

Health Care Reform Key Issue as Entrepreneurs Size Up Presidential Candidates

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Political Campaign Writers/National Desks/Healthcare Writers

WASHINGTON--(BUSINESS WIRE)--September 8, 2008--A national survey measuring the impact of rising health care costs on businesses with 10 employees or fewer shows that micro-businesses strongly support health care reform leading into November's Presidential election. While a majority of the nearly 4,000 micro-business owners who participated in the survey, conducted by the *National Association for the Self-Employed* (NASE), have suggestions for improving the system, they are deeply divided over exactly what kind of reform is needed. Similarly, while Republican candidate John McCain and Democratic candidate Barack Obama agree that some level of reform is necessary to make health care more affordable, their proposals are vastly different.

"The 24 million micro-businesses in the U.S., which comprise a huge portion of our nation's economy, are struggling with high health care costs and looking for solutions from our next President," said Kristie Darien, Executive Director of the NASE. "Neither candidate has developed a comprehensive small business policy to address issues such as health care, taxes and retirement affecting this important demographic., These entrepreneurs are examining both candidates closely and will be making decisions in November based on these issues that affect their business and their families in very real and measurable ways."

According to the NASE survey, nearly 85% of micro-business owners support a system that provides health care coverage for all Americans, but respondents are equally divided on what form that system should take. Nearly 23% prefer the current system, 25.4% support a government-run system requiring every American to purchase coverage, and 24.5% favor a government-run system paid for through taxes. This virtual three-way tie, along with the 27.1% of respondents who either don't favor any of those options or don't have an opinion, shows there is no clear "winner" when it comes to reform. What is clear is that micro-business owners are opposed to mandates. More than 42% do not believe that all employers should be required to provide access to health insurance for full-time employees, and more than 38% feel that Americans should not be compelled by the government to purchase health insurance.

The candidates diverge on this issue as well. Barack Obama's primary goal is to increase coverage by expanding the role of government and increasing the responsibility of employers to provide coverage. John McCain's plan is to reduce health care costs via the tax code. Only Obama's proposal includes mandates: one requiring all parents to buy coverage for their children by 2012 and another requiring employers to provide coverage for their full-time workers or pay 6% of their payroll to the government to use toward the new national plan.

Aside from a major overhaul of the system, respondents to the NASE survey say the top three changes they would like to see to the current system are giving individuals greater choice and influence over their benefits (72.4%), providing access to more information on treatment options (71.8%), and making the cost of procedures, treatments and prescriptions more readily available (76.8%). A majority support having greater access to information on provider quality (such as doctor or hospital ratings) and the implementation of technology (such as electronic medical records, online referrals/scheduling, etc.) as ways the current health system could be improved. In their current proposals, both Presidential candidates have placed emphasis on quality, transparency and prevention.

When asked about the factors driving high health care costs, survey respondents point to three main issues: nearly 29% think insurance companies make too much profit, more than 21% say doctors and hospitals overcharge for their services, and more than 13% blame medical malpractice suits. Both Presidential candidates want to implement market reforms to help eliminate those factors. Barack Obama favors increased insurance regulation and government oversight with the creation of a new national health insurance pool modeled after the pool currently used by Members of Congress and government employees. John McCain wants to deregulate the insurance market and increase competition among insurance companies by allowing Americans to purchase health care across state lines. Both candidates have expressed interest in addressing costs associated with medical malpractice lawsuits, and both want a cap on damages awarded in those suits.

Micro-business owners hope the winner of the election will drive additional changes, including:

Allowing small businesses to group together via associations or organizations to purchase health insurance (83.3%).

Encouraging businesses and the self-employed to purchase health insurance for themselves and their employees by providing them with tax credits (71.9%).

Reforming the tax treatment of health coverage so that regardless of whether you purchase health insurance own your own or access it through an employer you receive the same tax benefits (68.3%).

Increasing regulation on health insurance, pharmaceuticals and hospitals (53.6%).

Expanding government programs to cover uninsured children and low-income individuals unable to afford coverage (49.6%).

Increasing funding to and require all states to have high-risk pools that provide health coverage to individuals with high health care costs due to chronic or terminal illnesses. (48%).

While both candidates' health reform proposals include health tax credits to help small businesses and individuals afford insurance, only Senator McCain's proposal would allow small businesses to group together via associations or organizations to purchase health insurance.

To obtain a copy of the complete NASE survey results, please contact Lori Russo at 202-223-4933 or lrusso@stantoncomm.com. To review NASE's advocacy efforts, visit <http://advocacy.nase.org/>.

About the NASE

The National Association for the Self-Employed (NASE) is the nation's leading resource for the self-employed and micro-businesses, bringing a broad range of benefits to help entrepreneurs succeed and to drive the continued growth of this vital segment of the American economy. The NASE is a 501(c) (6) non-profit organization and provides big-business advantages to hundreds of thousands of micro-businesses across the United States. For more information, visit the association's web site at www.NASE.org.

National Association for the Self-Employed (NASE)

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