

DAVID PRYOR  
CHAIRMAN

United States Senate  
SPECIAL COMMITTEE ON AGING

6/29/93  
Cong

HRC & LeFolce Meeting :

- Feels passionately about health care
- Needs to have small business concerns heard
- covering the link between jobs & health care
- Invited HRC to speak w/ House Small Business Committee. HRC said yes
- He suggested maybe to Dems let's
- LeFolce agreed that you could go as far as a single-payer

- Social Security - ~~Don't~~ go into date  
of law at 16.500 / 20.000<sup>01</sup> \*

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- Got Language that health care is not linked to job.
- If we started out at the beginning, when none of the current system had probably go somewhere else.
- If we did, there would be tremendous dislocation.
- Percent of payroll - HRC says we are not going that way.
- Specific course that's possible was suggested.

Contract Employees - HRC concede  
Followup w/ chair

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H.R. 6000 on small business  
pharmaceuticals

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- Mild endorsement w/ serious reservations  
VS
- Total Opposition - NFIB?
- How much does NFIB membership cost & how much money do they raise?
- Motley & LeFolce very close
- Doesn't think they'll oppose anything other than the financing mechanism
- LeFolce told Motley that he gave him an alternative financing mechanism & LeFolce will work to get it on the floor.

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CHAIRMAN

## United States Senate

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-Lefcoe suggests BC reiterate ~~at~~ a set of principles. We think our approach is the best, but we will look at alternatives that meet these broad principles.

-Challenge would be both to employers & the Congress.

-HRC agrees that this would be a good idea.

Lefcoe ~~is~~ love to be with you on a meeting or meetings.

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SPECIAL COMMITTEE ON AGING

Hearings / Other work w/

Congressmen LeFolke w/

Chetee - & personal

relationships.

✓  
✓

August / Sept

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29TH DISTRICT, NEW YORK

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*cc Ira, Ellen Jennings*  
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# Congress of the United States

## House of Representatives

### Washington, DC 20515-3229

August 6, 1993

Mrs. Hillary Rodham Clinton  
The White House  
1600 Pennsylvania Avenue  
Washington, DC 20500

PAM AUG 17 1993

Dear Hillary:

I can't begin to tell you how helpful I believe your meeting with my Small Business Committee members was about a week and a half ago, and I also believe the meeting in my office with John Motley will at least neutralize the NFIB somewhat and perhaps might be even more helpful than that.

This past Wednesday, I held a hearing at the Small Business Committee on the subject of health care reform. Six small business trade associations testified before me and I am enclosing their testimony for your review.

★

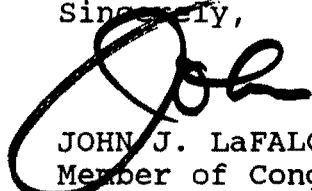
Of special note, at the end of the hearing I asked each of the trade associations if they were leaning for or leaning against the Clinton health care reform proposals as they now understood them, and four of the six - the U.S. Chamber of Commerce, the National Association of Manufacturers, the National Small Business United, and the Small Business Legislative Council - explicitly and publicly stated that they were leaning in favor of the Clinton Administration plan. As expected, the National Restaurant Association and the National Federation of Independent Business stated they were leaning against it.

*Patti*

On a personal note, I would love it if you could find some time in your schedule to come to Western New York, either by yourself, you and your husband, or you and Chelsea, so we could do a bit of campaigning about health care, but also have a little fun by seeing Niagara Falls. It is something I definitely hope you can do this summer or fall, or next spring, summer, or fall. Notice I am not attempting to get you to come to Buffalo during the winter.

I hope to see or hear from you soon. Best personal regards.

Sincerely,



JOHN J. LaFALCE  
Member of Congress

*Draft by R  
for meetings*

Enclosure  
L: jm

**PRIVILEGED AND ~~CONFIDENTIAL~~ MEMORANDUM**

**TO:** Hillary Rodham Clinton  
**FR:** Chris Jennings, Sean Burton  
**RE:** Meeting with Congressman LaFalce  
**cc:** Melanne, Steve, Lorraine, Distribution

June 28, 1993

Tomorrow you are scheduled to meet with Congressman John LaFalce from New York. As you know, the Congressman serves as the Chairman of the House Small Business Committee and would provide valuable cover to us should he be an early and public supporter of the Clinton health reform proposal. This meeting was scheduled to begin to cultivate a strong working and personal relationship.

**BACKGROUND:**

Interestingly, besides being the House Small Business Chairman, Congressman LaFalce is a cosponsor of Congressman McDermott's single payer bill. This meeting will be a general briefing on health care reform. The Congressman will be particularly interested in the elements our plan share with a single payer system and the steps taken to minimize the impact on small businesses.

The Congressman is concerned that health care reform, especially employer mandate approaches, could have a devastating affect on small businesses. It is primarily this concern that has lead LaFalce to support the single payer plan. The fact that his upstate New York district lies on the Canadian border and that many of his constituents have a familiarity with the Canadian system (often through relatives who live there), makes this decision all the more comfortable for him. (It is interesting to note, however, that the McDermott bill contains a 6 percent payroll tax to help finance the cost of the measure.)

While not a major player on health care reform, with sufficient attention, the Congressman will likely be with us in the end and can serve as useful connection to the small business community. And although his committee is unlikely to receive jurisdiction over parts of the plan, it can serve as a forum for airing our message on health care reform and small business. In meetings with his committee staff, they have suggested the possibility of holding hearings at an appropriate time on the current problems facing small businesses in providing insurance and how the Administration's plan would help.



Over the last couple of months, we developed an on-going and generally productive relationship with the Congressman and his staff. We have held a small meeting with his staff and then had Ken Thorpe brief the entire staff of those who serve on the Committee.

In addition, Ira met with the Congressman last month. Although the meeting was not overly substantive, the Congressman appeared to sincerely appreciate the outreach effort. Since he has a past working relationship with Ira, Congressman LeFalce seems to place great trust in Ira.

Lastly, however, it should be noted that LeFalce feels relatively close to John Motley, of the National Federation of Independent Business. They worked together to kill Section 89 of the tax code, which required health care expense reporting requirements that the small business community hated. With this in mind, you may wish to ask him to give you guidance on how best to work with NFIB and other small business representatives.

As you requested, attached to this memo is the latest version of a small business presentation that the Department of Health and Human Services is writing. Although it is far from a state that we are totally comfortable with, we thought you might find this information to be useful for meetings with small business advocates. We will provide updated versions of this and other small business documents as they become available.

# Health Reform and Small Business

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A Look at Problems in Today's System and  
Solutions Under the President's Health Reform

## Small Business and Health Care Reform: Overview

It takes courage and ingenuity to start and succeed as a small business. It means taking a risk with your future and betting that you succeed. As many as 1 out of 12 small businesses fail within the first year. It is not right that many small business owners also face the risk that their families and employees won't have health care when they need it. It is not right that those who provide coverage risk that within a year that coverage may be taken away or priced out of reach.

