



SMALL BUSINESS
FOR AMERICA'S FUTURE

Healthcare Costs and Small Business: A Bipartisan Concern and Call for Action

December 13, 2023

About Small Business for America's Future

- Small Business for America's Future is a national coalition of business owners and leaders working to provide small businesses a voice at every level of government.
- We're committed to ensuring policymakers prioritize Main Street by advancing a just and equitable economic framework that works for small business owners, their employees and their communities.



The background image is a blurred photograph of a business meeting. In the foreground, a person's hands are clasped together on a desk. On the desk, there are several items: a pair of glasses, a pen, a clipboard, and some papers with charts. In the background, a laptop is open, displaying a pie chart and a bar chart. A person's hand is pointing at the laptop screen. Another person's hands are visible, resting on the desk. The overall scene suggests a collaborative work environment focused on data analysis.

Key Findings

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Between Nov. 8- Dec. 4, 2023, Small Business for America's Future conducted a national survey of **1,015** small business owners to gauge their sentiment about how the rising cost of healthcare has unveiled critical insights into the challenges and perspectives surrounding healthcare costs. Notably, the survey reflects a nearly equal representation of Republican (25%) and Democrat (28%) respondents, revealing a bipartisan concern and consensus on the issue.

- This balanced political representation underscores the universal nature of healthcare challenges among small businesses, transcending traditional partisan lines and emphasizing the broad-based demand for effective policy solutions.
- Survey respondents said the cost of doing business was the top challenge facing their business, and managing and reducing healthcare costs is their top legislative priority.
- This emphasizes the critical need for policy interventions that address the rising costs of healthcare, which is a major financial burden for small businesses.



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Key Insights

Health Insurance Benefits

- A stunning 62% of respondents do not offer health insurance, mainly hindered by the high cost (60%), emphasizing the necessity for affordable healthcare options.

Increase in Healthcare Premiums

- A significant 90% experienced increased premiums last year, with nearly one in four facing more than a 15% hike, indicating the severity of rising healthcare costs.

Impact of Healthcare Costs on Business Bottom Line

- 81% of the small business owners surveyed indicated that healthcare costs have an impact on their business's bottom line (46% say the impact is significant).
- This substantial percentage highlights the critical financial burden that healthcare expenses place on small businesses, affecting their overall financial health and capacity for growth and development



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Specific Impact on Business Operations

- Small business owners surveyed said high healthcare costs have constrained growth (34%), hiring (27%), and led to price increases for goods/services (33%).

Perception of Healthcare Market

- A significant majority, approximately 67%, believe that the current healthcare market is not functioning effectively and requires a major overhaul. This strong consensus reflects widespread dissatisfaction with the current state of healthcare pricing and delivery, emphasizing a call for substantial reform.

Legislative Solutions

- There's considerable support for legislative measures like price transparency (77%), site-neutral billing (76%), facility fees (74%) and regulating anti-competitive practices (76%).



An overhead, top-down view of a collaborative office workspace. Several people are seated around a large wooden table, working on various devices. In the top left, a person's hands are on a white keyboard. In the top center, another person is typing on a white keyboard. In the top right, a person is writing in a notebook. In the bottom left, a person is using a laptop. In the bottom center, a person is holding a tablet. In the bottom right, a person is using a mouse. The table is cluttered with various items: two large computer monitors, a laptop, a smartphone, a coffee cup, a small potted plant, pens, pencils, notebooks, and a calculator. The entire image has a light blue tint.

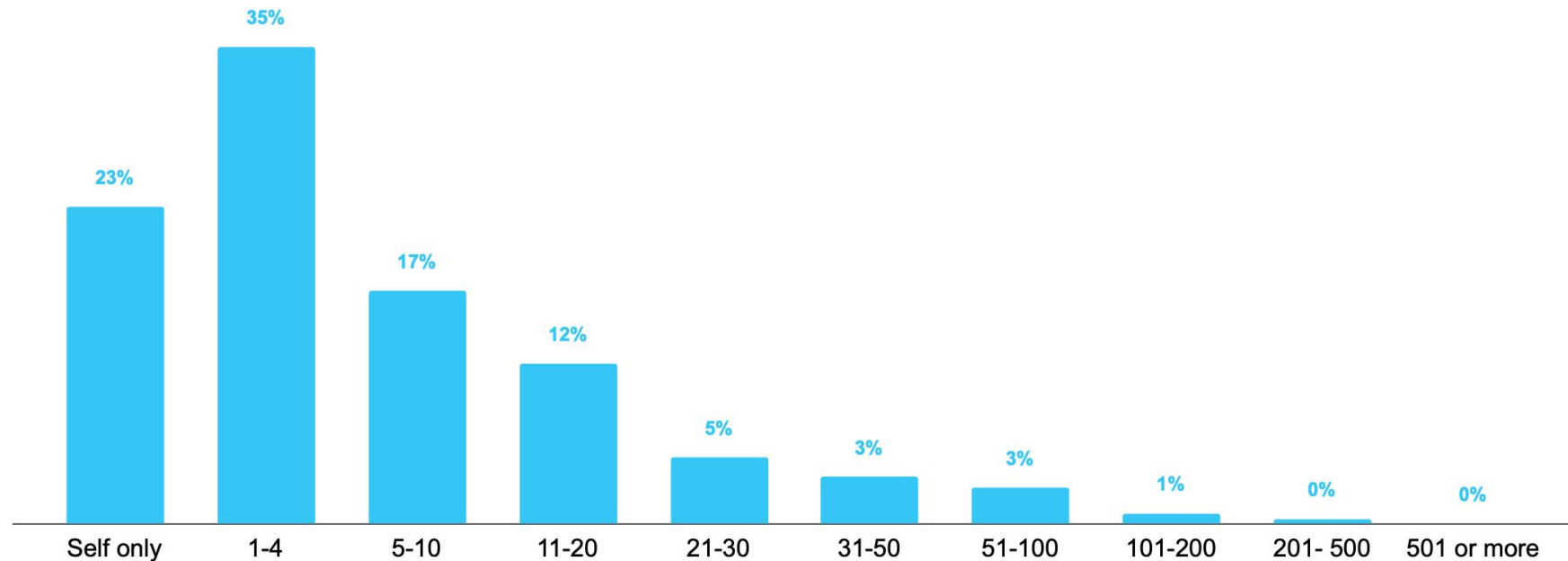
Survey Results

Q1: Are you a small business owner?

