

Small Business Healthcare Education & Implementation

Over the past four years, Small Business Majority has successfully created a powerful non-ideological voice for America's 28 million small business owners and self-employed entrepreneurs, with a particular focus on pragmatic solutions to their healthcare needs. Working with our network of healthcare advocates, business organizations and small business owners across the country, we are now actively engaged in educating and informing entrepreneurs, policymakers and other stakeholders about the opportunities and challenges of the Patient Protection and Affordable Care Act (ACA) as it affects small businesses.

What's at stake?

Small business owners, their employees and the self-employed represent a disproportionate share of the working uninsured. On average, 65% of small employers offer healthcare coverage; but for firms with fewer than 10 employees (85% of all small businesses) the offer rate is only 46%. Moreover, a staggering 28% of the 22 million self-employed Americans are uninsured—almost twice the level of the population as a whole.

We have repeatedly surveyed small business owners across the country; they want to offer coverage, but the number one reason cited for not being able to do so (by 86% of respondents) is cost. Indeed, small businesses pay on average 18% more for healthcare than large employers. By equally high percentages (over 80%), small business owners and the self-employed wish to see the elimination of pre-existing condition restrictions and the establishment of healthcare exchanges where they can purchase health coverage on a competitive open market.

The good news is that the ACA will correct many of these problems and directly benefit America's entrepreneurs via (1) tax credits, (2) high-risk pools, (3) exchanges, (4) subsidies, (5) insurance reforms, and (6) greater access to public programs. But, small business owners and the self-employed must be made aware of how they and their employees will benefit under the new law—from provisions that take effect now, to those that take effect in 2014 when the new system is fully up and running. And policymakers need to hear from small businesses as they implement ACA. Achieving these twin goals is challenging given the sheer volume of technical information, confusion and misinformation.

Our successful model

Key to our success is that we translate public policy issues for the small business community and policymakers in ways that resonate with each constituency. We do so by maintaining our small business voice and emphasizing small business rationales for solutions that we recommend. The underlying premise on which we were founded is that the leading national and state business organizations claiming to represent small business interests often eschew pragmatic solutions and espouse ideologically driven positions that do not necessarily reflect the actual needs and desires of the majority of small businesses. Nowhere can this be seen more than in the current efforts by those groups to sow fear and mistrust about ACA.

Through opinion and economic research, coupled with practical “bottom-line” business arguments, we have successfully shown there is another fact-based, pragmatic small business perspective. Our work has resonated in the public debate, because small businesses (with fewer than 100 employees) employ more than 40% of the private-sector workforce, and entrepreneurs have an “iconic” voice within the electorate, ranking at the very top of lists of respected groups in the United States.

Our work to date

Research: Both before and after passage of ACA in March, we conducted extensive opinion and economic research to assess small business attitudes and needs. This includes (a) scientific surveys of small business owners in each of 20 states; (b) a major national economic study of small business healthcare costs by M.I.T economist Jonathan Gruber, (c) a study by the Lewin Group of the impact of small business healthcare tax credits on small businesses in each of our 50 states; and (d) current focus groups and polling of small business attitudes toward implementation of the new healthcare law – nationally and in California.

Policy: Throughout this entire process, policymakers have sought our advice on small business-focused health policy. Last year we developed detailed policy recommendations driven by our research and our interaction with small business owners. Currently, we are completing a package of policy options on the exchange and other issues that we are making available to policymakers and stakeholders in states across the country. Indeed, our input was by sought by California policymakers in their successful work earlier this year to establish that state’s exchange. As part of this effort, we regularly participate on national and state advisory boards, workgroups and conference panels as experts on the exchange and other small business implementation issues—examples include, Commonwealth Fund Exchange Advisory Group, HHS Co-op Advisory Board and as the small business healthcare expert at the upcoming annual Commonwealth Fund/Alliance for Health Reform bi-partisan retreat for members of Congress. We also played the lead role in developing detailed comments on behalf of a consortium of business organizations for the Department of Health and Human Services (HHS) on the establishment of exchanges. And, we have hosted or participated in more than 20 high-level meetings (including some events that included small business owners and representatives from other business groups) with cabinet secretaries, senior White House staff, and Capitol Hill leadership. We have testified six times on Capitol Hill and been featured speakers at countless press events with senators and congresspersons.

Outreach: We have developed an extensive network of healthcare advocacy organizations and small business organizations at the national level and in 30 states. These relationships enable us to reach tens of thousands of small business owners via live events, webinars, conference calls and communications through the organizations’ newsletter and web sites. They also enable us to solicit small business feedback that we regularly communicate to policymakers and the media. Two examples of our outreach work are a “fly-in” by 130 business owners to Washington, DC last fall and a current statewide California “listening tour” where we partner with chambers of commerce and other business organizations, along with the governor’s office, to educate small business owners about the opportunities and challenges presented by ACA. We will soon be launching a series of “listening tour” training sessions in other states. As a centerpiece of our outreach work, we have built relationships with hundreds of all business owners across the country who serve as our sounding boards

and whom we use as real small business voices in our communications efforts. These relationships are now being strengthened by our newly-launched social media communications strategy.

Media: And last, but not least, we communicate about all of our research and other work, amplified by the voices of real small business owners, to national and state media. This has resulted in nearly one thousand print, electronic and online stories, including featured stories and interviews in the *New York Times*, *Wall Street Journal*, *National Public Radio*, *National Journal*, *PBS NewsHour*, *Fox News*, *CBS Evening News*, and MSNBC's *Hardball with Chris Matthews*. Our recent small business tax credit report (with data on all 50 states), has netted over 400 solid media hits, with more still coming in after five months. We also write and place op-eds and letters-to-the-editor on behalf of our small business owner network.

