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# Small Business Health Insurance Survey

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# Small Business Health Insurance Survey

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The relationship between small businesses and health insurance has been a long-standing challenge for small business owners whether they offer or don't offer the benefit to their employees, and for owners' own personal health insurance coverage. This survey offers data that is not otherwise widely available to better understand this relationship and the challenges small business owners face when dealing with health insurance for themselves and their employees.

## Employer-Sponsored Health Insurance

Over half (56%) of small employers reported that they currently offer health insurance to employees. Forty-four percent do not. Firms with more employees were far more likely to offer health insurance. Eighty-nine percent of firms with 30 or more employees currently offer health insurance compared to 39% of those with 1-9 employees. Of those currently offering health insurance, close to all (93%) offer group health insurance. Three percent offer a Health Reimbursement Arrangement (ICHRA, QSEHRA).<sup>1</sup> Two percent did not know if they offered group health insurance or a Health Reimbursement Arrangement. ICHRA and QSEHRA health insurance arrangements are relatively new products available to small businesses as of 2020. More time is needed to see if these products will become more popular as a health insurance benefit among small businesses. It could be the case that these products

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<sup>1</sup> In 2020, two new health insurance products were introduced into the market, available to small business. An Individual Coverage Health Reimbursement Arrangement (ICHRA) is a type of HRA in which employers of any size can provide employees with funds that can be used to purchase individual market plans. It is an alternative to a traditional group health plan that makes it easier for employers to manage costs and employees to customize health plans. Employers can offer different plans to different types of employees but will need to offer those plans fairly across a group. The benefits of offering an ICHRA include ease of administration for employers, the ability for employees to choose a health plan for their specific needs, affordable option to meet ACA compliance requirements, and that it is tax-free. A Qualified Small Employer Health Reimbursement Arrangement (QSEHRA) is similar to an ICHRA but has different eligibility requirements. One of the main differences is that only employers with fewer than 50 full-time equivalent employees qualify for a QSEHRA, unlike an ICHRA in which any size employer qualifies. Another difference is that employers cannot offer their employees both group insurance and a QSEHRA. Additionally, a small employer can offer a QSEHRA and employees can still qualify for an Advanced Premiums Tax Credit (APTC) on the individual exchange marketplace, while they cannot offer an ICHRA and have employees qualify for an APTC on the individual exchange marketplace.

will be more attractive to newer firms first offering a health insurance benefit to their employees than the more established businesses that are more represented in this survey.

Of those employers offering group health insurance, 44% have offered health insurance since the beginning of the business. Eleven percent offered within the first year and 8% after 2-3 years. Four percent reported offering 4-5 years after operating their business, and about a quarter (26%) reported over 5 years.

Eighty-eight percent of small employers who offer health insurance only offer it to full-time employees. Ten percent offer to both full-time and part-time employees, and 1% offer health insurance to only part-time employees. Larger firms were slightly more likely to offer health insurance to both full-time and part-time employees. Thirteen percent of employers with 30 or more employees offer health insurance to both full-time and part-time employees while 9% of employers with 1-9 employees and 10% of employers with 10-29 employees do.

Of those small employers offering health insurance, 37% had most of their employees covered by a High Deductible Preferred Provider Organization (PPO) plan. A quarter had most of their employees covered by a Health Maintenance Organization (HMO) plan and another 9% by a Point of Service (POS) plan. Fourteen percent reported Other, and 17% were not sure. By firm size, 43% of employers with 30 or more employees had most of their employees covered by a High Deductible PPO. This was 8 percentage points higher than firms with 1-9 employees and 10-29 employees.

Eighty percent of firms offering health insurance do not offer a second type of health plan. Twenty-eight percent of firms with 30 or more employees offer a second type of health insurance, more than double that of firms with 1-9 employees (12%). Offering more than one plan for smaller employers may be unnecessary for those with only 1-3 covered employees, and it is also more complicated and involves more time-consuming paperwork.

When asked whether their group health plan is Fully Insured or Self-Funded, a little over three-quarters (77%) of small employers reported a Fully Insured Plan, where a private insurer manages risk and provider networks. Another 8% had most of their employees covered by a Self-Funded Plan, where the employer manages risk, and a private insurer manages provider networks. Small businesses with 30 or



more employees were more likely to offer a Self-Funded Plan (18%) than employers with fewer employees. Another 14% didn't know the structure of their health plan.