Small businesses fuel job creation and strengthen our economy. Responsible for 90% of job growth in 1990, small businesses has become the nation's engine of economic growth. Yet this growth is endangered by a health care system which threatens every American business, especially small businesses. Small business owners can face financial devastation if a family member or just one employee falls ill. And employers who try to provide health care to their employees find a health care system stacked against small businesses.

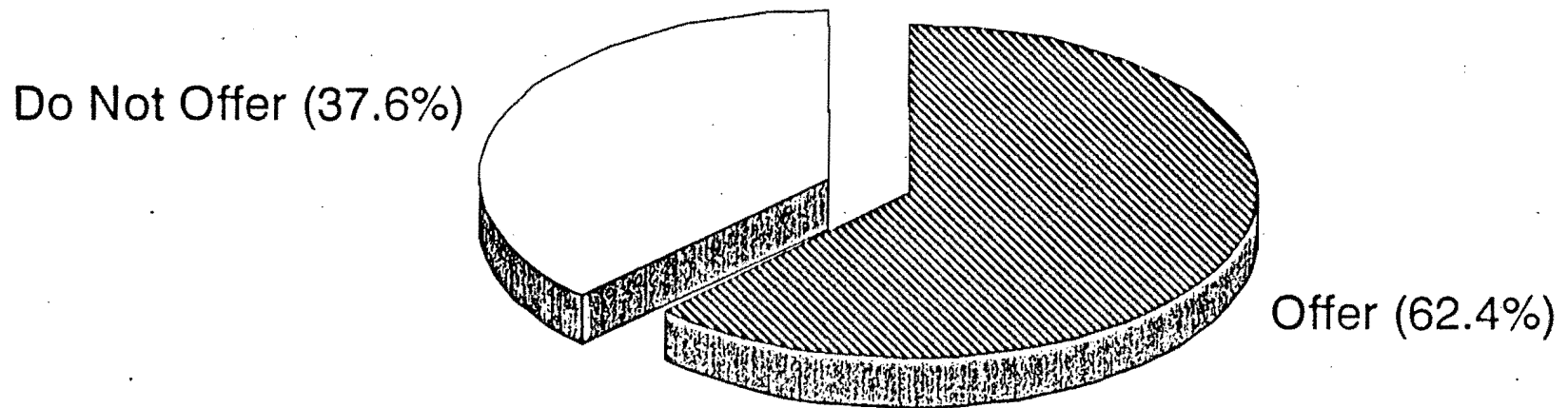
Nonetheless, a majority of American small businesses manage to provide coverage. Today 62% of American businesses with less than 100 employees provide health care coverage to their employees. And 51% of those with fewer than 25 employees provide health care. But providing these benefits isn't easy.

The Clinton Administration believes that most small business want to cover their employees -- and most do. Our health care plan will work for small business, taking away the hassle and ensuring security of affordable, predictable health care coverage. And for those businesses who don't provide health insurance coverage, our reform will protect them while they make the transition. The plan provides financial assistance and a phase-in period so they may provide health security to their employees and families.

In today's Mom and Pop stores, the Mom or the Pop serves as the de facto benefits department. They fill out the paperwork. They make the phone calls. They negotiate rates and enroll their employees. They dutifully pay their premiums every month. But all too often, within a year, their insurer will raise rates and price them out of the market -- many times for no reason. Or the insurer will refuses to renew coverage. Then the small business owner is back to the drawing board -- spending more time and more money to find another insurer -- and the cycle starts again.

The following document examines the major problems faced by small businesses in today's health market and shows how health reform and the formation of health alliances will address most, if not all, of the major problems facing small businesses.

# The Majority of Small Businesses Offer Health Insurance to Their Employees



**For Firms with Less than 100 Employees**

# The Small Business Obstacle Course

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- Time and Money
- Price Discrimination
- Insurance Abuses
  - Redlining
  - Underwriting
- High Administrative Costs
- A Volatile Insurance Market
  - Price Gouging
  - Difficulty Securing Renewal

## THE SMALL BUSINESS OBSTACLE COURSE

**Problem:** *Small business owners must go through an obstacle course of insurance abuses and higher costs to provide health care coverage for their employees.*

Small business owners who spend the time and money to cover employees frequently must deal with an insurance market which changes its rules at every stage of the game, a volatile market, unpredictable cost increases, higher administrative costs, and premiums rising at a faster rate than health care costs for larger employers.

Lacking a benefits department like larger firms most small business owners must perform all the functions of such a department by themselves. Negotiating health coverage in today's health care system is a process often fraught with frustration and obstacles.

Many small business owners, after setting aside the time to negotiate coverage for their employees, encounter obstacles like "occupational redlining" a practice where insurers will simply refuse to cover entire industries perceived to be high risk; or medical underwriting, basing premiums on perceived risk and medical history; or experience rating, where insurers jack up costs if just one employee falls ill or gets injured. Many insurers engage in "price baiting and gouging" offering "discount" rates for the first year of coverage only to charge much higher prices in the next year when pre-existing condition exclusions expire. And many small firms with sick workers find that an insurance company will refuse to renew their policy in the second year.

