

Washington State Survey: Small Businesses Need Healthcare Reform

An AARP telephone survey of employers in Washington State in March and April 2008 indicates that Washington employers have experienced substantial increases in employee health insurance premiums over the past 3 years, and most of the respondents anticipate that it will be challenging to provide such coverage over the next 3 years.

The survey findings indicate that:

- The cost of single-coverage employee health insurance has increased overall in the past 3 years by about 32%, and among smaller companies, has nearly doubled.
- If current cost trends continue, most Washington employers are likely to maintain an employee health insurance plan but will consider passing the cost burden on to employees, particularly through higher premiums.
- The employers indicated a limit of what they can afford before dropping employee health coverage altogether—27% of the respondents said they would stop providing it if the cost increased by 15%; 40% would stop if it increased by 25%.
- Many respondents indicated that the rising cost of employee health coverage has reduced profits and raised consumer prices; however, many also view the health benefit as an important factor in employee recruitment and retention, employee health, and the overall success of their business.
- Among employers who don't currently offer health coverage, one third have in the past. Nearly half offered a plan until 3 years ago. At least half said they don't offer a plan because the company can't afford it, their revenues are uncertain, or the employees can't afford it.

CONTACT:

Terry Gardiner | National Legislative Director
(202) 609-7336 | cell: (206) 310-6707
tgardiner@smallbusinessmajority.org

AARP commissioned Woelfel Research, Inc., to conduct the interviews with businesses drawn at random from the population of Washington State businesses. Government offices were excluded. A total of 407 businesses participated. For more information, contact Jennifer H. Sauer at 202-434-6207.