

# Ottawa County Small Business Health Coverage Landscape

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Research Results from the 2010 Ottawa  
County Small Business Survey

# A Research Project for



## County Health Plan Advisory Task Force

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# Background

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- The Carl Frost Center for Social Science Research was contracted by the Ottawa County Health Department (OCHD) and the County Health Plan Advisory Task Force (CHPATF) to conduct a survey of small businesses in Ottawa County.
- The mission of the OCHD is to assure conditions in which all people in Ottawa County can achieve optimum health.
- Specifically with regard to health coverage, the County Health Plan Advisory Task Force seeks to gauge the feasibility of implementing a countywide Multi-Share Health Coverage Plan for small businesses.
- The MSP is intended to provide an affordable alternative to health insurance for small businesses in Ottawa County and their uninsured employees.



# Objectives

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- The overall objective of this research is to assess the need for, desirability of, and anticipated participation in, a Multi-Share form of health coverage among small businesses in Ottawa County.
  
- More specifically, the research will be used to inform the CHP Advisory Task Force on the feasibility of the model developed in Muskegon County, also known as Access Health. Specific objectives of this research are to:
  - Determine employee health coverage needs of small businesses
  - Gauge interest in affordable coverage
  - Ascertain familiarity with the Muskegon County plan/model (Access Health Care)
  - Establish interest in the Muskegon County plan/model
  
- Ultimately, the CHP Advisory Taskforce would like to use the research results to determine the feasibility of offering the Muskegon County model/plan to small businesses in Ottawa County.



# Methodology

- Research was conducted via a telephone survey among small businesses in Ottawa County
- Small businesses were defined as companies with 50 or fewer total employees
- A total of 816 surveys were completed, encompassing three subgroups based on the extent to which health coverage was offered to employees:
  - All employees offered health coverage – 32%
  - Some employees offered health coverage – 37%
  - None of the employees are offered health coverage – 31%
- Respondents were screened to make sure they met the following criteria:
  - The person most responsible for making benefit decisions
  - Their company has no more than 50 employees
- A list of all of the small businesses in Ottawa County was purchased from Dun and Bradstreet and from this a random sample was drawn for prospective respondents



## Methodology (Cont'd.)

- The sample of completed interviews was segmented by four Ottawa County regions and closely matches the small business population in the county:

	Survey Sample (n=816)	Ottawa County Small Business Population (n=11,621)
Northwest	23%	24%
Northeast	10%	10%
Southwest	51%	46%
Southeast	16%	20%

- Differences between subgroups (e.g., company size, all/some/no insurance, etc.) have been tested for statistical significance (at the 95% confidence level)
  - Each subgroup has been assigned a letter
  - A letter to the right of a score/number indicates the score is significantly higher than the scores for the corresponding subgroup
  - Given the large sample sizes, even some relatively small differences that might not be important from a marketing point of view reach the threshold for statistical significance (meaning that we are confident there is some degree of difference even though it might not be an important one)

# ***SUMMARY AND IMPLICATIONS***

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# Summary of Findings

- There is clearly a need for an alternative form of health coverage for small businesses in Ottawa County since 68% of them do not offer coverage to some or all of their employees
- Although there is a need, because of the current economic environment, employers do not see the lack of health coverage as a barrier to hiring or retaining employees
- Further, there are concerns about National Health Reform and the impact it will have on health care and small businesses in general
  - These concerns were voiced unprompted in a broad open-ended question at the end of the survey
  - Moreover, such concerns result in small employers adopting a “wait and see” attitude even though they know their employees should have health coverage
- Despite the tumultuous economic times and the uncertainty surrounding National Health Care Reform, 60% of small business employers that currently offer health insurance to at least some of their employees anticipate making no changes next year.
- The primary barrier preventing small companies from offering health coverage is the same factor that leads small companies to discontinue employee health coverage: insurance premium costs to the employer.
  - A secondary factor is that employees have health coverage elsewhere



## Summary of Findings (Cont'd.)

- It's not simply that health insurance/coverage costs are high, but they are disproportionately high for small businesses. According to small business employers, they pay more for health coverage vs. larger companies because they cannot take advantage of group rates
- For small businesses that provide coverage to some or all of their employees, a couple of things stand out:
  - Two thirds (65%) have plans with HMOs and/or PPOs
  - Employers pay a significant portion of their employees' health insurance premiums: 82% of the total premium on average, while 42% of employers pay the entire premium (100%)
  - Even so, half (53%) say premium costs amount to 15% or less of their employees' total compensation
- Small businesses that are most in need of an affordable alternative to current health coverage are companies that currently do not offer coverage to any of their employees. These companies:
  - Are the smallest (1-4 employees)
  - Have part-time employees, especially companies with part-time only
  - Pay their employees the lowest wages
  - Have been in business the fewest years (10 or less)
  - Reside in the northeast or northwest regions of Ottawa County



## Summary of Findings (Cont'd.)

- Less than one in five (17%) small companies that currently don't offer coverage to some or all of their employees, have offered coverage in the past. Those who discontinued coverage:
  - Are the smallest companies (1-4 employees)
  - Have part-time employees
  - Currently offer no employees coverage at all (vs. offering some coverage)
- If employers were to consider offering health coverage, about half (45%) say they could afford a monthly premium between \$50-\$89.
- However, 85% of employers not offering coverage to some or all of their employees don't see an ability to provide coverage in the next 12 months
- Interestingly, nearly half (48%) reported they were not interested in health coverage for their employees even if there was a more affordable alternative.
  - It's very possible many of these employers would become interested if they saw evidence that an alternative plan worked to reduce costs while providing employees much needed benefits
- Companies most interested in an affordable alternative:
  - Are the smallest (1-4 employees)
  - Have full-time employees
  - Have been in business 10 years or less
  - Currently offer no coverage



## Summary of Findings (Cont'd.)

- Very few small business employers (10%) are familiar with the Access Health Plan in Muskegon County
  - Further, most of those who claim familiarity cannot describe the plan even in the broadest terms
- Once employers were made aware of the plan and heard a description of it, their interest peaked: 80% are at least slightly interested (26% slightly, 27% somewhat, 27% extremely). Additionally, volunteered comments on the Access Health Plan are largely positive
- Small businesses most interested in the plan described to them:
  - Are smaller companies (1-10 employees)
  - Have only full-time employees; however, part-time only also show interest
  - Currently offer no coverage
- The primary reason for lack of interest in the MSP is lack of information, which makes sense since respondents rated the plan based on a three-paragraph description
  - For some, barriers to interest continue to be *lack of affordability* (of premiums) and employee *coverage elsewhere*



# Implications

- A need for an alternative approach to employee health coverage for small businesses has been established and since one of the hallmarks of Multi-Share Plans is the cost savings to all involved (employee, employer, and community), this alternative should be seriously explored.
- Since lack of health coverage is not perceived as a barrier to hiring or retaining employees, CHPATF will have to communicate or market the MSP as something that is beneficial to employers regardless:
  - Extensive research has shown that healthy workers are more productive
  - Providing health coverage ultimately reduces health care costs for everyone in the community
- The uncertainty of Health Care Reform is a hurdle preventing employers from not only purchasing traditional health coverage, but also from considering affordable alternatives. Worse, the negative perception attached to the recent legislation is often derived from unfounded speculation.
  - If the Advisory Task Force desires to implement a Multi-Share Plan it must find a way to educate the community, and small businesses especially, about Health Care Reform, for example, what it entails, what it is, and what it is not



## Implications (Cont'd.)

- We have seen that when employers offer health coverage to their employees they typically pay a significant portion of the total premium
  - Because of this employers not offering coverage may assume they would have to pay most of the premium costs for their employees
  - Further, this leads them to report health premium costs as the primary barrier to offering health coverage to employees
  
- The Advisory Task Force must develop a communication campaign that educates and informs small businesses about the Multi-Share Plan being considered and all it entails. The following steps should be taken:
  - Strive to increase awareness of the MSP since we know that awareness leads to an understanding of the benefits, increases interest, and possibly results in adoption of the plan
  - Focus on educating small business employers about the drastically reduced costs of the MSP (e.g., far lower premium costs, their portion is only 30%). This should register with them since the typical monthly premium costs for this plan are in line with their affordable range of \$50-\$89
  - There is a reluctance to cover, or want to cover, part-time employees, and this may stem from the lack of awareness about programs that actually offer coverage to part-time employees, such as the one being considered in Ottawa County



## Implications (Cont'd.)

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- Above all, first target the small businesses that show the most interest, but more importantly, the most need:
  - Currently offer no coverage
  - Small companies (1-4 employees)
  - Those with part-time employees
  - Have been in business 10 years or less

# ***DETAILED FINDINGS***

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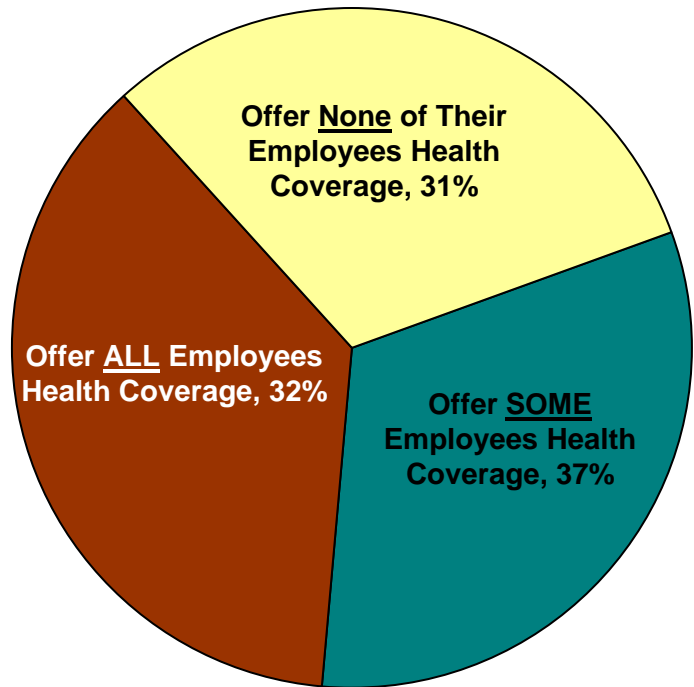
***Small Business Employee Health  
Coverage in Ottawa County***

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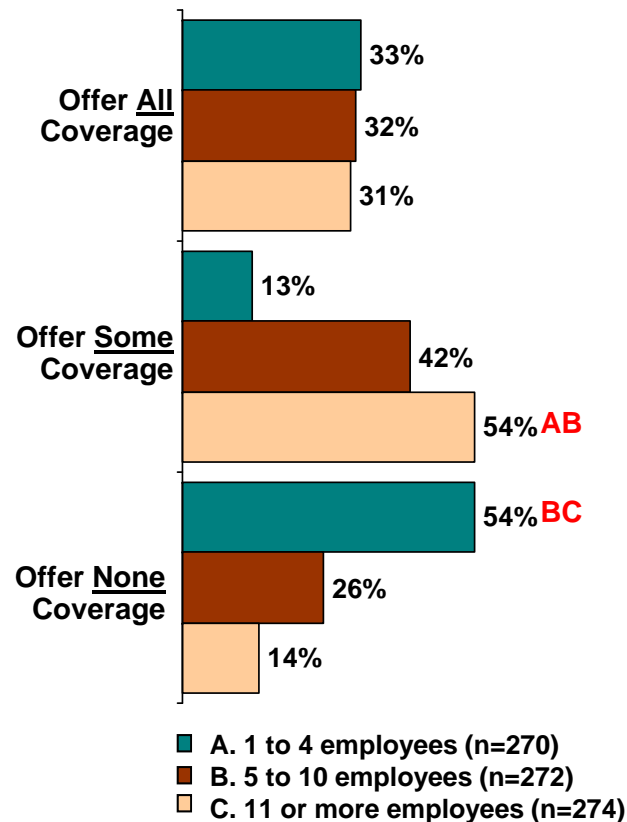
One-third (32%) of the small businesses in Ottawa County offer health coverage to all of their employees, however, two-thirds (68%) do not offer health coverage to some or all of their employees. The smallest businesses (1-4 employees) and companies in northern Ottawa County are far less likely to offer employees health coverage.