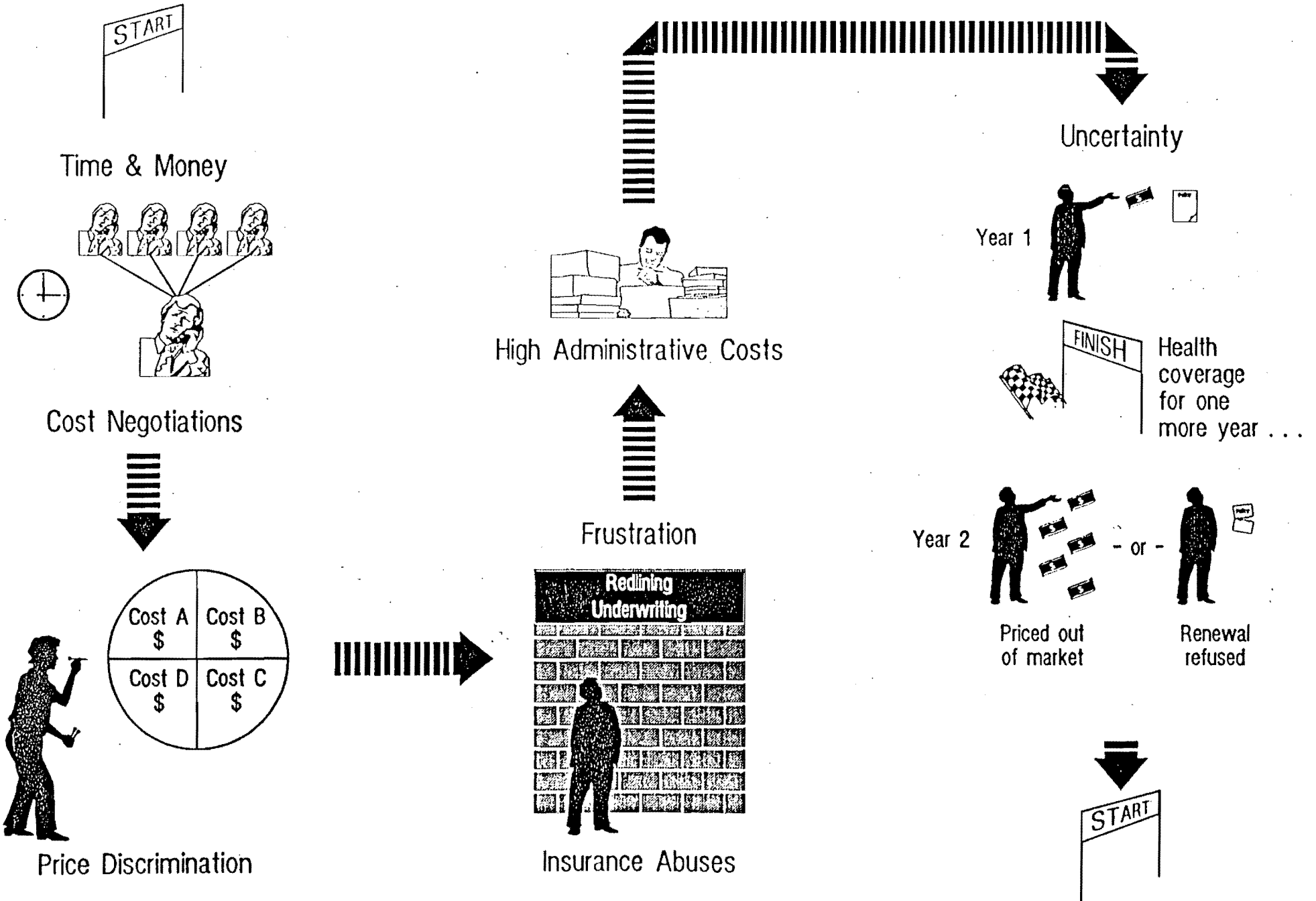
Not surprisingly the hassle and discrimination in today's system make many small owners worry about being able to continue to provide this coverage. The reform plan addresses nearly all of the problems which cause the small business owner so much hassle and time in obtaining insurance.

**The Plan:** *Health reform outlaws insurance practices like underwriting and redlining. The health alliance helps small businesses cut through the hassle.*

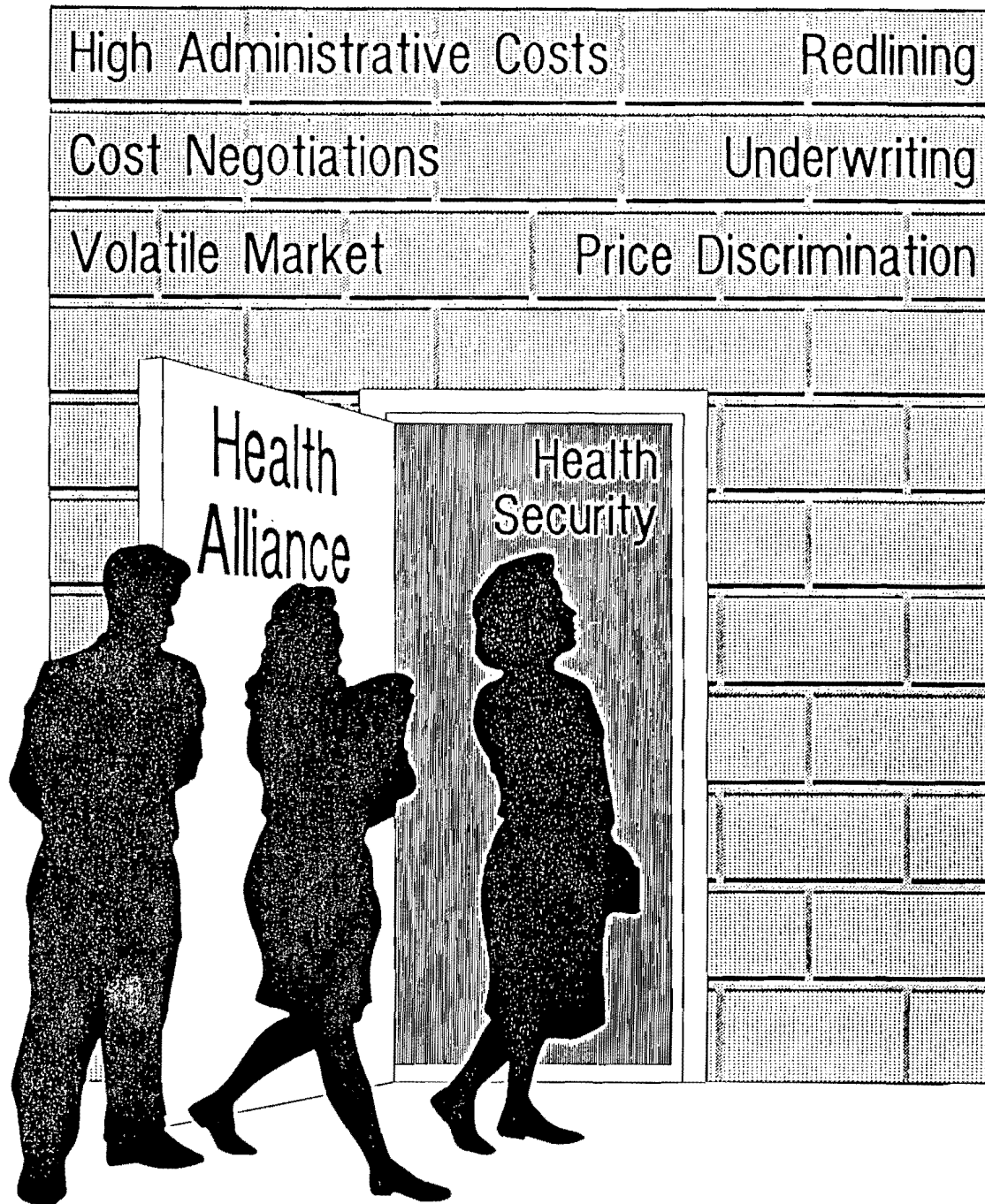
We will take the burden off the small business with health alliances which will deal with the insurance companies and bargain for competitive prices. The alliance will take over the paperwork and the negotiations; provide information on plans and increase ease of enrollment. Higher administrative costs will be reduced and the hassle of the current system is eliminated.

The Clinton reform plan outlaws insurance abuses such as redlining, underwriting and experience ratings. Costs of premiums are controlled and the insurance market is stabilized. Under our reform, everyone living in the same area pays a similar price for a similar plan. And they have the security knowing those costs will be predictable and increase at a lower rate.