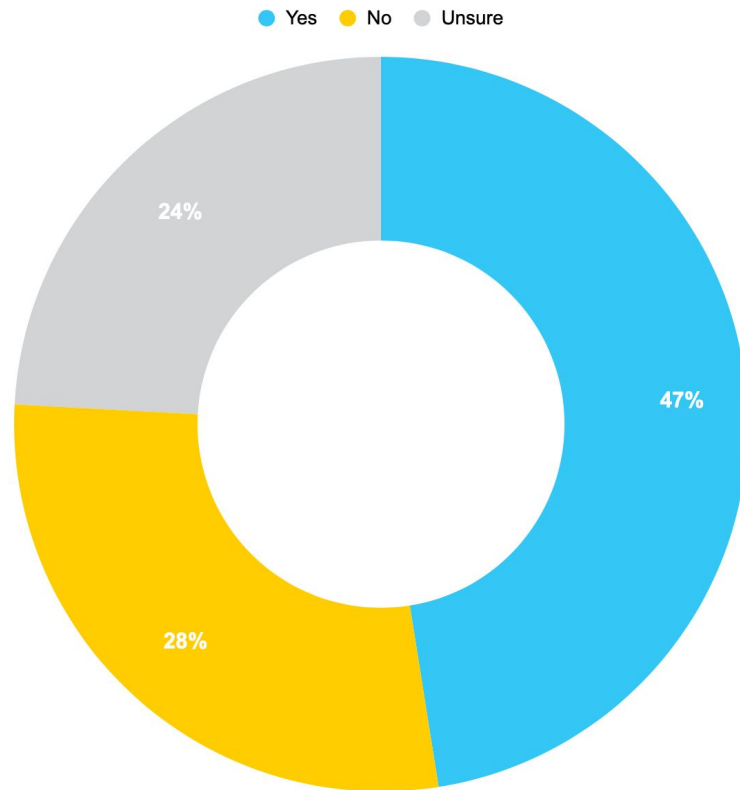
● Yes



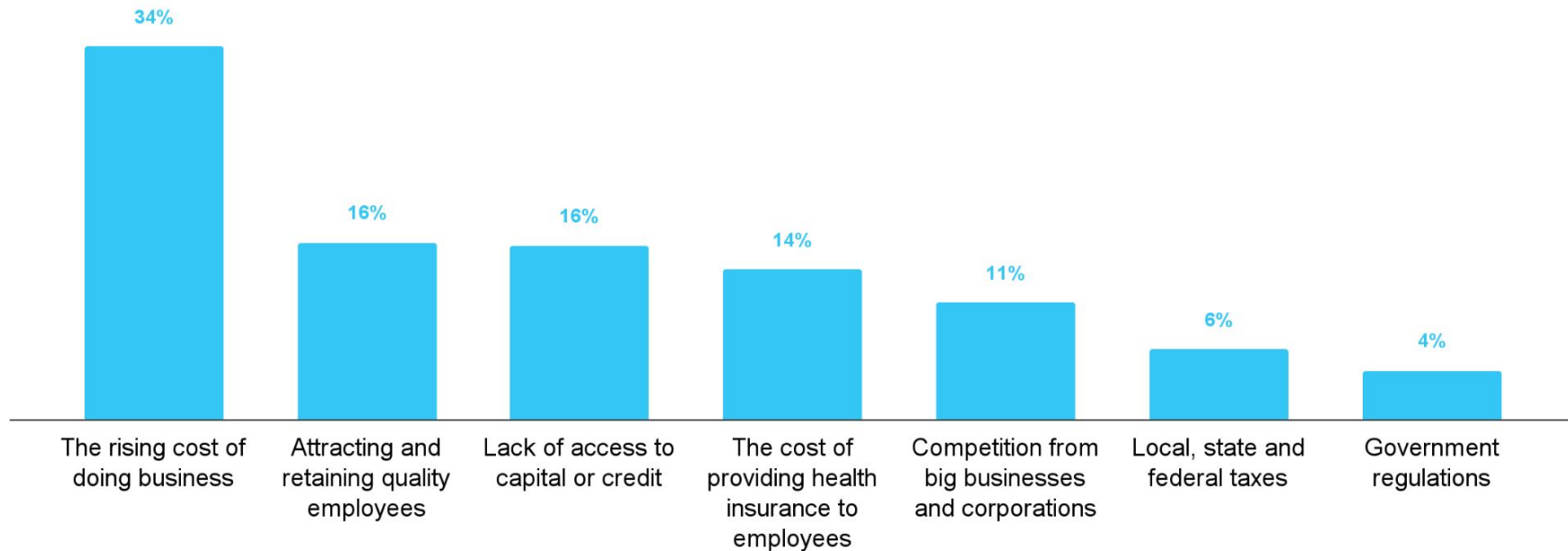
Q2: Not including yourself, how many employees do you have?



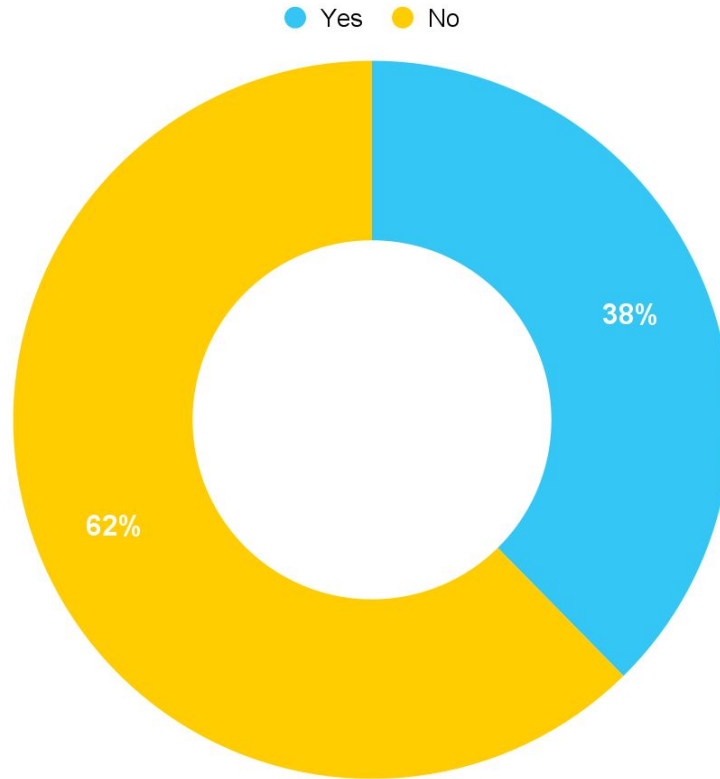
Q3: In the next 12 months, do you plan to hire more employees for your business?



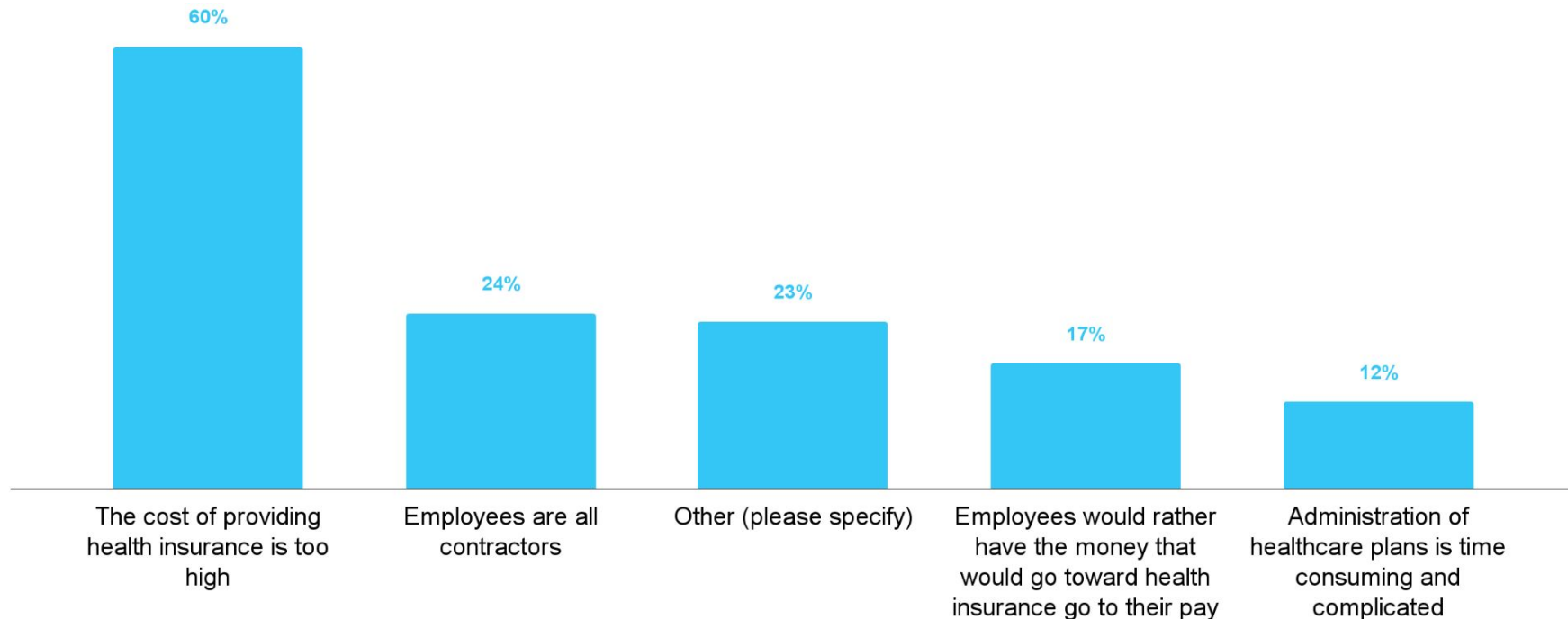
Q4: Which one of these do you consider the biggest challenge facing your business?



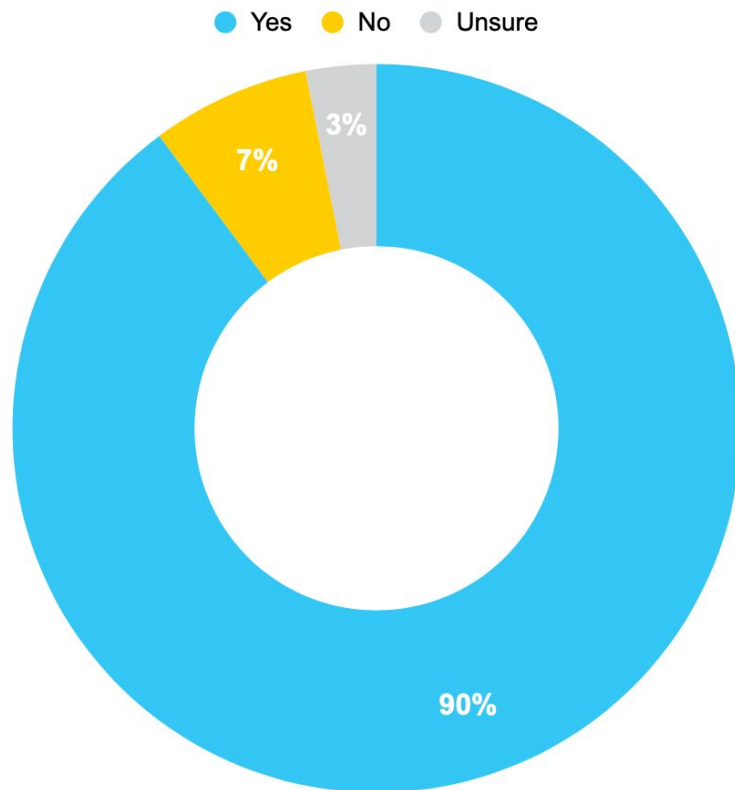
Q5: Does your business currently offer health insurance to employees?