Eighty-four percent of Self-Funded employers have not posted network provider negotiated rates and out-of-network allowable amounts on a free-to-access, publicly available website. Seven percent did not know. As of July 1, 2022, the Department of Labor requires all businesses offering self-funded health insurance plans to post their negotiated prices with providers on a free-to-access, publicly available website.

Small employers were asked about the percentage of eligible employees enrolled in their employer-sponsored health insurance plan. Fifteen percent of small employers have less than 25% of their eligible employees enrolled in their health insurance plan. Another 13% reported 25%-49% of their eligible employees and 19% between 50%-69%. Seventeen percent reported 70%-89% and 10% of small employers reported 90%-99%. A fifth of small employers reported that 100% of their eligible employees were enrolled in their employer-sponsored health insurance plan. Six percent did not know.

### Non-Offering Employers

The most important reason small employers don't offer health insurance is that it's too expensive, with 65% reporting this reason. Firms with 30 or more employees overwhelmingly (88%) reported this as the most important reason they do not offer health insurance, compared to firms with 1-9 employees (63%) and 10-29 employees (70%). Nine percent of all firms reported that the most important reason they do not offer health insurance is because their employees have access to low-cost coverage in the government exchange marketplace or other government program. Eight percent report not having enough employees interested in participating. Seven percent reported that many employees are part-time, seasonal, or they have a high turnover. Two percent do not offer health insurance because revenue is too uncertain and another 1% said the administrative hassle is too great. Four percent said Other and another 4% were not sure.

When asked the second most important reason for not offering health insurance, 16% were unsure and 16% did not have a second reason. Fifteen percent said it was too expensive, and 14% can't get enough employees to participate. Eight percent reported it was because many of their employees are part-time, seasonal, or high turnover, and another 9% reported revenue is too uncertain. Eight percent do not

offer health insurance because employees have access to low-cost coverage in the government exchange marketplace or other government program. Seven percent reported administrative hassle is too great and 5% reported other.

Forty-two percent of small employers who do not offer health insurance to their employees do not anticipate offering it in the future. Almost half (47%) were unsure.

Small business owners who anticipate offering health insurance were asked what future event or situation would be the primary reason to prompt them to offer it. Thirty-six percent said the availability of more affordable health insurance options and 19% said if the business was more profitable. Thirteen percent said if employees express interest in the benefit and another 7% said less employee turnover. Four percent cited if the business is more established and another 4% said Other.

### Reasons for Offering Health Insurance

Health insurance is an expected and important benefit for many employees and job seekers. Small employers compete for talent in filling job openings but also compete in retaining current employees with competitive compensation packages. Sixty-three percent of all employers believe offering health insurance to recruit and retain employees is very important or moderately important. Another 15% believe it is mildly important. Eighteen percent believe it is not at all important and 4% do not know. As firm size increased, so did the degree of importance to offer health insurance to recruit and retain employees. Twenty-nine percent of firms 1-9 employees reported it was very important and a little over half (53%) of firms with 10-29 did. Almost three-quarters (72%) of firms with 30 or more employees believe it is very important.

Broken down by employers who do and do not currently offer health insurance, 94% of firms who currently offer health insurance believe it is important to some degree compared to 58% of firms who do not currently offer health insurance.

### Cost Challenges

Ninety-four percent of small employers find it challenging to some degree for their business to manage the cost of offering employer-sponsored health insurance. Forty-eight percent reported it being very challenging, 34% moderately challenging,

and 12% mildly challenging. Only 4% reported not at all challenging and another 2% did not know.

Almost half (49%) of small employers have taken a lower profit or suffered a loss to pay for health insurance premium increases over the last 5 years. Forty-six percent of small employers have raised prices and another 36% have become more productive and efficient. Eighteen percent have increased employee cost-share. Seventeen percent said they have delayed, postponed, or reduced business investment and 11% said freeze or reduce wages. Four percent have had to reduce non-health employee benefits, and none have cut employees or reduced their hours.

In addition to being the most reported reason for not offering health insurance, cost is also a critical problem for those offering health insurance. Almost all (98%) of small employers offering health insurance are concerned that the cost of providing health insurance to their employees will become unsustainable in the next 5-10 years. Fifty-eight were very concerned, 27% moderately concerned, and another 13% mildly concerned. Two percent are not concerned at all and 1% did not know.

When asked if small employers have considered offering their employees a tax-preferred reimbursement or a financial incentive to purchase health insurance on their own, over half (68%) reported they have not considered it. Twenty-two percent have considered it and nine percent have seriously considered offering a tax-preferred reimbursement or a financial incentive to purchase health insurance in the individual market.