# Small Business Owners Face an Obstacle Course in Obtaining Health Insurance



# The New System





# Insurance Industry Abuses

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- Medical Underwriting
- Experience Rating
- Price Baiting and Price Gouging
- Refusal to Renew Policy
- Occupational Redlining

## OCCUPATIONAL REDLINING

### TYPES OF INDUSTRIES OFTEN EXCLUDED FROM HEALTH INSURANCE PLANS

Amusement Parks	Insurance Agencies
Asbestos-Related Industries	Interior Decorators
Auto Dealers	Janitorial Services
Aviation	Junk and Scrap Metal
Barbers and Beauty Shops	Law Firms
Bars and Taverns	Limousine Services
Car Washes	Liquor Stores
Commercial Fishing	Logging and Lumber Mills
Construction	Meat/Fish Packers
Convenience Stores	Mining Operations
Domestic Help	Moving Operations
Entertainment/Athletic Groups	Oil Field Operations
Exterminators	Parking Lots
Federally Funded Organizations	Physicians Practices
Florists	Restaurants
Foundries	Roofing Companies
Grocery Stores	Security Guard Firms
Health Clubs and Spas	State Funded Organizations
Hospitals and Nursing Homes	Taxicabs
Hotels and Motels	Trucking Firms (Long-Haul)

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*Sources:*

*List of "ineligible industries" and industries requiring "special consideration" from selected insurance plans analyzed by the Alpha Center.*

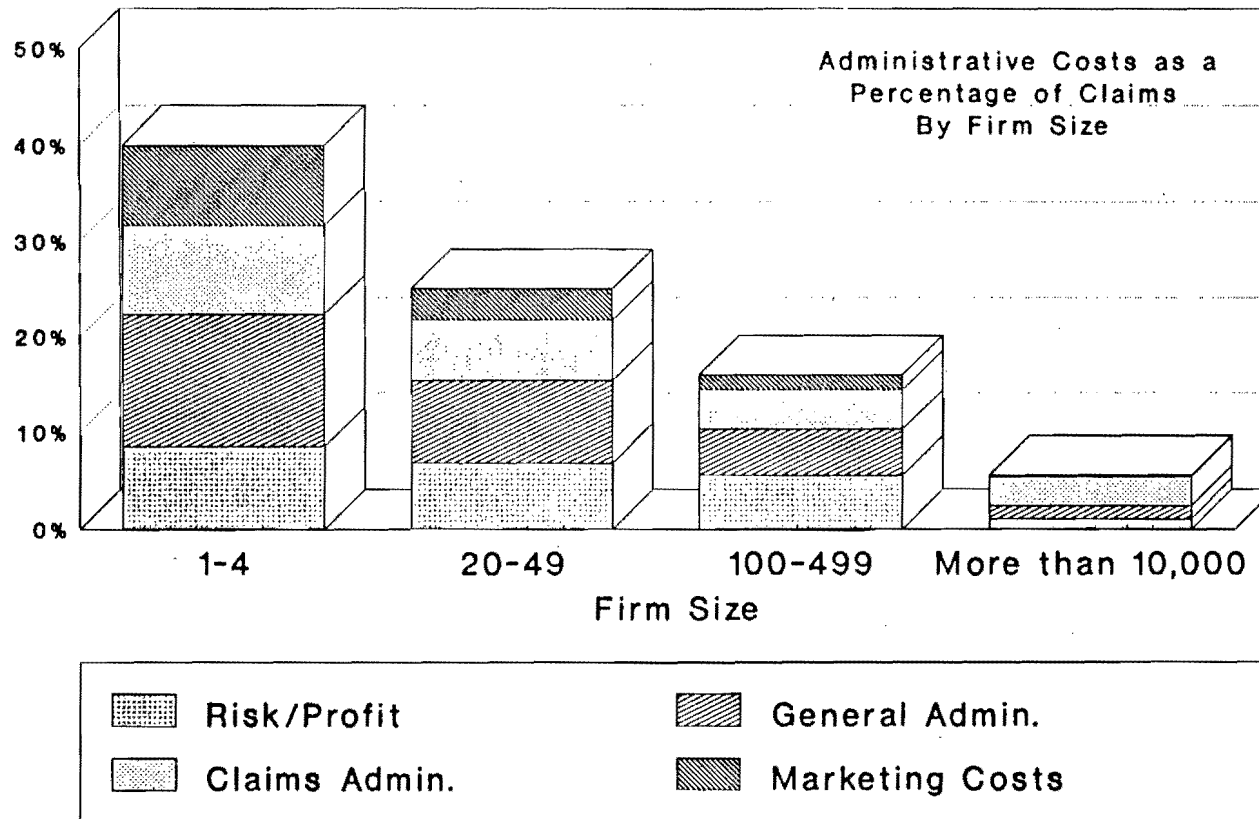
*American Hospital Association, Promoting Health Insurance in the Workplace and Local Initiatives to Increase Private Coverage (Chicago: 1988), as cited in: United States General Accounting Office, Health Insurance: Cost Increases Lead to Coverage Limitations and Cost-Shifting. (GAO/HRD 90-68)*

# Higher Administrative Costs

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- Higher Overhead
- No Benefits Department
- Faster Increases in Costs

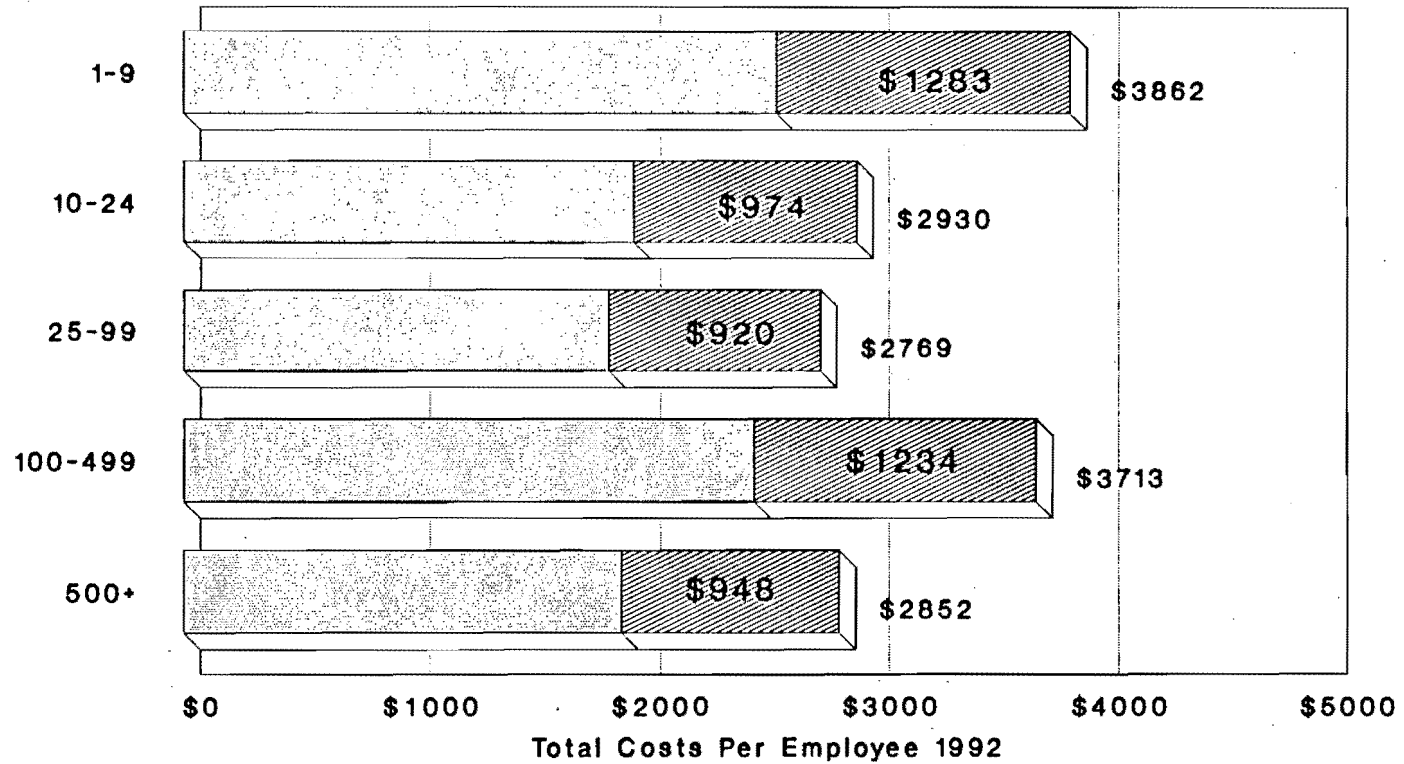
## Small Businesses Face Higher Administrative Costs