### Small Business Employee Health Coverage Landscape

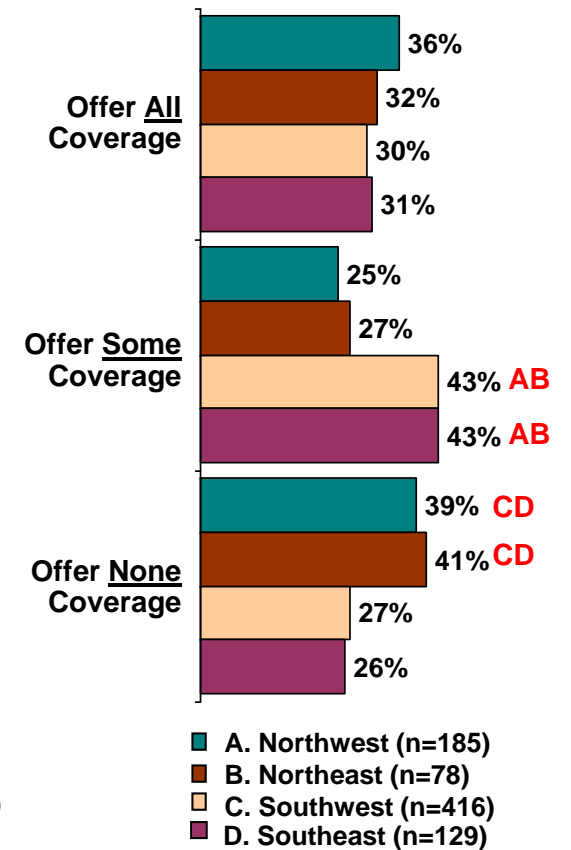


(n=816)

### Health Coverage Offered by Company Size



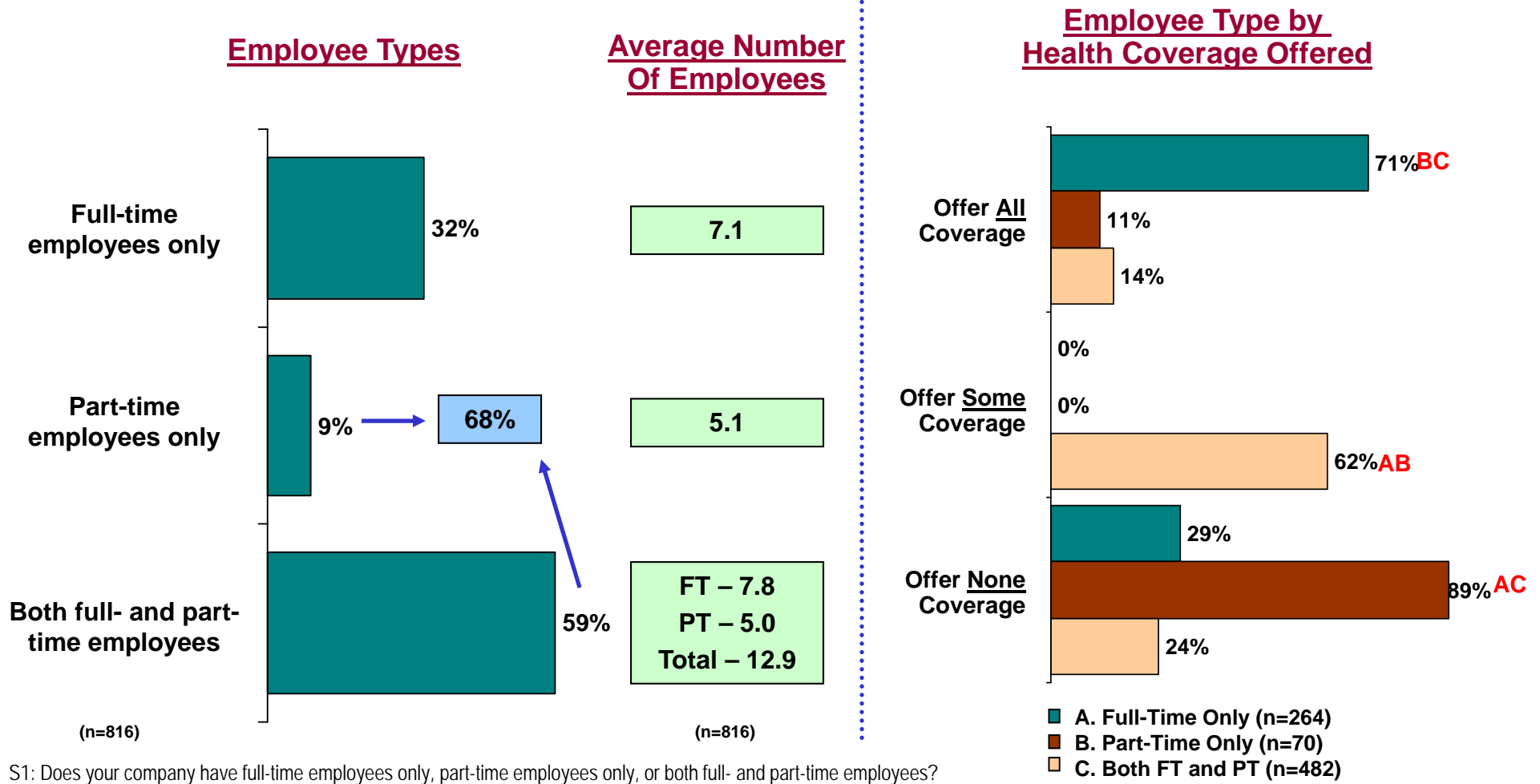
### Health Coverage Offered by County Location



S1: Does your company have full-time employees only, part-time employees only, or both full- and part-time employees?  
 S1a: Including workers at all locations on Ottawa County, how many permanent full-time/part-time employees do you currently have?  
 S3: What is the zip code of the area where your business is located?  
 Q1: Do you currently offer health insurance, or coverage, to your (full-time/part-time) employees



Even though two-thirds (68%) of small businesses in Ottawa County have permanent part-time employees, this group is much more likely to go without health coverage compared to their full-time co-workers. Moreover, nine in ten (89%) small businesses with only part-time employees do not offer health coverage.

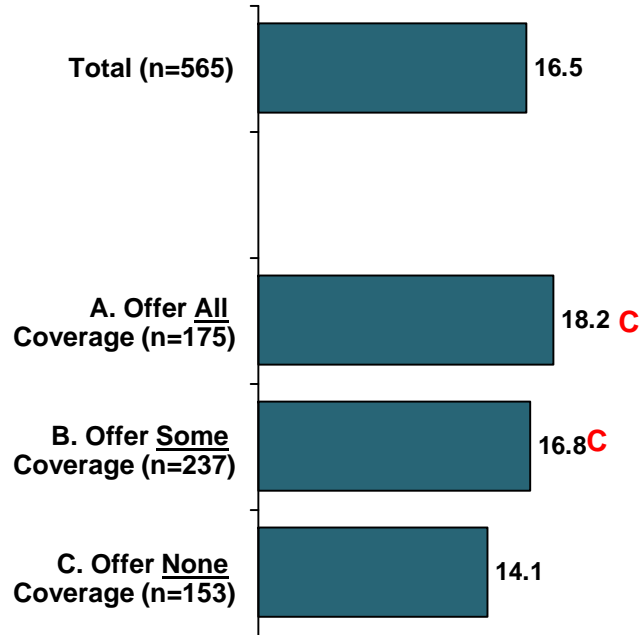


S1: Does your company have full-time employees only, part-time employees only, or both full- and part-time employees?  
 S1a: Including workers at all locations on Ottawa County, how many permanent full-time/part-time employees do you currently have?  
 Q1: Do you currently offer health insurance, or coverage, to your (full-time/part-time) employees?

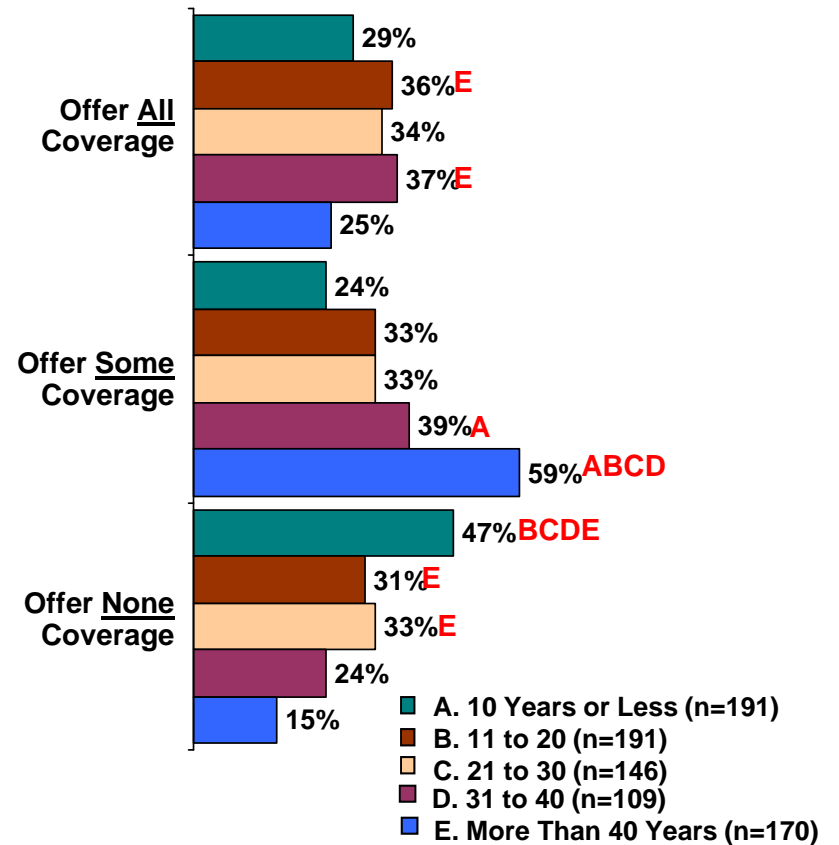


There is a direct relationship between a company's payroll and the proportion of employees it offers health coverage. Companies that do not offer coverage also pay their employees the lowest wages. Nearly half (47%) of the companies who have been in business 10 years or less do not offer employee health coverage.

### Average Employee Hourly Wage (in mean dollars)



### Health Coverage Offered by Company Tenure



S4: What is the range of hourly wages your employees earn, from lowest to highest? (If only one employee) What is your monthly gross salary?

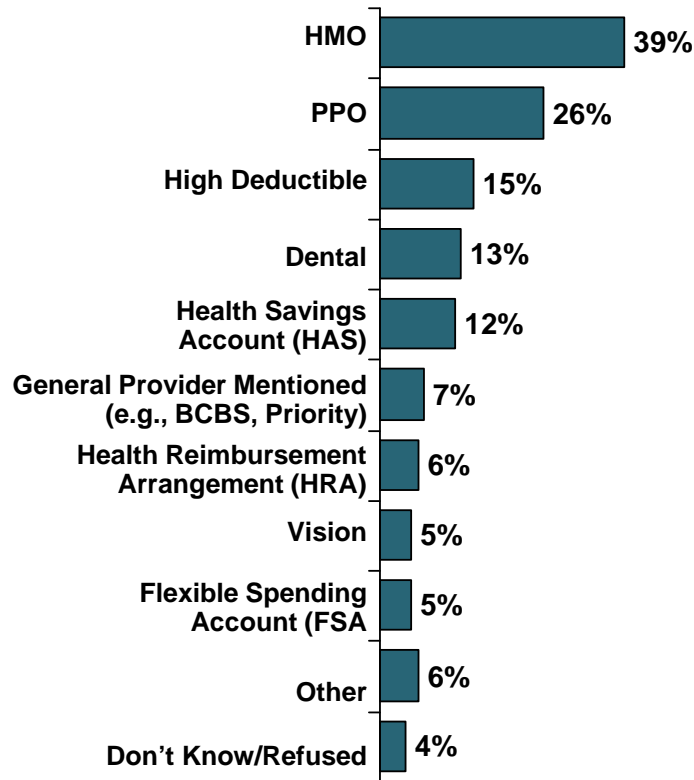
S5: How many years has your business been in operation?