### Agent/Broker

Purchasing health insurance through an agent is general practice for most small business owners. Eighty-eight percent of small employers purchased or renewed their employer-sponsored health insurance through an agent or broker. Two percent did not know. The complexity of cost and coverage arrangements makes it almost necessary for owners to enlist the help of an expert to navigate the benefit.

Over a third (36%) of small employers purchase other business insurance or products through the same broker or agent. This was greater for larger firms than for smaller ones. Twenty-eight percent of firms with 1-9 employees purchased other business insurance or products through the same broker or agent and 38%

of firms with 10-29 employees did. This was true for a little over half (51%) of firms with 30 or more employees.

Sixty-four percent of employers have used the broker or agent they use to purchase or renew their current employer-sponsored health insurance for more than 5 years. It was the first time for 3% of small employers. Twelve percent have used the broker or agent they use to purchase or renew their current employer-sponsored health insurance for 2-3 years and another 12%, 4-5 years. This did not apply for 6% of respondents.

Eighty-two percent of small employers had a conversation with their broker or agent about options or alternatives to their current health insurance plan. Ten percent responded that this did not apply to them. Fewer small offering employers had a conversation with their agent about alternatives compared to larger firms. This difference could be due to larger firms generally offering multiple plans. Eighty-eight percent of firms with 30 or more employees had a conversation with their broker or agent about this, 11 percentage points greater than firms with 1-9 employees, and 4 percentage points greater than firms with 10-29 employees.

Of those who had a conversation with their broker or agent, over half (63%) reported that their broker or agent brought up alternative plans. Twenty percent reported that the owner (or respondent to the survey) brought it up. Seventeen percent reported this did not apply to them.

Ten percent of small employers were presented one renewal plan by their broker when choosing an employer-sponsored health insurance plan. Fifty-eight percent were presented with 2-3 plans and another 15%, 4-5 plans. Six percent were presented with more than 5 plans by their broker or agent.

Small employers were asked how long they discussed their current health insurance plan or alternative plans with their agent or broker (not including the time filling out paperwork) before renewing or deciding on a new plan. Two percent spent no time and another 2% less than 5 minutes. Twenty-six percent spent between 5-30 minutes and 29% spent 31-60 minutes. About a quarter (26%) spent more than 60 minutes. Not surprisingly, larger employers had longer conversations on average with their agent or broker than smaller employers. Almost half (49%) of firms with 30 or more employees spent more than 60 minutes. This was 34 percentage points greater than firms with 1-9 employees (15%), and 23 percentage points greater than firms with 10-29 employees (26%).

Close to a quarter (23%) of small employers reported that their broker disclosed their commission structure for this year. Thirty-two percent were unsure. By firm size, larger firms had a greater percentage of respondents reporting that their broker disclosed his or her commission structure for the year. Forty-five percent of firms with 30 or more employees reported that their broker discussed his/her commission. This was nearly triple that of firms with 1-9 employees (16%) and double that of firms with 10-29 employees (18%).

## ICHRA

Almost three-quarters (72%) of small employers were not at all familiar with the Individual Coverage Health Reimbursement Arrangement (ICHRA). Only two percent were very familiar, 4% were moderately familiar, and 14% were somewhat familiar. Eight percent did not know.

A little over half (52%) of small employers reported that their broker or agent did not discuss this option with them, while only 9% responded that they did. Twenty-six percent were unsure and 11% reported they haven't talked to a health insurance broker or agent.

Small employers must navigate a significant number of regulations and requirements that come with providing employer-sponsored health insurance. When asked what is the primary way their company navigates these regulations, 63% said help from their broker or agent. Sixteen percent navigate these regulations and requirements by getting help from their insurance carrier. Six percent conduct internal research, this was higher for smaller firms with 1-9 employees (10%). Four percent use another outside group or resource. Firms with 30 or more employees had a greater number of respondents citing this reason (10%). Two percent cited other, and 8% did not know.

## Affordable Care Act/Regulations

Thirty-eight percent of small employers said their business has been impacted by the Affordable Care Act (ACA). Sixty percent have not been impacted and 2% were unsure.



When asked how the ACA has impacted their business, 12% reported that they had to begin offering health insurance to comply with the mandate. Another 8% offered more robust or different coverage to meet the mandate's requirements, and 6% reduced the number employees to fall below the mandate. Six percent purposely limited the number of employees to stay under the employer mandate, which applies to employers with 50 or more full-time or full-time equivalent employees. Eight percent cited Other and 60% did not know.

