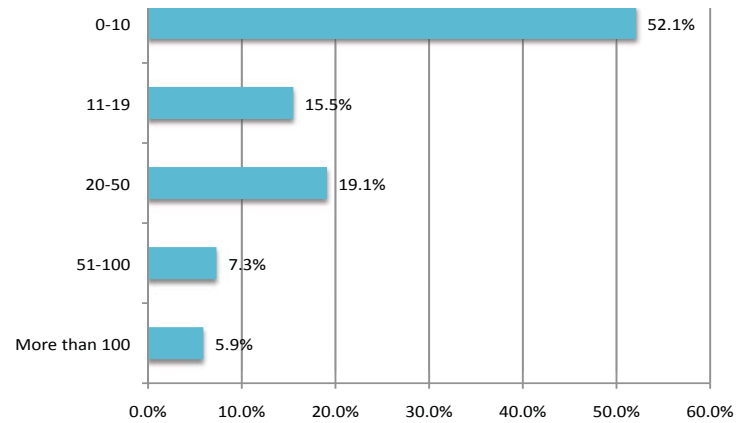


# 2009 Health Care Survey of Small Business

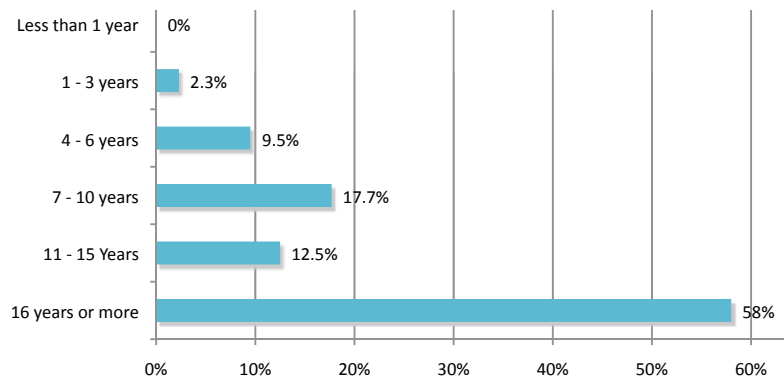




## How many employees do you have?



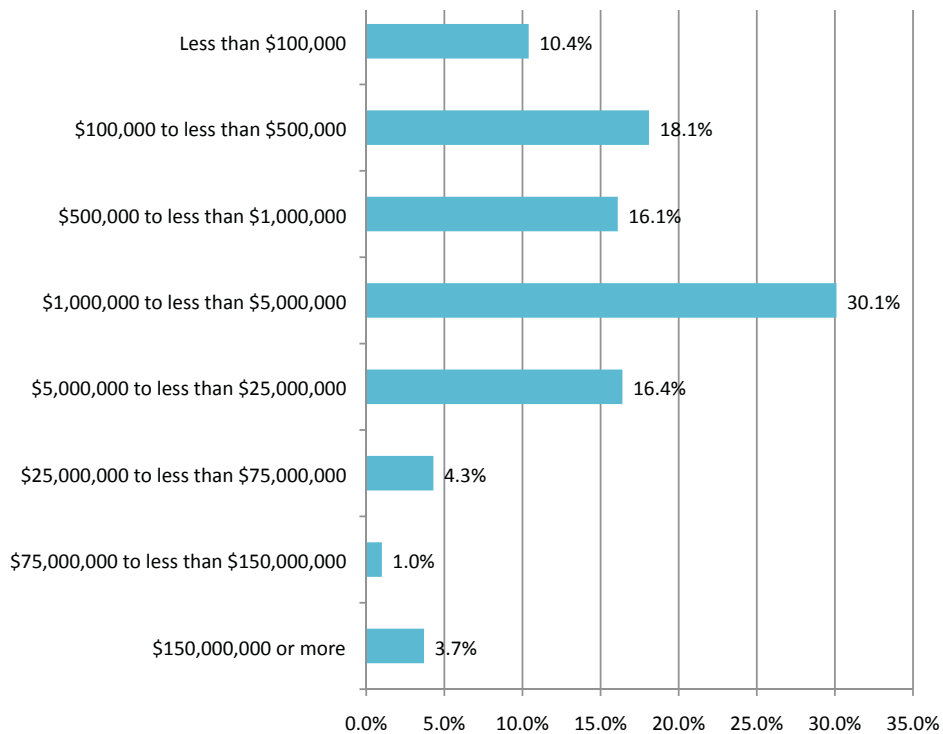
## How many years has your business been in operation?