Q1: Do you currently offer health insurance, or coverage, to your full- or part-time employees?



Small businesses that currently provide coverage offer a variety of plans and options, the most popular of which are HMOs and PPOs. The majority (58%) of small businesses do not anticipate any changes to their employee health coverage in the next year, while a small number will actually increase employee benefits.

### Type of Health Coverage Offered



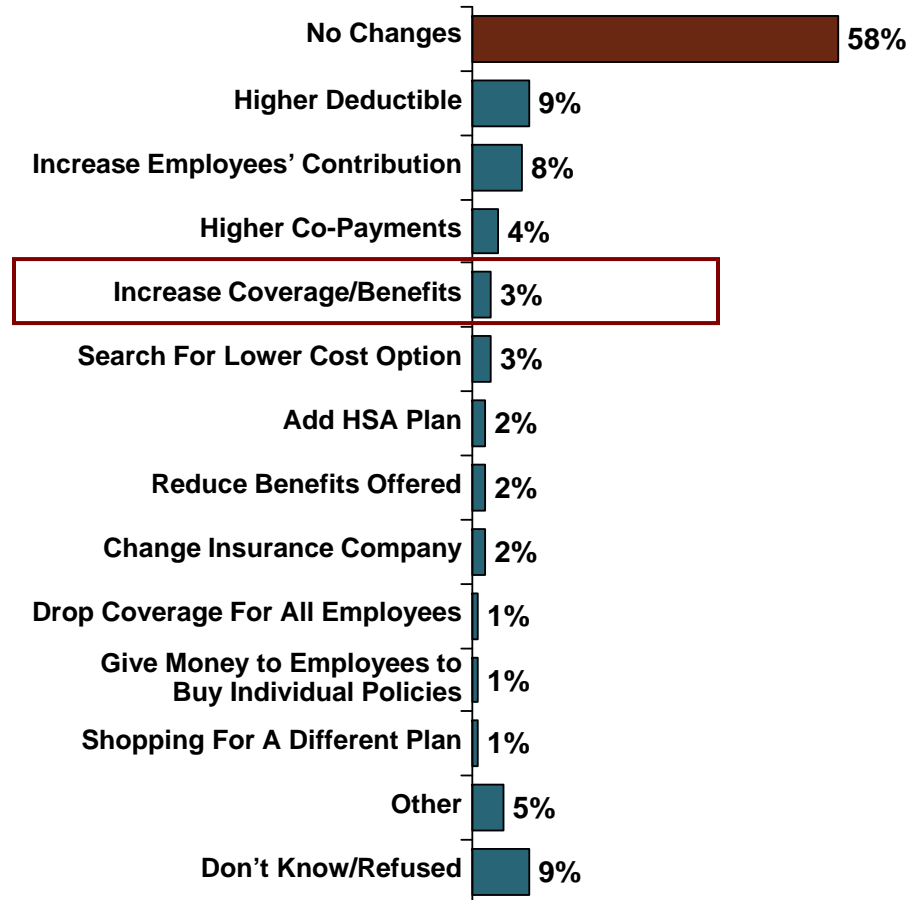
(n=561)

Base: employers offering some or all employees health coverage

Q2: What type of health coverage do you offer your employees? (*multiple response*)

Q5: With regard to your employees' health insurance or coverage, what changes, if any, will you consider making in the next year? (*multiple response*)

### Anticipated Changes to Employee Health Coverage in the Next Year

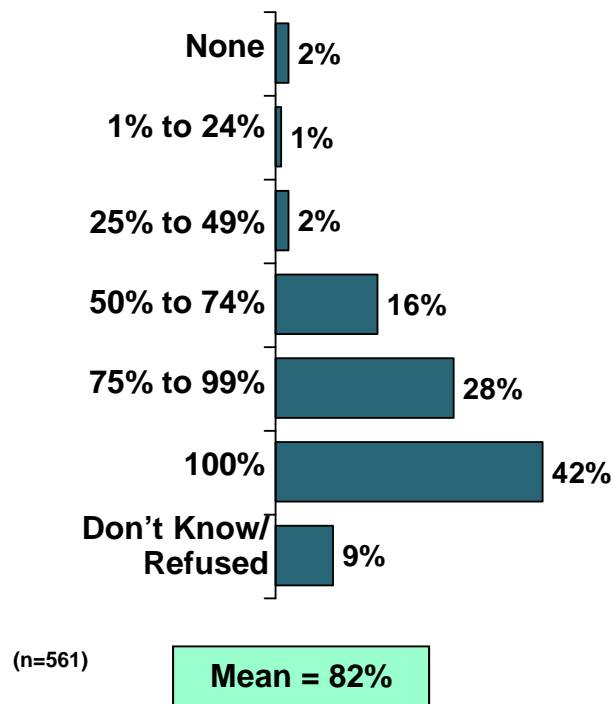


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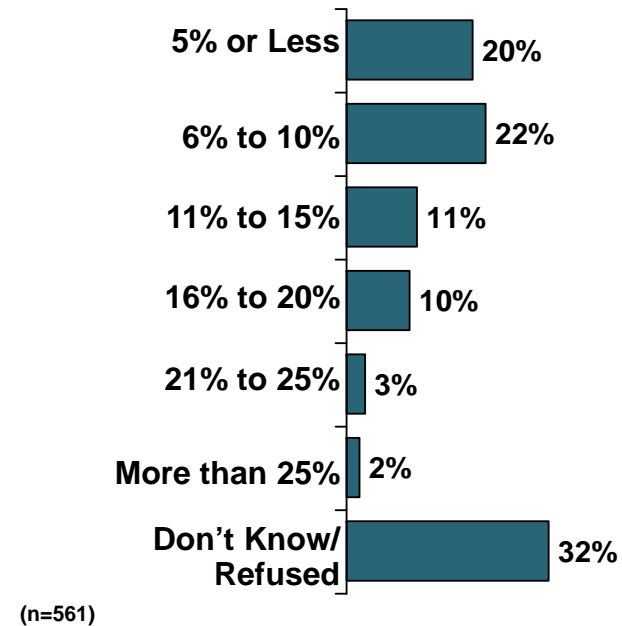


Small business employers pay a substantial portion of their employees' health insurance costs. In fact, 42% pay the entire premium. Despite this, employer health insurance costs are only a fraction of total employee compensation.

### Percent of Employee Health Premiums Paid For By Employer



### Percent of Employee Compensation Made Up of Health Insurance Costs



Base: employers offering some or all employees health coverage

Q3: What percentage of their health insurance premiums do you pay for your employees?

Q4: What percentage of your employees' overall compensation is taken up by your total health insurance costs?

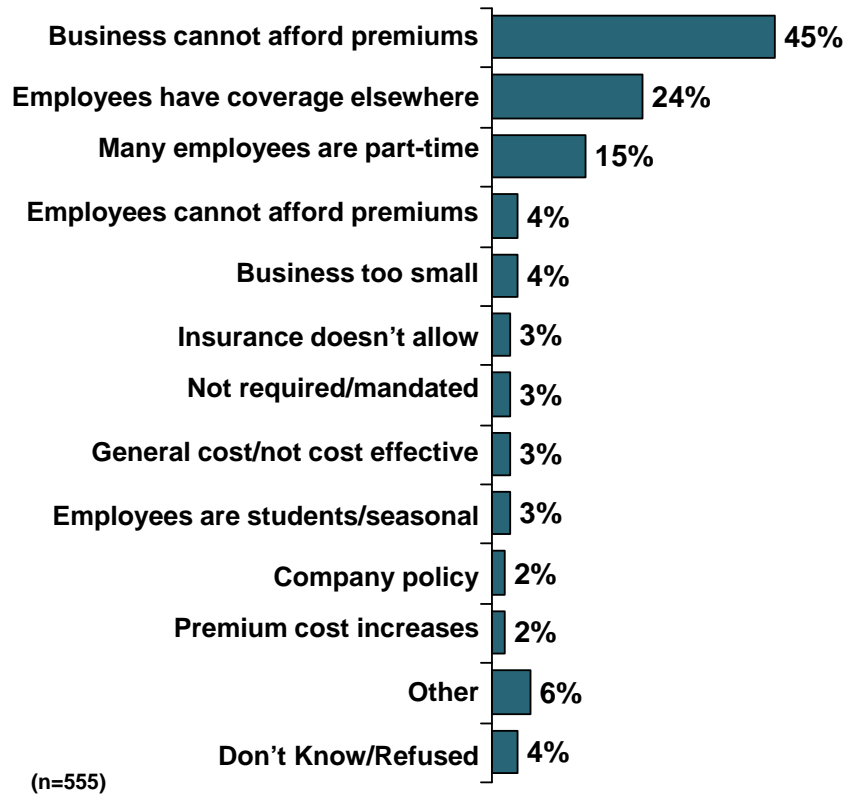
***Small Businesses Not Offering  
All Employees Health Coverage***

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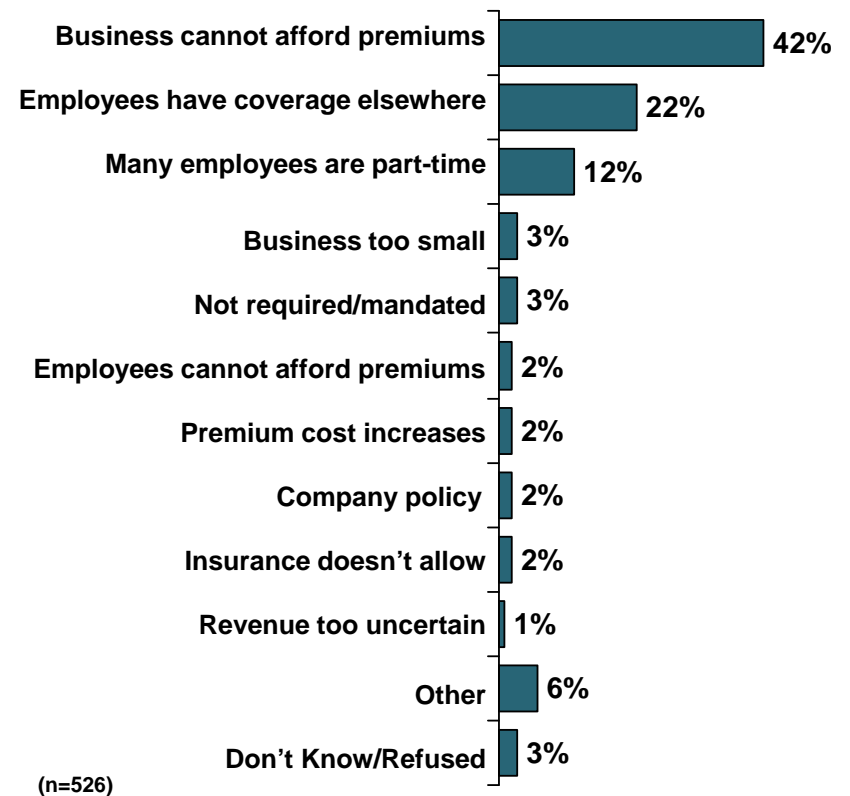


The primary barrier preventing small employers from offering health coverage is the cost of health insurance premiums. Not surprisingly, since employers pay a large proportion of premium costs, the amount employees have to pay out-of-pocket is not a barrier to offering coverage.