Close to all (94%) of small employers have never received a penalty notice or had a penalty imposed by the IRS related to violations of the employer mandate. Four percent have, and 2% do not know.

Businesses with 50 or more full-time or full-time equivalent employees are required to file an IRS Form 1095-C, *Employer-Provided Health Insurance Offer and Coverage*, and Form 1094-C *Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns*, each year. For employers with 50 or more full-time or full-time equivalent employees, over half (58%) reported this being a significant burden to some degree. Nineteen percent said it is a very significant burden and 39%, a somewhat significant burden. A quarter said it was not a significant burden on their business. Fourteen percent were unsure and did not know.

## Personal Health Insurance

The vast majority (94%) of small business owners have personal health insurance. Of those with personal health insurance, 38% have it through their business. Another 19% have it through the individual market and another 11% through their spouse's employers. Eighteen percent have their personal health insurance through Medicare, Medicaid, and/or Tricare. Two percent cited Other, and none reported short-term plan. Thirteen percent were unsure. Owners of larger firms were more likely to have personal health insurance through their business. Owners with 30 or more employees had 67% citing this, compared to owners with 1-9 employees (29%) and 10-29 employees (48%). On the other hand, owners with less than 30 employees were more likely to get their personal health insurance through the individual market (23% for those with 1-9 employees, 13% for 10-29 employees, and 8% for 30 or more) or Medicare, Medicaid, and/or Tricare (19% for firms with 1-9 employees, 18% for those with 10-29 employees, and 8% for 30 or more).

Among those small business owners who purchased in the individual market, 30% purchased through the government exchange marketplace (healthcare.gov federal exchange/state exchange). Another 38% purchased it from a health insurance broker, and 30% directly from an insurance company. Three percent did not know. Eighty-five percent of small business owners who purchased health insurance from the government exchange marketplace received a subsidy from the government that reduced the cost of the coverage.

## Other

Small employers were asked how likely they would be to join a plan (if legislation was enacted to allow it) that allowed small businesses to band together through associations to purchase health insurance as a pool and under similar terms as large businesses enjoy (association health plan). Seventy-nine percent reported they were interested in joining an association health plan to some degree. Twelve percent said they would definitely join, 23% would likely join, and 44% would consider joining. Eleven percent were unsure and only 5% stated they would not join.

About a quarter (27%) of small employers have talked with other small business owners about employer-sponsored health insurance over the last year. Eight percent did not know.

Seventy-eight percent reported that the cost of health insurance was the primary topic of discussion. Thirteen percent reported the primary topic was insurance options, and another 5% reported comparing. Two percent reported that the primary topic of discussion with other small business owners was comparing insurance plans. Two percent did not know.

## Methodology

The survey questionnaire was mailed to a random sample of the NFIB membership database. NFIB mailed 20,000 questionnaires with a return of 593 responses. The survey was conducted from Sept. 26, 2022 – Nov. 20, 2022.

Seventy-nine percent of respondents to this survey identified themselves as the owner and manager. Four percent were an owner, but not a manager, and another 12% were a manager but not an owner. Three percent of respondents chose other. Survey questions related to the business include all respondents. Survey questions related to personal insurance are of only those who responded as the owner.

## Small Business Health Insurance Survey

### Questionnaire

	1-9 emp	10-29 emp	30 or more emp	All firms
Q1. Which of the following best describes your position in this business?				
1. Owner & Manager	--	--	--	79%
2. Owner, but not a manger	--	--	--	4
3. Manager, but not an Owner	--	--	--	12
4. Other	--	--	--	3
5. Don't Know	--	--	--	1
N= 593				100%

Q2. Not including yourself (if you're an owner), approximately how many total employees does your business have?

Fill in: \_\_\_\_\_

Q3. Not including yourself, approximately how many part-time employees, working less than 30 hours a week, do you currently have working for you?

Fill in: \_\_\_\_\_

Q4. How many of your full and part-time employees are paid in the following categories (wages, salary, tips)?:

Wage Brackets	Percent of Businesses w/ Employees in Wage Brackets		Percent of Employees in	
	Full time	Part time	Full time	Part time
1. <\$30,000 per year or \$15.00 per hour	28%	33%	7%	7%
2. \$30,000 - \$39,999 per year (\$15.00 - \$19.99 per hour)	54	17	25	4
3. \$40,000 - \$54,999 per year (\$20.00 - \$27.49 per hour)	66	6	24	1
4. \$55,000 - \$69,999 per year (\$27.50 - \$34.99 per hour)	44	3	20	1
5. \$70,000 or more per year (\$35 per hour or more)	40	3	16	0

Q5. Have you considered offering your employees a tax preferred reimbursement or a financial incentive to purchase health insurance on their own?