Source: Hay/Huggins, Inc.

# Employers Would Save \$1,015 Per Employee Per Year If Costs Were Controlled -- Small Businesses Save Most

Employees in Firm



 Excess Costs

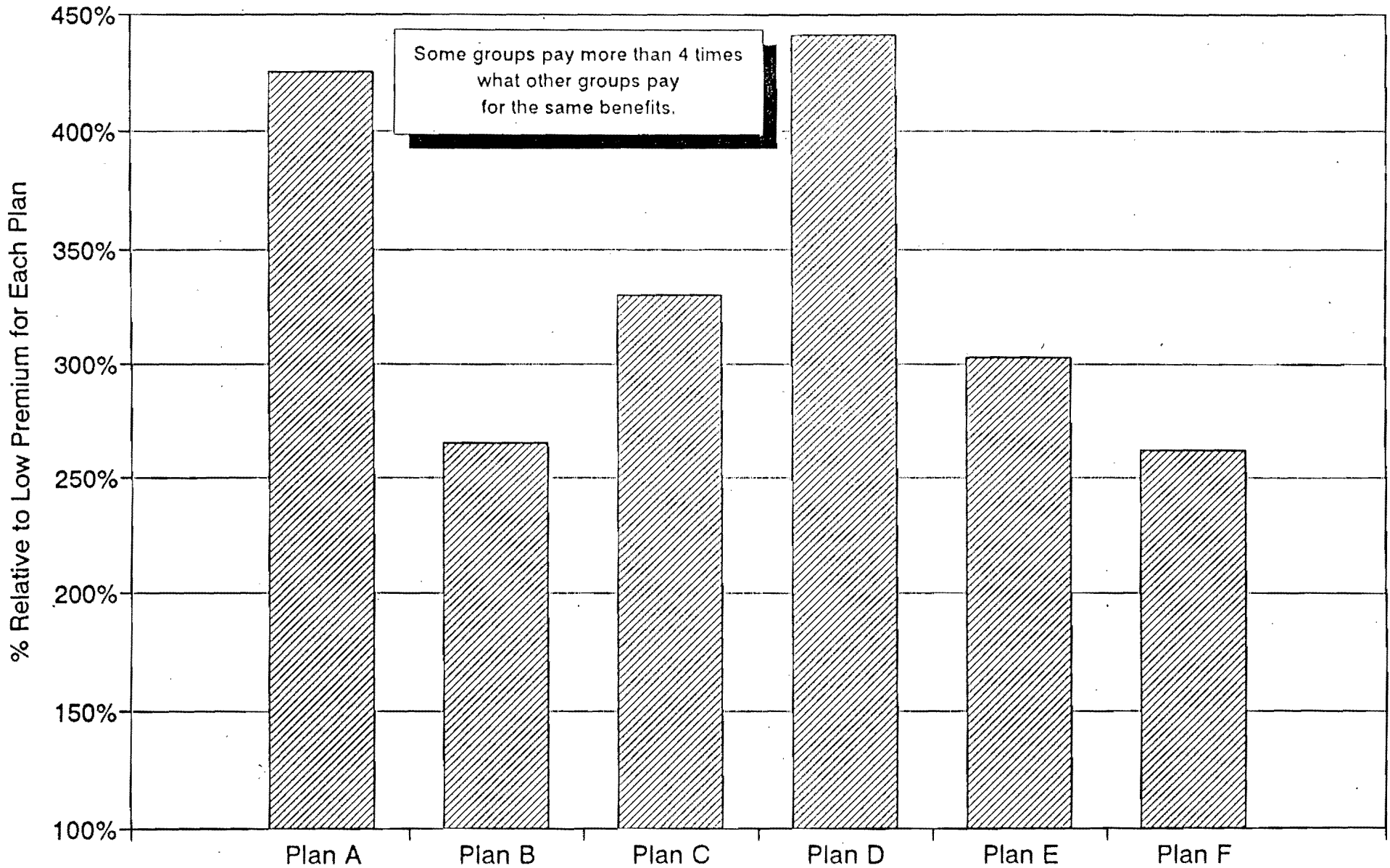
Source: Lewin-ICF

# A Volatile Market

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- Cost Variations
- Unpredictable Cost Increases
- Durational Rating
- Churning

# Small Groups (2-25) Face Large Variations in Health Insurance Premiums



Source: Blue Cross/Blue Shield Association, Survey of Six Sample BC/BS Plans, January 1992.

SMBUS.WQI

## SUMMARY

TODAY	REFORM
<p><b>High Administrative Costs:</b> Higher administrative costs account for as much as 40% of the policy costs compared to about 5% for large companies. [CBO, 5/92]</p>	<p><b>Cuts Administrative Costs:</b> The health alliance assumes the administrative functions and costs which kill small business owners.</p>
<p><b>The Obstacle Course:</b> Small business owners who cover their employees must spend a lot of time and effort dealing with an insurance market which changes its rules at each stage of the game.</p>	<p><b>Eliminates Hassle:</b> The health alliance negotiates rates, provides information on plans, increases ease of enrollment and absorbs the manpower drain.</p>
<p><b>Dramatically Increasing Costs:</b> Premiums for small employers rise at a faster rate than for other employers -- as much as 50% in any given year. [NAM]</p>	<p><b>Aggressively Controls Costs:</b> Health reform will aggressively control cost increases which hit small businesses disproportionately hard.</p>
<p><b>Difficulty Obtaining Renewal:</b> After a first year of reasonable rates, small businesses often face higher costs and difficulty obtaining renewal.</p>	<p><b>Guarantees Renewal:</b> Guarantees renewal and stabilizes premiums.</p>
<p><b>Small Risk Pool:</b> Fewer employees mean a smaller pool to share the risk. Insurance companies frequently charge more for these policies and one illness can cause plan cost to increase dramatically.</p>	<p><b>Spreads Risk Evenly:</b> Consolidates small businesses in large purchasing pools to give them the same bargaining power as large companies.</p>
<p><b>Insurance Industry Abuses:</b> Insurance companies redline large sectors of the small business market. Underwriting and experience rating leads to discriminatory prices for small business policies.</p>	<p><b>Outlaws Unfair Insurance Practices:</b> Prohibits redlining, experience rating and underwriting. Requires that plans charge all firms in a given area a similar price for the same health plan.</p>