### Reasons For Not Offering Employees Health Coverage



### Primary Reason For Not Offering Health Coverage



Base: employers not offering coverage to some or all employees

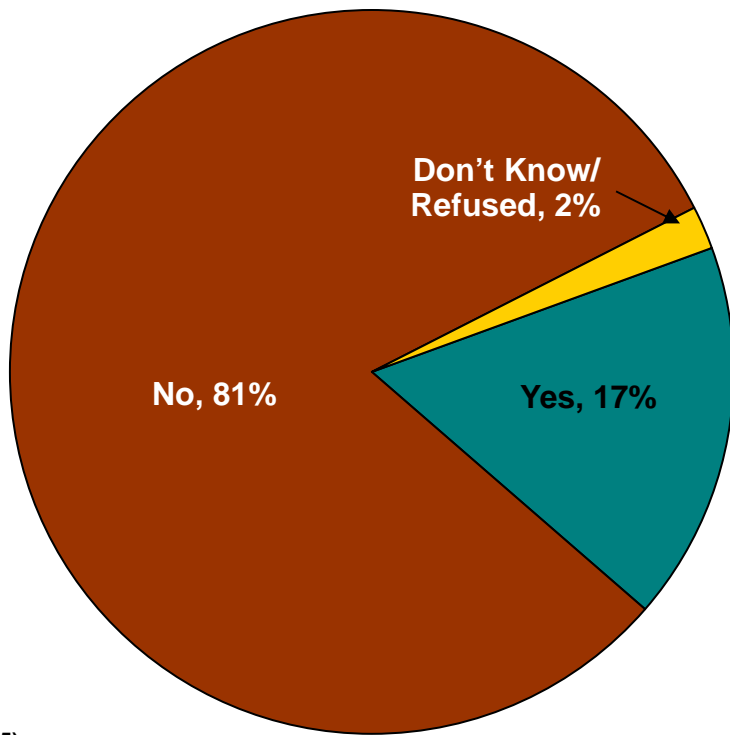
Q8: What are the reasons you do not currently offer health insurance to your employees? (*multiple response*)

Q8a: What is the primary reason you do not currently offer health insurance to your employees?



Less than one in five (17%) small businesses not currently offering health insurance to some or all of its employees have offered health coverage in the past. Companies no longer offering coverage tend to be small (4 employees or fewer) and have only full-time employees. Interestingly, companies that dropped coverage were more likely to drop it for all employees vs. dropping for just some of them.

### Offered Employees Health Coverage in the Past



Base: employers not offering coverage to some or all employees

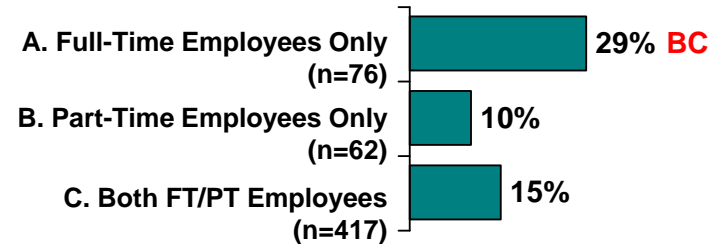
Q9: Did you ever offer health insurance to your (full/part-time) employees?

S1: Does your company have full-time employees only, part-time employees only, or both full- and part-time employees?

S1a: Including workers at all locations on Ottawa County, how many permanent full-time/part-time employees do you currently have?

Q1: Do you currently offer health insurance, or coverage, to your (full-time/part-time) employees?

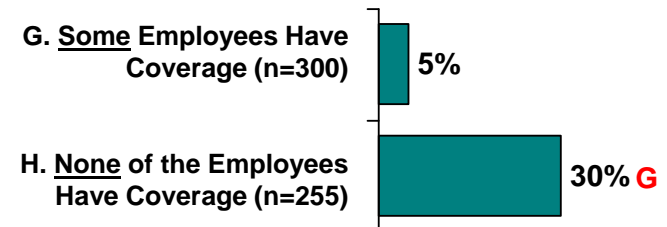
### Offered Health Coverage in Past by Employee Type



### Offered Health Coverage in Past by Company Size



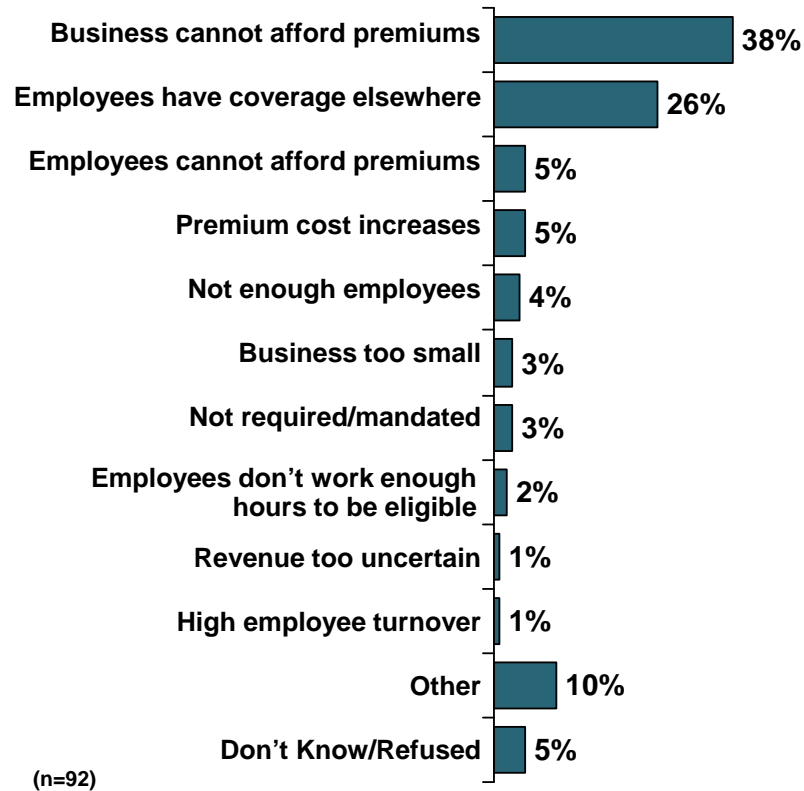
### Offered Health Coverage in Past by Current Coverage



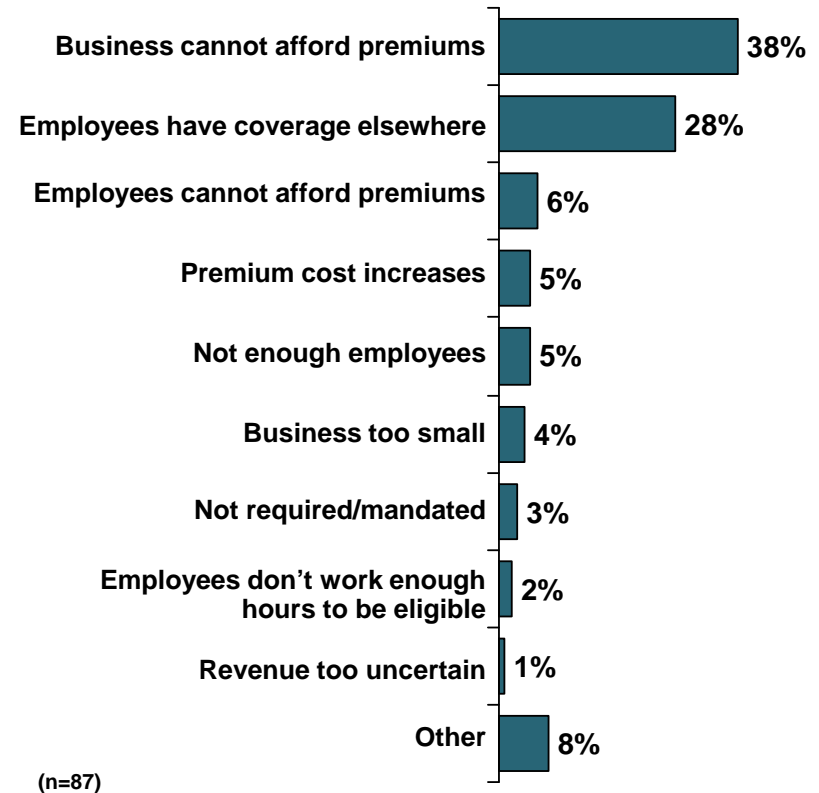


The primary reasons small businesses discontinue employee health coverage are the same reasons preventing them from providing coverage in the first place: *cost* and *employees have coverage elsewhere*.

### Reasons For Discontinuing Employee Health Coverage



### Primary Reason For Discontinuing Health Coverage



Base: employers not offering coverage to some or all employees but offered it previously

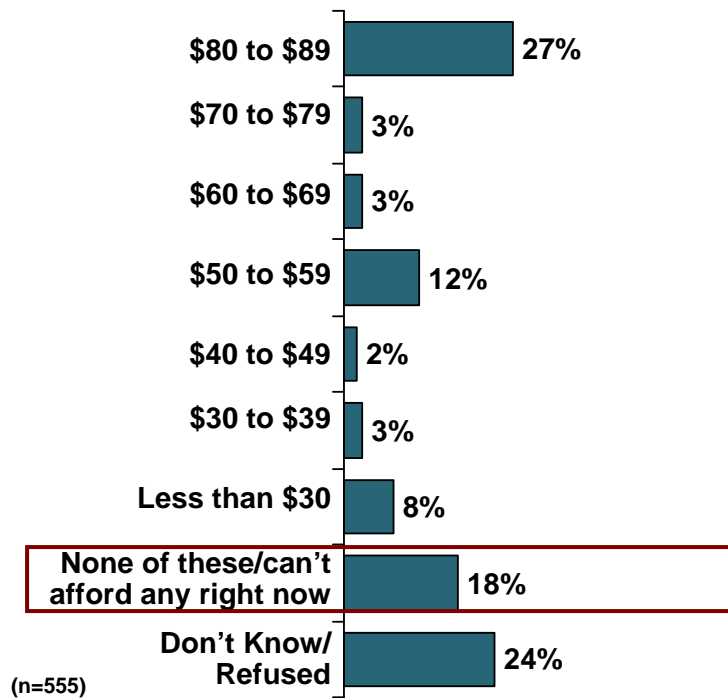
Q10: (If yes) Why did you stop offering health insurance to your employees? (*multiple response*)

Q10a: Which of those is the primary reason you stopped offering health insurance to your employees?

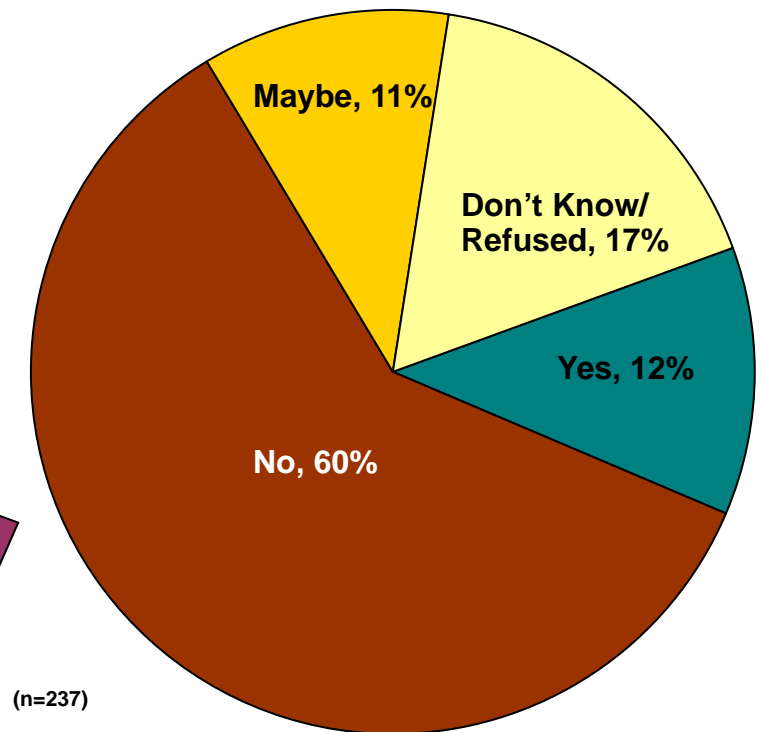


The majority (58%) of employers say they can afford a broad range of monthly insurance costs. In fact, 27% report they can afford between \$80-\$89 monthly. Conversely, 60% of those who can't afford health coverage, or are unsure how much they can afford, don't foresee purchasing it in the near future.