1. Seriously considered	11%	7%	5%	9%
2. Considered	18	25	28	22
3. Have not considered	69	66	67	68
4. Don't Know	1	1	0	1
	100%	100%	100%	100%
N	351	166	75	592

1-9 emp    10-29 emp    30 or more emp    All firms

Q6. Does your business currently offer health insurance to employees?

1. Yes	39%	78%	89%	56%
2. No	61	22	11	44
	100%	100%	100%	100%
N	351	167	75	593

Q6a. If yes, what benefit do you offer?

1. Group health insurance	91%	95%	94%	93%
2. Health Reimbursement Arrangement (ICHRA/QSEHRA)	4	2	3	3
3. Tax Preferred Financial Support of Reimbursement (not ICHRA/QSEHRA)	3	2	0	0
4. Other _____	1	0	0	0
5. Don't know	1	2	3	2
	100%	100%	100%	100%
N	138	130	67	335

Q7. If you offer group health insurance, how long had the business been operating with employees before offering?

1. Since the beginning	44%	45%	42%	44%
2. Within the first year	11	12	8	11
3. 2-3 years	9	5	9	8
4. 4-5 years	2	5	8	4
5. Over 5 years with employees before offering	27	25	27	26
6. Don't know	7	6	8	7
	100%	100%	100%	100%
N	138	130	67	335

Q8. Is health insurance offered only to full-time employees or to both full-time and part-time employees?

1. Full-time only	88%	89%	84%	88%
2. Both full-time and part-time	9	10	13	10
3. Part-time only	1	1	2	1
4. Don't know/Refused	1	0	0	1
	100%	100%	100%	100%
N	138	130	67	335



1-9 emp    10-29 emp    30 or more emp    All firms

Q9. Under which one of the following types of health plans are most of your employees covered?

1. Health Maintenance Organization (HMO)	20%	29%	24%	25%
2. High Deductible PPO	35	35	43	37
3. Point of Service (POS)	10	6	10	9
4. Other	15	9	15	14
5. Don't know	19	20	8	17
	100%	100%	100%	100%
N	137	130	67	334

Q10. Does your business also offer another type of health plan?

1. Yes	12%	18%	28%	17%
2. No	87	78	70	80
3. Don't know/Refused	2	4	2	2
	100%	100%	100%	100%
N	138	130	67	335

Q11. Which best describes the group health plan that covers most of your employees? Is it a:

1. A Fully Insured Plan in which you contract with a health plan that assumes financial responsibility for the costs of enrollees' medical claims, OR	76%	81%	72%	77%
2. A Self-Funded Plan in which you assume direct financial responsibility for the costs of enrollees' medical claims, but have "stop-loss" coverage from an insurer to protect you against very large claims	6	5	18	8
3. Self-Funded with no stop-loss	2	0	0	1
4. Don't know	15	14	11	14
	100%	100%	100%	100%
N	138	130	67	335

Q12. If self-funded, have you posted network provider negotiated rates and out of network allowable amounts on a free-to-access, publicly available website?

1. Yes	--	--	--	10%
2. No	--	--	--	84%
3. Don't know	--	--	--	7%
				100%
N				31

1-9 emp 10-29 emp 30 or more emp All firms

Q13. What percentage of eligible employees are enrolled in your employer sponsored health insurance plan?

1. <25 percent	15%	14%	18%	15%
2. 25-49 percent	7	20	12	13
3. 50-69 percent	15	20	25	19
4. 70-89 percent	14	17	21	17
5. 90-99 percent	5	15	12	10
6. 100 percent	36	11	4	20
7. Don't Know	7	4	7	6
	100%	100%	100%	100%
N	138	130	67	335

Q14. Which is the most important reason that you don't offer employee health insurance?

1. Too Expensive	63%	--	--	65%
2. Can't get enough employees to participate	8	--	--	8
3. Administrative hassle too great	1	--	--	1
4. Many employees are part-time, seasonal, or high turnover	7	--	--	7
5. Revenue is too uncertain	2	--	--	2
6. Employees have access to low-cost coverage in the government exchange or other government program	9	--	--	9
7. Other _____	5			4
8. Don't know	5			4
	100%			100%
N	213	37	8	258

Q15. Is there a second most important reason?

