



Opinion Poll

Michigan Small Business Owners' Views on Implementing the Affordable Care Act

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Small Business Majority

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Executive Summary

The rising cost of health insurance has been and continues to be one of the biggest problems facing American small business owners. To help relieve them of that financial burden, the Affordable Care Act was signed into law on March 23, 2010—a piece of legislation that is already reining in Americans' health coverage costs. More than two years later, the law's fate rests in the hands of nine Supreme Court justices who are expected to issue their decision this month in the case against the law. According to scientific opinion polling, a 47% plurality would like to see the law upheld with, at most, only minor changes, while 42% of Michigan small business owners would like to see it overturned. Support for the law grows after small business owners learn more details about its key provisions.

The poll, conducted in eight states with diverse political profiles—Michigan, Florida, Illinois, Louisiana, Missouri, New York, Texas and Virginia—found that once Michigan small business owners hear more about the healthcare law, their support for keeping it intact—either as is or with minor changes—rises to a 52% majority, while the desire for it to be overturned drops to 35%. Moreover, entrepreneurs strongly support most of its key provisions affecting small business owners.

One of the law's crucial components, which has tremendous small business support, is the health insurance exchange—an online marketplace where small business owners will be able to pool their buying power when they purchase coverage. By nearly a 6:1 ratio, owners say they would use their state exchange or at least consider using it, compared to those who say they would not consider using it when they provide benefits. The majority of entrepreneurs find possible features of the exchange very appealing, and 62% support Michigan applying for federal funds to set one up.

Furthermore, 38% of entrepreneurs report they'd be more likely to purchase insurance through the exchange if, in 2014, the small business tax credit is available only to those using the exchange. That's more than double the number (18%) who say they'd be less likely to purchase from the exchange. Of respondents who fall into the basic qualification parameters for the tax credit, 63% are already taking advantage of it. Of eligible employers who aren't claiming it, 67% say it's because they're not sure whether their business qualifies. And an overwhelming 7:1 ratio of entrepreneurs say that if their company qualified for the credit, they would be more likely to provide or continue providing healthcare to employees.

Strong majorities of small business owners also support nearly all provisions we asked them about: medical loss ratio, rate review, pre-existing condition exclusion bans, eliminating annual dollar limits on insurance benefits, preventing rating based on health status or gender and more.

The poll also revealed a strong interest (68%) in workplace wellness programs, if these programs would help lower coverage costs.

Main Findings

- **Forty-seven percent of Michigan small business owners want the Supreme Court to uphold the Affordable Care Act with minor or no changes; 42% want it overturned. However, support grows after they learn more details about the law's key provisions:** 42% of small businesses want to see the healthcare law overturned, while a 47% plurality want it to remain intact with, at most, minor changes. After learning more about its specifics, 35% want to see it overturned, but support for keeping it—as is or with minor changes—rises to 52%. A 56% majority say they want it upheld because we need to make sure everyone has health coverage.
- **By nearly a 6:1 margin, entrepreneurs say they'd consider using a state health insurance exchange, and they favorably view many possible features of the exchange:** A 63% majority of small business owners say they would use their state exchange or at least consider using it, compared to only 11% who say they would not consider using it when they provide benefits. By wide margins, entrepreneurs find a host of possible features of the exchange very appealing. Sixty-two percent support Michigan applying for federal funds to set one up.
- **Many small employers say they'd be more likely to purchase insurance through an exchange because it's the only place they can receive a tax credit beginning in 2014:** 38% of entrepreneurs report they'd be more likely to buy insurance through the exchange if the tax credit for small businesses offering benefits was only available through this marketplace. That's more than double the number (18%) who say they'd be less likely. Sixty-three percent of qualified owners are already taking advantage of the credit, and of eligible employers who aren't claiming it, a striking 67% say it's because they didn't know whether their business qualified.
- **A vast majority of respondents support a host of additional provisions in the law, such as preexisting condition exclusion bans, banning gender rating and medical loss ratio:** 80% of owners support prohibiting health plans from denying coverage based on preexisting conditions, 70% support preventing insurers from charging women higher rates than men and 68% support requiring insurance companies to spend at least 80% of small group premiums on patient care and quality improvement (as opposed to plan administration, marketing and profits).
- **By a 7:1 ratio, owners say they would be more likely to extend coverage to employees if they qualified for the small business healthcare tax credit:** 44% say that if their company qualified for the credit, it would make them more likely to provide or continue providing coverage to employees; merely 6% would be less likely.
- **The poll found 68% of small business owners would be interested in workplace wellness programs if they would help lower insurance costs:** A broad 68% of small business owners would be interested in workplace wellness programs if they could help lower coverage costs, compared to 19% who would not be interested.
- **Small business owners who offer health benefits do so because they feel a responsibility to their employees and it helps them attract and retain talent:** 57% percent of owners offer benefits. When asked about the top one or two reasons they do so, 53% say they feel a responsibility to their employees and 42% believe it helps them retain quality workers.
- **Nearly eight in 10 owners who don't offer coverage to employees say cost is the biggest barrier:** Of small business owners who do not provide coverage for employees, 77% report their business cannot afford it. Another 19% of respondents say their employees get coverage elsewhere.
- **Respondents were politically diverse:** 42% identified as strong Republican or independent-leaning Republican, 45% identified as Democrat or independent-leaning Democrat and 10% identified as independent.