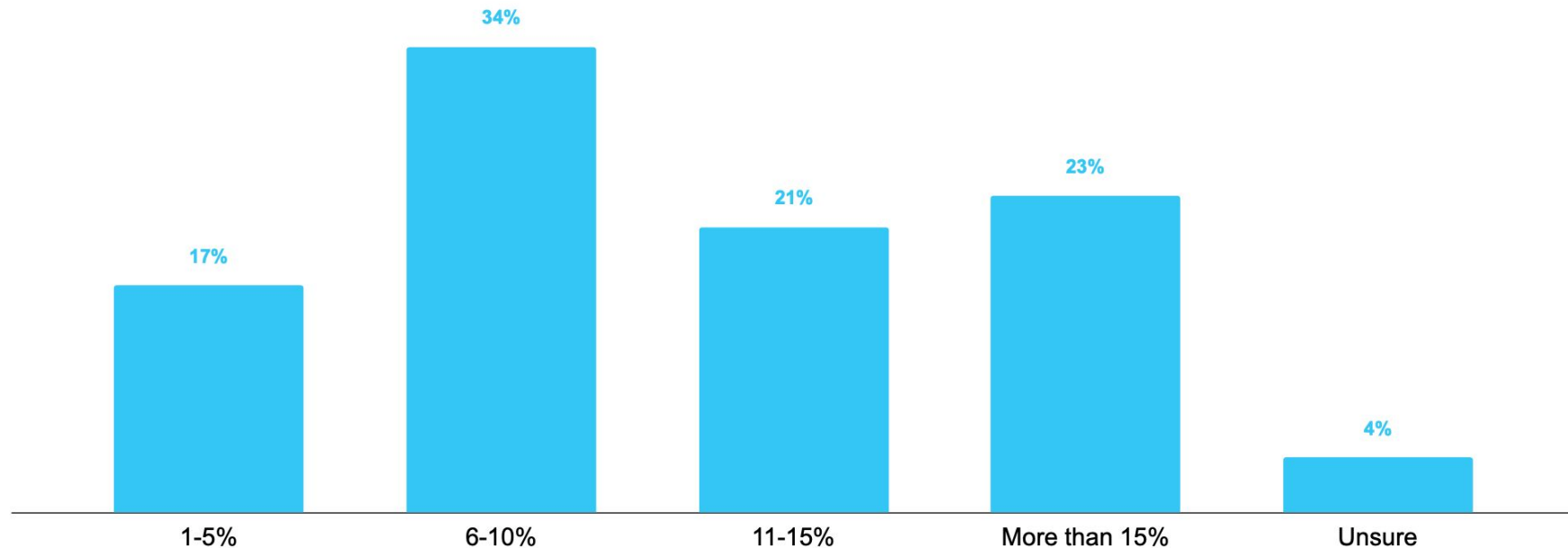
Q6: Why do you not offer health insurance to your employees? (Select all that apply)



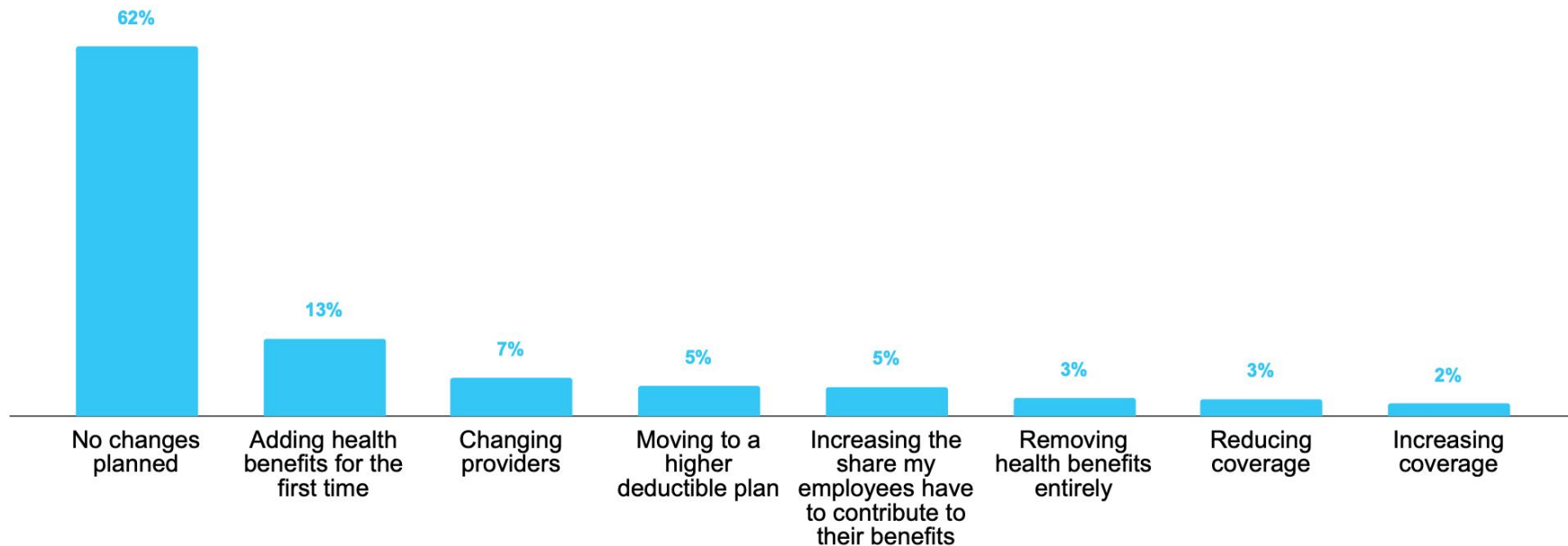
Q7: Have healthcare premiums for your business increased in the past year?



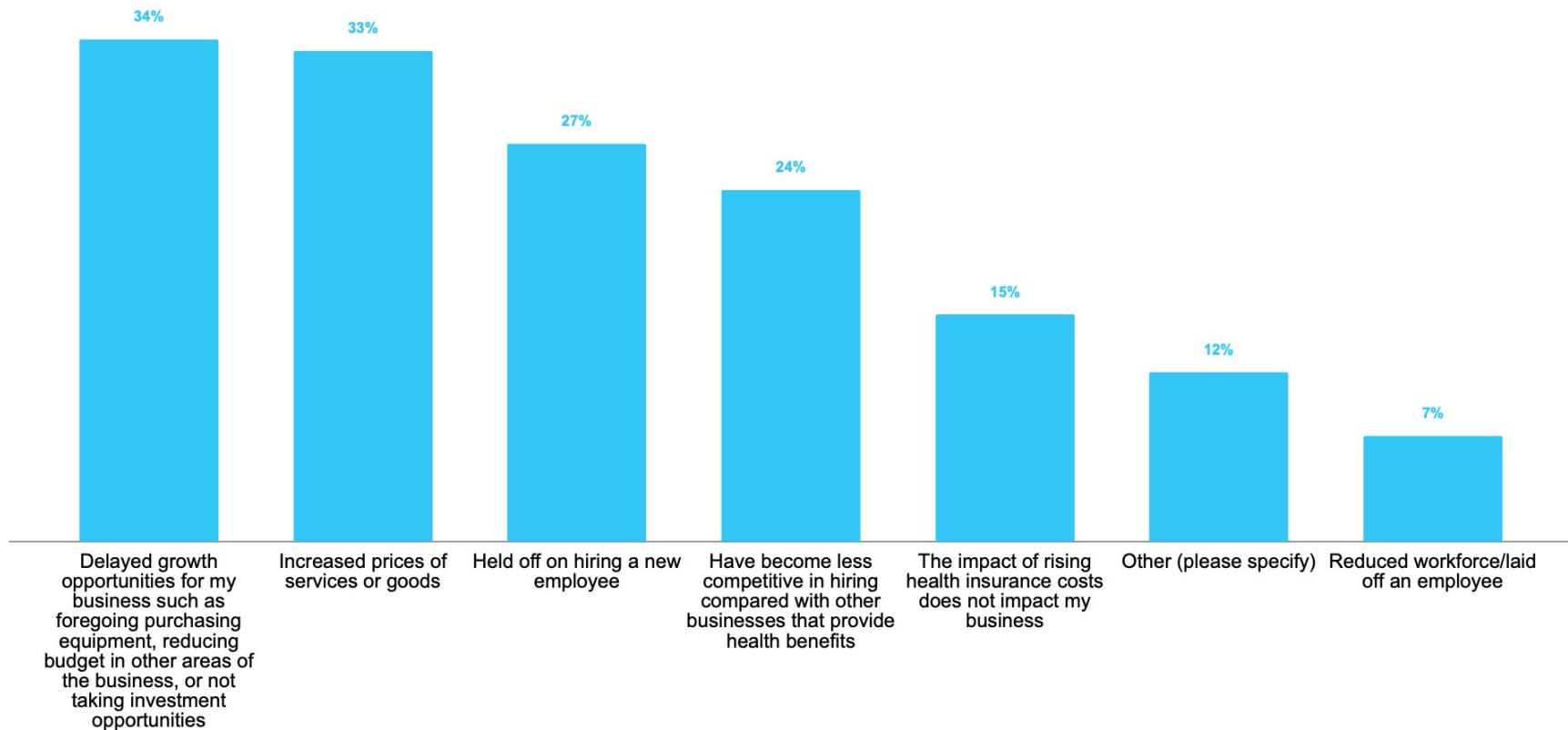
Q8: By how much have the healthcare premiums for your business increased in the past year?



