

AFFORDABLE HEALTH CARE

As the cost of health care continues to rise, business owners large and small are finding it increasingly difficult to provide even the most basic medical coverage for employees. Discussions with women business owners often highlight a belief that women business owners are more likely to want to provide health insurance than men business owners. But for small and microbusinesses, offering health care coverage is often not a financial possibility. Since most health insurance companies do not want small groups because of higher risks and onerous paperwork, small businesses often have few, if any, options for offering coverage. While many women business owners would like to provide health care coverage for their employees, the ever-increasing costs of health care insurance are creating a shift in the perception of whose responsibility it should be to provide the service: the employer's or the employee's.

Alternatives like Association Health Plans will help create some competition among insurance companies.

(A St. Louis, MO-area woman business owner)

Women business owners also tend to think that women have higher health insurance premiums than men, so for microenterprises—if the owner and the few employees are women—their cost for coverage would very likely be higher than it would be to cover the same number of men. Another important issue is that the

According to National Association for the Self-Employed, an employee in a firm with fewer than 10 employees pays 18% more for health insurance than a worker in a firm with 200 or more employees.

(Priority List, NASE website)

According to the US Chamber of Commerce, uninsured workers tend to be self-employed or work for smaller businesses:

- **12.3% of the self-employed are uninsured,**
- **31.8% of workers at businesses with fewer than 10 people are uninsured,**
- **26.4% of workers at businesses with between 10 and 24 workers are uninsured, and**
- **18.4% of workers at businesses with between 25 and 100 employees are uninsured.**

(Index of Issues, US Chamber of Commerce website)

As of 2006, only 35% of firms with fewer than 10 workers offer employee health insurance, compared to 98% of firms with 1,000 or more workers.

(Published tables, 2006 Medical Expenditure Panel Survey - Insurance Component)

inability of small businesses to afford such coverage as maternity care or coverage for older workers may lead to hiring discrimination among small employers.

Almost all dialogue related to health care includes discussion of Association Health Plans which have long been under consideration by the U.S. Congress and some state governments. Such plans would allow small businesses to come together, through associations, to purchase insurance coverage as a group. This would give small businesses similar buying power to larger businesses—thereby reducing their cost of providing coverage. Most women support policies allowing association health plans, although some note that such plans have often failed as healthy groups pull out. Also,



depending on the industry, premiums for such group plans can actually be higher.

Members of the Council have also heard from many women that Health Savings Accounts and Health Reimbursement Accounts are important options for encouraging workers to be more conscientious about how they spend their health care dollars. In some cases, reimbursing employees who purchase their own health care insurance can make providing coverage more predictable and affordable.

Health Savings Accounts are helping business owners and their employees make different choices about health care.

(Columbus, OH-area woman business owner)

Women generally support tax credits for small businesses which provide health insurance and tax incentives for companies to offer wellness programs. And women tend to be concerned about state regulations and mandates for coverage programs which limit the available options and increase the cost of coverage.

Finally, health care is an area in which business owners need more technical assistance. For a small business owner with limited knowledge of the health care system, navigating the decision tree associated with offering a health savings account or selecting an insurance provider and plan can be a barrier in itself.

Policy Recommendations from Women Business Owners

- Enable the creation of Association Health Plans to allow small businesses to come together through associations to purchase insurance coverage as a group
- Establish tax credits for small businesses which provide health insurance and tax incentives for companies to offer wellness programs
- Give small business owners access to the same health care insurance offered to government employees and allow for nationwide pooling
- Provide incentives for all individuals to carry insurance, which would shift the burden of health care costs away from the employer to the individual employee