Methodology

This poll reflects an Internet survey of 800 small business owners in Florida, Illinois, Louisiana, Michigan, Missouri, New York, Texas and Virginia, drawn from Luth Research and conducted by Greenberg Quinlan Rosner Research for Small Business Majority. The survey was conducted from June 4-12, 2012. The overall margin of error is +/- 3.5%.

Poll Toplines

June 4 – 12, 2012

100 small business owners with 100 or fewer employees

Q.3 Do you own your own business?

	Total
Yes	100
No	-
Not sure.....	-
(ref:SBOSCR)	

Q.4 How many people do you employ fulltime including yourself but not including contractors?

	Total
1	-
2-5.....	55
6-10.....	16
11-25	10
26-50	9
51-100.....	9
More than 100.....	-
(ref:NUMEMPLY)	

Q.5 Excluding the salary of the owner, do the annual wages of your company's employees average less than \$50,000 per year or more than \$50,000 per year?

	Total
Less than \$50,000 a year	53
About \$50,000 a year	17
More than \$50,000 a year	30
Refused.....	-
(ref:SALARY)	

Q.6 There has been a lot of talk about the nation's health care reform law, the Patient Protection and Affordable Care Act. Which one of the following statements comes closest to your point of view when it comes to this law.

	Total
This law should be kept as is.	10
This law should be kept, but there should be some changes.	37
This law should be kept, but there should be major changes.	11
This law should be repealed entirely.	42
Don't know/prefer not to say.....	-
(ref:PPACA)	

[47 Respondents]

Q.7 (IF PUNCH 1 OR 2 ON PPACA) Which one or two of the following reasons best describe why you would keep this law?

	Total
We need to make sure everyone has healthcare coverage	56
It will make it easier to purchase health insurance.....	30
There are advantages to small businesses in the law	30
It will bring down the cost of health insurance	19
Other	-
Don't know/prefer not to say.....	-
(ref:WHYAGN)	

[53 Respondents]

Q.8 (IF PUNCH 3 OR 4 ON PPACA) Which one or two of the following reasons best describe why you would repeal or make major changes in this law?

	Total
Oppose the mandate requiring individuals to buy insurance.....	54
Government intrusion into market decisions	51
It will cost my business too much money.....	30
Will increase the federal deficit	25
Other	2
Don't know/prefer not to say.....	-
(ref:WHYFOR)	

Q.9 The nation's healthcare reform law includes the following provisions. Indicate whether you favor or oppose each.

