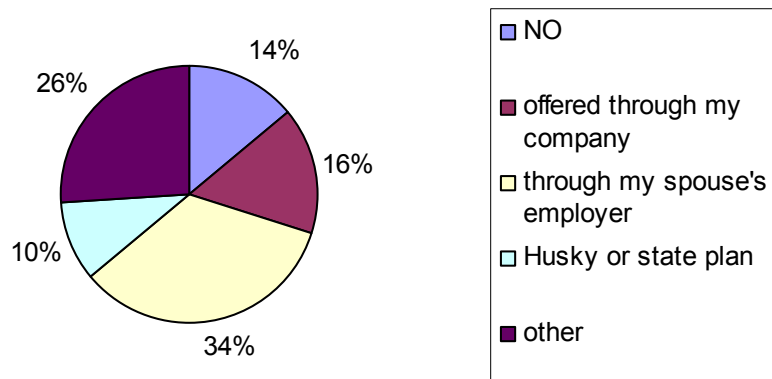
Where do you currently place health insurance on your list of business expenses?



Do you, the business owner, currently have health insurance?



Do your dependents currently have health insurance?



Quotes from the Comments Section of the Survey

Overview-

Many of the businesses would like to see a solution to this problem as follows:

- "I feel that something needs to be done". *Responses from several surveys representing towns statewide*

- "It would certainly increase my employee retention" *Service business in Portland*

- "Employees would be happier. They would be less worried about accidents in and out of work." *Service business in Norwich*

- Connecticut must behave responsibly in the creation of universal health insurance. It must address the root of the problem: the flawed, overly bureaucratic, terribly inefficient and costly delivery system of medical coverage. Forcing small businesses to buy into this failed system will not yield greater coverage of employed, but it will guarantee higher unemployment."
Service business in New Britain

- "I believe that everyone should be able to get medical care. If a state subsidized plan could help small businesses and not hinder them, I am all for it."- *Manufacturer in South Windsor*

- "I believe that offering insurance is very beneficial, but I would have to find something that is affordable and effective at the same time." *Retail business in Colchester*

Some felt that there should be better alternatives at lower costs but that it should be optional, not mandated:

- "This should be a right by the employer, not a demand. I cover all costs for one employee now...I felt that I needed to cover her insurance to keep her from seeking alternative employment but it was my choice! *Service business, town unknown*

- "I feel that a person has the RIGHT to go without insurance". *Service business in Kensington*

- "Would not want to support mandated requirement for business owners." *Service business in New Haven*

- "Support holistic/preventative modalities." *Service business in Southington*

Most of the comments were concerned with the financial impact of the new costs. Unless current costs for insurance are reduced dramatically the concerns are:

- "At the present cost of supplying medical insurance, if it is mandated by the State, the financial burden to small business would be very extreme." *Manufacturer from New Haven*

- "I would probably end up closing up shop" – *was the most common response*

- "I could not afford insurance for all employees. It could possibly bankrupt my business." *Service business from Meriden*

- "I would probably remain a single person enterprise and not grow the business." *Service business in Enfield*

- "This would put a huge strain on our business financially, We would probably not be able to hire employees. This also would prove to me that Connecticut is really not for small business, this law would only prove to small businesses that Connecticut is only supporting big business." *Service business in Stafford Springs*

- "I would be forced to seek only free lance employees", *Service industry in New Haven*

- "I would hire employees to work less than the required time" *Retail business in New Haven*

- "I would go to all subcontractors" *Service business in Watertown*

- "I get a lot of work through competitive bids. This would affect our costs and make me less competitive" *Service business in New Haven*

- "I would have to consider how or if I can grow the business." *Service business in Middletown*

- "I would be forced to raise my prices, thus lowering my profits." *Manufacturer in Hartford and a Manufacturer in Waterbury*

- "I would have to consider the life circumstances of future employees in making employment decisions." *Service business in Cromwell*

- "I would have to lay off employees." *Service business in Plainville*

- "It would probably deter me from hiring, or it would certainly directly affect the hourly wage I was willing to pay them." *Service business in New London*

- "Insurance expenses for small businesses are prohibitive. As a family law attorney, I realize how seriously health insurance costs impact a woman's ability to divorce and establish a new life". *Service business in Manchester*

- "If not subsidized in some form, it would increase the cost of doing business in Connecticut. The additional cost would need to be passed on to clients making my business less competitive with others. Net result would be a negative impact on the economy. However, if the state were to place caps on health insurance rate increases and subsidize part of the cost, it would assist business owners in attracting skilled labor. *Service business in Bridgeport*

- "If the state's administration wants to be seen as contributing to the overall health and welfare of state, I would think that a state subsidized plan for small businesses that meet specific criteria would be an excellent way to commence its governance. Indicating the state's surplus with so many employees uninsured does not garner confidence from one's constituency. *Manufacturer in Putnam*