



Small businesses to gain under House health care reform bill

When the Lewin Group, a highly respected independent consulting firm analyzed the effects of a health care reform proposal much like the one now before the U.S. House of Representatives it found something that, at first glance, seemed contrary to conventional wisdom: One of the primary beneficiaries of the plan would be small businesses.

NEWS FROM EPI

FOR IMMEDIATE
RELEASE
Wednesday,
July 22, 2009

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That finding comes as no surprise to many small businesses and to health care experts like Elise Gould, who directs health policy research at the Economic Policy Institute. As she explains, “Small businesses bear a heavy burden in the current failing health care system. Small businesses and their employees pay higher prices for less coverage. They are often priced out of the private market completely and, when that happens, it puts them at a great disadvantage when it comes to hiring and retaining employees.”

A new issue brief, [Health Care Reform: Big benefits for small businesses](#) and a [companion policy memo](#) by Gould, Josh Bivens, and Alexander Hertel-Fernandez, revisit those findings in the context of the of the current debate over national health care.

The authors compare the current House bill to a similar plan called Health Care for America (HCA), authored by Jacob Hacker as part of EPI’s *Agenda for Shared Prosperity* program. It was the EPI plan that was simulated by the independent consultant firm, the Lewin Group.

Both the House bill and the EPI plan create a new public insurance option and a requirement that employers offer affordable coverage to their workers or pay to defray the costs of enrolling in a national insurance marketplace.

“The gains to small business are likely to be even greater under the House version of the health care reform bill, as it is even more generous to small business,” said EPI economist Josh Bivens.

According to the findings, the largest savings for businesses would accrue to those small employers already covering their employees. For example, the simulation of the EPI plan found that firms with fewer than 10 employees stand to save \$3,502 per worker per year.

The health care experts view is seconded by many small business owners.

“The House health reform bill addresses key priorities our small business owners hold: giving small businesses new and simplified choices through an exchange framework, increasing leverage and driving down costs through inclusion of a strong public health insurance plan that will keep private insurers honest, and making coverage more affordable through a system of shared commitment,” said Dave Mason, Legislative and Policy director for the Main Street Alliance, a network of state small business coalitions.

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