	Strng Fav	Smwt Fav	Smwt Opp	Strng Opp	Dk/ Ref	Total Fav	Total Opp	Fav - Opp
9 Insurance companies must spend at least 80 percent of premiums from individuals and small businesses on healthcare claims and quality improvement efforts. The rest can be used for other things, including the insurer's administrative expenses and profits. If a health insurer does not meet this standard, it must give back the difference to its customers in the form of a rebate.	37	31	18	8	6	68	26	42
10 Allows state regulators the ability to review and approve or reject insurers' health insurance premium increases they deem excessive.	27	38	11	18	7	64	29	35
11 Prohibits health plans from denying coverage based on pre-existing conditions.	41	39	12	5	2	80	17	63
12 Prevents health insurance companies from basing insurance rates on health status.	38	28	17	14	2	66	31	35
13 Eliminates the use of annual dollar limits on insurance benefits so that patients do not end up losing benefits when they get really sick.	45	27	10	9	9	72	19	54
14 Allows young people up to age 26 to remain on their parents' insurance plans.	37	29	13	15	5	66	28	38
15 Prevents health insurance companies from charging women higher rates than men.	43	27	12	11	7	70	23	47
16 Requires all people to have private or government-provided health insurance coverage. (ref:PROV)	16	27	14	40	4	42	53	-11

Q.17 Do you provide health benefits to some or all of your full-time employees?

	Total
I make health insurance available to all of my employees.....	41
I make health insurance available to some of my employees	12
I make health insurance available to only key or essential employees.....	4
I do not provide health insurance to my employees	43
Refused.....	-
Total provide insurance	57

(ref:INSUR)

[57 Respondents]

Q.18 (IF PUNCH 1,2 3 ON INSUR) How much of the health insurance premium does your business pay?

	Total
All	22
75 to 99 percent.....	24
50 to 74 percent	38
Less than 50 percent.....	16
Refused.....	-

(ref:PAYINSUR)

[43 Respondents]

Q.19 (IF PUNCH 4 IN INSUR) Which one or two of the following best describes the reasons you do not provide health benefits?

	Total
My business cannot afford it	77
My employees get coverage elsewhere	19
Waiting to see what happens with the federal health care reform law	14
I do not believe it is the responsibility of my business to provide health insurance	12
Too much paperwork and administration	8
Choosing the right insurance plan is too complicated	2
Refused.....	-

(ref:REASON2)

[57 Respondents]

Q.20 (IF PUNCH 1,2,3 IN INSUR) Which one or two of the following best describes the reasons you provide health benefits to your employees?

	Total
I feel a responsibility to provide this benefit to my employees.....	53
It helps to retain good employees.....	42
It helps employees stay healthy and productive	35
It helps to recruit good employees	23
This benefit is standard in my industry.....	8
Refused.....	-

(ref:REASON)

Q.21 Are you aware of the provision in the healthcare reform law that established a tax credit for small business owners who provide health insurance benefits to their employees?

	Total
Yes	70
No	30
Don't know/prefer not to say.....	-
(ref:CREDIT1)	

[70 Respondents]

Q.22 (IF YES IN CREDIT1) Where did you hear about this tax credit? You may select more than one response.

	Total
The media.....	39
Your accountant.....	26
Other business owners.....	25
A business organization.....	16
Community health leaders.....	13
Your broker	9
Other	6
Don't know/prefer not to say.....	-
(ref:HEARD)	

[12 Respondents]

Q.23 (IF LESS THAN 25 EMPLOYEES ON NUMEMPLY AND IF \$50,000 OR LESS ON SALARY AND IF PUNCH 1 ON INSUR AND IF 50 PERCENT OR MORE ON PAYINSUR) The healthcare law's small business tax credit is available to businesses with 25 or fewer full-time employees with average wages of less than \$50,000 a year, and which pay for at least half of the cost of the health premiums for all their employees. Companies can receive a tax credit of up to 35 percent of the cost of health premiums now and up to 50 percent in 2014 if health insurance is purchased through the exchange. Is your company currently taking advantage of this tax credit?