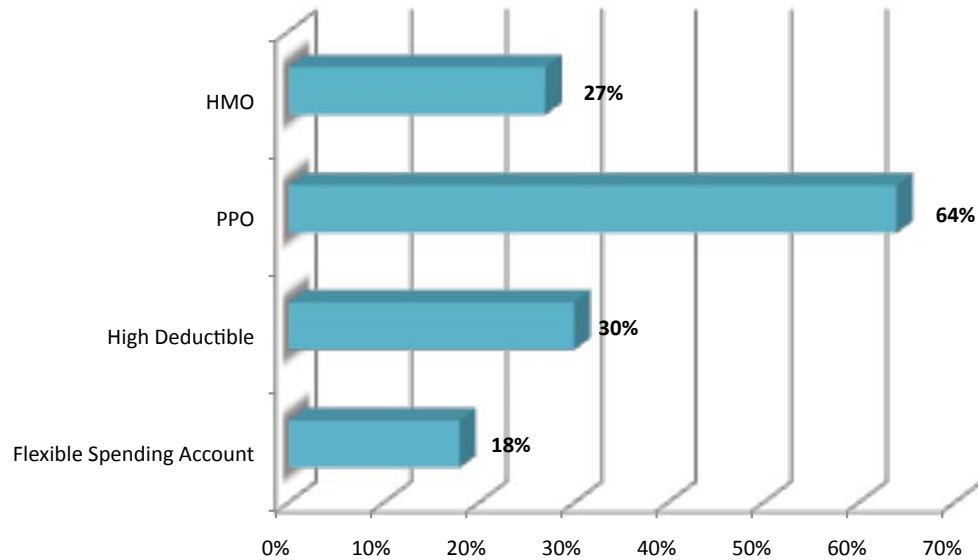
**Note:** Because of the large number of older businesses and higher revenues in the responded group, the results of this survey likely paint a more positive picture than what is really happening in the small-group market.



## What were your gross sales or revenues for your most recent fiscal year?



## What kind of health insurance coverage do you offer your employees?




“ Nearly **56 percent** of responding businesses offering HSA’s made a company contribution. ”



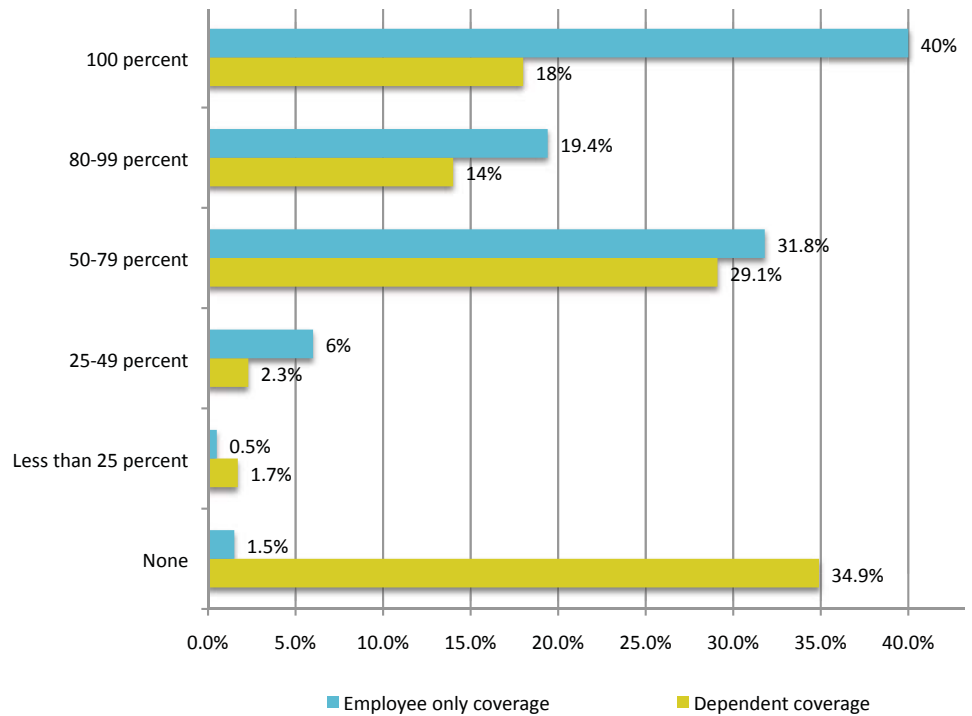
“ The cost of **health care is crushing small business** and becoming an insurmountable barrier to many considering opening their own business. Small-business owners - despite creating the overwhelming majority of net new jobs - face a significant competitive disadvantage in their ability to provide employees with **affordable, quality health insurance**. For the good of the U.S. economy, Congress must do everything in its power to address this problem. ”

-Todd McCracken, NSBA President.