1. Too Expensive	14%	--	--	15%
2. Can't get enough employees to participate	13	--	--	14
3. Administrative hassle too great	7	--	--	7
4. Many employees are part-time, seasonal, or high turnover	7	--	--	8
5. Revenue is too uncertain	10	--	--	9
6. Employees have access to low-cost coverage in the government exchange or other government program	8	--	--	8
7. Other _____	6	--	--	5
8. No second reason	18	--	--	16
9. Don't know	17	--	--	16
	100%			100%
N	213			258

1-9 emp   10-29 emp   30 or more emp   All firms

Q16. If you currently do not offer health insurance, do you anticipate offering health insurance in the future to your employees?

1. Yes	9%	--	--	11%
2. No	43	--	--	42
3. Don't know	47	--	--	47
	100%			100%
N	213			258

Q17. If you anticipate offering health insurance, what future event or situation would be the primary reason to prompt you to offer? (select top three reasons in order of importance)

1. _____ Business more profitable	19%	--	--	17%
2. _____ Business more established	4	--	--	4
3. _____ Employees express interest in the benefit	13	--	--	14
4. _____ Less employee turnover	7	--	--	7
5. _____ Availability of more affordable health insurance options	36	--	--	38
6. _____ Other _____	4	--	--	4
	100%			100%

Q18. How important is it for your business to offer health insurance to recruit and retain employees?

1. Very important	29%	53%	72%	41%
2. Moderately important	20	26	17	22
3. Mildly important	18	12	5	15
4. Not at all important	26	7	4	18
5. Don't know	6	2	1	4
	100%	100%	100%	100%
N	351	167	75	593

Q18a. How important is it for your business to offer health insurance to recruit and retain employees [for those who currently offer health insurance]?

1. Very important	59%	65%	78%	65%
2. Moderately important	24	24	13	22
3. Mildly important	5	9	4	7
4. Not at all important	7	1	3	4
5. Don't know	5	1	2	3
	100%	100%	100%	100%
N	138	130	67	335

1-9 emp   10-29 emp   30 or more emp   All firms

Q18b. How important is it for your business to offer health insurance to recruit and retain employees [for those who currently do not offer health insurance]?

1. Very important	9%	--	--	10%
2. Moderately important	18	--	--	22
3. Mildly important	27	--	--	26
4. Not at all important	38	--	--	36
5. Don't know	7	--	--	7
	100%			100%
N	213	37	8	258

Q19. How challenging is it for your business to manage the cost of offering employer sponsored health insurance?

1. Very challenging	45%	49%	49%	48%
2. Moderately challenging	31	37	36	34
3. Mildly challenging	14	11	10	12
5. Not at all challenging	6	2	4	4
5. Don't know	4	1	0	2
	100%	100%	100%	100%
N	138	130	67	335

Q20. Did you do any of the following in order to pay for health insurance premium increases over the last 5 years?

1. Yes ___ No ___ Raise prices?	49%	45%	39%	46%
2. Yes ___ No ___ Cut employees or reduce their hours?	2	2	0	0
3. Yes ___ No ___ Increased employee cost-share?	9	24	25	18
4. Yes ___ No ___ Take a lower profit or suffer a loss?	47	50	49	49
5. Yes ___ No ___ Delay, postpone or reduce business investment?	15	15	22	17
6. Yes ___ No ___ Freeze or reduce wages?	14	8	1	11
7. Yes ___ No ___ Reduce non-health employee benefits?	2	5	8	4
8. Yes ___ No ___ Became more productive, more efficient?	30	38	48	36
	100%	100%	100%	100%
N	138	130	67	335



1-9 emp   10-29 emp   30 or more emp   All firms

Q21. In the next 5-10 years, how concerned are you that the cost of providing health insurance to your employees will become unsustainable?

1. Very concerned	62%	58%	49%	58%
2. Moderately concerned	22	29	31	27
3. Mildly concerned	13	11	18	13
4. Not concerned at all	2	2	2	2
5. Don't know	1	1	0	1
	100%	100%	100%	100%
N	138	130	67	335

Q22. Did you purchase or renew your employer sponsored health insurance through an agent or broker?

1. Yes	84%	91%	91%	88%
2. No	14	6	8	10
3. Don't Know	2	3	2	2
	100%	100%	100%	100%
N	138	130	67	335

Q23. Do you purchase any other business insurance or products through the same agent or broker?

1. Yes, product _____	28%	38%	51%	36%
2. No	69	55	48	59
3. Does not apply	4	5	2	4
	100%	100%	100%	100%
N	138	139	67	335

Q24. How long have you used the broker or agent you used to purchase or renew your current employer sponsored health insurance?