	Total
Yes	63
No	37
Don't know/prefer not to say.....	-
(ref:CREDIT3)	

[5 Respondents]

Q.24 (IF NO IN CREDIT3) Why are you not taking advantage of the tax credit?

	Total
Not aware it existed	17
Too complicated.....	31
Do not believe my company qualifies.....	67
Too small to bother with.....	-
Other	-
Don't know/prefer not to say.....	17
(ref:CREDIT4)	

Q.25 (IF PUNCH 4 ON INSUR) If your company qualified for this tax credit, would it make you more or less likely to provide health care to your employees or would it make no difference either way?

(IF PUNCH 2-3 ON INSUR) If your company qualified for this tax credit, would it make you more or less likely to provide health care to ALL your employees or would it make no difference either way?

(IF PUNCH 1 ON INSUR) If your company qualified for this tax credit, would it make you more or less likely to continue to provide health care to your employees or would it make no difference either way?

	Total
Much more likely	13
Somewhat more likely.....	31
Somewhat less likely	3
Much less likely	4
No difference.....	39
Don't know/prefer not to say.....	11
Total More Likely	44
Total Less Likely	6
More - Less	38
(ref:IMPACT7)	

Q.26 One provision in the nation's healthcare reform law calls for each state to set up a health benefit exchange by Jan. 1, 2014 that will enable small businesses to shop for commercial health insurance from an online website. The exchange will enable small business owners to buy health insurance in a pool with other small business owners, giving them the buying power of a larger employer. Competing insurance companies will offer plans at different levels and costs, and with different deductibles and co-payments associated with each.

Your state, Michigan has a proposal pending to establish an exchange. If Michigan does not set up an exchange, the federal government will create and operate an exchange there. Do you think that in 2014 you would use the exchange to provide your employees with health insurance benefits, consider using the exchange, obtain health benefits for your employees from another source, or would you not pay for health benefits for your employees?

	Total
Yes, would use such an exchange to provide health benefits.....	23
Would consider using such an exchange to provide health benefits	39
No, would not consider using such an exchange when providing health benefits	11
No, would not provide employees with health benefits with or without exchange.	15
Don't know/prefer not to say.....	11
Total Yes/Would	63
(ref:EXCHANGE)	

Q.27 Here are other features that might be offered to small business owners shopping for health insurance on the exchange. Please rate how appealing you find each in terms of encouraging you to buy insurance through the exchange.

	Very Appealing	Some- what Appealing	Not Very App	Not at all App	Dk/ Ref	Total App ealing	Total Not App	Appl - Not
27 Allows you to contribute a flat amount toward health insurance for your employees but allows employees to pick any health plan on the exchange that best suits them, with the employee paying the difference if it's a higher-cost plan.....	34	43	14	4	6	77	18	59
28 Educates your employees about the insurance plan your company buys and enrolls them in those plans.	34	41	15	5	6	75	20	55
29 Provides COBRA administration services, taking care of paperwork to offer health coverage for employees who are laid off or leave your company.	28	35	19	7	11	63	26	38
30 Provides plans that offer greater prevention and wellness services.	34	45	12	4	5	79	16	63
31 Provides payroll processing, including issuing paychecks and depositing payroll taxes.	20	33	17	19	10	54	36	18
32 Determines the eligibility of employees who may qualify for Medicare, Medicaid and government insurance programs for children (CHIP).	36	36	19	2	7	72	21	51
33 Administering tax-free reimbursement cafeteria plans, which allow employees to set aside money to pay for desired health benefits	25	47	15	4	10	72	18	53
34 Offers flexible spending plans.....	34	47	9	2	8	81	11	70
35 Offers dental and vision insurance. (ref:FEATURE)	42	36	12	5	5	79	17	62

Q.36 Generally speaking, would you prefer the federal or state government set up and operate these exchanges?

	Total
Federal government.....	18
State government.....	24
Neither	39
Both	20
Don't know/prefer not to say..... (ref:FEDVSTAT)	-

Q.37 Would you favor or oppose Michigan applying for federal funds to set up an exchange?

