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Help small business afford health plans

The overwhelming majority of small business owners point to the high cost of premiums as the biggest obstacle to offering health care benefits.

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The fact that 47 million Americans were without health insurance last year is fairly well known. But the fact that 27 million of those uninsured either own or work for a small business — or are a spouse or dependent of someone who does — is strangely absent from the rhetoric of our national health care debate.

Our representatives need to free themselves of their Beltway blinders and see the issue from a perspective that they have, so far, failed to take seriously enough: the perspective of America's small businesses.

These are the entrepreneurs who drive innovation, job creation and economic growth across our country. It's time for Congress to start looking at the health care debate through their eyes.

For small business, the problem with health care is cost. The overwhelming majority of small-business owners point to the high cost of premiums as the biggest obstacle to offering health care benefits.

The measure of the difficulties that escalating health care costs present to small businesses can't be measured simply in terms of small-business owners and employees who don't have health insurance. It's also measured in terms of dollars that would have been invested in growing the business or in hiring more employees but instead had to be spent on health insurance. And the small-business owner forced to weigh these two options against each other faces an unduly difficult decision.

All businesses have been hit by the high and rising cost of health insurance for their employees, but large businesses can absorb the impact more easily.

Another problem is equity. Both large businesses and their employees receive tax breaks when purchasing employer-sponsored health insurance; most self-employed entrepreneurs do not.

Health care can be more affordable for small businesses, and the way to start is by addressing these two issues:

First, allow those who purchase health insurance — individually or from their employer — a tax break. According them the same treatment in this regard as large businesses is an issue of basic fairness, not to mention good policy.

President Bush has proposed a standard deduction for health insurance of \$15,000 for a family (or \$7,500 for an individual). This is especially helpful for individuals and families who purchase health care independently of their employer.

In addition, the president has proposed grants to states that design innovative ways to provide access to basic, private health coverage to those whose incomes are too low to realize the full value of the standard deduction.

Second, allow small businesses to pool together for better buying power, better-distributed administration costs and more options for coverage. Unions are permitted to do so, and there is absolutely no reason that small businesses shouldn't enjoy that same right.

This can be done at no cost to the taxpayer through the creation of association health plans. The president has been a strong supporter of this, and the House has actually voted in favor of this common-sense legislation to create association health plans on numerous occasions, only to watch it die in the Senate.

As Congress considers its new health care tack, the perspective of America's small-business owners and entrepreneurs should be taken into account. Doing so would have the greatest impact on reforming a health care marketplace in dire need of improvement.