



SMALL BUSINESS
FOR AMERICA'S FUTURE

Survey: Small Business Owners Eager for Relief from High Healthcare Costs, Say Bringing Down Costs Should be a Top Priority

March 9, 2021

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.
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KEY FINDINGS

Healthcare costs top problem for small businesses; they are desperate for relief

- From Feb. 3-22, 2021, Small Business for America's Future conducted a **national survey of 827 small business owners** in its network to learn about their opinions on the cost of healthcare and potential solutions to bring those costs down
- Most small businesses named the the cost of providing health insurance to their employees as the biggest challenge they face **(55%)**, topping those who named Covid-19 **(37%)** as the biggest challenge
- **50%** of small business owners in the survey reported providing health insurance as a benefit, and **76%** of small business owners who do not provide coverage say its because the cost is too high
- **53%** of small business owners who said they do offer insurance have considered dropping it because of rising costs
- **Nine in 10** survey respondents said their health insurance costs increased over the past four years, with **40%** responding that costs have risen by 10% or more a year

KEY FINDINGS

Small businesses assign responsibility for high prices to many

When asked about where the responsibility for high insurance and drug prices lies, small business owners were unsparing. The following groups drew the highest response:

- **93%** said pharmaceutical companies are responsible (with **67%** saying they are very responsible)
- **92%** said health insurance carriers are responsible
- **91%** said hospitals are responsible
- **78%** of small business owners said drug companies are responsible for the high costs of prescription drugs,
 - **67%** said the current market for drug pricing is not working and needs a major overhaul

KEY FINDINGS

Small businesses open to many solutions

- **92%** of business owners said the Biden-Harris Administration and Congress must prioritize bringing down healthcare costs
- More respondents (**51%**) are concerned that the Biden-Harris Administration and Congress **would not go far enough** in acting to bring down healthcare costs than the number (**33%**) who were concerned they would go too far
- Every solution to bring down healthcare costs tested gained majority support from small business owners. They include:
 - **88%** support adopting policies that eliminate anti-competitive behaviors and patent abuses that extend brand drug monopolies that block price competition
 - **87%** support capping out of pocket patient expenses
 - **86%** support requiring hospitals and physicians to publicly disclose their negotiated payment rates
 - **85%** support for limiting the price charged by hospitals with particularly high payment rates

SURVEY RESULTS

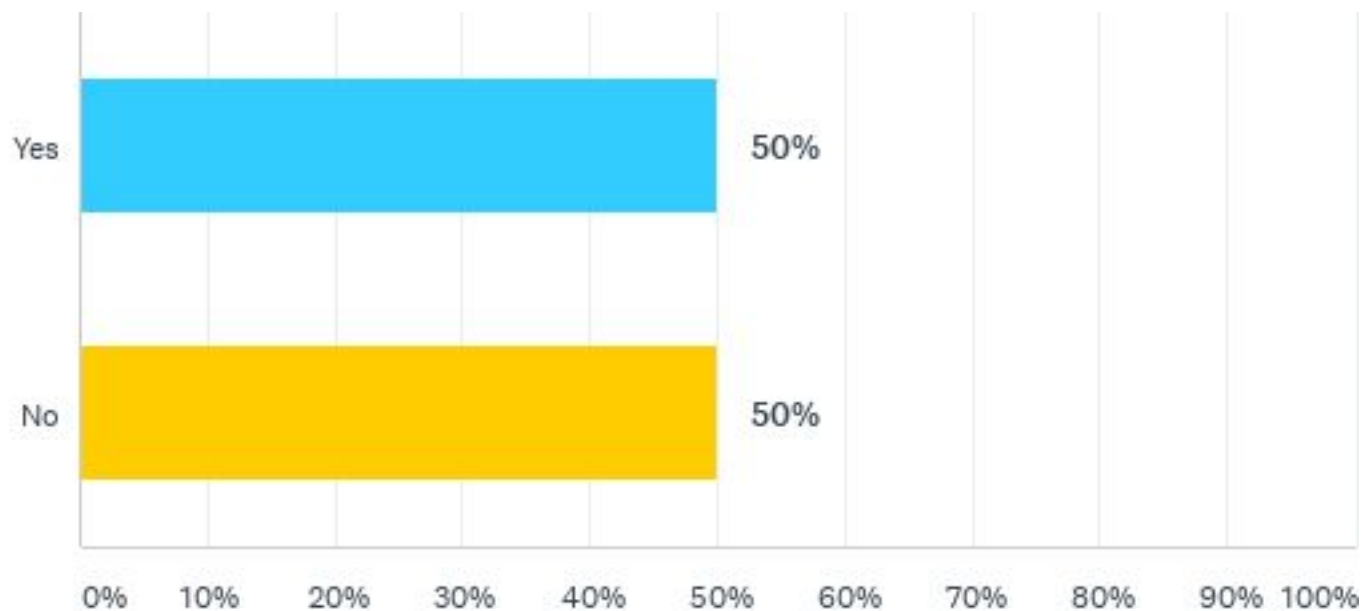
**Q1: Which one of these do you consider the biggest challenge facing your business?
(Select all that apply)**

ANSWER CHOICES	RESPONSES	
The cost of providing health insurance to employees	55%	453
Rising cost of doing business, NOT involving fuel, rent, or utility costs	41%	341
Attracting and retaining quality employees	38%	316
Covid-19	37%	309
Competition with big business and corporations	35%	291
Attracting new customers	33%	276
Local, state, and federal taxes	30%	248
Government regulations	24%	196
Lack of access to credit or capital	23%	194
Total Respondents: 827		

Q2: What is your current primary source of health insurance?

ANSWER CHOICES	RESPONSES	
Private health insurance	49%	408
Private health insurance through a spouse or partner	12%	101
Other forms of coverage (Association Health Plan, etc.)	11%	89
I don't have health insurance	11%	88
Medicare	10%	79
Military or veterans coverage	4%	37
Medicaid	2%	18
COBRA benefits	1%	7
TOTAL		827

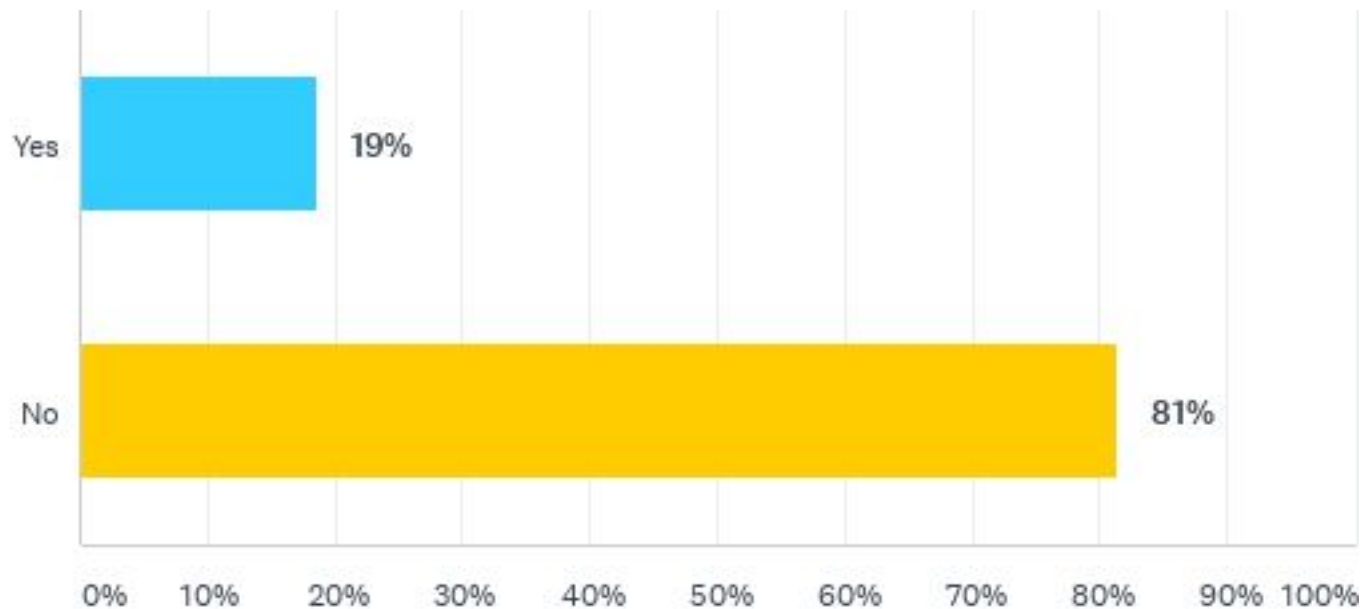
Q3: Do you provide health insurance as a benefit to your employees?



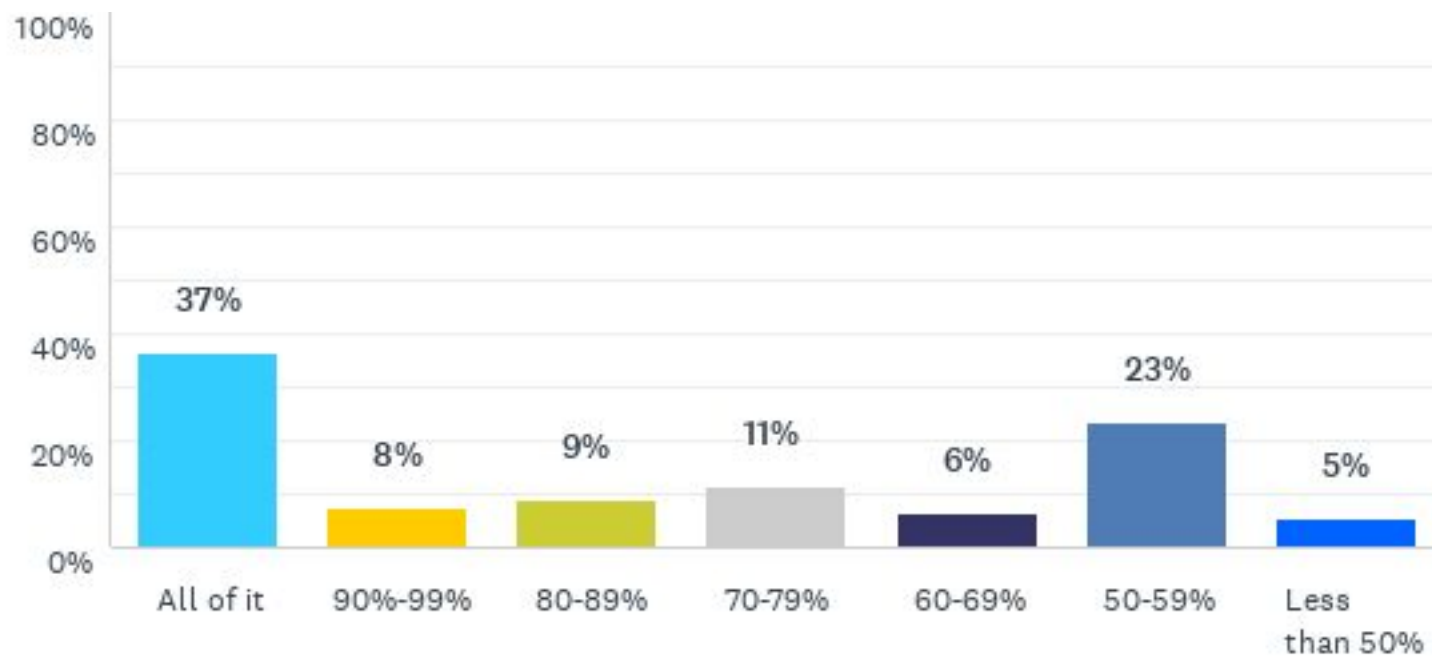
Q4: Why do you not provide health insurance to your employees? (Select all that apply)