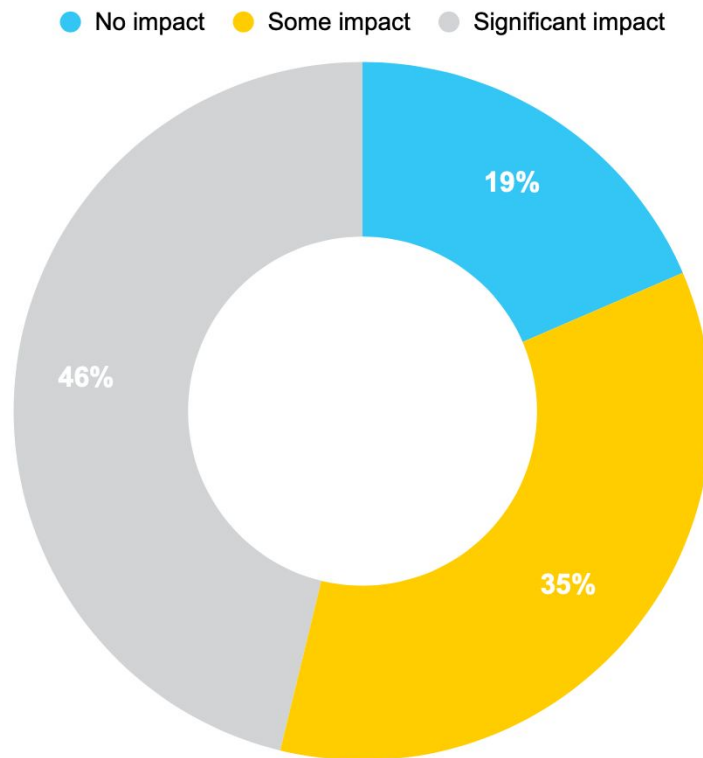
Q9: Are you considering any changes to your healthcare benefit offerings in the next year?



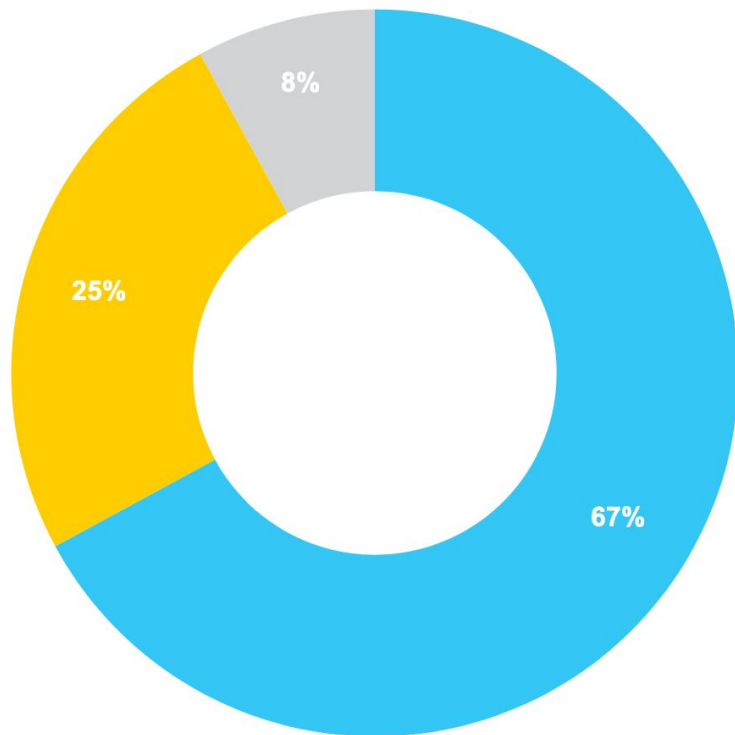
Q10: How does the cost of healthcare affect your business? (Select all that apply)



Q11: How would you rate the impact of healthcare costs on your business's bottom line?



Q12: Generally speaking, which of the following statements is closest to how you feel about the way the current market is pricing the cost of healthcare?

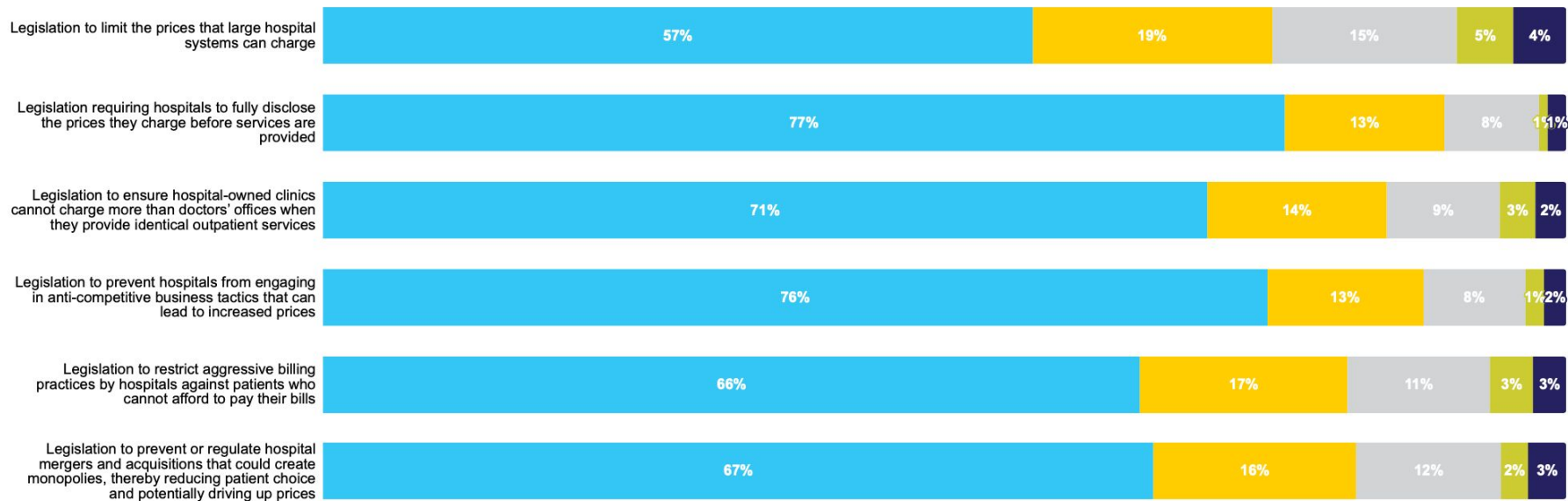


- The current market is not working at all and is in need of a major overhaul
- The current market has some problems but only needs minor changes
- The current market is operating as it's supposed to in a free market economy



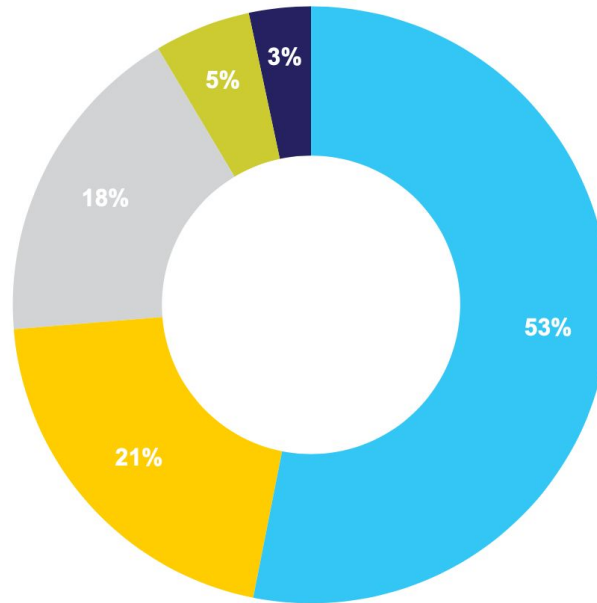
Q13: Below are some of these proposed legislative solutions. Please indicate your level of support for each.