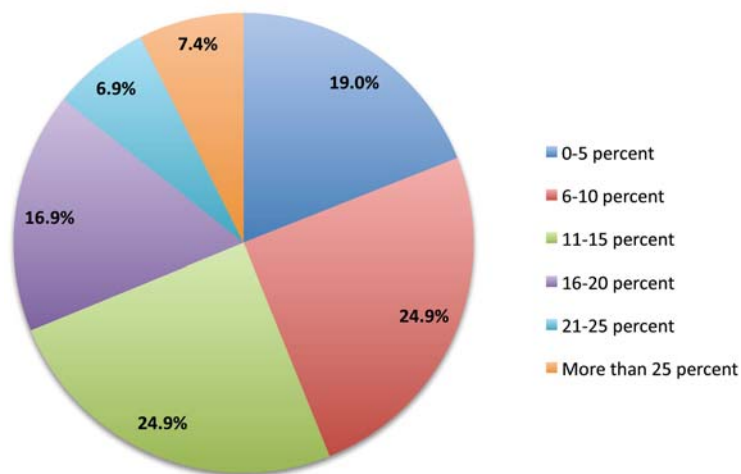


## What percentage of your employees' health plan premiums do you pay for?



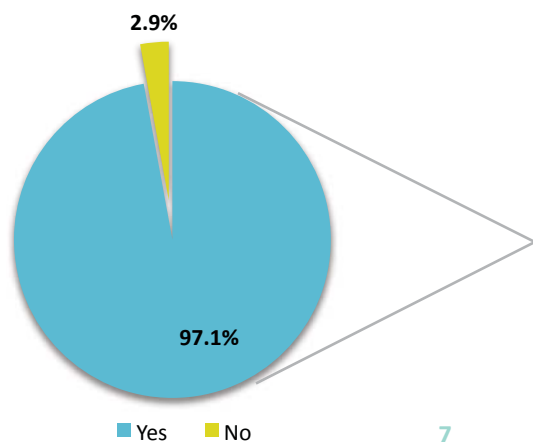


## What percentage of your employee's overall compensation is taken up by total health insurance costs?



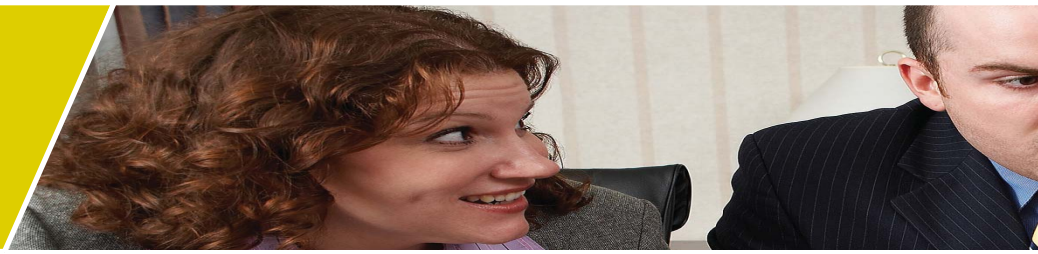
A significant number of small businesses – more than one-fifth each year – experienced rate increases in excess of 20 percent. In 2008, that number was nearly a third with 28 percent reporting an increase in excess of 20 percent.

## Have you been subject to health insurance premium rate increases in the last four years?



Average Rate Increases	
2008	15.03%
2007	12.99%
2006	13.73%
2005	13.55%





## What was the impact of the health insurance increases on your business?

No salary increases for employees	57.9%
Held off on hiring new employee(s)	38.6%
Held off on growth strategies	30.0%
Delayed purchase of a new piece of equipment	27.9%
Lowered or eliminated 401 (k) contribution	15.0%
Laid off an employee	12.1%

## Are you considering making any of the following changes during the coming year?

Increase employee's contribution	51.6%
Change to policy with higher deductible	45.1%
Change to policy with higher co-payments	41.8%
Reduce benefits offered	35.3%
Change insurance company	29.4%
Drop coverage and give money directly to employees to purchase insurance individually	11.1%
Add a Health Savings Account plan	10.5%
Drop coverage	9.8%
Institute wellness programs (preventive care)	9.8%
Switch to cafeteria-style program	7.2%
Switch to full or partial self-insured	4.6%
Switch to HMO or PPO plans	2.0%
Institute managed care	0.0%