ANSWER CHOICES	RESPONSES	
The cost of providing health insurance is too high	76%	281
Employees would rather have the money that would be spent on insurance go toward pay	25%	91
Administration of health plans is complicated and time consuming	22%	80
Employees are all contractors	15%	56
Not necessary for employee recruitment and retainment	9%	35
Other (please specify)	17%	64
Total Respondents: 370		

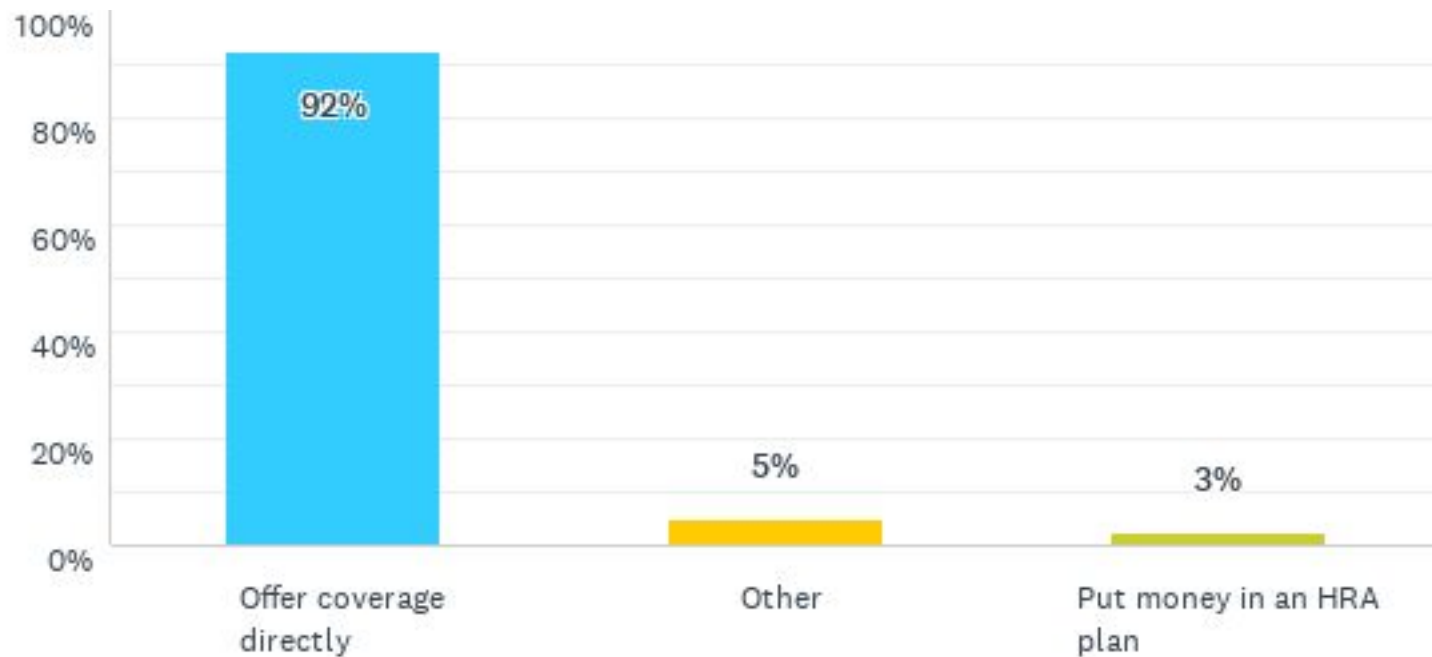
Q5: Is the health insurance you provide to your employees mandated by any state or local government?



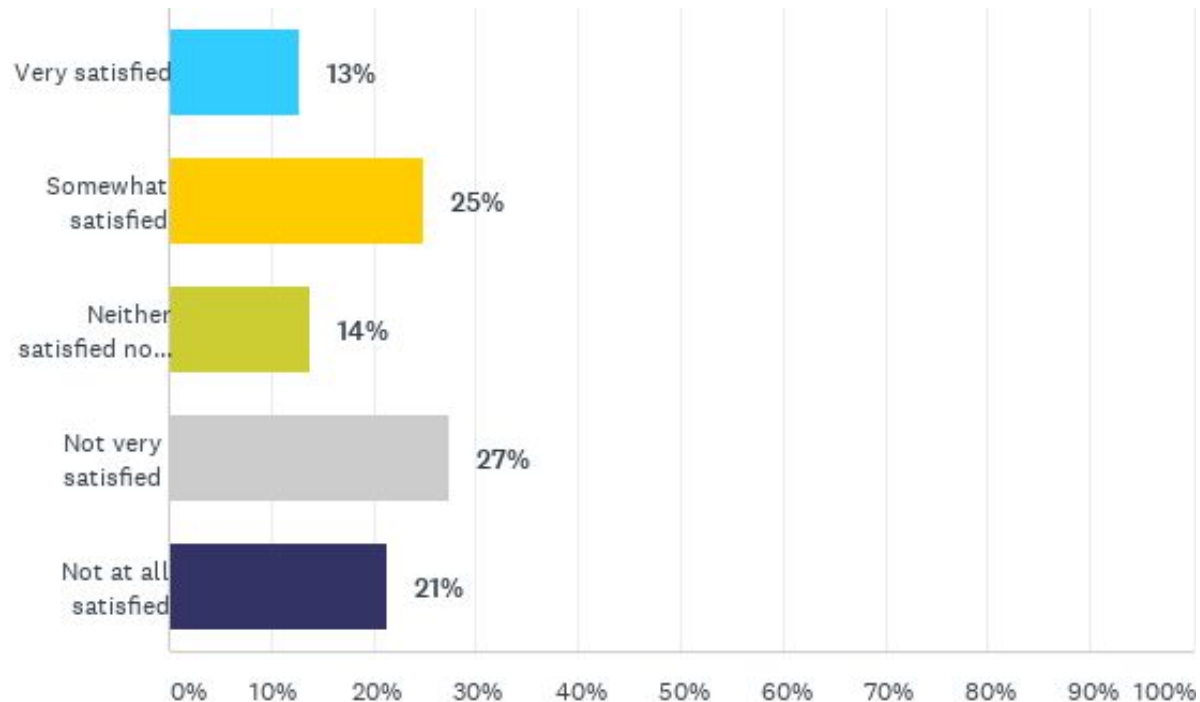
Q6: How much of the cost of an employee's health insurance does your business contribute?



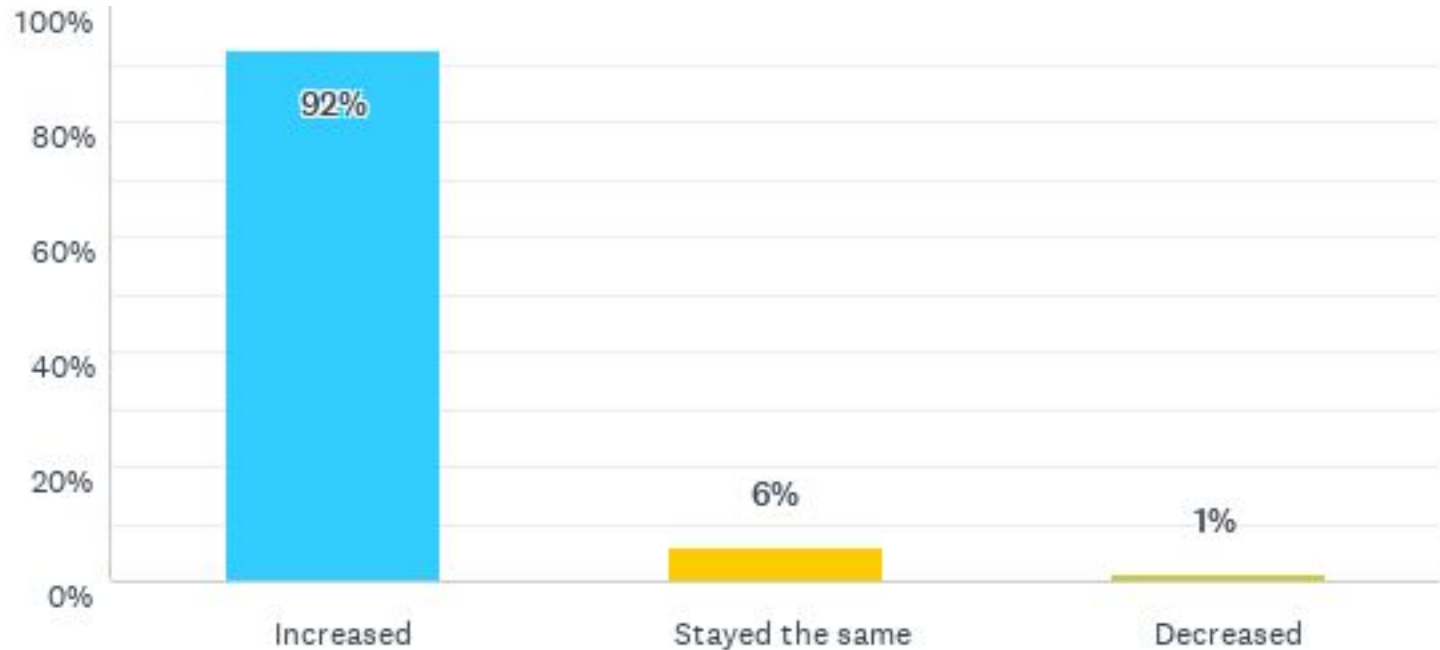
Q7: How do you offer health insurance to your employees?



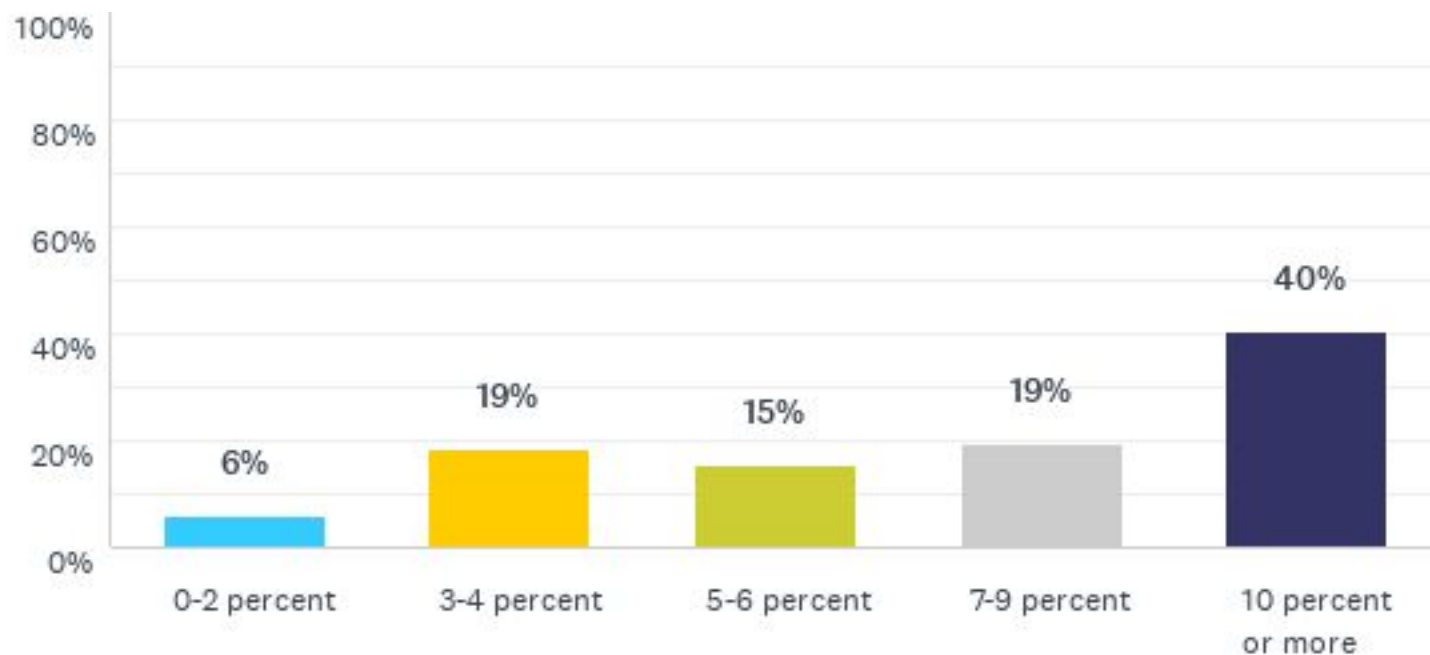
Q8: How satisfied are you with your health insurance options as a small business owner?