1. First time	3%	3%	4%	3%
2. 2-3 years	12	12	10	12
3. 4-5 years	10	14	15	12
4. More than 5 years	62	66	63	64
5. Does not apply	10	2	6	6
	100%	100%	100%	100%
N	138	130	67	335

Q25. Did you have a conversation with the broker or agent about options or alternatives to your current plan?

1. Yes	77%	84%	88%	82%
2. No	10	8	3	8
3. Does not apply	13	9	10	10
	100%	100%	100%	100%
N	138	130	67	335

**1-9 emp   10-29 emp   30 or more emp   All firms**

Q26. If yes, did your agent or broker bring up alternative plans or did you ask about alternative plans?

1. Broker or agent	58%	67%	67%	63%
2. Owner/you	18	22	20	20
3. Does not apply	24	12	13	17
	100%	100%	100%	100%
N	115	111	60	286

Q27. How many plans did your broker present to you in choosing an employer sponsored health insurance plan?

1. One (renewal plan)	12%	8%	13%	10%
2. 2-3 plans	55	65	52	58
3. 4-5 plans	17	13	16	15
4. More than 5 plans	5	5	9	6
5. Don't know	12	9	9	10
	100%	100%	100%	100%
N	138	130	67	335

Q28. Approximately how long did you discuss your current health insurance plan or alternative plans with your agent or broker (not including the time filling out paperwork) before renewing or deciding on a new plan?

1. No time	4%	2%	2%	2%
2. Less than 5 minutes	4	2	2	2
3. 5-15 minutes	21	12	6	15
4. 16-30 minutes	14	12	3	11
5. 31-60 minutes	28	32	27	29
6. More than 60 minutes	15	26	49	26
7. Don't know	4	5	3	4
8. Does not apply	12	9	8	11
	100%	100%	100%	100%
N	138	130	67	335

A new regulation requires brokers to disclose expected commissions from insurance companies, in writing, to their clients in advance of a new sale, renewal, or change to a health insurance contract beginning in December of 2021.

Q29. Did your broker disclose his or her commission structure this year?

1. Yes	16%	18%	45%	23%
2. No	39	41	28	38
3. Unsure	36	35	19	32
4. DK/Does not apply	9	6	8	8
	100%	100%	100%	100%
N	138	130	67	335

1-9 emp 10-29 emp 30 or more emp All firms

In 2020, the Trump Administration provided expanded options for employers to provide a tax-preferred, define contribution for employees to purchase their own insurance, known as an Individual Coverage Health Reimbursement Arrangement (ICHRA).

Q30. How familiar are you with Individual Coverage Health Reimbursement Arrangement (ICHRA)?

1. Very familiar	1%	2%	3%	2%
2. Moderately familiar	4	5	4	4
3. Somewhat familiar	8	19	29	14
4. Not at all familiar	75	70	64	72
5. Don't know	11	4	0	8
	100%	100%	100%	100%
N	351	167	75	593

Q31. Has your health insurance agent or broker discussed this option with you?

1. Yes	6%	8%	13%	9%
2. No	56	45	54	52
3. Unsure	22	32	22	26
4. I haven't talked to a health insurance agent	12	10	9	11
5. DK/Does not apply	1	4	2	2
	100%	100%	100%	100%
N	138	130	67	335

Q32. Providing health insurance can subject employers to a significant amount of regulation and requirements, what is the primary way your company navigates these regulations?

1. Help from my broker	53%	72%	67%	63%
2. Help from my insurance carrier	19	15	13	16
3. Internal research (you or an employee)	10	4	3	6
4. Other outside group or resource	3	2	10	4
5. Other	1	2	4	2
6. Don't know	14	5	2	8
	100%	100%	100%	100%
N	138	130	67	335

1-9 emp   10-29 emp   30 or more emp   All firms

The Affordable Care Act (commonly known as Obamacare) requires employers with 50 or more employees (including "full time equivalent employees") to provide health insurance that meets certain standards to all full-time employees.

Q33. Has this impacted your business?

1. Yes	--	--	--	38%
2. No	--	--	--	60
3. Don't know	--	--	--	2
				100%
N				50

Q34. How has this impacted your business?

1. Reduced the number of employees to fall below mandate	--	--	--	6%
2. Purposefully limited the number of employees to stay under the mandate	--	--	--	6
3. Offered more robust or different coverage to meet the mandate's requirements	--	--	--	8
4. Begin offering health insurance to comply with the mandate	--	--	--	12
5. Other	--	--	--	8
6. Don't know	--	--	--	60
				100%
N				50

Q35. Have you ever received a penalty notice or had a penalty imposed by the IRS related to violations of the health insurance mandate?