## ***Insurance Problems Facing the Small Group Employee Market***

- **Large Volatile Variation in Premiums**
  - Underwriting
  - High Risk
- **Workers in Small Firms Finance a Higher Proportion of Total Premiums**
- **Insurance is More Expensive Relative to Large Firms**
  - High Administrative Costs
  - Premiums Include Costs of Uninsured
  - Provider Payments Substantially Above Costs
- **Growth in Insurance Premiums is Higher in the Small Group Market**
  - Less Likely to Have Established Cost Containment Programs

<b>Average insured worker's health spending without health reform</b>				
	1994	Health Bill as % of Compensation	2000	Health Bill as % of Compensation
<b>Average compensation per worker:</b>	<b>\$36,299</b>		<b>\$50,334</b>	
<b>Average insured worker's health bill</b>	<b>\$7,423</b>	<b>20.45%</b>	<b>\$12,386</b>	<b>24.61%</b>
<b>Health Insurance</b>	<b>\$4,132</b>	<b>11.38%</b>	<b>\$6,895</b>	<b>13.70%</b>
Employer's share of premium	\$3,163	8.71%	\$5,278	10.49%
Individual's share of premium	\$969	2.67%	\$1,617	3.21%
<b>Medicare payroll tax</b>	<b>\$926</b>	<b>2.55%</b>	<b>\$1,546</b>	<b>3.07%</b>
<b>Workers' comp/disability/Industrial Inplant</b>	<b>\$246</b>	<b>0.68%</b>	<b>\$411</b>	<b>0.82%</b>
<b>Out-of-pocket</b>	<b>\$782</b>	<b>2.15%</b>	<b>\$1,305</b>	<b>2.59%</b>
<b>Other spending at health facilities</b>	<b>\$113</b>	<b>0.31%</b>	<b>\$188</b>	<b>0.37%</b>
<b>Federal taxes, fees, &amp; other payments</b>	<b>\$654</b>	<b>1.80%</b>	<b>\$1,092</b>	<b>2.17%</b>
Federal employees' health premiums	\$53	0.15%	\$88	0.18%
Federal contributions to Medicare HI	\$11	0.03%	\$19	0.04%
Medicare (general revenue)	\$169	0.47%	\$283	0.56%
Medicaid	\$246	0.68%	\$411	0.82%
Other federal health programs	\$174	0.48%	\$290	0.58%
<b>State &amp; local taxes, fees, &amp; other payments</b>	<b>\$569</b>	<b>1.57%</b>	<b>\$950</b>	<b>1.89%</b>
State/local employees' health premiums	\$149	0.41%	\$248	0.49%
State/local contributions to Medicare HI	\$24	0.06%	\$39	0.08%
Medicaid	\$186	0.51%	\$310	0.62%
Hospital subsidies	\$81	0.22%	\$135	0.27%
Other programs	\$130	0.36%	\$218	0.43%

Source: Office of Health Policy, ASPB. HHS analysis using Health Care Financing Administration; Urban Institute; and Department of Commerce, Bureau of Economic Analysis data.

Current Spending on Private Health Insurance Premiums by State:  
As a Percent of Taxable Earnings