Q9: Over the last four years, would you say the costs of health insurance for you and/or your employees have increased, decreased or stayed about the same?



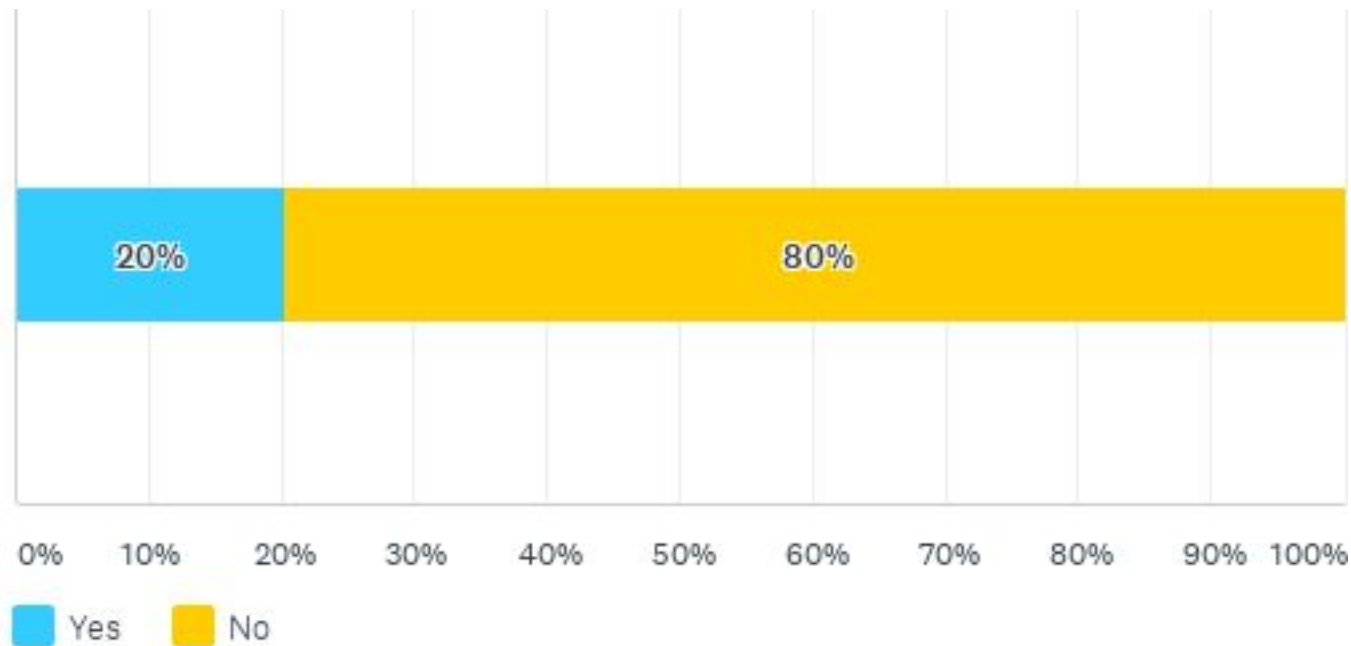
Q10: Please estimate the yearly increase of your healthcare costs of your business



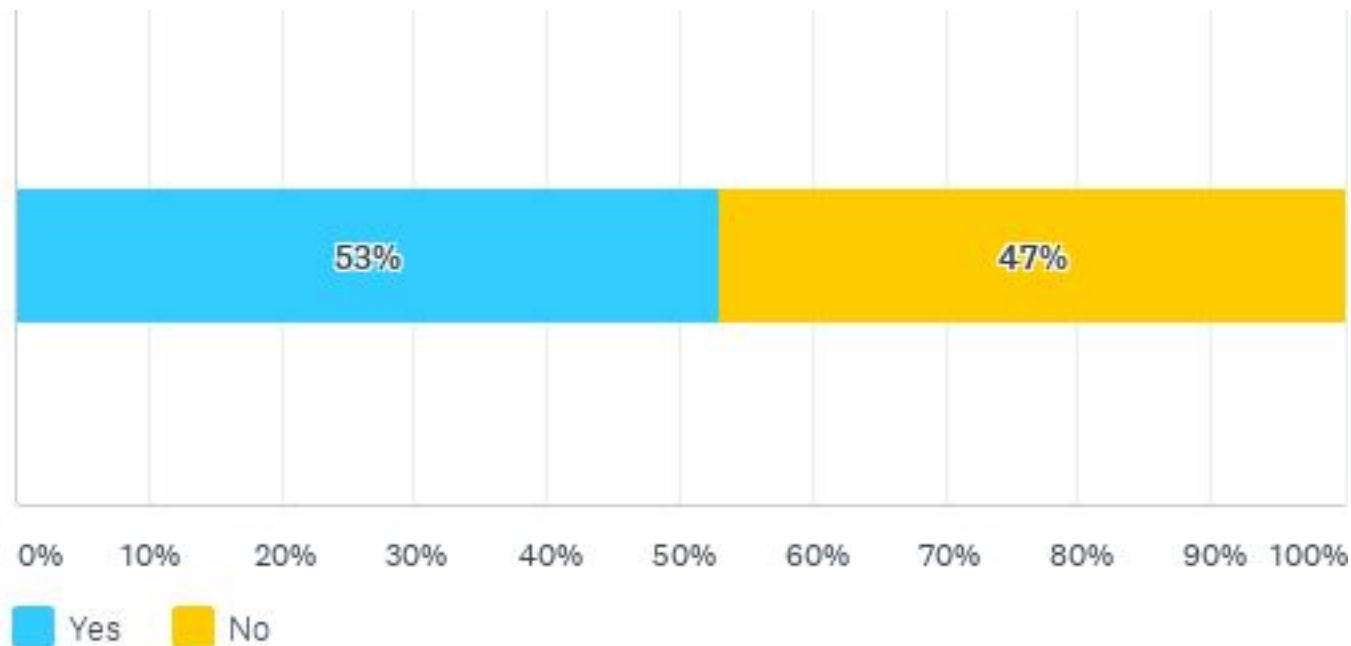
Q11: Outside of costs, which of the following do you consider the biggest challenge when it comes to providing health insurance to employees? (select all that apply)

ANSWER CHOICES	RESPONSES	
Lack of choices in healthcare plans	65%	241
Changing rules and regulations from the government	36%	132
Inability to get clear, unbiased information and data to make health care purchasing decisions	32%	120
Time required for administration and paperwork	27%	101
Finding in-network doctors and hospitals	22%	83
Total Respondents: 371		

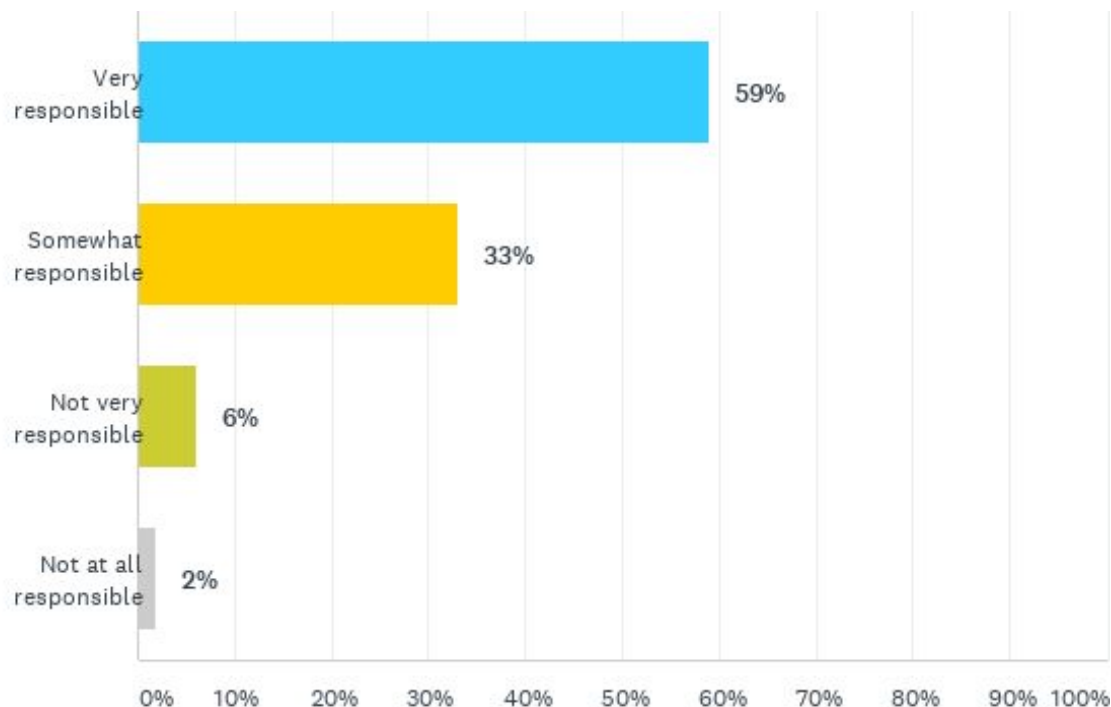
Q12: Have you thought about no longer providing health insurance for your employees due to any COVID-19 related issues with your business?