A sensible plan of action

The continued and expanded success of healthcare small business education and outreach depends the continuation of work in three distinct areas: (1) education of small business owners via direct outreach and communication through the media, (2) policy development and education of policymakers, and (3) continued scientific opinion and economic research to provide all stakeholders with an understanding of small business needs and aspirations.

1. Small business education and media outreach

We plan to continue our small business outreach efforts as described above. Our work in states other than California and New York principally requires working through dedicated state-based partners who can actually carry out the “work on the ground.” Specifically, we are doing the following: (a) training state-based partners who can educate small business owners about ACA, supplemented by a limited number of live education sessions that we can conduct ourselves, (b) conducting webinars and conference calls with small business owners organized by national and state partners, (c) developing and disseminating materials that are distributed directly to our list of small business owners and by state partners to their small business owner networks, (d) continuing to expand our network of small business owners via direct contact, social media and other means, and (e) ongoing outreach to national and state media (the latter supplemented by our state partners’ own media efforts).

We offer our state partners a “package” of support materials and services encompassing:

1. small business education,
2. media support,
3. policy support (*see below*)
4. research (*see below*)
5. fundraising assistance for partners’ state-based work with small businesses

We are focused on the following states based upon current and anticipated levels of partner support. [Note: this list changes from time to time depending upon relative levels of commitment from the state partners.]

21 States

- California: separately funded operation with dedicated SBM outreach manager
- New York: SBM team member is on the ground in New York, but is currently working on other issues; and is not funded for healthcare outreach.

- Tier 1: Connecticut, Georgia, Iowa, Illinois, Maryland, Minnesota, Oregon, New Mexico, Missouri, South Carolina, Utah (11 states)
- Tier 2: Arizona, Colorado, Montana, Ohio, Pennsylvania, Nevada, Virginia, Wisconsin (8 states)

The following are national outreach needs and the needs of individual state partners:

- Expanded national outreach efforts to more states and support with a focus on intensively building organizational partnerships in key states, including attending more in-state meetings and conferences. This work would include advising states on how to launch a statewide small business “listening tour.”
- Additional work to build a network of small business owners—potentially to build the network to over 10,000 people. This requires a much more intensive focus on outreach via social media and management of a more formal network structure, including a small business advisory board.
- Additional support for media outreach and state-based communications support, including direct support to targeted states and much more extensive op-ed and letter-to-the-editor development.
- Direct support to state partners to ensure dedicated staff who can sustain a long-term small business outreach effort.

2. Policy development/implementation of ACA

We plan to build on our current policy work, particularly our efforts to help states establish healthcare exchanges over the next three years. We make policy recommendations at the national level (e.g. HHS, IRS and limited national legislation), but the bulk of our policy work is to develop generic template policies for states and to help educate policymakers in those states about them. As these policies must be ultimately be implemented at the state level, our work in states other than California and New York requires working hand-in-hand with our state partners.

The following are national outreach needs and the needs of individual state partners:

- Full-time support for policy work as described above. This includes a senior person to serve on national boards, workgroups and panels, the development of detailed policies and the communication of those policies and accompanying expertise at even more venues across the country. This includes serving as an expert who is called to testify at state legislatures.
- Focused effort to develop a model exchange bill and work specifically with targeted states to get that bill presented and adapted to fit each state’s needs.
- One or more health policy consultants to work on particularly complex exchange and other implementation issues, including drafting of legislation.
- Additional research and writing resources.
- Direct support to state partners to ensure dedicated staff who can take our policy expertise and then navigate their own state landscape to determine how to proceed, including when and how to use our policy support (e.g. expert testimony; expert presentations at state conferences.)

3. Research

Our success continues to depend on scientific opinion and economic research to educate policymakers, stakeholders and us about small business attitudes and needs, and to help make the public case for those needs and policies that support them.

The following are examples of some of our research needs:

- Focus groups and surveys of small business owners in key states. We have done some limited national research on healthcare issues since the passage of ACA, and are currently doing in-depth research in California. We have learned from all of our research that it is essential to get state-based information in order to educate policymakers and other stakeholders from those states.
- An economic study on the optimal design of a small business health exchange. Most of the exchange work to date has been focused on the needs of individuals – there is a real need for good data on small business exchange needs.
- An assessment of the reaction of small businesses to ACA, particularly changes in behavior based on the small business tax credits and the anticipation of other changes to come.
- An assessment of the needs of America's 22 million self-employed entrepreneurs—28% of whom don't have health coverage. Their needs are very different from those of businesses that employ people. For example, how have they been impacted by the establishment and shoring up state high-risk pools.

About Small Business Majority

Small Business Majority was founded, and is run, by small business owners to present a research-driven, non-ideological, pragmatic view of public policy issues affecting small businesses and the self-employed. We began our work five years ago, and for most of that time have focused primarily on healthcare—according to our research, the most pressing public policy issue facing America's 28 million small businesses.

Working as a team of 12 from our headquarters in the San Francisco Bay Area and additional offices in Washington, DC, Sacramento and New York, we collaborate with our network of healthcare advocates, business organizations and small business owners across the country to educate and inform entrepreneurs, policymakers and other stakeholders about the opportunities and challenges of the new healthcare law as it affects small businesses.