## Please rate your health care plan's use of technology as:

	Full	Partial	None	Not Sure
Scheduling a doctor's visit	27.4%	26.3%	32.4%	14.0%
Health care record/file	27.0%	41.6%	15.7%	15.7%
Interaction with insurance company	31.3%	39.7%	14.5%	14.5%
Prescriptions	36.3%	43.6%	11.7%	8.4%
Referrals	21.0%	29.5%	24.4%	25.0%

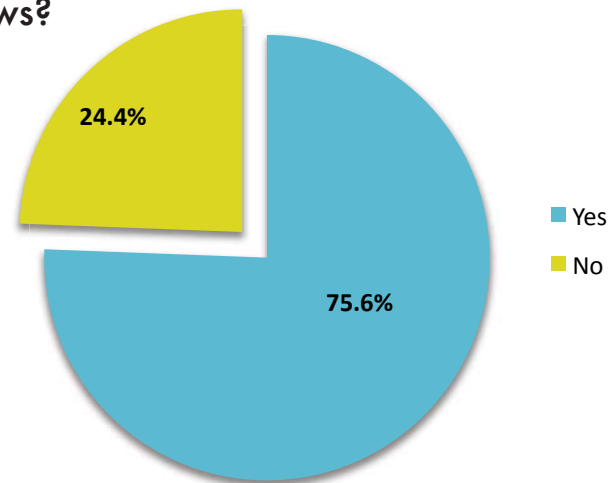
## Please rate your level of support for the following proposed reforms:

	Support	Oppose
Insurance responsibility placed on the individual	65.9%	34.1%
Reduce state-mandated benefits	73.3%	26.7%
Greater transparency in the cost of medical services and prescriptions	96.6%	3.4%
Improved health IT	98.9%	1.1%
Increase access to medical information and quality ratings	98.3%	1.7%
Create a federal network for insurance pooling	60%	40%
Tax incentives for small businesses with fewer than 12 employees	90.9%	9.1%
Eliminate the third-party payer system	64.9%	35.1%
Eliminate state regulation and oversight on health insurance	39.5%	60.5%
Allow for early buy-in to the Medicare program	55.8%	44.2%
Aggressively pursue reducing waste, errors and fraud	99.4%	0.6%
Require employers to contribute a certain amount (based on company size and/or revenue) toward employees' health insurance	41.6%	58.4%
Publish physician and hospital quality ratings	98.9%	1.1%

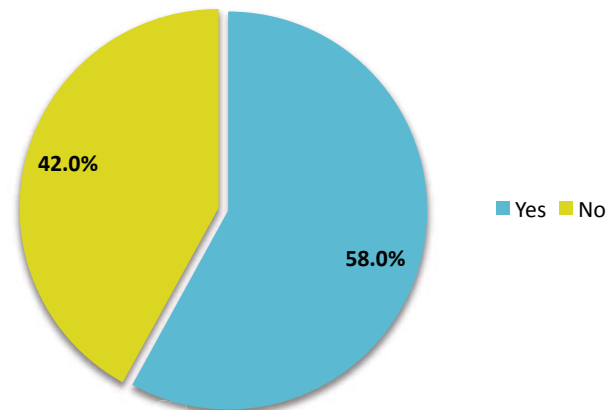


# UNEMPL

Is your health insurance plan subject to COBRA continuation coverage requirements either through state or federal laws?