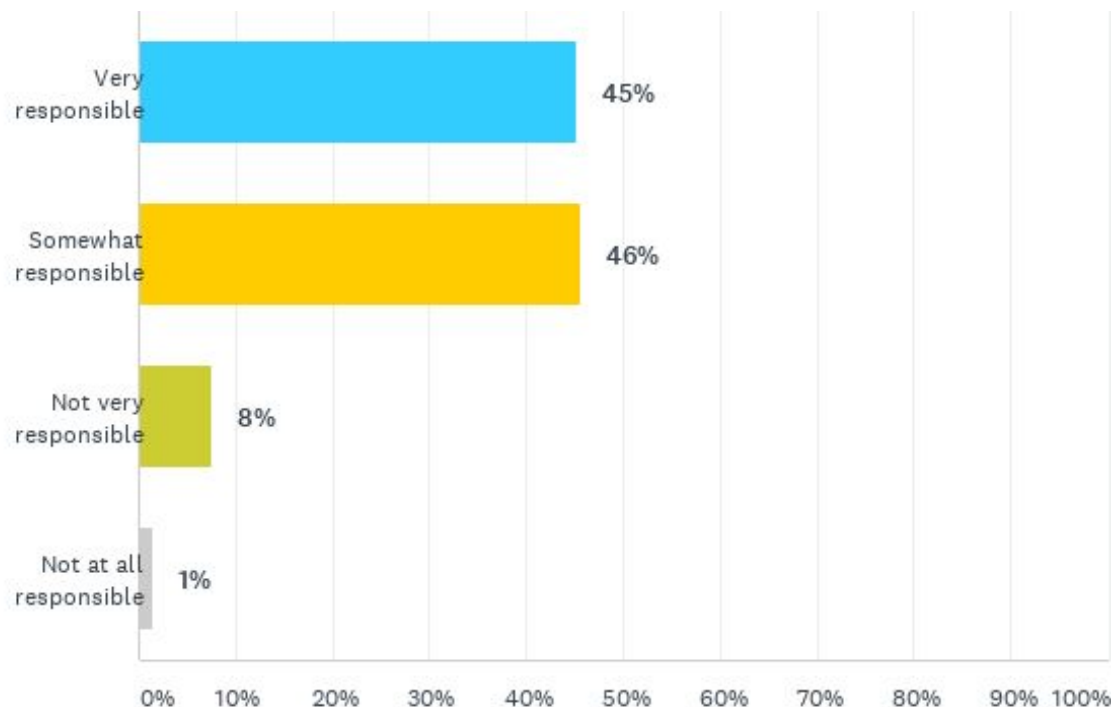
Q13: Have you thought about no longer providing health insurance for your employees due to the rising cost of coverage?



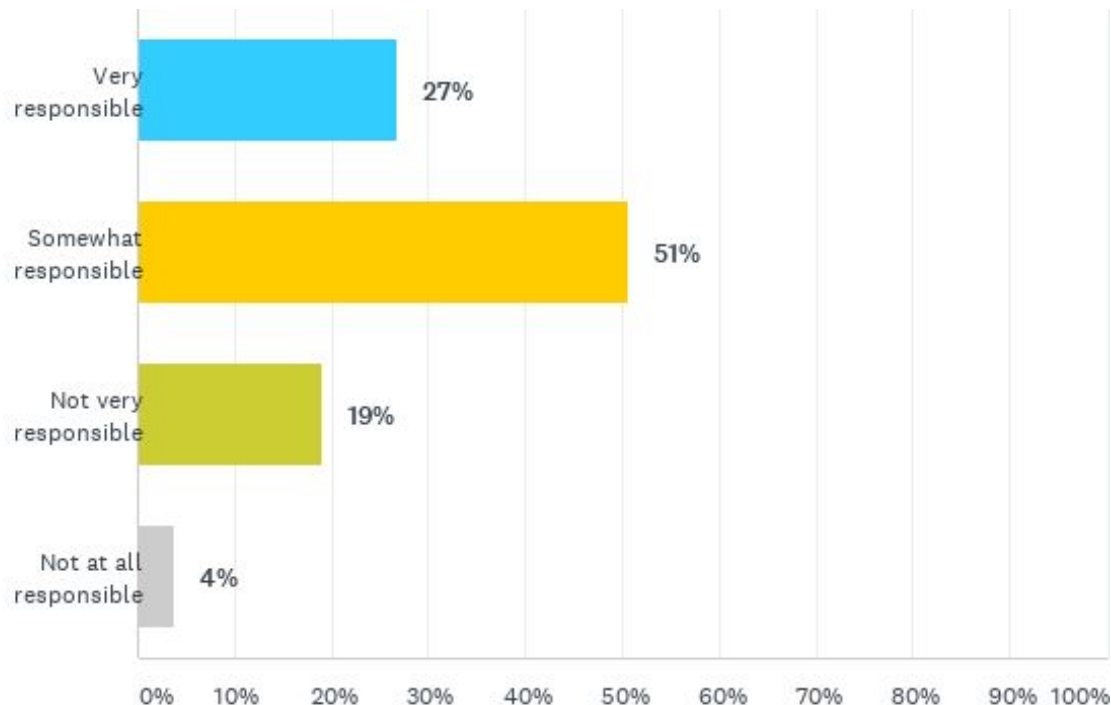
Q14: How responsible do you think health insurance carriers are for the rising costs of providing healthcare?



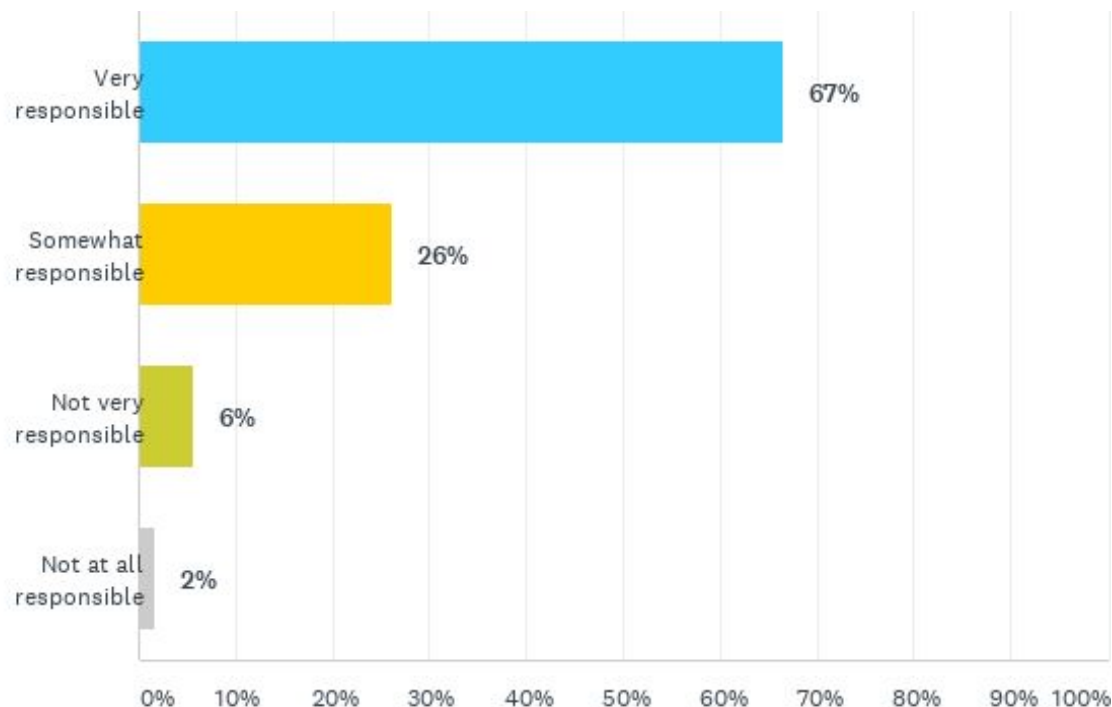
Q15: How responsible do you think hospitals are for the rising costs of providing healthcare?



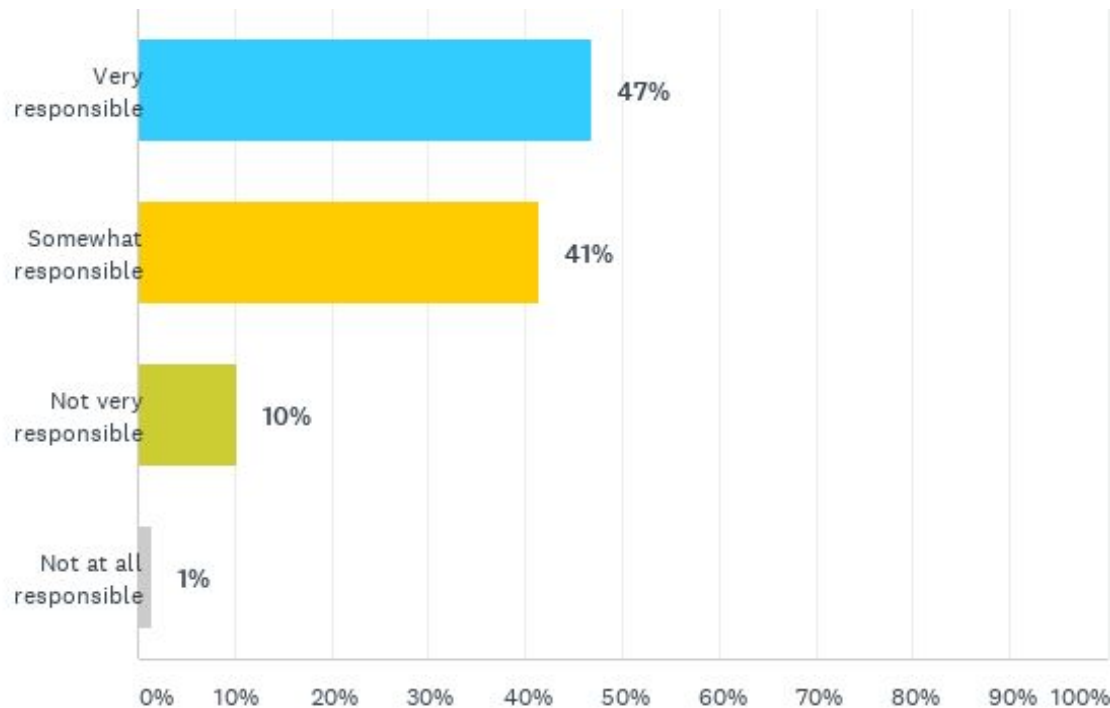
Q16: How responsible do you think doctors and other clinicians are for the rising costs of providing healthcare?



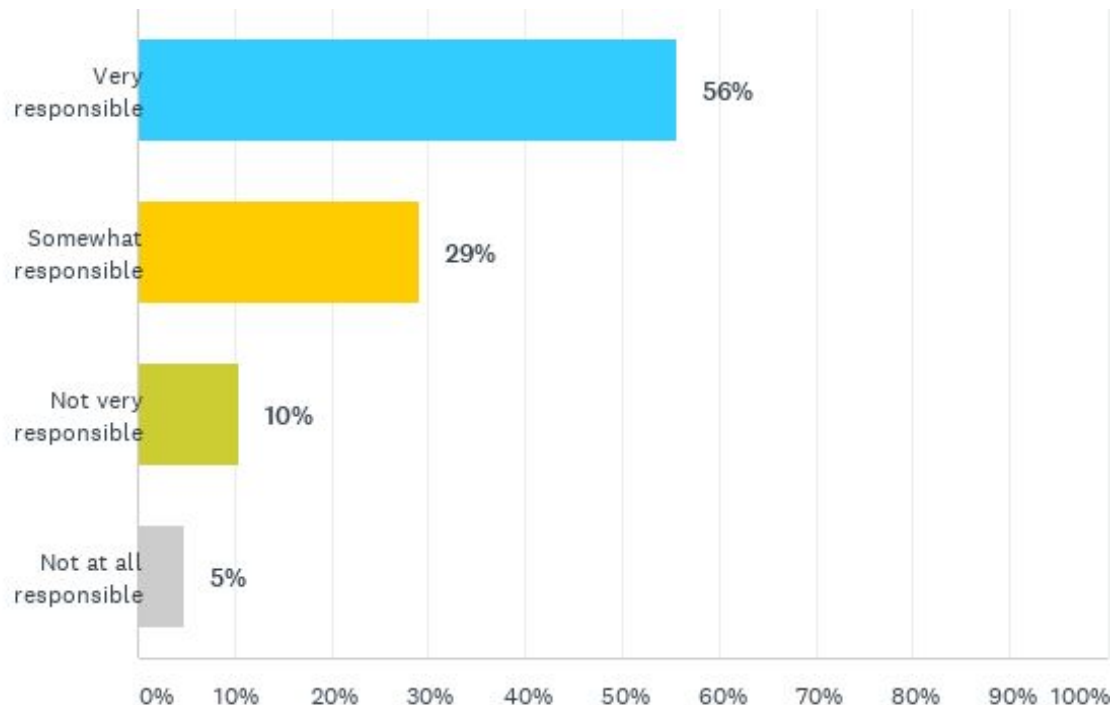
Q17: How responsible do you think pharmaceutical companies are for the rising costs of providing healthcare?