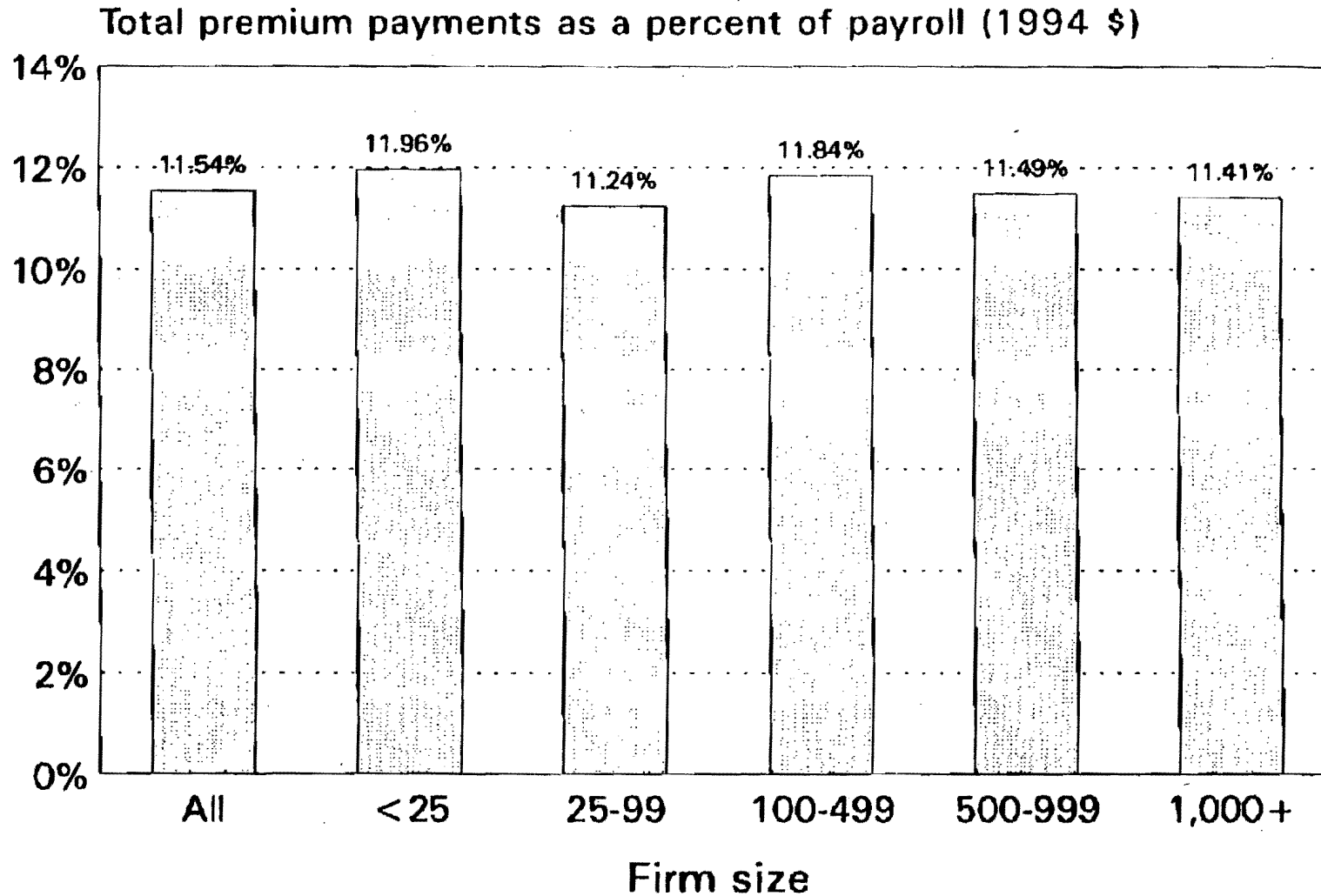
	Taxable Earnings	Premiums	Percent
ALABAMA	38,998,615,398	3,751,897,975	9.62%
ALASKA	7,471,145,760	542,968,282	7.27%
ARIZONA	40,891,512,828	3,674,537,304	8.99%
ARKANSAS	22,072,511,494	2,369,779,864	10.74%
CALIFORNIA	376,824,975,470	31,877,334,190	8.46%
COLORADO	42,952,222,017	4,135,548,261	9.63%
CONNECTICUT	47,909,041,475	4,355,805,242	9.09%
DELAWARE	8,849,078,867	773,909,213	8.75%
DC	7,552,877,819	445,947,314	5.90%
FLORIDA	138,666,533,016	10,936,916,977	7.89%
GEORGIA	69,107,458,829	6,723,213,419	9.73%
HAWAII	14,976,797,447	1,346,035,317	8.99%
IDAHO	9,825,658,646	1,028,354,152	10.47%
ILLINOIS	143,985,945,827	13,640,116,472	9.47%
INDIANA	61,043,580,896	6,713,556,189	11.00%
IOWA	30,016,622,605	3,056,074,535	10.18%
KANSAS	28,715,089,385	2,789,136,209	9.71%
KENTUCKY	34,784,608,184	3,266,394,864	9.39%
LOUISIANA	39,529,575,525	3,484,793,997	8.82%
MAINE	12,889,997,383	1,321,989,294	10.26%
MARYLAND	68,211,468,897	5,210,965,688	7.64%
MASSACHUSETTS	77,961,860,617	6,503,215,432	8.34%
MICHIGAN	109,409,081,232	11,912,093,402	10.89%
MINNESOTA	51,705,415,820	5,314,122,517	10.28%
MISSISSIPPI	20,557,808,856	2,125,883,724	10.34%
MISSOURI	60,244,888,374	6,222,536,523	10.33%
MONTANA	7,830,490,164	890,991,169	11.38%
NEBRASKA	17,478,845,803	1,796,956,659	10.28%
NEVADA	15,537,209,212	1,714,663,640	11.04%
NEW HAMPSHIRE	16,013,650,661	1,667,820,843	10.41%
NEW JERSEY	110,015,651,967	9,824,593,868	8.93%
NEW MEXICO	14,950,233,670	1,464,499,881	9.80%
NEW YORK	217,920,564,116	19,235,998,662	8.83%
NORTH CAROLINA	72,154,332,101	6,571,365,130	9.11%
NORTH DAKOTA	6,052,341,293	618,523,636	10.22%
OHIO	124,378,294,987	13,280,058,130	10.68%
OKLAHOMA	32,097,793,109	2,890,309,363	9.00%
OREGON	32,773,518,112	3,490,744,060	10.65%
PENNSYLVANIA	132,224,234,494	15,138,836,639	11.45%
RHODE ISLAND	12,056,487,582	1,263,223,740	10.48%
SOUTH CAROLINA	37,791,500,551	3,703,870,746	9.80%
SOUTH DAKOTA	6,456,992,930	705,755,456	10.93%
TENNESSEE	47,647,609,848	4,872,056,097	10.23%
TEXAS	186,606,311,095	15,700,711,823	8.41%
UTAH	16,607,270,729	1,809,372,751	10.90%
VERMONT	6,477,098,200	645,079,504	9.96%
VIRGINIA	83,193,483,170	6,488,962,015	7.80%
WASHINGTON	63,863,931,291	6,009,963,683	9.41%
WEST VIRGINIA	15,348,775,523	1,602,410,413	10.44%
WISCONSIN	58,699,280,587	6,469,131,821	11.02%
WYOMING	5,005,270,744	493,327,885	9.86%
<b>TOTAL</b>	<b>2,004,335,574,606</b>	<b>271,872,153,970</b>	<b>9.36%</b>

Source: Social Security Wage Base

<b>Total Premium Payments as Percent of Payroll Without Health Reform</b>							
<b>Firm Size</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>
<b>All</b>	<b>11.54%</b>	<b>12.06%</b>	<b>12.53%</b>	<b>12.96%</b>	<b>13.42%</b>	<b>13.88%</b>	<b>14.36%</b>
<b>&lt;25</b>	<b>11.96%</b>	<b>12.50%</b>	<b>12.98%</b>	<b>13.43%</b>	<b>13.90%</b>	<b>14.39%</b>	<b>14.89%</b>
<b>25-99</b>	<b>11.24%</b>	<b>11.75%</b>	<b>12.20%</b>	<b>12.62%</b>	<b>13.07%</b>	<b>13.52%</b>	<b>13.99%</b>
<b>100-499</b>	<b>11.84%</b>	<b>12.38%</b>	<b>12.85%</b>	<b>13.29%</b>	<b>13.77%</b>	<b>14.24%</b>	<b>14.74%</b>
<b>500-999</b>	<b>11.49%</b>	<b>12.01%</b>	<b>12.47%</b>	<b>12.90%</b>	<b>13.36%</b>	<b>13.82%</b>	<b>14.30%</b>
<b>1000+</b>	<b>11.41%</b>	<b>11.93%</b>	<b>12.39%</b>	<b>12.81%</b>	<b>13.27%</b>	<b>13.72%</b>	<b>14.20%</b>