■ Strongly support ■ Somewhat support ■ Note sure/ No opinion ■ Somewhat oppose ■ Strongly oppose



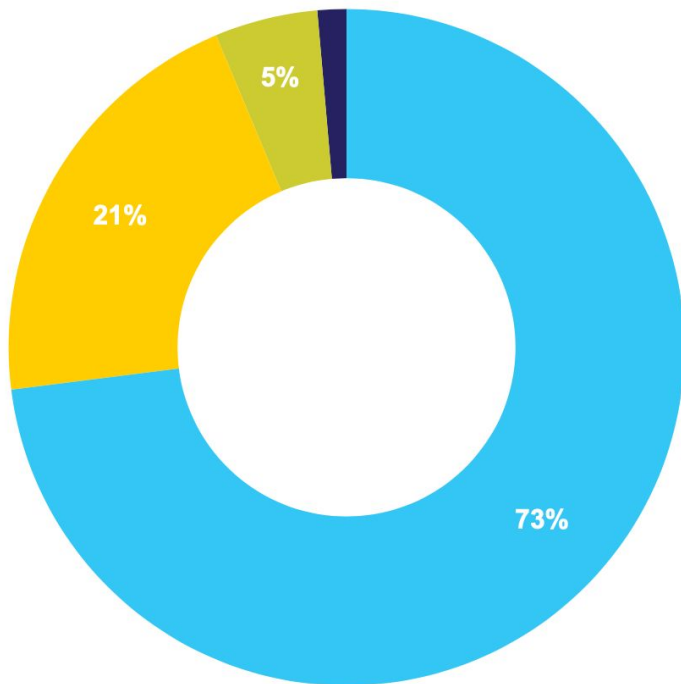
Q14: Hospitals often include facility fees on top of the charges for the actual medical services they provide, in order to account for their overhead. With the growth in hospitals acquiring physician practices, these fees are now sometimes applied even in outpatient and physician office settings under hospital ownership. Would you support or oppose legislation that prohibits hospitals from charging facilities fees for things like telehealth services, healthcare services delivered in hospital-owned outpatient facilities or healthcare services performed within the hospital that could be safely conducted in an outpatient setting?

● Strongly support ● Somewhat support ● Not sure ● Oppose ● Strongly oppose



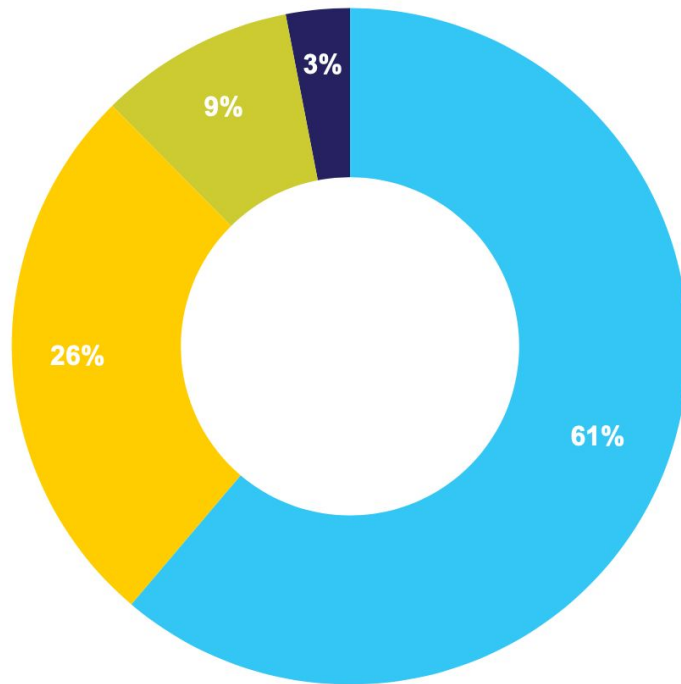
Q15: Informed decisions can lead to fewer unexpected costs. How important is it for hospitals to clearly disclose facility fees to patients before they receive care?

● Extremely important ● Very important ● Somewhat important ● Not very important



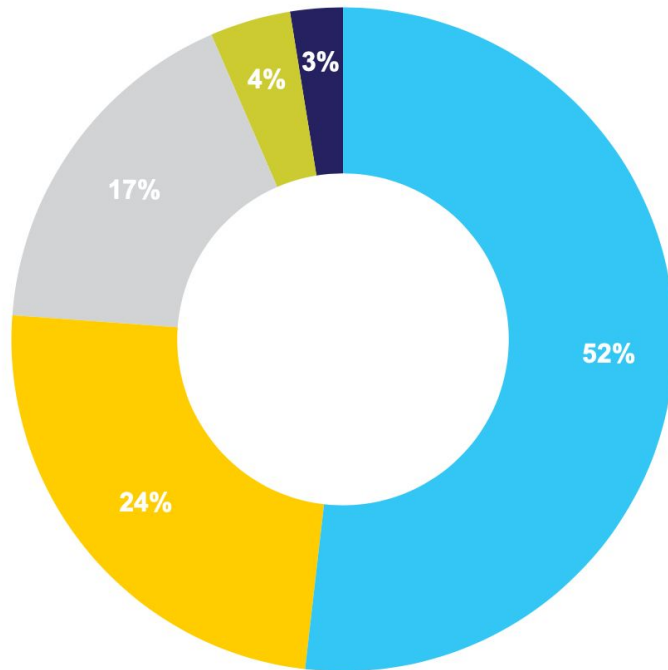
Q16: Medicare reimburses some hospital-owned clinics at a higher rate for particular services compared to independent clinics. How important is it that the government ensures uniform reimbursement rates for similar services, irrespective of clinic ownership?

● Extremely important ● Very important ● Somewhat important ● Not very important



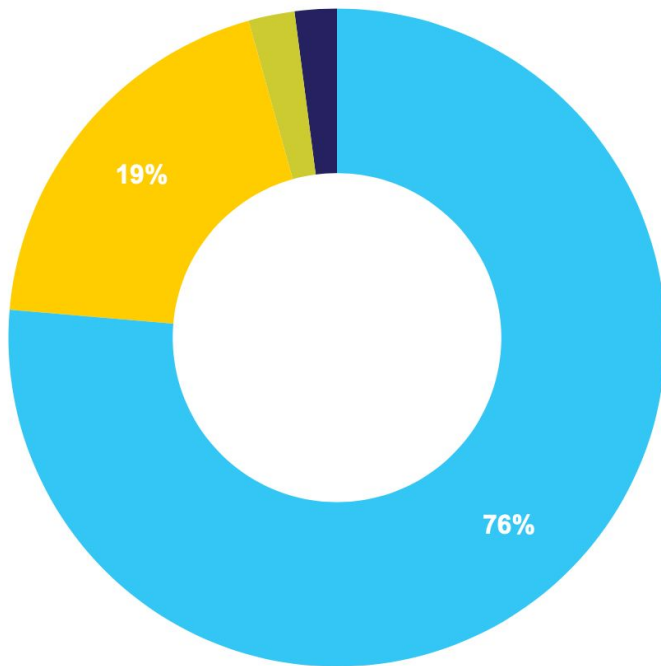
Q17: One idea to potentially help stabilize healthcare costs is known as "site-neutral billing," where the charge for certain medical services remains consistent regardless of where they are provided. How do you view this proposal in terms of its potential to influence healthcare costs?

● Strongly support ● Somewhat support ● Neutral or unsure ● Somewhat oppose ● Strongly oppose



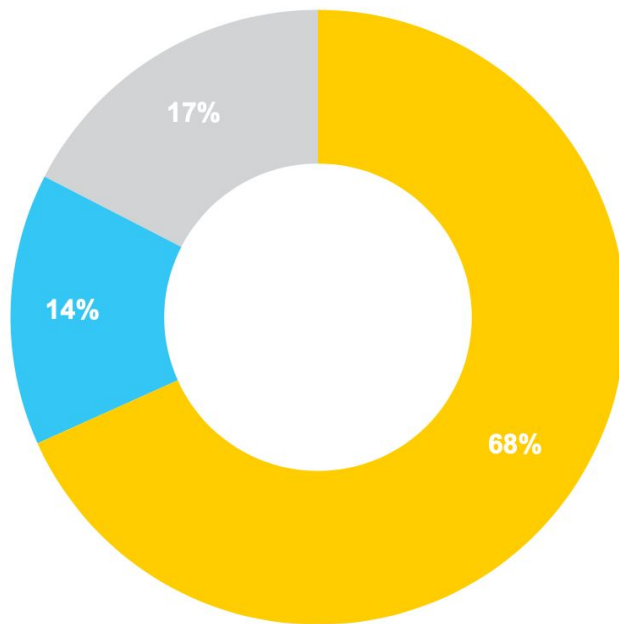
Q18: The federal Hospital Price Transparency rule requires hospitals to make public their standard charges for the care they provide. However, more than two years after this rule took effect, many hospitals across the country remain out of compliance with the federal rule. Do you believe that stricter enforcement is needed to ensure price transparency among hospitals and other healthcare providers?