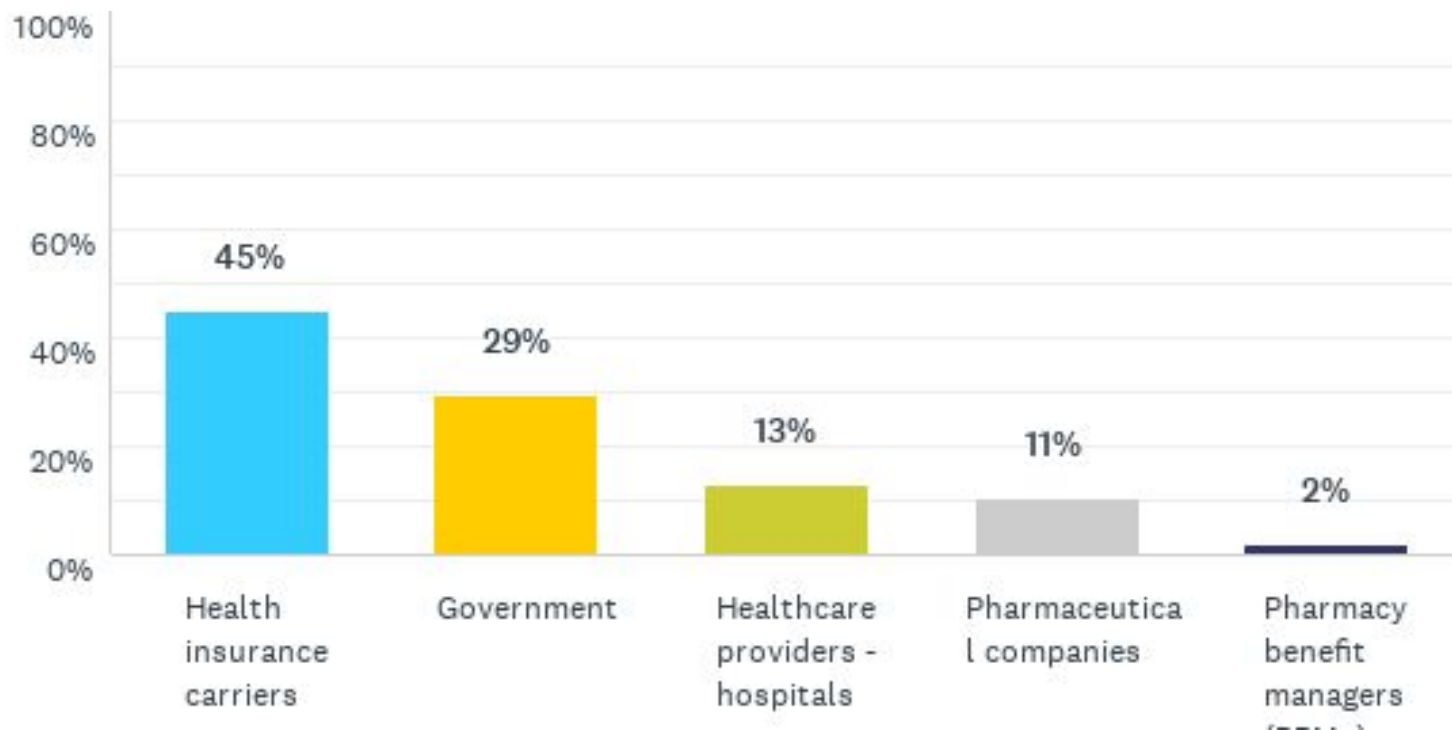
Q18: How responsible do you think pharmacy benefit managers, which administer the prescription drug programs of health plans by negotiating pricing and access of drugs with pharmaceutical companies, are for the rising costs of providing healthcare?



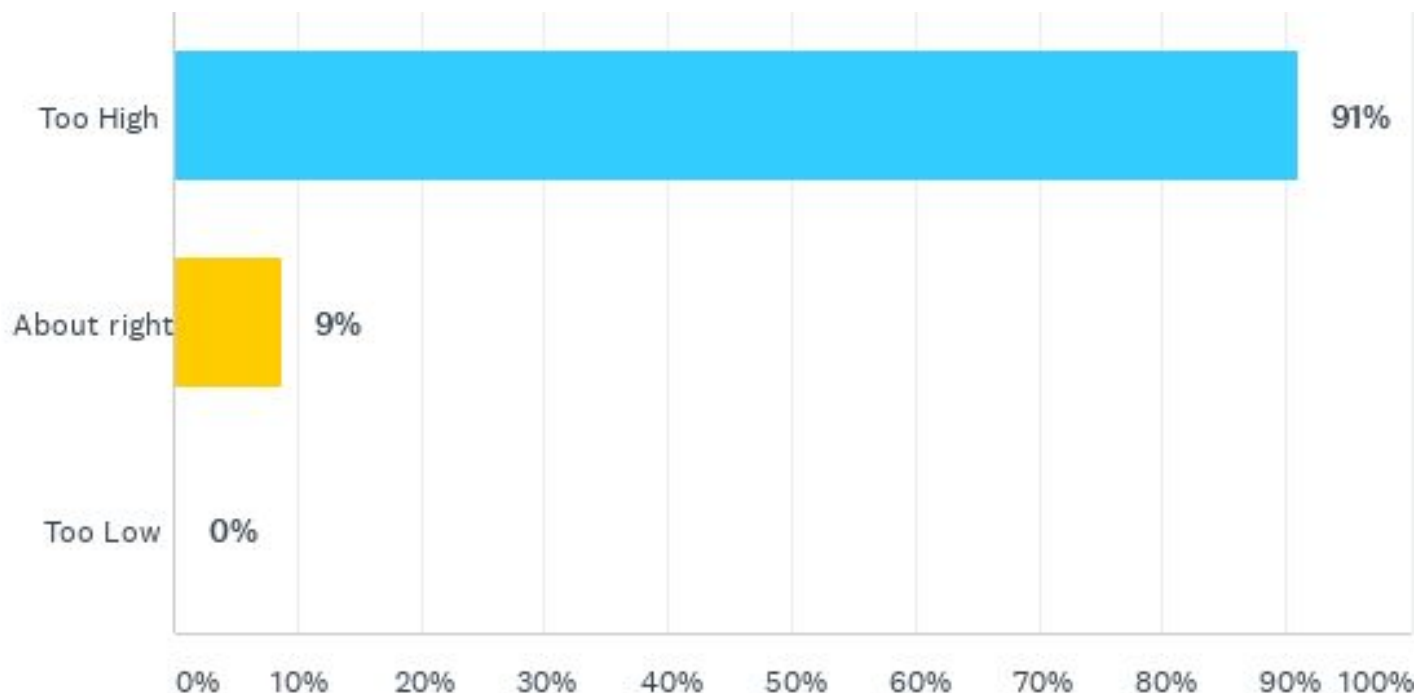
Q19: How responsible do you think the government is for the rising costs of providing healthcare?



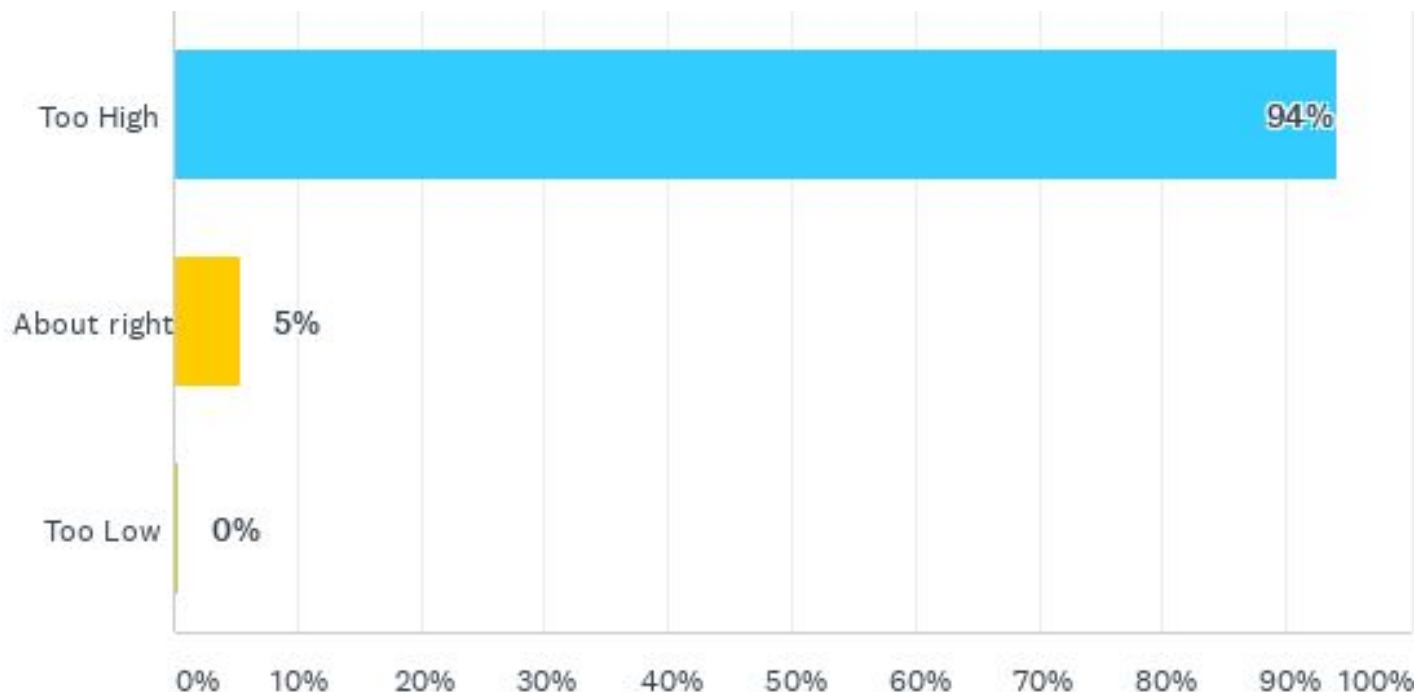
Q20: Which one of the following do you find the most responsible for the rising costs of providing healthcare?



