Poll: Eager for Action on Soaring Health Care Costs, Small Business Owners Seek Market and Policy Solutions

Sept. 10, Washington, D.C - A new national poll of 500 small- and medium-sized businesses shows health care costs are the biggest concern for employers and many have taken steps to lower those costs, at times by passing them on to employees through higher premiums or by reducing coverage. In addition, more than a third have considered dropping health care coverage altogether. The poll also shows that small business owners are open to a wide range of market and legislative solutions across the ideological spectrum.

The poll finds that 3 out of 4 small business owners who offer health insurance to their employees describe rising health care costs as a top problem. When asked to choose the biggest challenges facing their business, the cost of providing health care to employees is at the top of the list. The poll was commissioned by Public Private Strategies (PPS), funded by the Commonwealth Fund.

“Rising health care costs continue to crush small businesses’ ability to compete, innovate, and grow,” said Rhett Buttle, Founder and Principal of Public Private Strategies and former Business Director for the Department of Health & Human Services. “These latest numbers show us that small business owners are concerned about this issue because it’s vital to the health of their business and communities. They see this as a critical priority for lawmakers to tackle.”

The poll also found:

- More than two-thirds of businesses (69%) report their health care costs have increased in the last four years. A third of these report annual increases of 10% or more.
Outside of overall costs, those surveyed rank lack of choice for health care plans as one of the biggest challenges when it comes to providing health care to their employees (43%). The cost of prescription drugs also looms large (40%).

Small business owners support a range of options to change the health care system: 58% support Medicare for All (with 34% strongly supporting it) and 73% support allowing employees to buy into Medicare or Medicaid or another national government-administered health plan (with 35% strongly supporting). Other solutions with small business support included introducing more generic drugs to the market, publishing the “list price” of pharmaceuticals, and capping out-of-pocket expenses.

The poll was the culmination of a three-part project by PPS that spanned six months. The research included interviews with business owners and health industry experts, focus groups, and this nationwide poll of small business owners, fielded online by Greenberg Quinlan Rosner Research. The project examined how small business owners who offer health care are dealing with the rising costs and culminated in a report published on September 9, 2019.

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Public Private Strategies (PPS) creates opportunities where the public and private sectors meet. We bring together diverse allies including foundations, associations, corporations, small businesses, and entrepreneurs to solve pressing societal challenges. By harnessing the power of the private sector, we build coalitions, activate campaigns, and create strategic partnerships to drive desired policy and market outcomes.