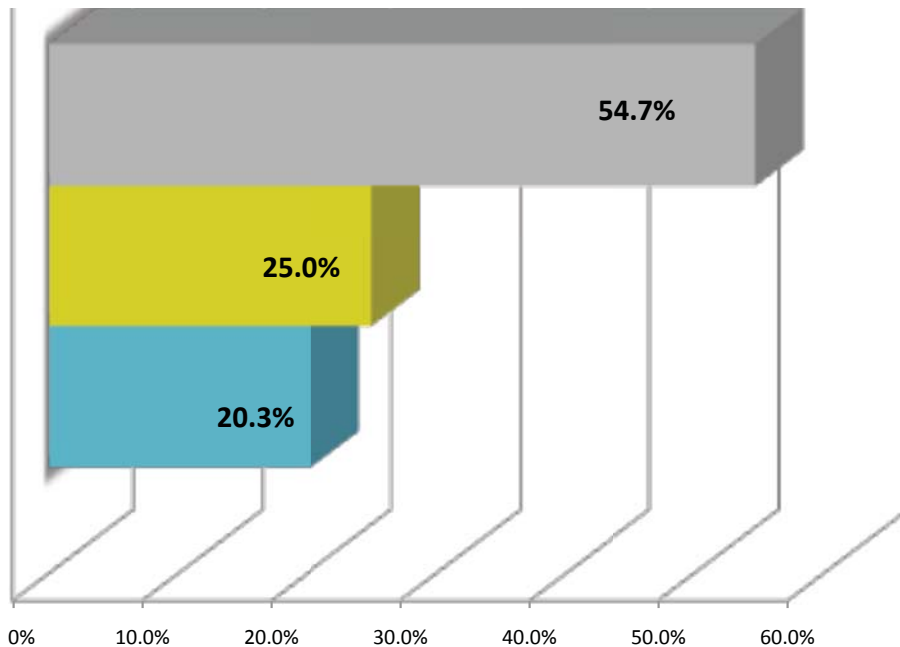


Are you aware of COBRA continuation coverage provisions in the recently-passed Economic Stimulus Bill that provides subsidies to eligible former employees?




# EMPLOYMENT

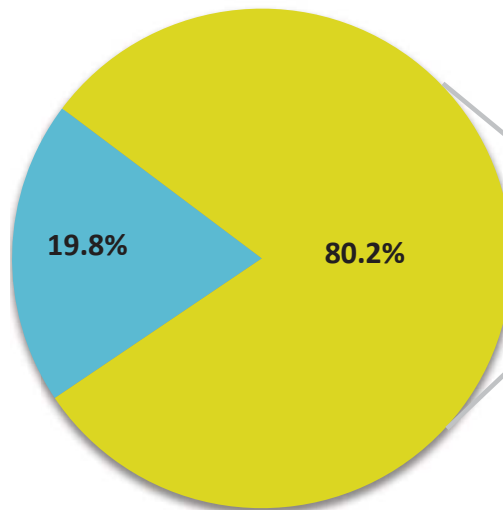
If your business is subject to the COBRA subsidy, which of the following provides the biggest challenge to your business?



- Cash flow concerns stemming from fronting the subsidy
- Administration burden associated with recouping subsidy payroll tax credit
- Administration burden associated with new requirements to communicate with employee



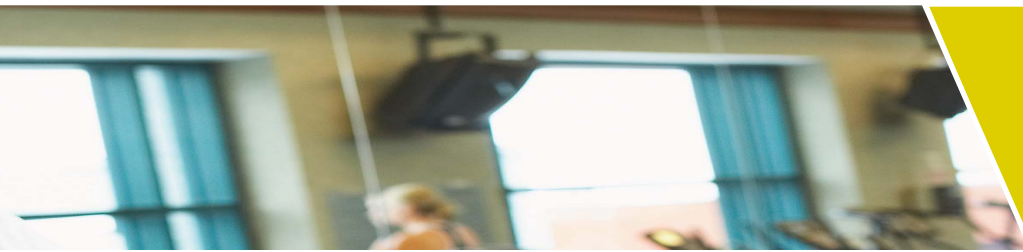
Do you offer your employees any wellness benefits or incentives, such as low-cost gym memberships?



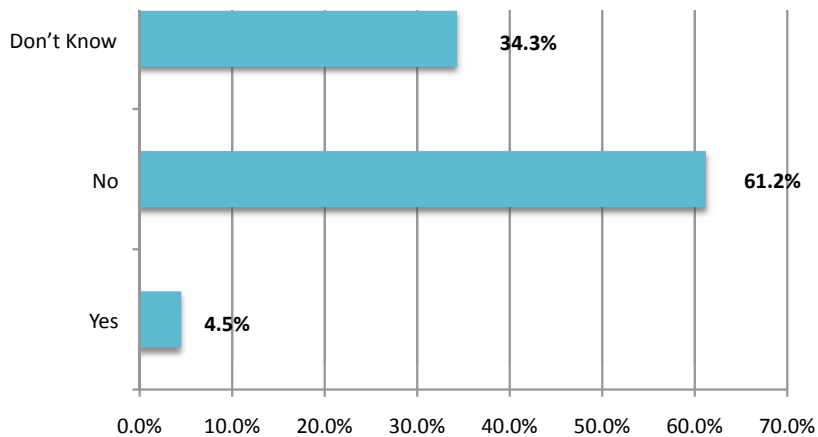
■ Yes ■ No

REASON WHY BUSINESS DOES NOT OFFER INCENTIVES	
Cost	65.4%
Administrative burden	25.4%
HIPAA barriers	3.1%
Will not impact health care costs	24.6%
Don't know of options	26.2%