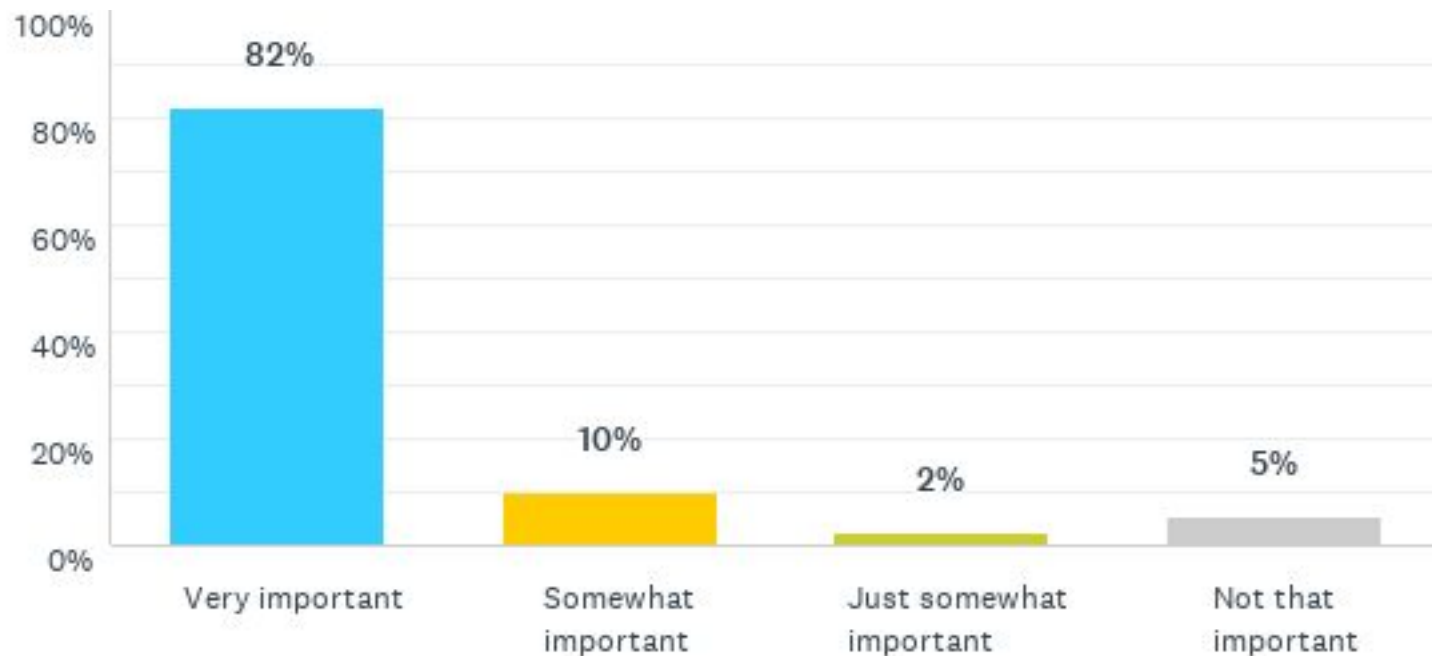
Q21: Overall, do you think prescription drug prices in America are too high, too low, or about right?



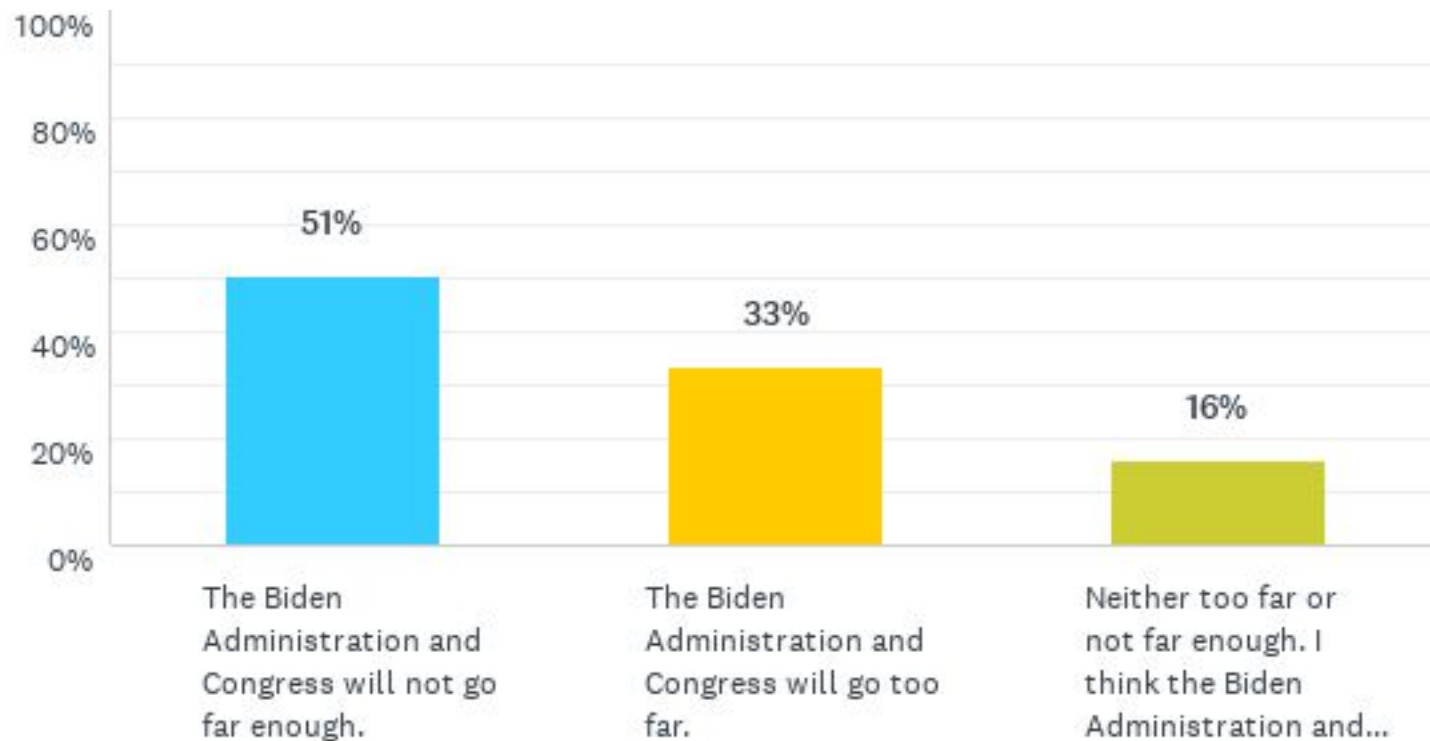
Q22: Now, turning to the prices you pay for hospital care, do you think those prices are too high, too low, or about right?



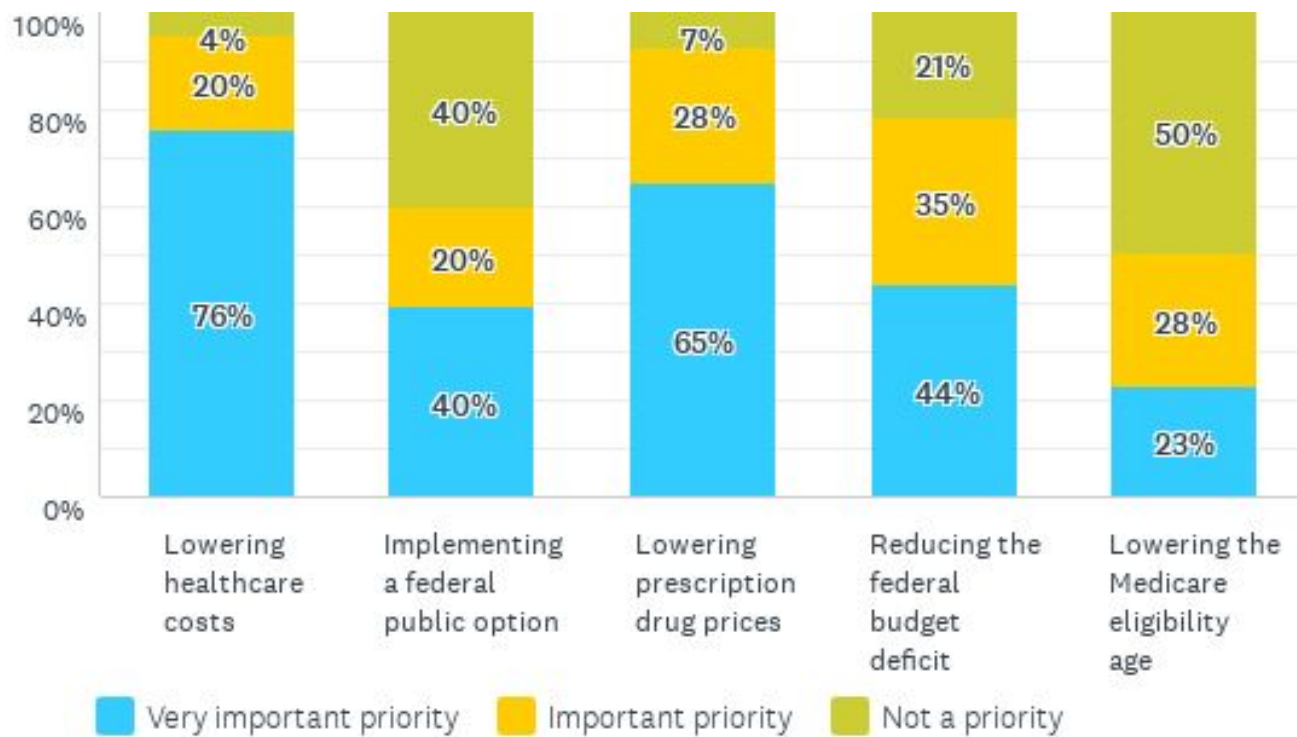
Q23: How important do you feel it is for Congress and the Biden administration to take action to reduce the cost of healthcare?



Q24: What are you most concerned about when it comes to the federal government's efforts to reduce the cost of healthcare?



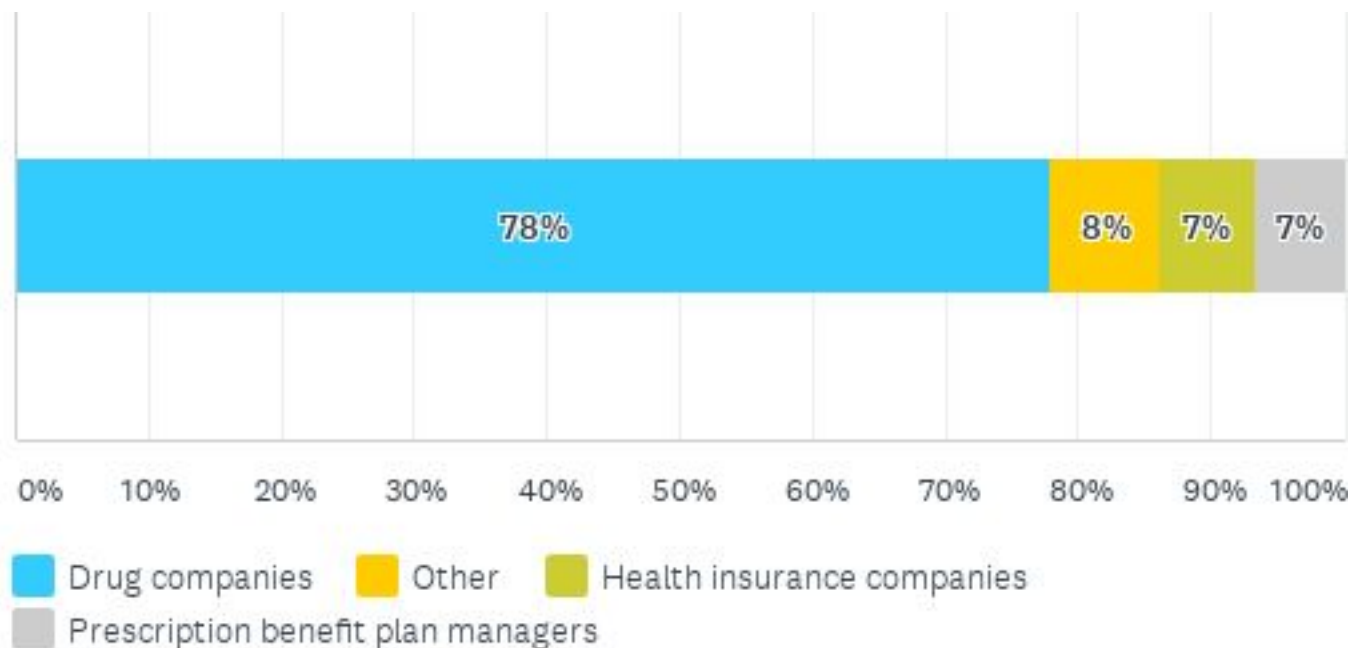
Q25: Here are possible priorities for the Biden administration and Congress to address in the next two years. For each item, please indicate how high of a priority this is for you.