● Yes, definitely ● Perhaps ● No, current enforcement is sufficient ● No, there is too much enforcement already

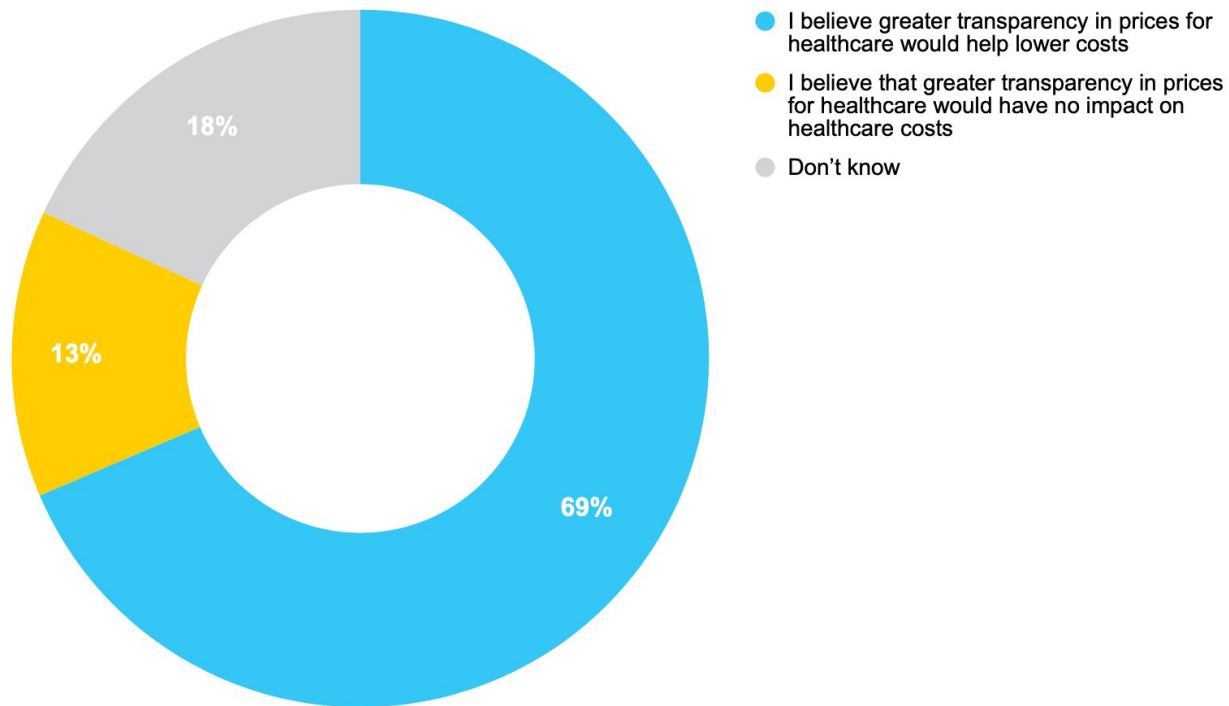


Q19: As a business owner, do you think there is enough transparency in pricing for you to make an informed decision about the healthcare benefits you offer?

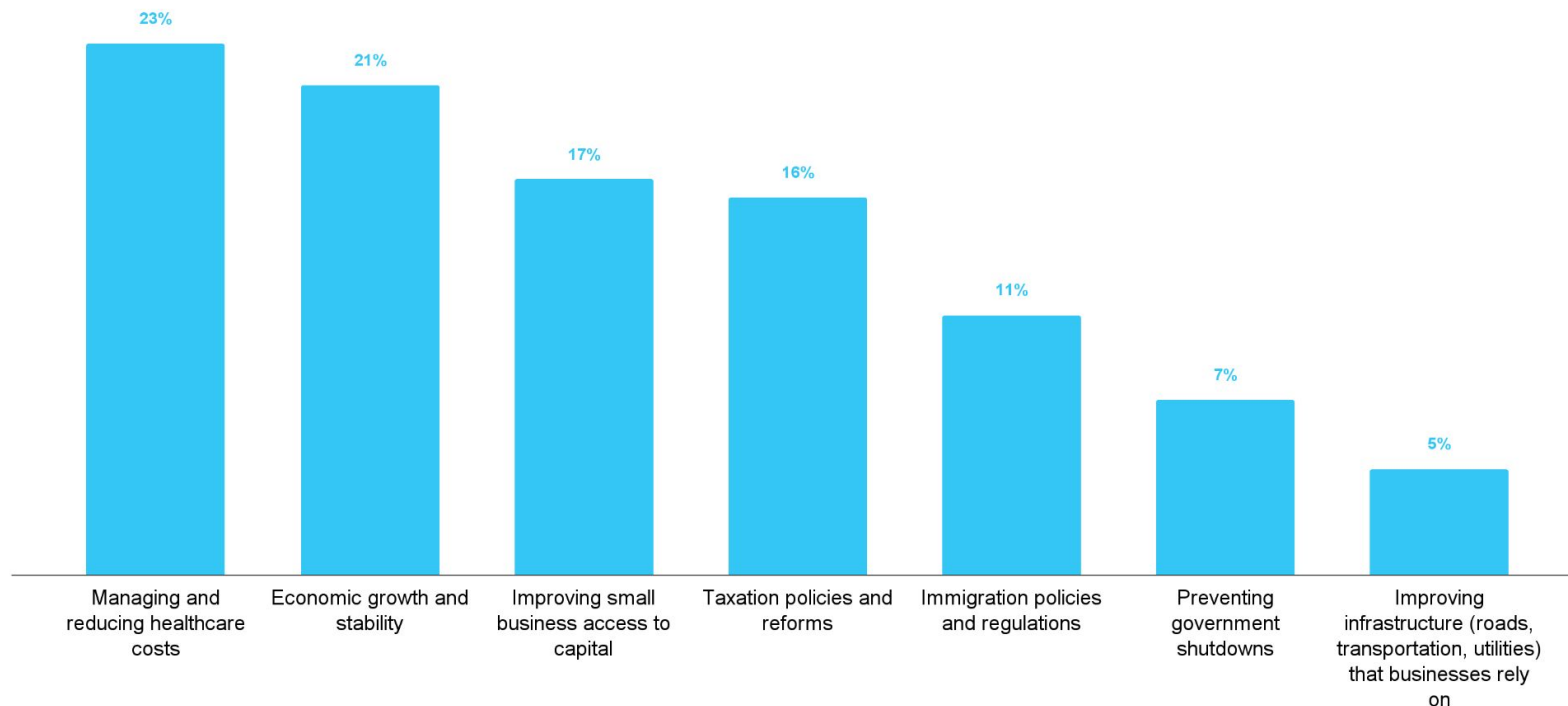
- No, I don't think there is enough transparency in pricing for healthcare benefits for me to make informed decisions
- Yes, I think there is enough transparency in pricing for healthcare benefits for me to make informed decisions
- Unsure



Q20: How do you believe that greater price transparency would impact the cost of healthcare?