1. Yes	--	--	--	4%
2. No	--	--	--	94
3. Don't know	--	--	--	2
				100%
N				50



1-9 emp   10-29 emp   30 or more emp   All firms

Businesses with 50 or more employees are required to file a IRS Form 1095-C, Employer-Provided Health Insurance Offer and Coverage, and Form 1094-C Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns, each year.

Q36. If you have 50 or more employees, how significant of a burden is this on your business?

1. Very significant	--	--	--	19%
2. Somewhat significant	--	--	--	39
3. Not significant	--	--	--	25
4. Unsure/Don't know	--	--	--	14
5. I have less than 50 employees	--	--	--	3
				100%
N				36

Q37. Do you personally have healthcare coverage? (owners only)

1. Yes	92%	98%	96%	94%
2. No	8	2	4	6
	100%	100%	100%	100%
N	271	125	48	444

Q38. If yes, did you have your personal health insurance through? (owners only)

1. Your business	29%	48%	67%	38%
2. Individual market	23	13	8	19
3. Spouse's employer	11	12	10	11
4. Medicare, Medicaid, Tricare	19	18	8	18
5. Short term plan _____	0	0	0	0
6. Other _____	3	1	0	2
7. Don't know/Does not apply	15	10	6	13
	100%	100%	100%	100%
N				417

Q39. If you purchased in the individual market, how did you purchase health insurance this year?

1. Government Exchange (healthcare.gov / state exchange)	--	--	--	30%
2. From a Health Insurance Broker	--	--	--	38
3. Directly from an Insurance Company	--	--	--	30
4. Don't know	--	--	--	3
				100%
N				88

Q40. If you purchased your health insurance from a government exchange/healthcare.gov, did you receive a subsidy from the government that reduced the cost of the coverage?

1. Yes	--	--	--	85%
2. No	--	--	--	12
3. Unsure	--	--	--	4
				100%
N				29

Q41. If legislation was enacted that allowed small businesses to band together through associations, like NFIB, to purchase health insurance as a pool and under similar terms as large businesses enjoy, how likely would your business be to join such a plan?

1. Would definitely join	11%	11%	15%	12%
2. Would likely join	22	27	21	23
3. Would consider joining	40	48	48	44
4. Would not join	7	3	1	5
5. Unsure	14	4	9	11
6. DK/Does not apply	5	6	5	6
	100%	100%	100%	100%
N	351	167	75	593

Q42. If legislation was enacted that allowed small businesses to band together through associations, like NFIB, to purchase health insurance as a pool and under similar terms as large businesses enjoy, how likely would your business be to join such a plan?

	Offer	Non-offer	All
1. Would definitely join	13%	10%	12%
2. Would likely join	25	21	23
3. Would consider joining	46	40	44
4. Would not join	4	7	5
5. Unsure	8	14	11
6. DK/Does not apply	4	8	7
	100%	100%	100%
N	335	258	593

Q43. Over the last year, have you talked with other small business owners about employer sponsored health insurance?

1. Yes	24%	25%	43%	27%
2. No	66	69	53	66
3. Don't know	9	6	4	8
	100%	100%	100%	100%
N	312	138	51	501

1-9 emp   10-29 emp   30 or more emp   All firms

Q44. What was the primary topic of discussion?

1. Cost of health insurance	82%	71%	73%	78%
2. Comparing insurance plans	3	0	5	2
3. Discussing insurance options	8	20	18	13
4. Comparing	5	6	5	5
5 Don't know	3	3	0	2
	100%	100%	100%	100%
N	77	35	22	134

Q45. Please classify your major business activity, using one of the categories of examples below.

1. Construction (general contractor, painting, carpentry, plumbing, electrical, etc.)	19%
2. Manufacturing and mining	12
3. Transportation (truckers, movers, etc.)	4
4. Wholesale	3
5. Retail	17
6. Restaurant/Bar	2
7. Agriculture (veterinarian, forestry, landscaping, fisheries, etc.)	8
8. Financial, insurance, real estate	8
9. Services (auto repair, house cleaning, salon, etc.)	14
10. Professional services (attorney, physician, skilled nursing, etc.)	6
11. Other _____	3
12. Don't know	3
	100%
N	593

Q46. How long have you owned your business?

1. Less than 1 year	1%
2. 1-2 years	4
3. 3-4 years	4
4. 5-10 years	11
5. More than 10 years	75
6. Don't know	5
	100%
N	593