### Affordable Monthly Health Insurance Costs



### Foresee Ability to Offer Employees Health Coverage in the Next Couple of Years



Base: employers not offering coverage to some or all employees

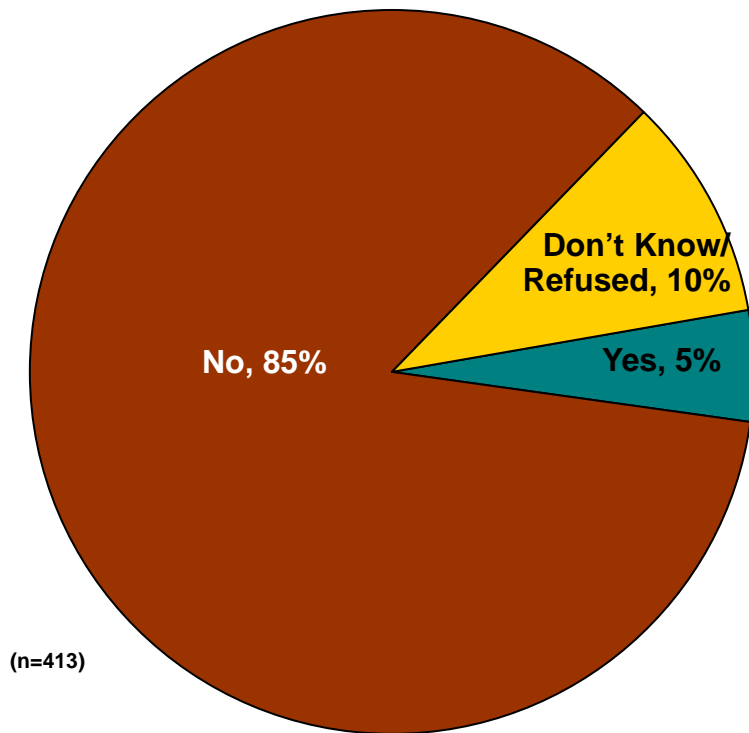
Q12: If you were to provide health insurance to your employees, what monthly cost per employee do you feel you as an employer could afford?

Q13: (If none) Do you foresee being able to afford any health insurance for your employees in the next couple of years?



Most of those (85%) who may consider affordable coverage in the next two years (said yes/don't know/unsure) don't have any concrete plans to offer coverage in the next 12 months. Those who do have plans will only cover full-time employees.

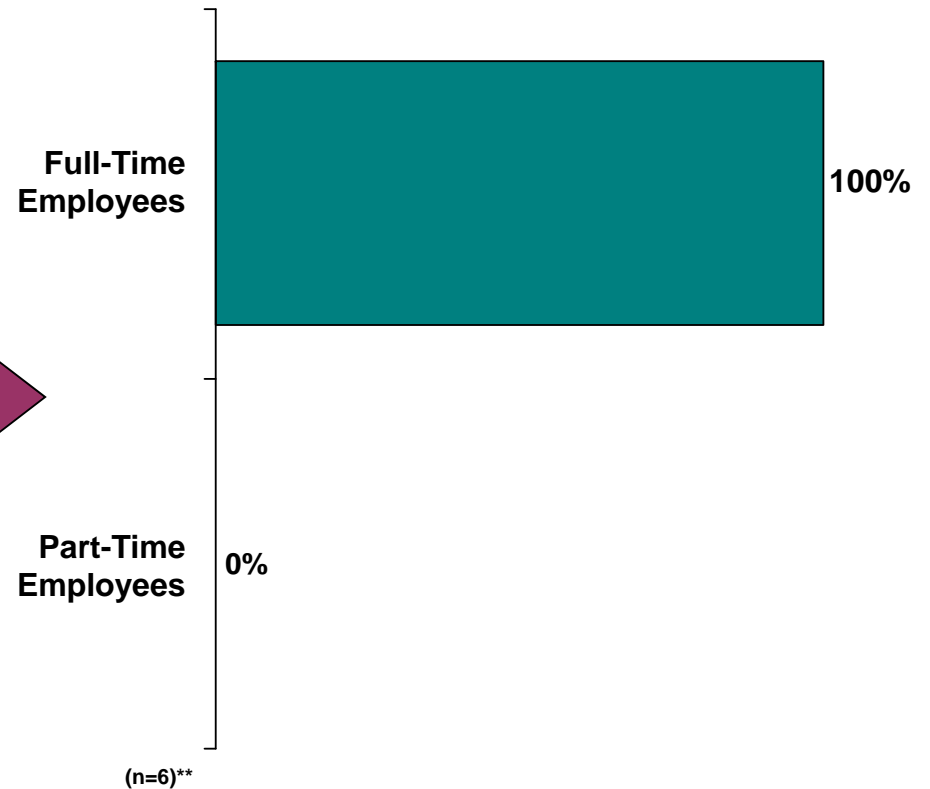
### Plans to Offer Employees Health Coverage in the Next 12 Months



Base: employers not offering coverage to some or all employees but can possibly afford coverage in the future

Q14: Do you have any plans to offer health insurance to your employees in the next 12 months?  
Q14a: (If yes) To which employees will you offer health insurance?

### Type of Employees That Would Be Offered Health Coverage



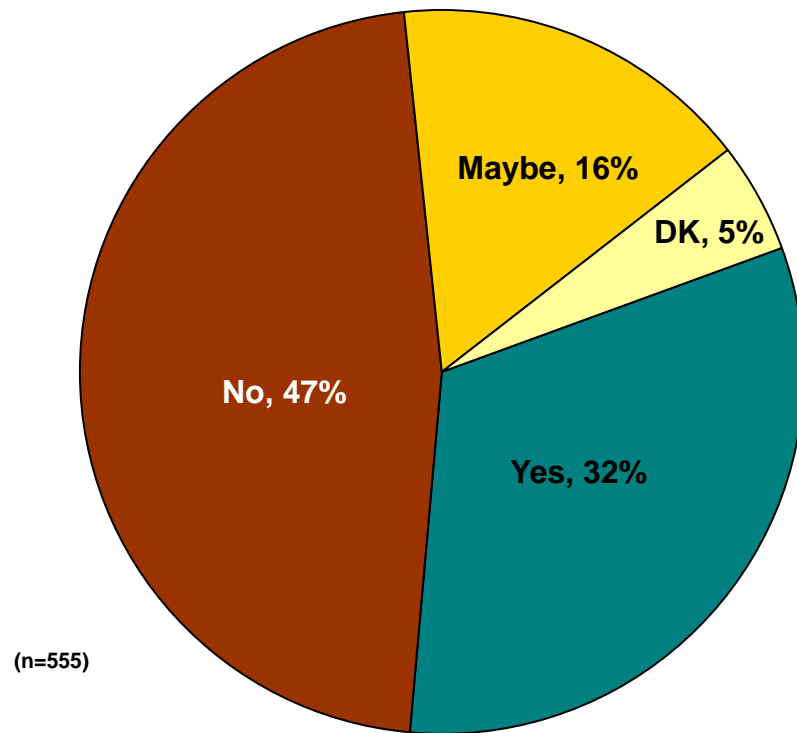
Base: have both full- and part-time employees and some or all are not covered

\*\*Caution: small base size

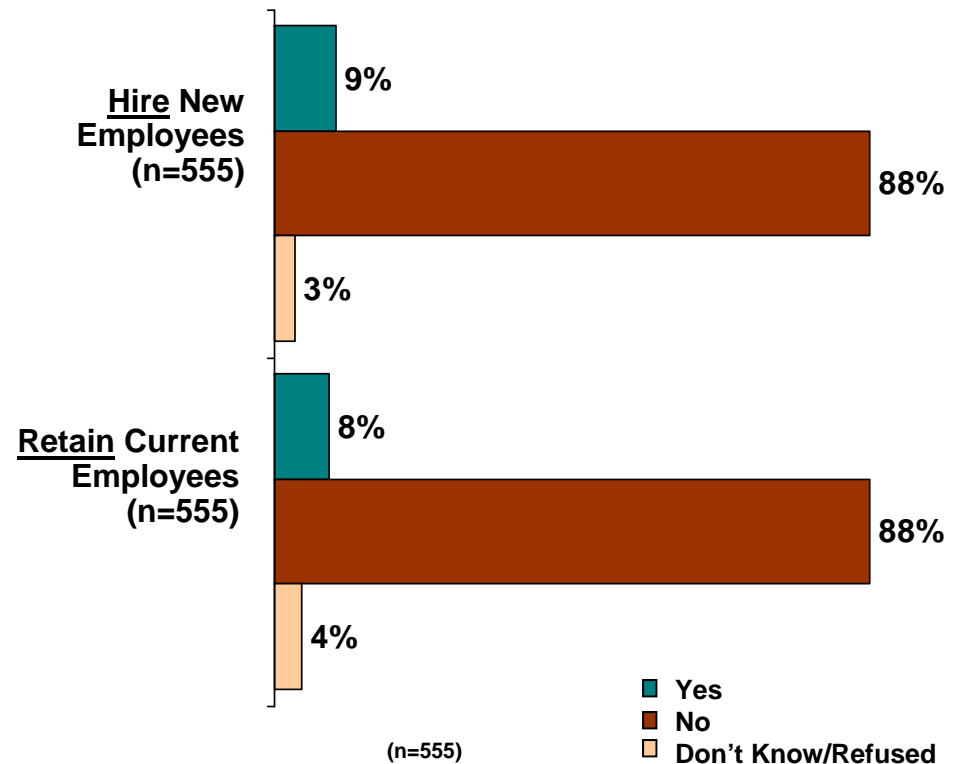


When first asked about interest in an affordable alternative to employee health coverage, almost half (47%) of the small business employers said they were not interested. Since lack of health coverage is not a barrier to hiring or retaining employees in these economic times, there is little incentive for employers to provide coverage/more coverage.

### Interest in Affordable Health Coverage Alternative



### Absence of Health Coverage as a Barrier to Hiring/Retaining Employees



Base: employers not offering coverage to some or all employees

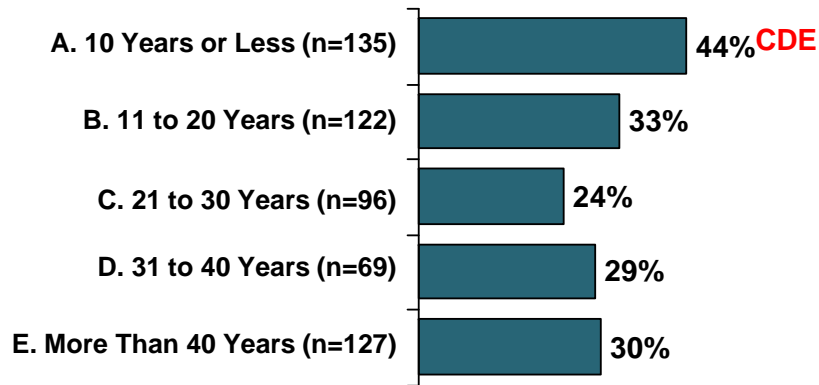
Q15: Would you be interested in health coverage for your employees if there was a more affordable alternative?

Q11: Has the absence of employer-sponsored health insurance affected your ability to...?



Small businesses most interested in affordable health coverage for their employees are newer, smaller, have only full-time employees, and currently do not offer any employee health coverage.

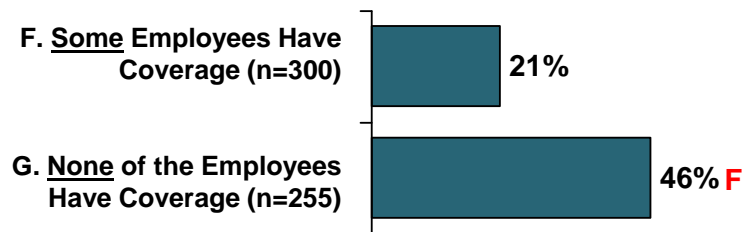
**Interest in Affordable Health Coverage by Company Tenure (% Yes)**



**Interest in Affordable Health Coverage by Employee Type (% Yes)**



**Interest in Affordable Health Coverage by Current Coverage Offered (% Yes)**



**Interest in Affordable Health Coverage by Company Size (% Yes)**



Q15: Would you be interested in health coverage for your employees if there was a more affordable alternative?