Q26: Here are suggestions some people have made to reform healthcare in this country. For each solution, please indicate whether you support it.

	SUPPORT	DO NOT SUPPORT	TOTAL
Reduce regulations governing health insurance carriers and healthcare providers.	54% 440	46% 369	809
Limit or prevent consolidation among healthcare providers.	60% 489	40% 324	813
Give everyone the option of purchasing a government administered health plan similar to Medicare regardless of employment status.	69% 566	31% 254	820
Allow the government to negotiate directly with drug companies on drug prices for Medicare, private sector payers rather than relying on pharmacy benefit managers.	77% 631	23% 188	819
Make it easier to import drugs from Canada.	83% 678	17% 141	819
Require drug companies to publicly disclose information on prices and costs associated with manufacturing, marketing, and research and development of prescription drugs.	83% 683	17% 138	821
Limit the prices charged by hospitals with particularly high payment rates to no more than two times what Medicare pays for the service.	85% 697	15% 124	821
Cap out-of-pocket patient expenses.	87% 706	13% 103	809
Require hospitals and physicians to publicly disclose their negotiated payment rates to employers and the public.	86% 706	14% 114	820
Adopt policies that eliminate anti-competitive behaviors and patent abuses that extend brand drug monopolies that block price competition.	88% 716	12% 100	816

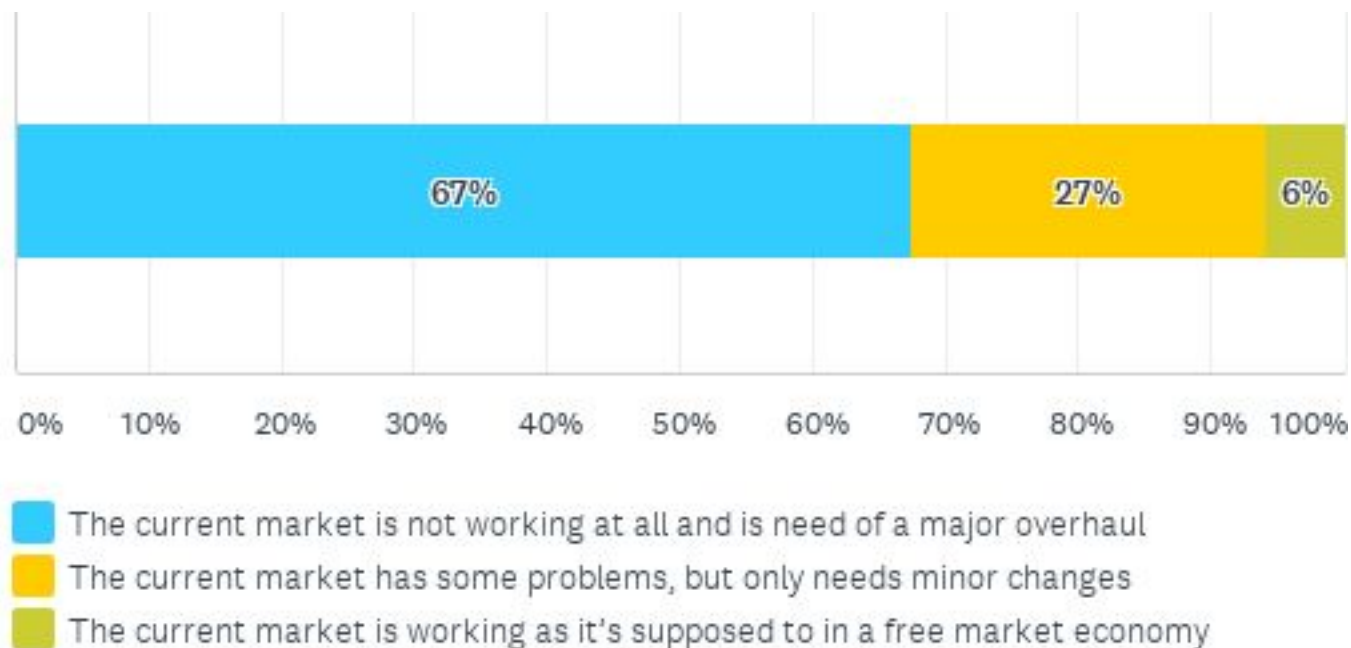
Q27: Based on what you know, who is more responsible for high prescription drug prices?



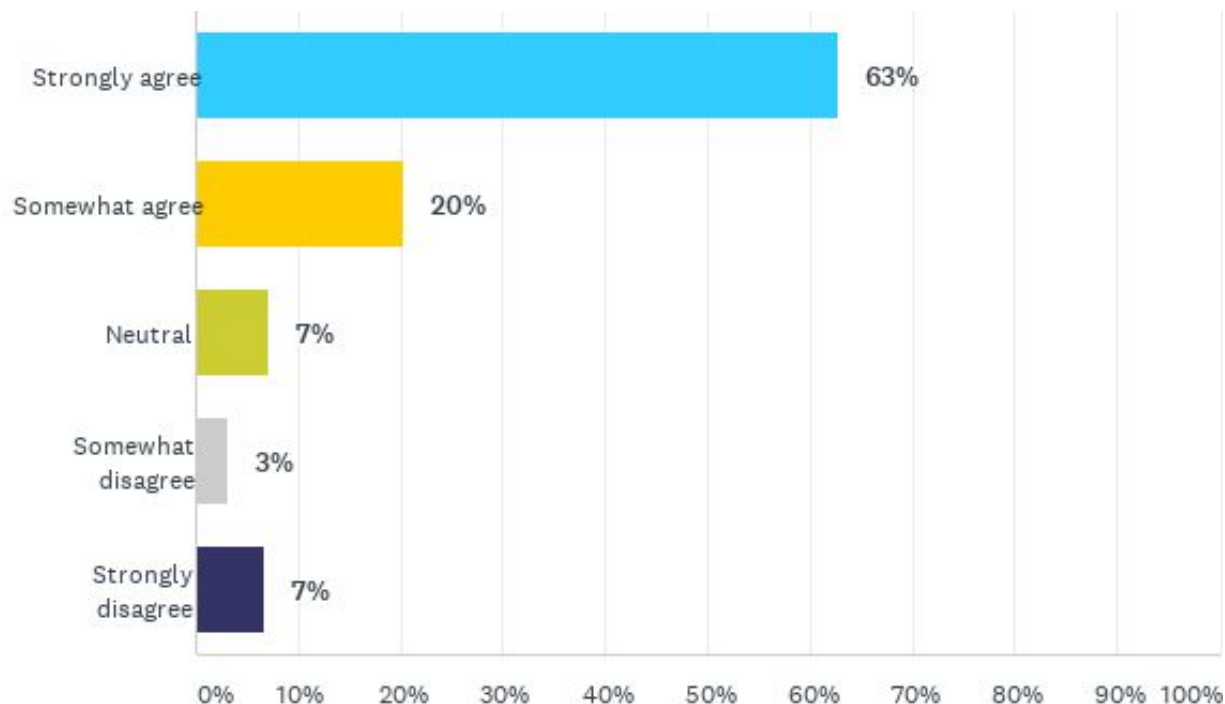
Q28: Which of the following options comes closest to the way your company typically manages increasing costs from prescription copays?



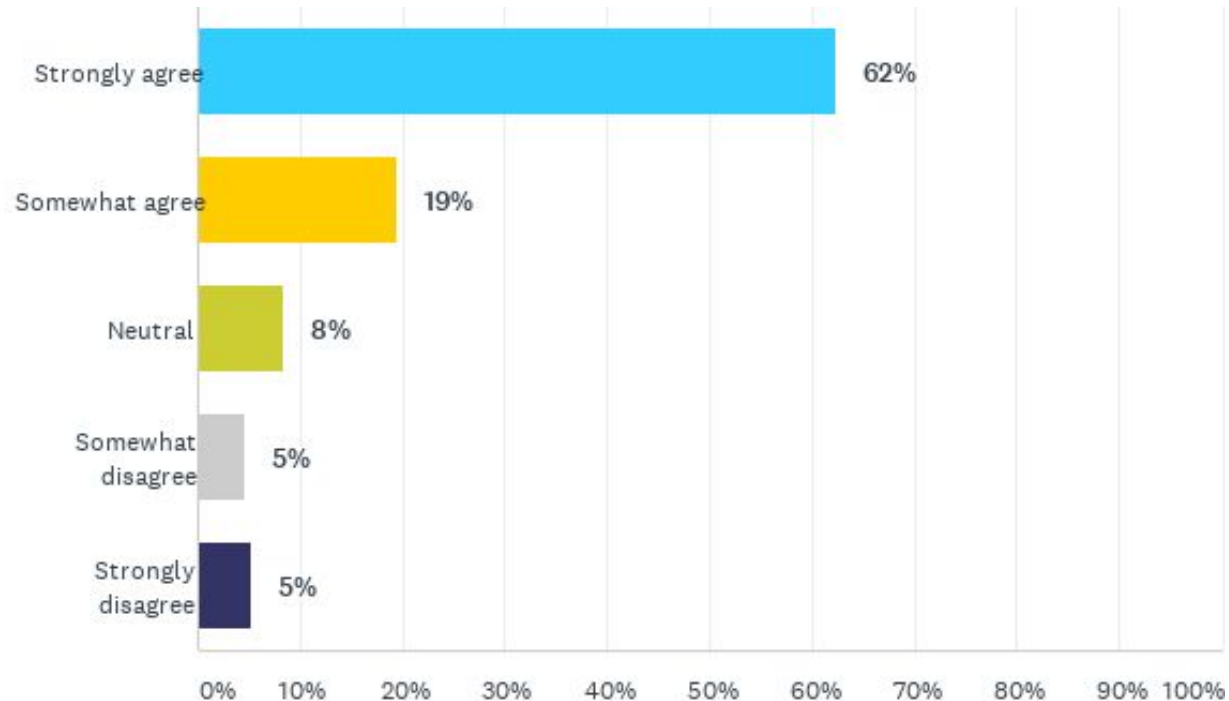
Q29: Generally speaking, which of the following statements is closest to how you feel about the way the current market is pricing prescription drugs?



