

## LONG-TERM OBJECTIVE 1.4

### **Minimize the health care cost burden on small business through effective advocacy.**

In addition to reducing tax burdens and opening markets, the President's Small Business Agenda calls for reducing the cost of doing business in America. The cost of health care represents a significant portion of the costs incurred by small businesses, and remains an important issue for these business owners. FY 2005 saw the introduction and passage of HR. 525: the Small Business Health Fairness Act, which creates association health plans, and allows small businesses to pool their resources and strengthen their bargaining position. The bill also allows them to purchase quality health care for their employees at a lower cost. With the availability of more affordable insurance, it is anticipated that more small firms will provide health insurance to their employees and their dependents. This, in turn, will reduce the financial pressure on the disposable income of these working families.

On a related note, a September 2005 survey on Health Savings Accounts (HSAs) conducted for Blue Cross/Blue Shield found that 12% of those who had recently joined an HSA previously had had no insurance. And because of the empowerment felt by plan participants in managing their health care needs, plan satisfaction was considerably higher than levels under traditional health plans.

In reporting these findings to its members, the National Small Business Association states, "Critics warned that HSAs would be an option only utilized by healthier, higher-income individuals." However "contrary to what many expected would be the case with HSAs, enrollee demographics are very similar to traditional health policies."

The SBA, through the Office of Strategic Alliances further contributed to lowering health care costs for small businesses by working with America's Health Insurance Plans in executing co-sponsored activities, including a Web page ([www.healthdecisions.org/HSA/LearningCenter/](http://www.healthdecisions.org/HSA/LearningCenter/)) that provides small businesses with health care information. In addition, the Agency hosted quarterly trade association luncheons where issues such as health care costs and management were discussed with key small business representatives.