S1: Does your company have full-time employees only, part-time employees only, or both full- and part-time employees?

S1a: Including workers at all locations on Ottawa County, how many permanent full-time/part-time employees do you currently have?

S5: How many years has your business been in operation?

Q1: Do you currently offer health insurance, or coverage, to your (full-time/part-time) employees?

Base: employers not offering coverage to some or all employees



It's not simply that health care insurance/coverage costs are high, it's that they are more of a burden for small businesses. Many small business employers believe they are at a disadvantage compared to larger companies, where larger companies can more easily afford to cover their employees, and they also receive price breaks based on group size.

### Verbatim Examples of Comments on Health Care Costs

*"It needs to be affordable. Because as soon as I hire someone on again, it'll go way up--for each new one I bring on, it'd cost me \$500 per person per month. It's too much."*

*"Independent contractors like me are being killed by costs of health care. Realtors, like me, can't join health insurance as a group like the teachers and auto makers can, and that means we can't lower the costs. That's set up by the insurance companies, because why would they want to give out discounts?"*

*"Make things more affordable and control yearly increases."*

*"Yes, it's getting to be prohibitively expensive. We value our employees and we hate to reduce their coverage. The costs we are obtaining are getting to be entirely too high."*

*"It stinks. It's just frustrating--we're trying to stay afloat and ride out the recession, and all we get is increasing costs. It hurts us, it hurts our people, it's just a trickle-down. It costs more for less to the point where "Is it worth having?"*

*"We don't have much purchasing power and no costs ever go down, but the coverage does."*

*"Very, very expensive for a small business firm like us."*

*"If costs aren't curbed, the ratio of the payroll will get to the point where income is taken up by insurances costs. We need some kind of control for health care costs! Premiums for small businesses are 50-70% higher than bigger businesses/schools. Doesn't make sense. No equality among different-sized companies."*

*"This health coverage is expensive. Its rules penalize small businesses."*

*"Health care coverage is very expensive for a small business but we find that it is very important to the employee and we try to make it affordable."*

*"Too expensive; don't want to insure anyone else, besides myself and my husband, because we can't afford it."*

*"Insurance is terribly expensive and one of the major expenses for small businesses."*

*"It's a little bit too costly for someone like us to get insurance unlike big corporate businesses that can afford expensive insurance plans for all of their employees. My co-owner and myself are very thankful that we can get insurance through our spouses' businesses!"*

*"Well, it all depends on the business--I'm sure other ones can afford it, but I can't even pay for my own insurance so paying for employees' insurance isn't anything I can even think about now. Once I get it for myself, I might think about it."*

Q20: Please provide any additional comments you have on the subject of health coverage for small businesses and their employees.

# ***Interest in Access Health Model***

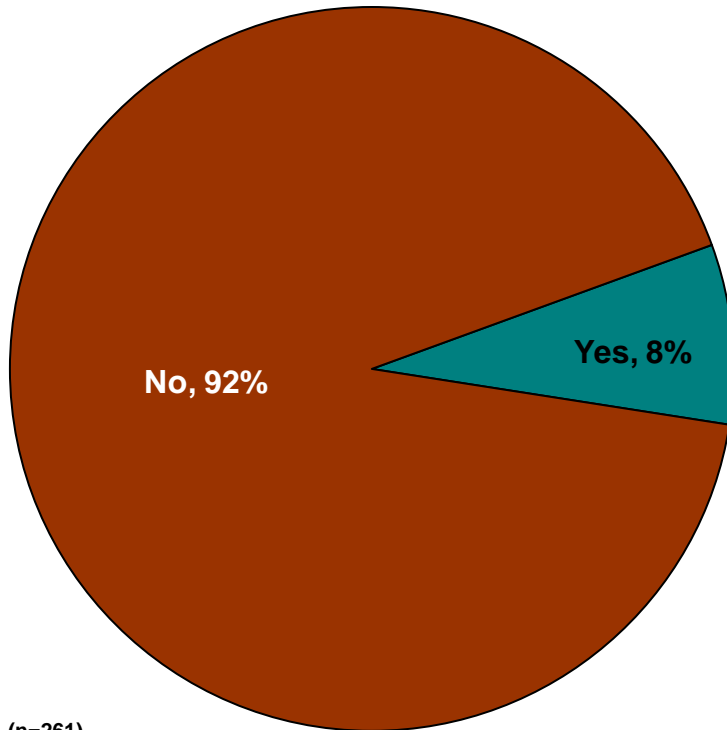
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Roughly one in ten employers say they are familiar with the Access Health Plan in Muskegon County. As one would expect, those who offer health coverage to all of their employees are least familiar with the plan.

### Knowledge of Access Health Plan in Muskegon County

#### All Employees Offered Health Coverage



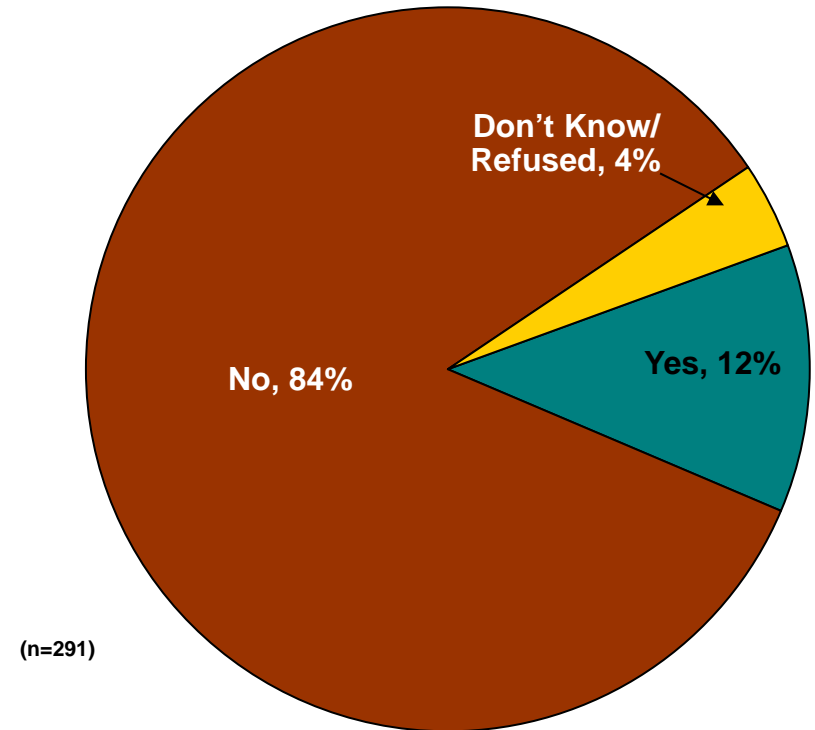
(n=261)

Base: all employees offered health coverage

Q6: (If all employees insured) Are you familiar with the Access Health Plan in Muskegon County?

Q16: (If some employees uninsured) Are you familiar with the Access Health Plan?

#### Some or All Employees Not Offered Coverage



(n=291)

Base: some or all employees not offered coverage AND employer might be interested in a more affordable alternative to current health coverage



Even though employers say they are familiar with the Access Health Plan, even fewer can accurately describe the plan.

### Verbatim Examples (Some or All Employees Uninsured)

*"1/3, 1/3. 1/3. Employee plays 1/3, employer pays 1/3 and community pays 1/3."*

*"I know that the cost is very reasonable. In order to get the lower cost, they have health classes that you're required to take. It does a great job of reducing the cost for doctors visits and health prescriptions. I believe it's paid 1/3 by employer, employee, and community each."*

*"I know that it is a three share plan."*

*"Cooperate process in which certain service providers offer more affordable services and business encourage employees."*

*"Cooperative."*

*"I just know that it's kind of all run through the county and it just helps kind of give credit to different businesses that go into it."*

*"Essentially I know that as long as you have at least one employee with a median pay roll between 10 and \_\_\_ an hour, it's a payroll payee contribution. Provides coverage under a limited umbrella. It's basically a comprehensive plan for health care at an affordable cost."*

*"From what I knew about it, it provided some limited benefits and was fairly low-cost. It wasn't totally comprehensive."*

*"I just know that they are trying to get it improved because the cost for small businesses for insurance is so high."*

*"It's a way for underinsured people to access health care."*

*"It's been something at least they could get insurance through. When you don't have insurance it is hard to get people to take you into a group. A lot of people want to sell to people with 100 employees."*

*"I've heard limited information about it. Patients come in from Muskegon mention they had it or someone in their family had it. That's it."*

*"I have tried to implement it but it has to come from multiple families. But none of my employees can afford it. We can use it in our area, we just have to access it in Muskegon county. We would like to be able to but we don't have enough people."*

*"In Muskegon County, came to the restaurant."*

*"It hasn't been made available to me so I don't know that much about it."*

*"Not much more than what was read -- that they do it."*

*"Only know it by name."*

*"From what I've seen, it doesn't really work."*

*"Shifting the cost onto the person who is getting the insurance. Very basic."*

*Nothing/No comment (17)*

Q16a: (If yes) What can you tell me about it?

(n=36)

Base: said they were familiar with Access Health Plan



Further, employers who offer insurance to all of their employees are even less able to verbally describe the Access Health Plan model.

### Verbatim Examples (All Employees Insured)

*"I like that they work with my employees to help them lead a healthy lifestyle. If I have employees with issues, I have them meet with AHC and they have been incredibly helpful."*

*"Isn't that the one where you can get the health insurance for cheap?"*

*"It doesn't apply to us because we aren't in that county, but it's a great plan."*

*"It is a great program, we are going to look at that option too."*

*"It's meant to be a fill-in-the-gap thing. I don't think it's meant to be in place of insurance. I'd actually forgotten all about it."*

*"My daughter has it. It is offered to small employers to their employees with small fees and it pays for small things such as check ups to keep people healthy."*

*"They're a rated plan, in other words, they have to get health conditions of the associates before they can quote you a price."*

*"Just aware of it."*

*"I've only heard of it."*

*Nothing/No response (11)*

(n=20)

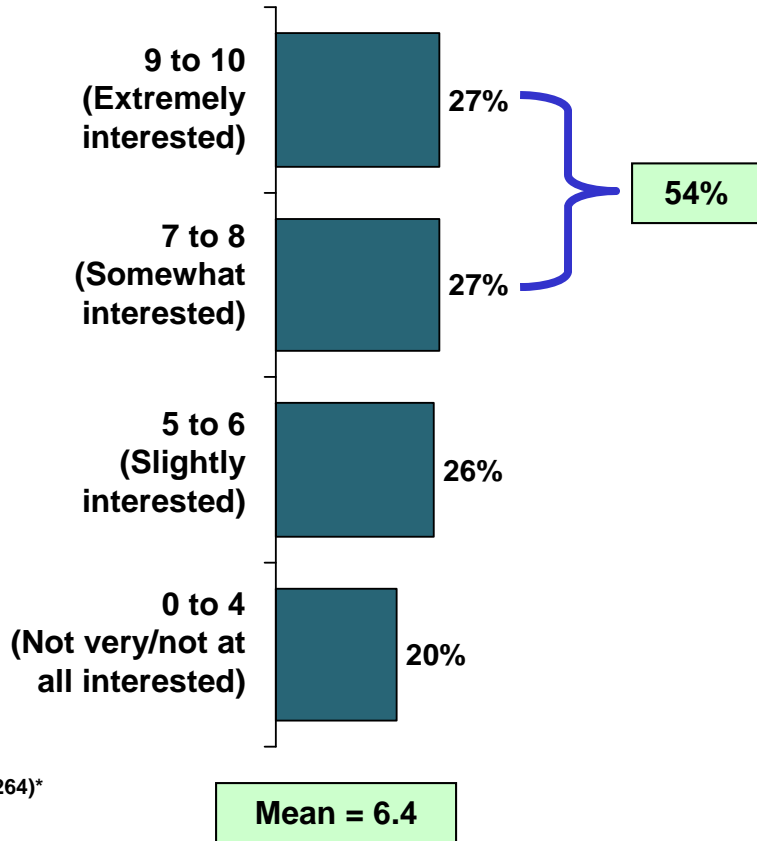
Q7: (If yes) What can you tell me about it?