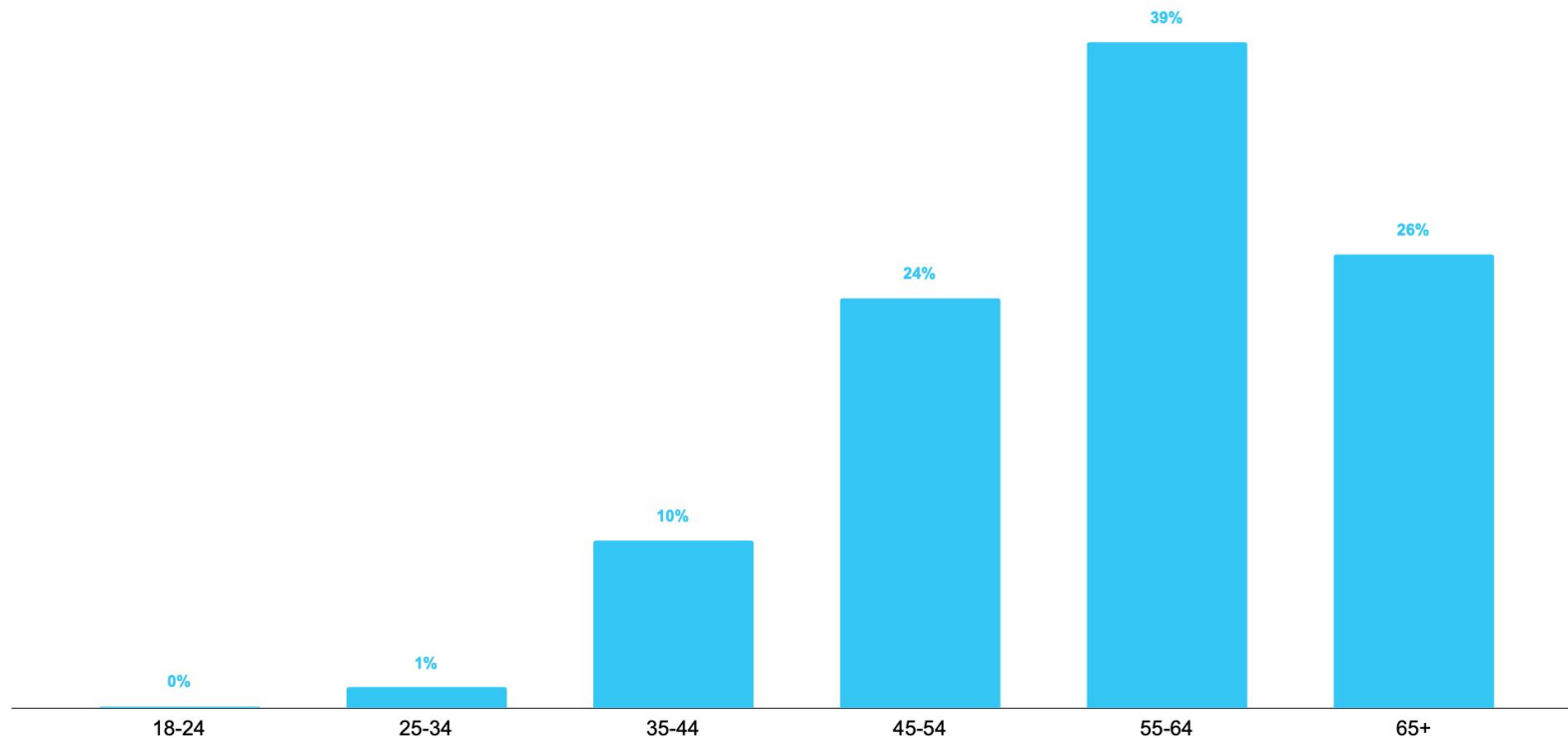
Q25: In your opinion, which of the following issues should lawmakers prioritize to best support small businesses?



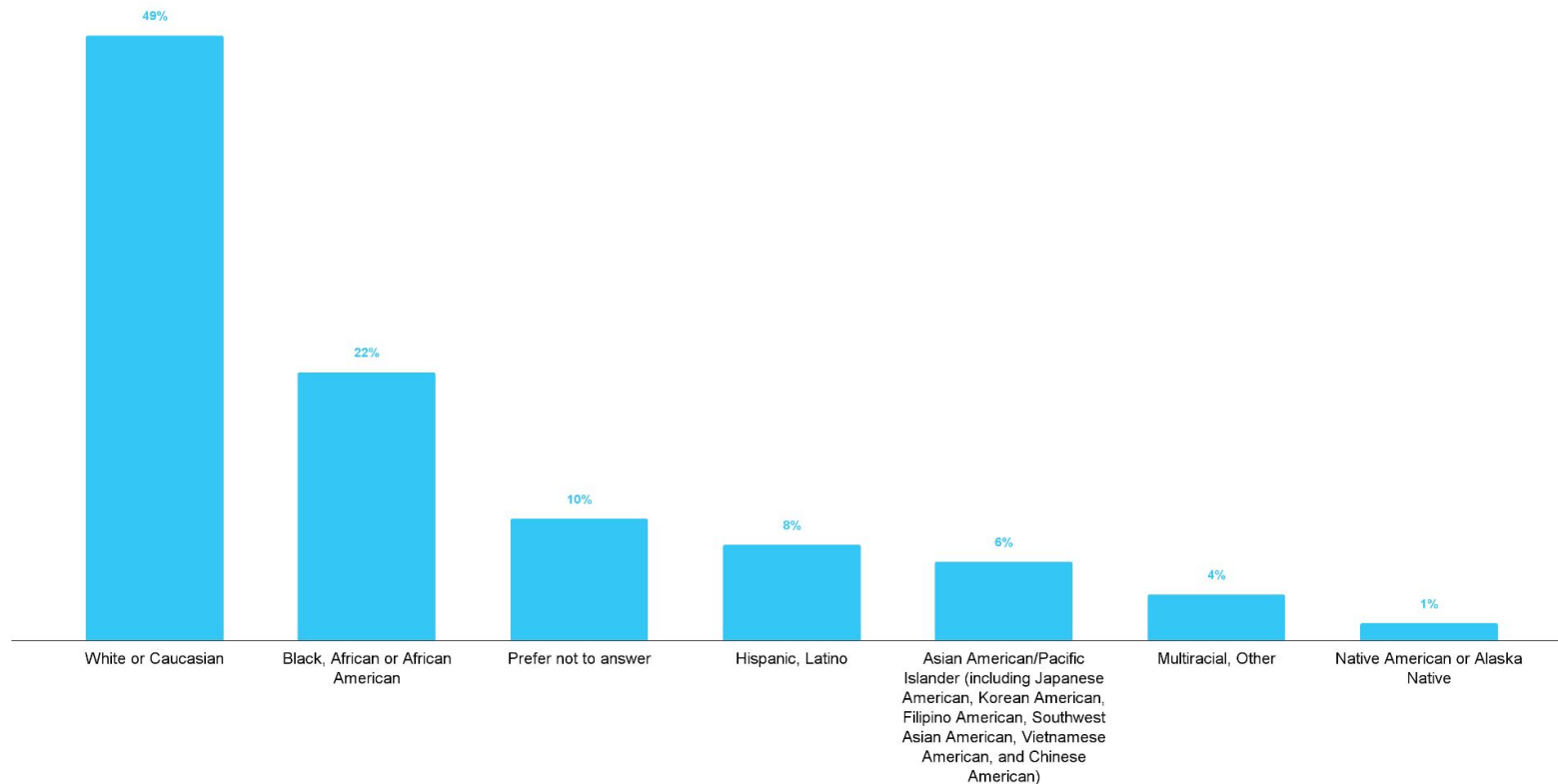
An aerial, high-angle photograph of a wide, paved pedestrian walkway. The ground is composed of large, light-colored rectangular tiles. Several people are walking across the frame in various directions. Some are walking in groups, while others are alone. The overall scene is captured with a blue color overlay, giving it a cool, modern feel. The text "Demographic Data" is superimposed in the center of the image in a white, sans-serif font.

Demographic Data

Q25: What is your age?

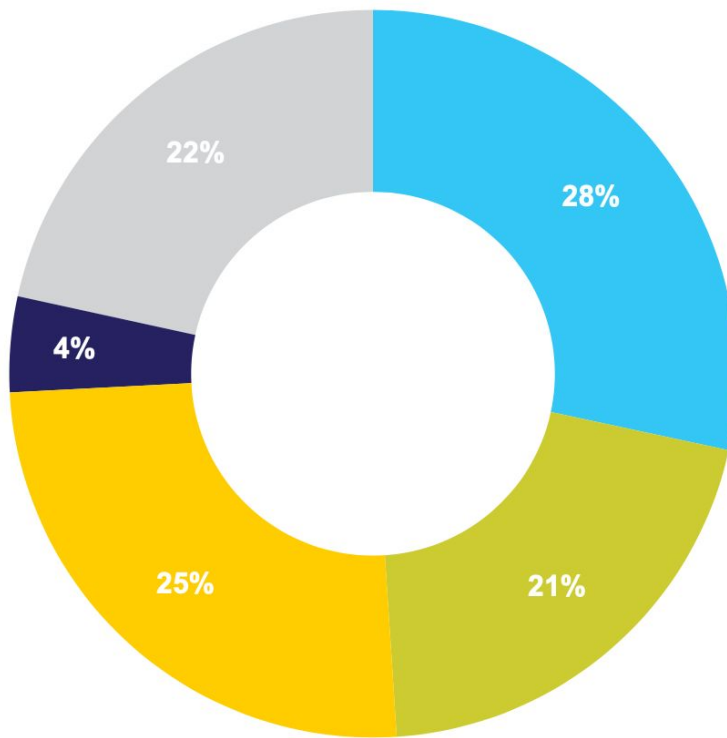


Q26: How do you identify yourself?