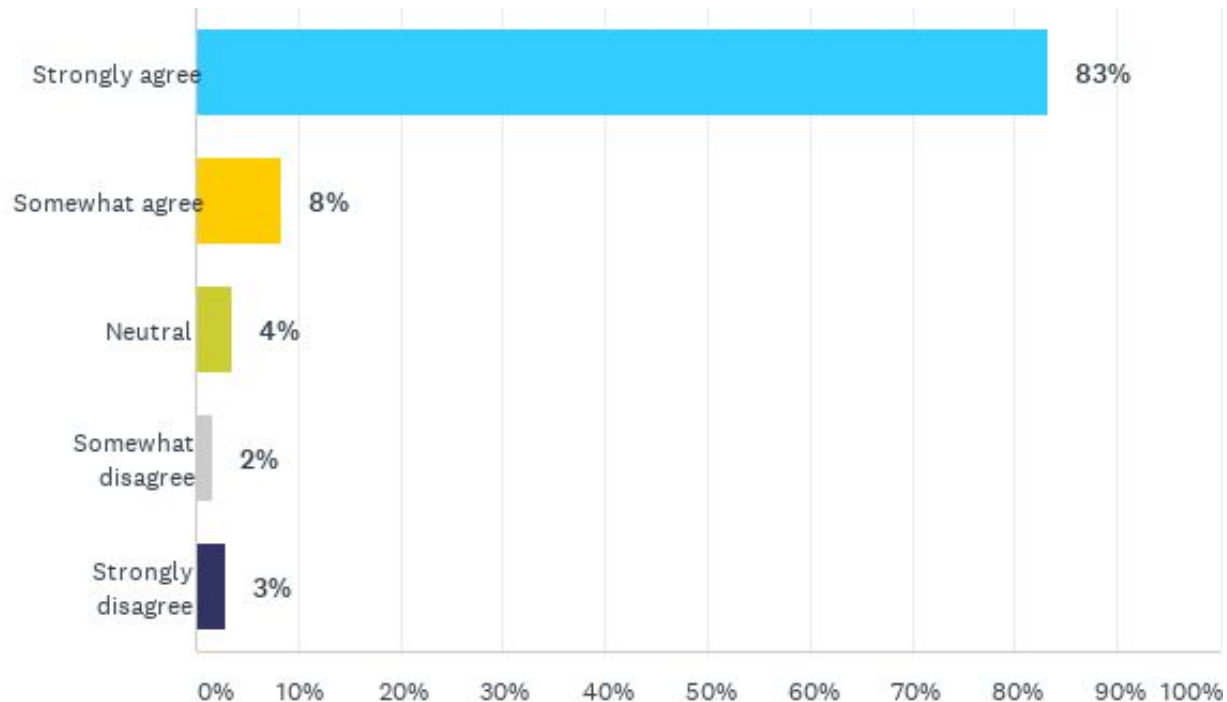
Q30: The federal government should be able to negotiate with drug companies to get lower prices on prescription drugs.



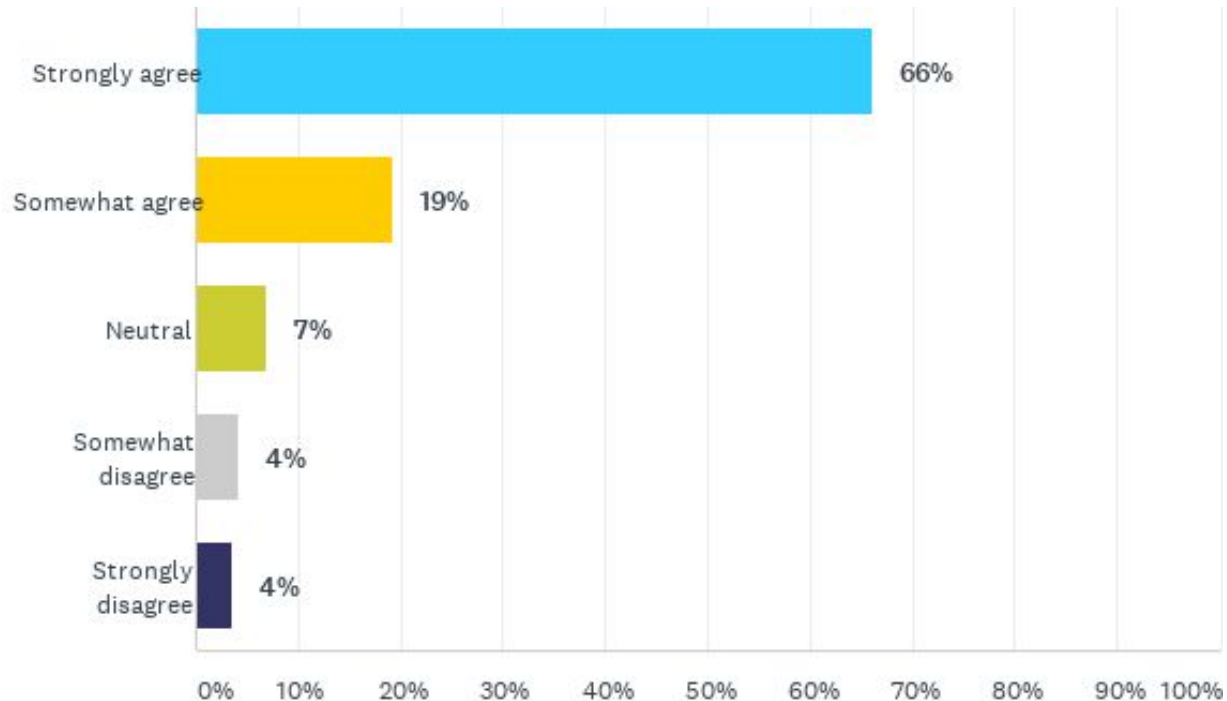
Q31: Drug companies should be required to publicly disclose how much they spend on research, manufacturing, and marketing and how much they are making in profits.



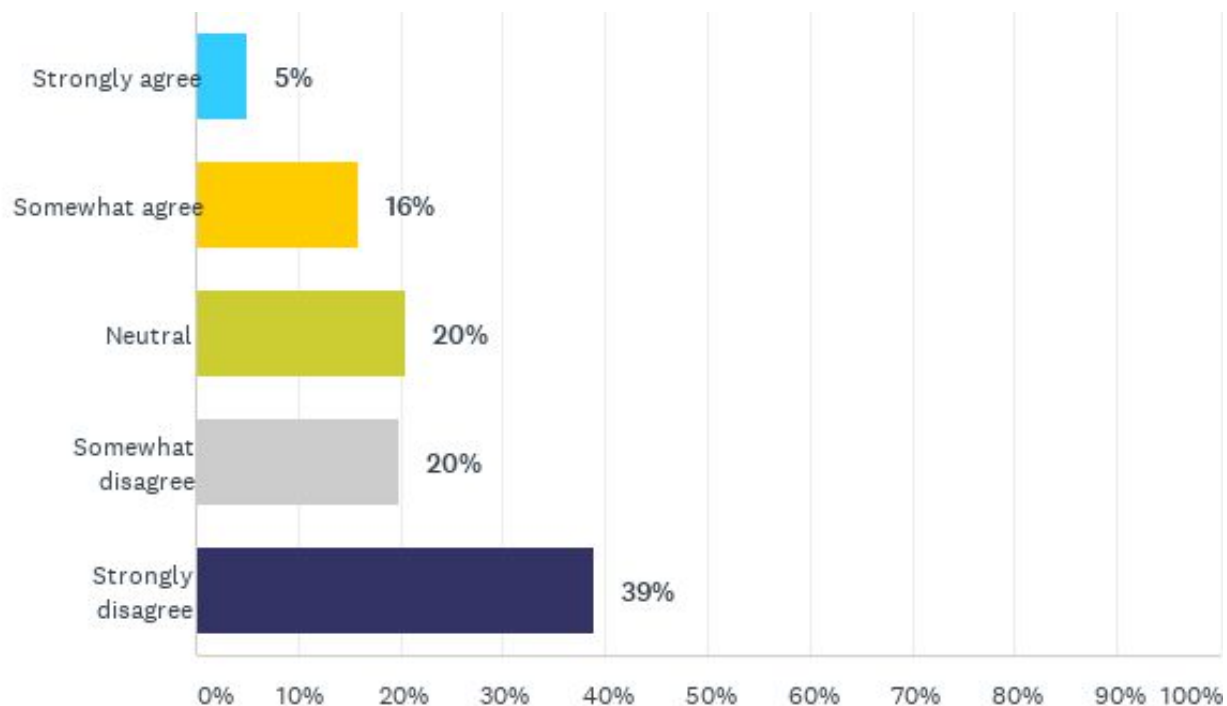
Q32: It should be illegal for a drug company to pay another company that makes generic drugs to delay the release of a generic drug.



Q33: Pharmaceutical companies should be prohibited from extending patents on their drugs, which delays less expensive generics from entering the market.



Q34: Reducing drug prices will hurt innovation



DEMOGRAPHIC DATA

Q35: Are you a small business owner ?

ANSWER CHOICES	RESPONSES	
Yes	100%	827
No	0%	0
TOTAL		827

Q36: Not including yourself, how many employees do you have?

ANSWER CHOICES	RESPONSES	
Self only	10%	86
1-5	41%	342
6-10	19%	160
11-30	21%	170
31-50	5%	44
51-100	2%	16
101-200	1%	8
201-500	0%	1
500+	0%	0
TOTAL		827

Q37: What is your age?

ANSWER CHOICES	RESPONSES	
18-24	0%	0
25-34	2%	19
35-44	11%	91
45-54	26%	212
55-64	42%	347
65+	19%	158
TOTAL		827

Q38: How do you identify yourself? (Select all that apply)

ANSWER CHOICES	RESPONSES	
Asian American/Pacific Islander (including Japanese American, Korean American, Filipino American, Southwest Asian American, Vietnamese American, and Chinese American)	5%	40
Black, African or African American	13%	111
Hispanic, Latino	5%	44
Native American or Alaska Native	1%	12
White or Caucasian	65%	537
Other/Prefer not to answer	13%	106
Total Respondents: 827		

Q39: Which of the following best describes the principal industry of your business?

ANSWER CHOICES	RESPONSES	
Advertising & Marketing	3%	24
Agriculture	2%	14
Airlines & Aerospace (including Defense)	2%	13
Automotive	3%	21
Business Support & Logistics	4%	29
Construction, Machinery, and Homes	17%	137
Education	2%	18
Entertainment & Leisure	1%	11
Finance & Financial Services	1%	8
Food & Beverages	2%	20
Government	1%	12
Healthcare & Pharmaceuticals	8%	63
Insurance	0%	3
Manufacturing	14%	112
Nonprofit	1%	5
Professional Services	23%	191
Retail & Consumer Durables	5%	40
Real Estate	2%	17
Telecommunications, Technology, Internet & Electronics	5%	44
Transportation & Delivery	4%	32
Utilities, Energy, and Extraction	2%	13
TOTAL		827

Q40: What is your gender? (optional)

ANSWER CHOICES	RESPONSES	
Female	43%	357
Male	50%	412
Non-Binary	0%	2
Prefer not to say	6%	52
TOTAL		823

Q41: What is your current political affiliation?

ANSWER CHOICES	RESPONSES	
Independent	25%	207
Democrat	25%	204
Republican	24%	201
Don't know/Prefer not to say	21%	177
Other	5%	38
TOTAL		827

Q42: What was your gross revenue for your business in 2020?

ANSWER CHOICES	RESPONSES	
Less than \$100,000	23%	187
\$100,000 to under \$250,000	19%	159
\$250,000 to under \$500,000	14%	114
\$500,000 to under \$1 million	13%	111
\$1 million to under \$2 million	14%	117
\$2 million or more	17%	139
TOTAL		827

SURVEY METHODOLOGY

827

Total Responses

Methodology:

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

Fielded Feb. 3-22, 2021