Base: said they were familiar with Access Health Plan



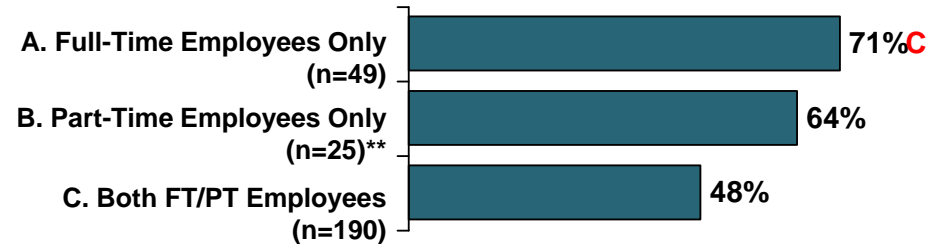
Following a description of the multi-share plan (or Access Health Plan) being considered by Ottawa County, over half (54%) reported a genuine interest in the plan. Companies most interested are small, have only full-time employees, and/or do not currently provide health coverage for their employees.

### Overall Interest in Multi-Share Health Plan

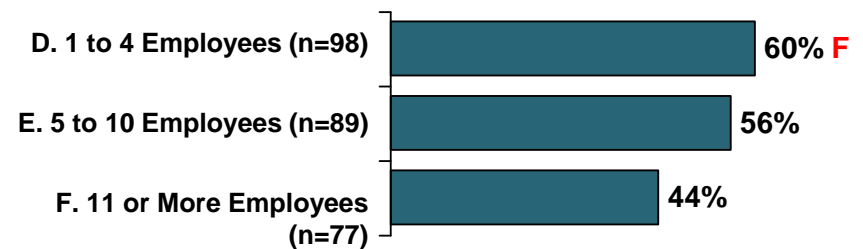


\*Excludes don't know/refused  
 \*\*Caution: small base size

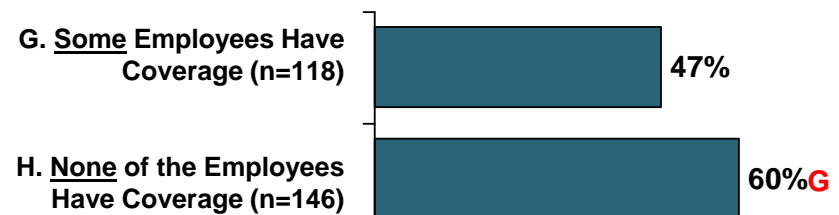
### Interest in MSP (7-10) by Employee Type



### Interest in MSP (7-10) by Company Size



### Interest in MSP (7-10) by Current Coverage



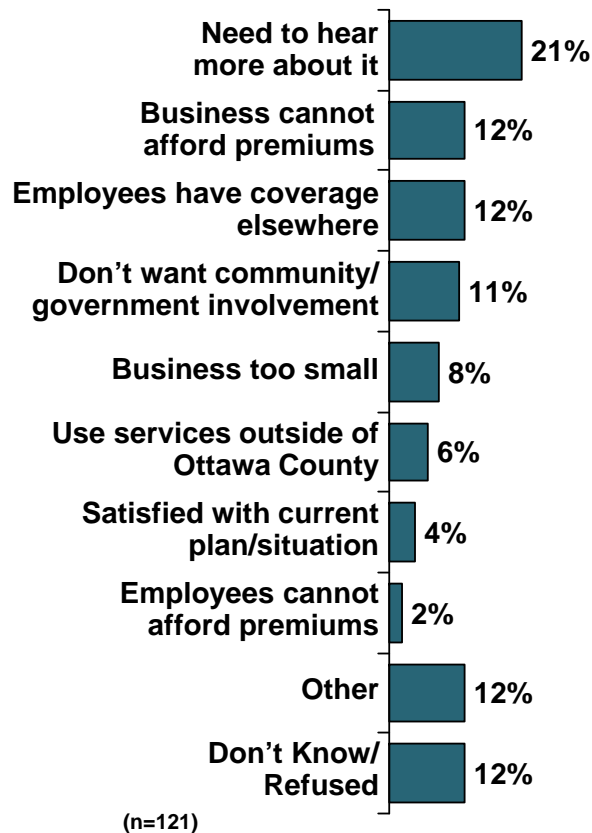
Q17: Now, after hearing a little bit about the employee health coverage program Ottawa County is considering, how interested would you be in a plan like this? Please use a scale from 0 to 10, where 0 means "not at all interested" and 10 means "extremely interested." Five is an average score.

S1a: Including workers at all locations on Ottawa County, how many permanent full-time/part-time employees do you currently have?



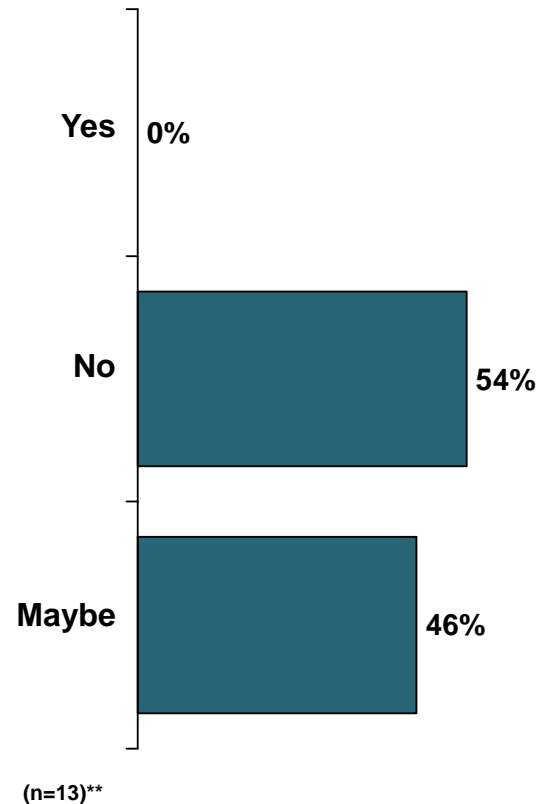
The greatest barrier to MSP interest is lack of information about it, however, cost continues to be an issue, especially when companies consider covering employees in the future.

**Primary Reason Not Interested in Plan**



Base: rated interest in plan <7

**Foresee Future Plan Affordability**



\*\*Caution: small base size

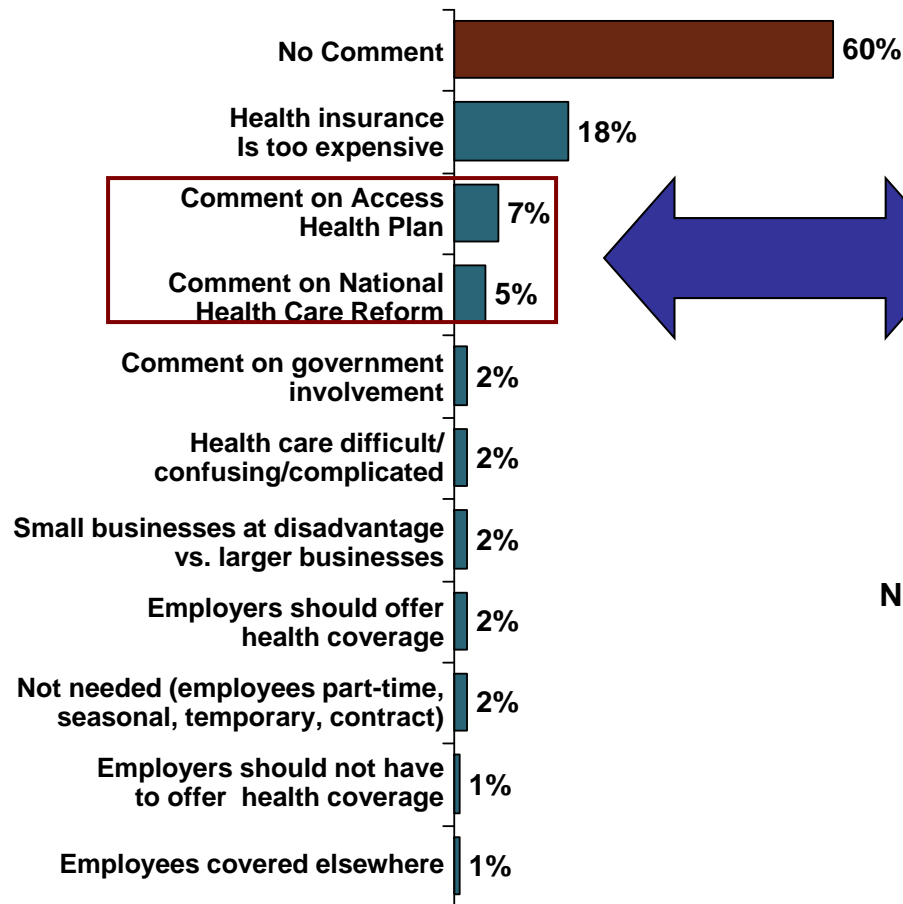
Q18: (If <7) What is the **primary reason** you are not interested in the plan just discussed?

Q19: (If business can't afford premiums) Do you foresee being able to afford this type of plan in the next couple of years?

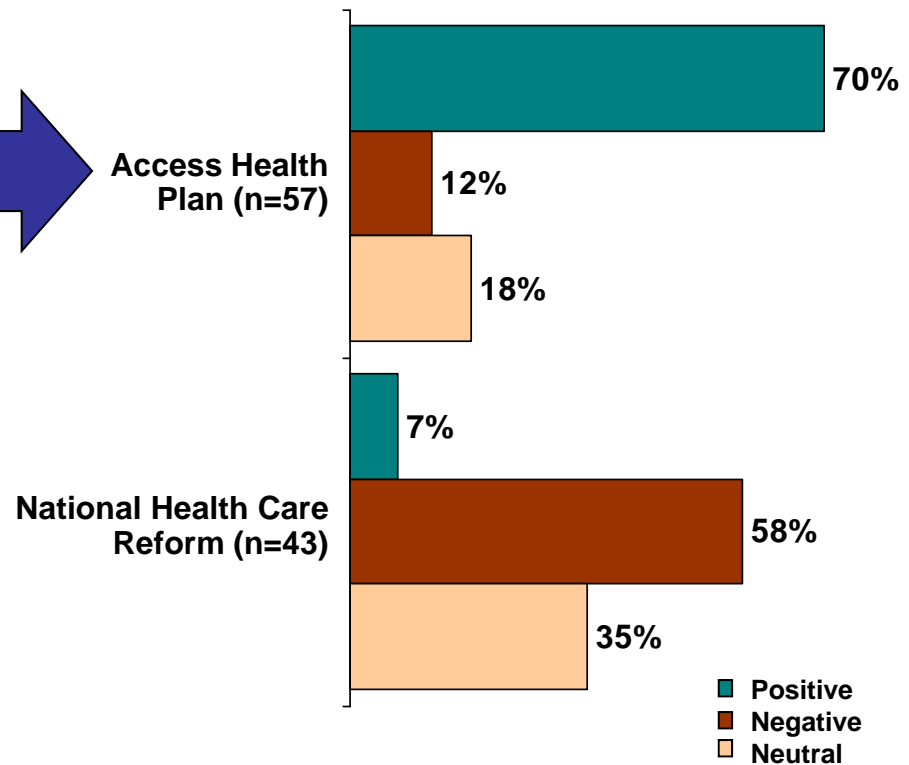


Volunteered comments provided at the end of the survey were varied but the expense of health insurance led the way. Comments on the Access Health Plan were largely favorable while comments on National Health Care Reform were negative.

### Top Volunteered Comments



### Volunteered Comments on Access Health Plan and National Health Reform



(n=861)

Q20: Please provide any additional comments you have on the subject of health coverage for small businesses and their employees.



Positive comments volunteered on the Access Health Plan focus on controlling and cutting costs, and providing coverage for employees without insurance.