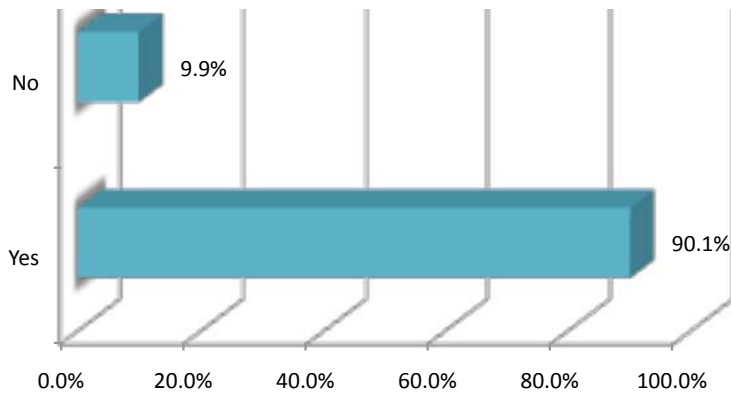




Is there a premium decrease to the company, or a lower deductible or co-payment to the individual for participating in a wellness program?




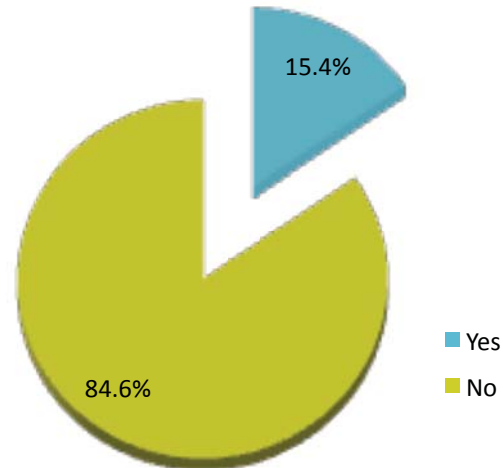
Do you believe that offering health insurance as an employee benefit gives you a competitive advantage in recruiting or retaining top quality employees?



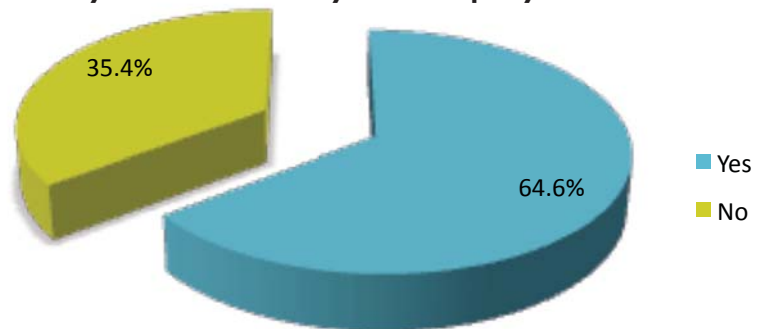


## AMONG THOSE CURRENTLY NOT OFFERING HEALTH INSURANCE

Do you have any plans to offer health insurance to your employees in the next 12 months?



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





## AMONG THOSE CURRENTLY NOT OFFERING HEALTH INSURANCE

Please rate your level of support for the following proposed reforms:

	Support	Oppose
Insurance responsibility placed on the individual	80.9%	19.1%
Reduce state-mandated benefits	74.3%	25.7%
Greater transparency in the cost of medical services and prescriptions	93.9%	6.1%
Improved health IT	88.9%	11.1%
Increase access to medical information and quality ratings	86.5%	13.5%
Create a federal network for insurance pooling	69.7%	30.3%
Tax incentives for small businesses with fewer than 12 employees	95.7%	4.3%
Eliminate the third-party payer system	77.4%	22.6%
Eliminate state regulation and oversight on health insurance	49.3%	50.7%
Allow for early buy-in to the Medicare program	75.8%	24.2%
Aggressively pursue reducing waste, errors and fraud	95.7%	4.3%
Require employers to contribute a certain amount (based on company size and/or revenue) toward employees' health insurance	49.2%	50.8%
Publish physician and hospital quality ratings	94.2%	5.8%



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