	Total
Strongly favor	18
Somewhat favor	45
Somewhat oppose	18
Strongly oppose.....	19
Don't know/prefer not to say.....	-
Total Favor	62
Total Oppose.....	38
Favor - Oppose.....	25
(ref:APPLY)	

Q.38 If you knew that, starting in 2014, the tax credit for small businesses providing health insurance to their employees would only be made available to qualifying businesses that purchase health insurance through the exchange, would that make you more or less likely to use an exchange to provide your employees with health benefits in the future or would it make no difference either way?

	Total
Much more likely	13
Somewhat more likely.....	25
Somewhat less likely	7
Much less likely	11
No difference.....	34
Don't know/prefer not to say.....	10
Total More Likely.....	38
Total Less Likely	18
More - Less	20
(ref:EXCHCRED)	

Q.39 How interested are you in establishing a workplace wellness program that could include things such as smoking cessation programs or gym memberships at your place of business?

	Total
Very interested.....	17
Somewhat interested	32
Somewhat uninterested	10
Very uninterested.....	33
Don't know/prefer not to say.....	7
Total Interested	49
Total Uninterested.....	44
Interested - Not.....	5
(ref:WELL1)	

Q.40 Would you be more interested in a workplace wellness program if it helped you lower your insurance costs?

	Total
Yes	68
No	19
Don't know/prefer not to say.....	12
(ref:WELL3)	

Q.41 After everything you read, which one of the following statements comes closest to your point of view when it comes to the nation's healthcare reform law, the Patient Protection and Affordable Care Act.

	Total
This law should be kept as is.	13
This law should be kept, but there should be some changes.	39
This law should be kept, but there should be major changes.	13
This law should be repealed entirely.	35
Don't know/prefer not to say.....	-
(ref:PPACA2)	

Q.45 These last questions are for statistical purposes only: Which of the following categories best describes your business? -

	Total
Professional services.....	30
Retail or wholesale.....	16
Construction.....	16
Education, health care or a non-profit organization.....	8
Food services or production.....	7
Industry or manufacturing.....	3
Transportation or utilities.....	1
Agriculture.....	-
Other (write in).....	19
Refused.....	-
(ref:BUSTYPE)	

Q.46 In what year were you born?

	Total
18 - 24.....	6
25 - 29.....	4
30 - 34.....	11
35 - 39.....	7
40 - 44.....	9
45 - 49.....	9
50 - 54.....	25
55 - 59.....	16
60 - 64.....	6
65 and over.....	7
(No answer).....	-
(ref:AGE)	

Q.47 Generally speaking, do you think of yourself as a Republican, a Democrat, an Independent, or something else?

	Total
Democrat.....	38
Independent-lean Democrat.....	7
Independent.....	10
Independent-lean Republican.....	15
Strong Republican.....	27
Other.....	3
Refused.....	-
(ref:PTYID1)	

Q.49 For statistical purposes only, which of these categories best describes the gross revenue of your business in 2011?

	Total
Less than \$100,000	40
\$100,000 to under \$250,000.....	25
\$250,000 to under \$500,000	13
\$500,000 to under \$1 million	9
\$1 million to under \$2 million.....	10
\$2 million or more	3
Don't Know	-
(Prefer not to say)	-
(ref:INCOME)	

Q.50 What is your race?

	Total
White	82
African American or Black.....	8
Hispanic or Latino	3
Asian or Pacific Islander	1
American Indian or Native American	1
Other	1
Biracial or multiracial	1
Prefer not to say	3
(ref:RACE)	

Q.52 Is your business minority or woman owned?

	Total
Yes, minority owned	11
Yes, woman owned.....	27
Yes both.....	7
No	55
Refused.....	-
(ref:MINOWN)	

Q.2 Before you begin, please answer a few questions about yourself to ensure that the survey has a representative sample. What is your gender?

	Total
Male.....	60
Female	40
(ref:GENDER)	