### Verbatim Examples of Positive Comments on the Access Health Plan

*"If for nothing else, my husband and I would take a plan like the Access Health Plan, because we currently have nothing. We can't afford health care because the taxes are so high around here."*

*"I like to hear about programs like this that are a possibility to curb the rising costs of health insurance that we are dealing with."*

*"I would possibly have interest and would support its implementation."*

*"Health coverage is getting out of hand and alternative plans would be great. People are often being transferred from Holland Hospital to Grand Rapids for heart and other issues so the access in Ottawa County only needs to be looked at and considered for specialized issues."*

*"I think its a good thing to look at. I think it's up in the air because of the health care bill but a great plan to look at."*

*"This program would be outstanding to have for some of the part time employees."*

*"Very interested in the plan and grateful that someone is organizing an alternative health care option. This is a great option for individuals to get health coverage that has been needed for years."*

*"My only comment is that this is the only way small businesses will survive, with a plan like this."*

*"I would like to hear more about this in the future."*

*"I believe that a business would be more viable if they can offer such a plan (the Access Health Plan] but it has to be within financial means."*

*"I'm extremely interested but not certain how it would work for our business. My husband is a single owner LLC and currently takes only owner draws. We hire part time people occasionally and would like to do more but healthcare costs are killing us."*

*"I am very excited to talk to some people about this program and am very interested in it. I just hope I'm not getting my hopes up."*

*"It would be great if the county would be able to introduce this."*

*"It's very expensive. It's such a burden for small businesses, and it would be great if there were more competitive rates. I would love to have that \$89 per employee per month. I think everyone would have insurance if that's all we had to pay!"*

*"It will get to the point where it's (health care) not affordable. The community based plan is great - it controls costs."*

*"I think it's currently unaffordable in the current situation. I am very familiar with the Muskegon plan and would love for it to come to Ottawa County."*

*"It's impossible and expensive for small businesses to have health coverage. An alternative plan for coverage would be great."*

*"I think innovative thinking about health coverage is critical going forward and I am glad Ottawa County is thinking about a plan like this."*

Q20: Please provide any additional comments you have on the subject of health coverage for small businesses and their employees.



The few negative comments about the Access Health Plan are varied, including skepticism that the plan performs as advertised, a belief the plan is expensive, and the uncertainty of the impact National Health Care Reform will have on small businesses.

### Verbatim Examples of Negative Comments on the Access Health Plan

***“If there were dental and vision, I would support it with a 10 on interest level, but for the money we could get it cheaper through a private insurance company.”***

***“Skeptical the plan will have the benefits that it says it will.”***

***“My wife works at Spectrum Health and from what we have seen of it, it doesn't work. It looks great on paper but doesn't actually work.”***

***“It is expensive. Also the restricting to the county is a bit bad.”***

***“Everyone's concerned about the health care bill and what it means. As a company, we might end up paying more for health care. To start a program now, a new one, seems a little cart-before-the-horse because nobody knows what's going to happen.”***

***“This type of program simply wouldn't be relevant to the type of business we run; it's a big deal to change coverage, and we just don't need to at this time.”***

***“If there is ANY way that the community portion is based on a tax revenue, then no, I would not be interested and I would shut it out of my thought process immediately. If the people were paid competitively and they are treated well, I don't think that the business necessarily has to provide the health care. If it's tax related, I don't think it's the community's place to have to pay.”***



Concerns about National Health Care Reform revolve around assumed increases in health care costs. However, it is evident people are unclear about what to expect from the passage of the new bill. Still, this doesn't prevent speculation about various negative consequences, something education might address.

### Verbatim Examples of Negative Comments on National Health Care Reform

*"I'm very concerned about Obamacare and what impact it's going to have on my business and my health. It's going to have a very negative impact on my business because it's going to go through the roof. I'm seeing already companies backing off on hiring decisions because of this. It's kind of like before union strike, you're kind of paralyzed. They're starting to consider hiring but it's very tentative. The big hope was that Obamacare would fail, and we would be okay. Obamacare will drive taxes up, and in Michigan we're under water too. 600,000 jobs left the state under the Granholm regime. When I started in 1992 in Holland, 90% of my business was in Michigan, now only 10% is left in Michigan. In fact, my business is no longer a Michigan company. It's just too hard to operate here. And with the new federal bill, good luck. I don't know where these people think the \$3 trillion will come from that they've added this year. I've heard we're going to borrow from China to give to Greece. Those of us who are not employed by the government now have to support those who are. Basically it is a welfare state."*

*"Well, just got a letter from my insurance company about the new changes that are coming with the Obama plan, and there's some things there that really concern me. I don't know how much that thing is going to mess us up. We'll have to pass more of our expenses along to our clients in order to pay our own bills. That's my concern."*

*"We are very concerned what the national health care is going to do for us."*

*"We are against the bill that passed. It is going to be bad for the economy especially for small businesses."*

*"The recent actions by the government are going to make it much harder for us to offer it to our employees. We are considering stopping health insurance all together because we could not comply or afford it. Especially with the penalty charges."*

*"I am afraid what the new health laws are going to do for small businesses."*

*"The typical increases are getting out of hand but it is going to get worse with the new health care plan."*

*"My only comment would be that I don't think it is right to be forced to pay for healthcare coverage. I employ mostly young people who decided that they would rather have more money in their paycheck than health coverage. I offered healthcare coverage several years ago but the employees chose not to take coverage. I am not pleased with government forced healthcare coverage. It should be a choice by employer and employees."*

*"The way things are going now, it's ridiculous. They are screwing it up on the national level and it's raising local costs. I used to have five or six employees but as they died, quit or whatever I couldn't replace them because insurance was too expensive."*

*"Worried about the recent legislation in Health Care."*

*"With the plan they just passed I tell you what in two years we will be to the point of no care. You might as well throw your retirement away."*

Q20: Please provide any additional comments you have on the subject of health coverage for small businesses and their employees.

# ***Demographics/Firmographics***

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Half of the small businesses in Ottawa County are located in the southwest region. The northeast region has the fewest. Small companies in Ottawa County have been in business for awhile: the median number of years is 23.

	TOTAL	A. All Employees Offered Health Coverage	B. Some Employees Offered Health Coverage	C. None of the Employees Offered Health Coverage
<u>Ottawa County Location</u>	(n=808)	(n=257)	(n=299)	(n=252)
Northwest	23%	26% <b>B</b>	15%	29% <b>B</b>
Northeast	10%	10%	7%	13% <b>B</b>
Southwest	51%	49%	59% <b>AC</b>	45%
Southeast	16%	16%	18% <b>C</b>	13%
<u>Business Tenure</u>	(n=807)	(n=258)	(n=300)	(n=249)
10 Years or Less	24%	22% <b>B</b>	15%	36% <b>AB</b>
11 to 20 Years	24%	27%	21%	24%
21 to 30 Years	18%	19%	16%	19%
31 to 40 Years	13%	15%	14%	10%
More Than 40 Years	21%	17% <b>C</b>	34% <b>AC</b>	10%
(Median)	23 years	22 years	30 years	16 years
<u>Business Size (Number of Total Employees)</u>	(n=816)	(n=261)	(n=300)	(n=255)
1 to 4	33%	34% <b>B</b>	12%	57% <b>AB</b>
5 to 10	33%	33%	38% <b>C</b>	28%
11 or More	34%	33% <b>C</b>	50% <b>AC</b>	15%

S3: What is the zip code of the area where your business is located?

S5: How many years has your business been in operation?

S1a: Including workers at all locations in Ottawa County, how many permanent full-time employees do you have? How many permanent part-time employees do you have?



One-third of the small businesses in Ottawa County have only full-time employees, which means part-time employees are represented by two-thirds of the small businesses. Small businesses average 10 employees (7 full-time, 3 part-time) and pay employees an average of \$16.50 per hour.

	TOTAL	A. All Employees Offered Health Coverage	B. Some Employees Offered Health Coverage	C. None of the Employees Offered Health Coverage
<b>Employee Type</b>	(n=816)	(n=261)	(n=300)	(n=255)
Full-Time Only	32%	72% BC	0%	30% B
Part-Time Only	9%	3%	0%	24% AB
Both Full- and Part-Time	59%	25%	100% AC	46% A
<b>Average Number of Employees (Mean)</b>	(n=816)	(n=261)	(n=300)	(n=255)
Full-Time	6.9	8.9 C	8.9 C	2.4
Part-Time	3.4	1.5	5.0 AC	3.5 A
TOTAL	10.3	10.4 C	14.0 AC	6.0
<b>Wage Range of Employees in Dollars (Mean)</b>	(n=565)	(n=175)	(n=237)	(n=153)
Low Wage	10.83	12.6 BC	10.0	10.2
High Wage	22.1	23.7 C	23.6 C	18.1
Average Wage	16.5	18.2 C	16.8 C	14.1

S1: Does your company have full-time employees only, part-time employees only, or both full- and part-time employees?

S1a: Including workers at all locations in Ottawa County, how many permanent full-time employees do you have? How many permanent part-time employees do you have?

S4: What is the range of hourly wages your employees earn, from lowest to highest? (If only one employee) What is your monthly gross salary?



The variety of small business industry in Ottawa County is broad, led by services, manufacturing, and wholesale/retail. Manufacturing and construction employers more often offer health coverage to all of their employees, compared to services, food/beverage, and real estate that more often do not offer any coverage.

	TOTAL	A. <u>All</u> Employees Offered Health Coverage	B. <u>Some</u> Employees Offered Health Coverage	C. <u>None</u> of the Employees Offered Health Coverage
<u>Industry</u>	(n=816)	(n=261)	(n=300)	(n=255)
Services	16%	11%	16%	20% <b>A</b>
Manufacturing	15%	22% <b>C</b>	16% <b>C</b>	7%
Wholesale/Retail	10%	8%	9%	12%
Construction	9%	16% <b>BC</b>	6%	6%
Non-Profit Organizations/Churches	9%	3%	16% <b>AC</b>	6%
Health Care	7%	7%	6%	9%
Skilled Trade	7%	10%	6%	7%
Agricultural/Farming	5%	5%	3%	6%
Food/Beverage Service	5%	1%	5%	8% <b>A</b>
Transportation/Warehousing	3%	4%	4%	1%
Finance/Insurance	3%	2%	4%	3%
Real Estate/Rental/Leasing	2%	0%	2%	7% <b>AB</b>
Hospitality	1%	1%	1%	2%
Childcare	1%	0%	<1%	3%
Legal/Law	1%	0%	2%	1%
Research/Consulting	1%	1%	<1%	1%
Engineering	1%	1%	1%	<1%
Other	5%	7%	3%	4%

S2: What type of industry does your business represent?



Respondents had to be responsible for making decisions about company benefits, thus they typically represent the company leadership positions such as owners, presidents, managers, or directors.

	TOTAL	A. All Employees Offered Health Coverage	B. Some Employees Offered Health Coverage	C. None of the Employees Offered Health Coverage
Respondent Title	(n=805)	(n=256)	(n=296)	(n=253)
Owner	36%	35% <b>B</b>	21%	55% <b>AB</b>
Office Manager	15%	18% <b>C</b>	19% <b>C</b>	10%
President	11%	13%	10%	11%
Manager/Director	8%	7%	10%	8%
Administrative Assistant/Secretary/ Receptionist	5%	3%	9% <b>AC</b>	3%
Human Resources Manager/Director	5%	4%	7% <b>C</b>	3%
Treasurer/Bookkeeper/Accountant	4%	4%	4%	2%
Comptroller/Financial Manager/Director	3%	4%	4%	<1%
Vice President	3%	4%	3%	1%
CEO/CFO/COO	2%	2%	3%	<1%
Operations Manager/Director	1%	2%	2%	0%
Other	7%	6%	8%	7%

S6: What is your job title?

# *Appendix*

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GIS Maps of Ottawa County Small Businesses (50 or fewer employees)

Ottawa County Businesses

● Surveied Ottawa County Businesses

● All Ottawa County Businesses

■ Cities

■ Townships

□ Quadrants