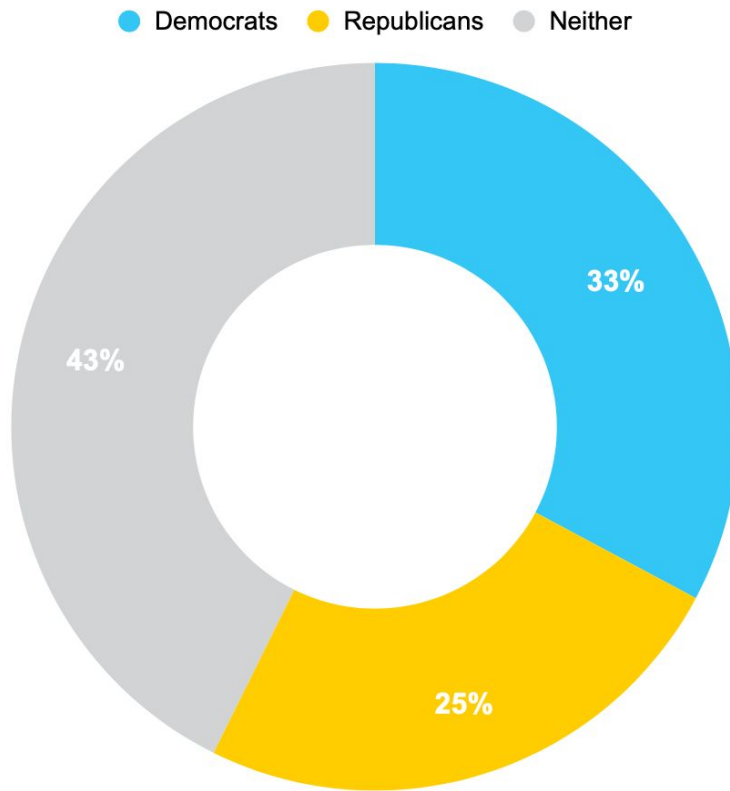


Q27: Which best represents how you typically vote in elections?

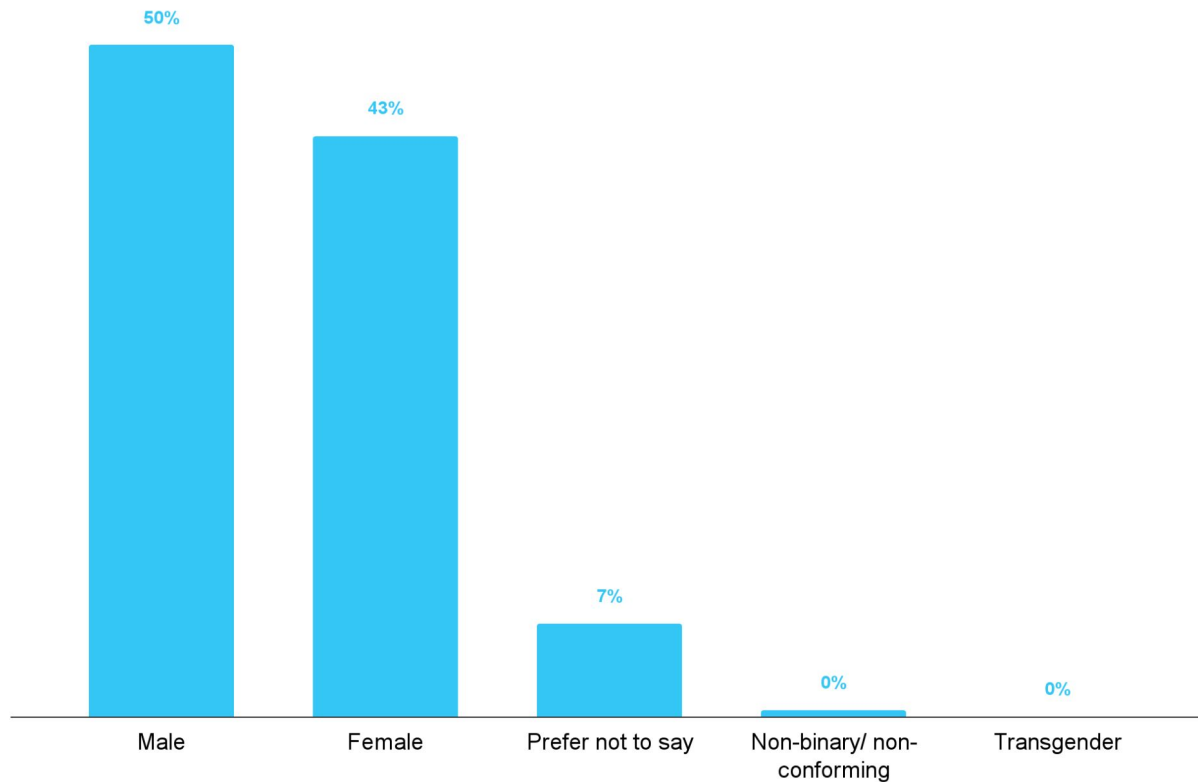
● Democrat ● Independent ● Republican ● Other ● Don't know/Prefer not to say

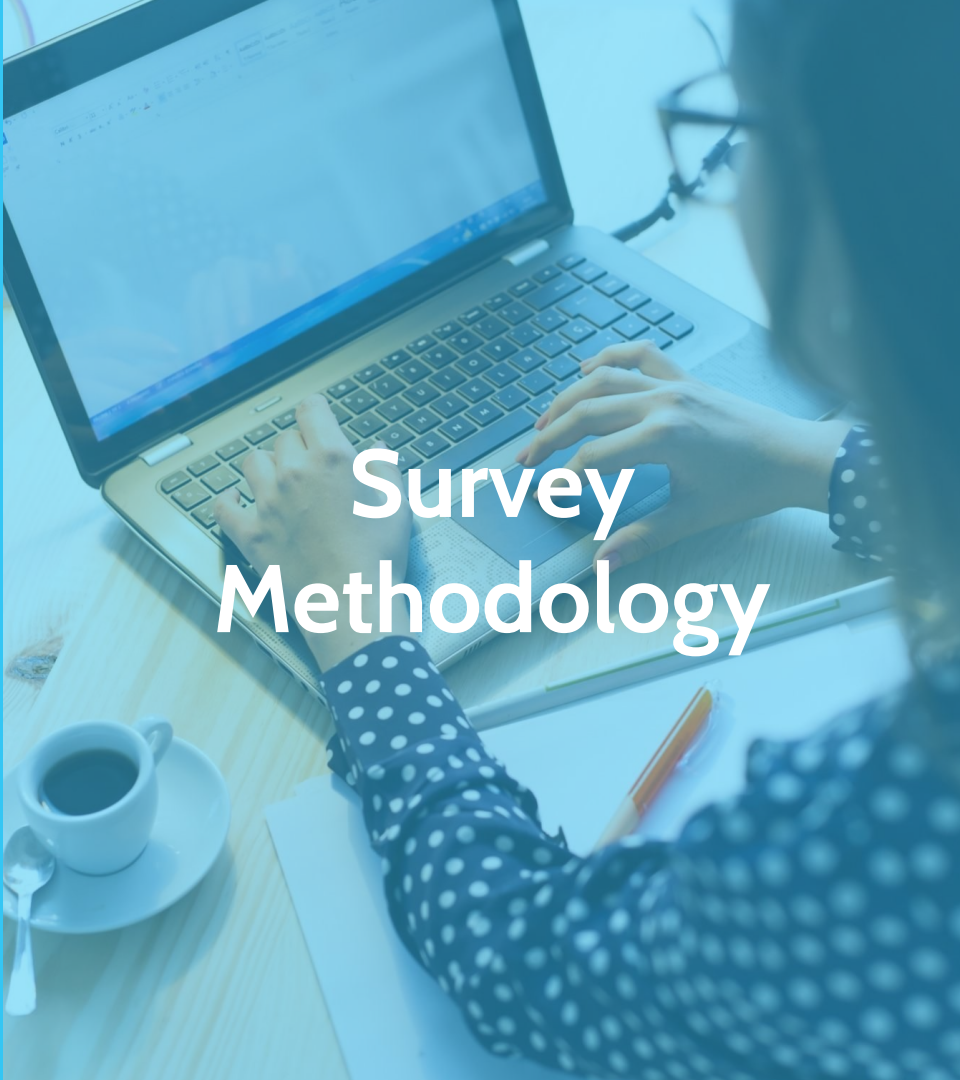


Q28: Do you more often vote for democrats or republicans?



Q29: What is your gender identity?



A person is shown from the side, typing on a laptop. The image has a blue overlay. A cup of coffee is on the desk to the left.

Survey Methodology

1,015 Total Responses

Methodology:

Survey Monkey survey of Small Business for
America's Future small business network

Fielded Nov. 8-Dec. 4, 2023

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