**Source: HHS analysis using Urban Institute analyses of March 1992 Current Population Survey.**

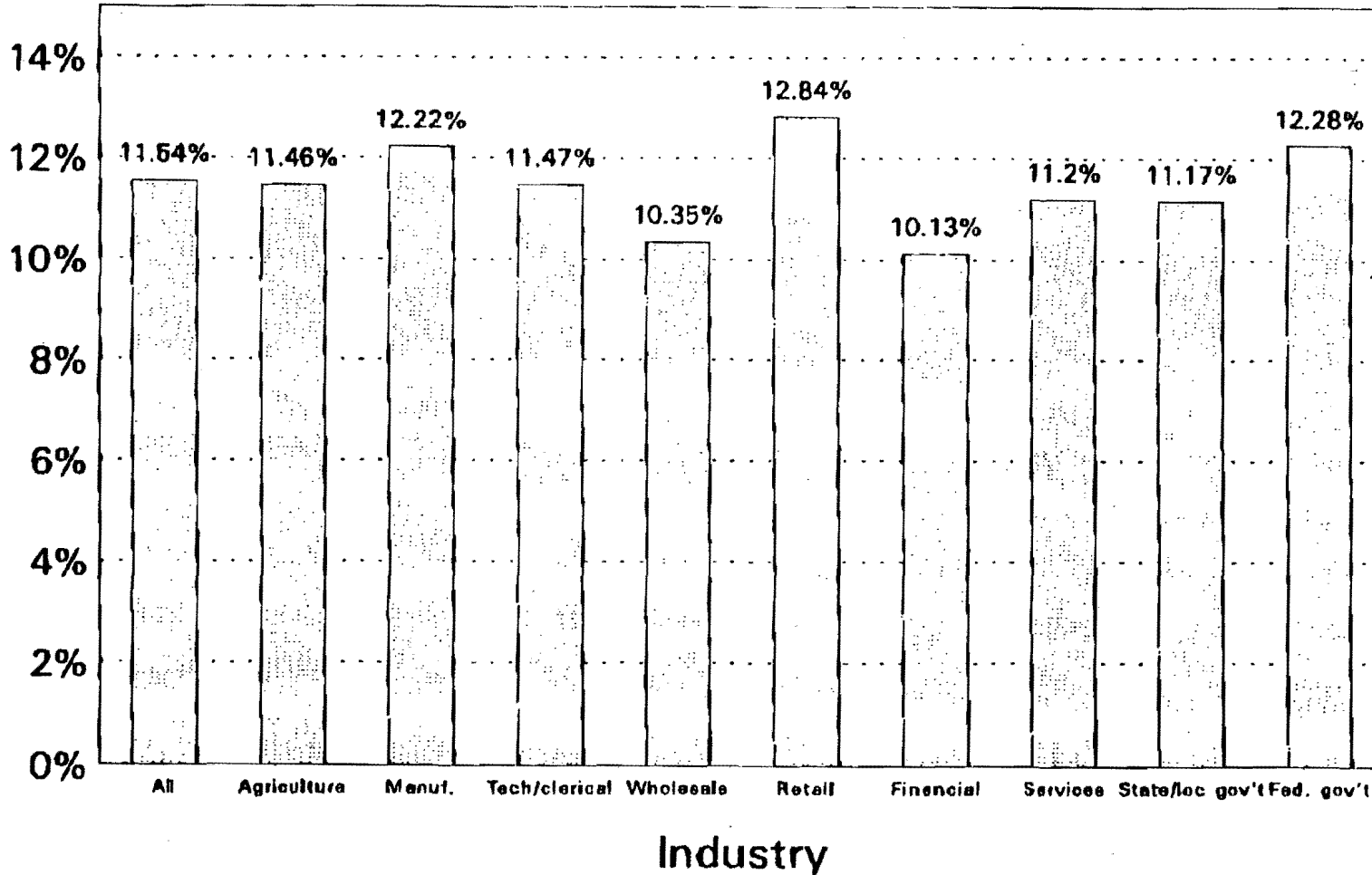
Total premium payments as a percent of payroll vary by firm size and are highest for firms with less than 25 employees.



Source: Urban Institute analyses of the March 1992 Current Population Survey.

# Total premium payments as a percent of payroll vary by industry and are highest for retail.

Total premium payments as a percent of payroll



Source: Urban Institute analyses of March 1992 Current Population Survey.

HHS ASPE/HP

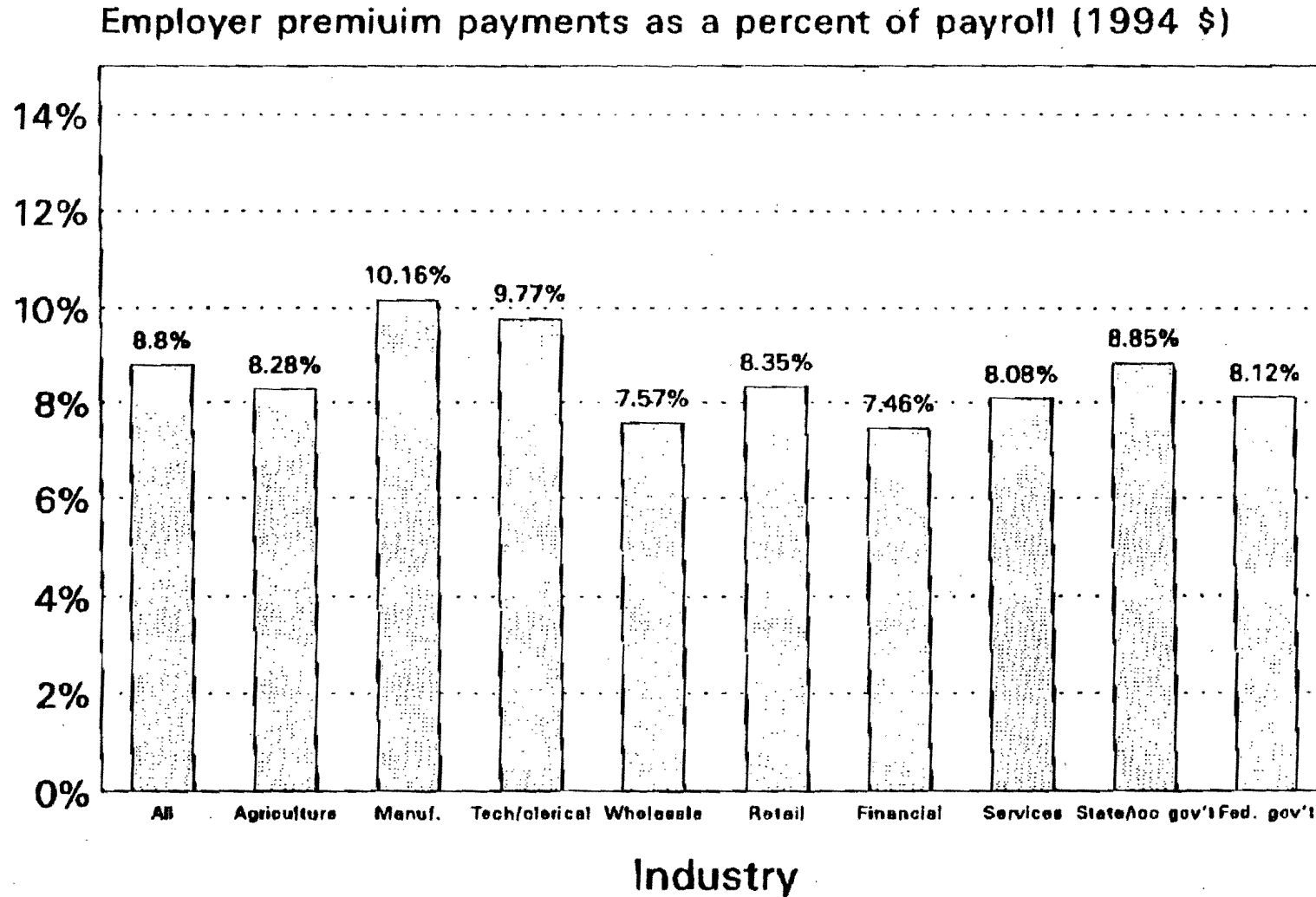
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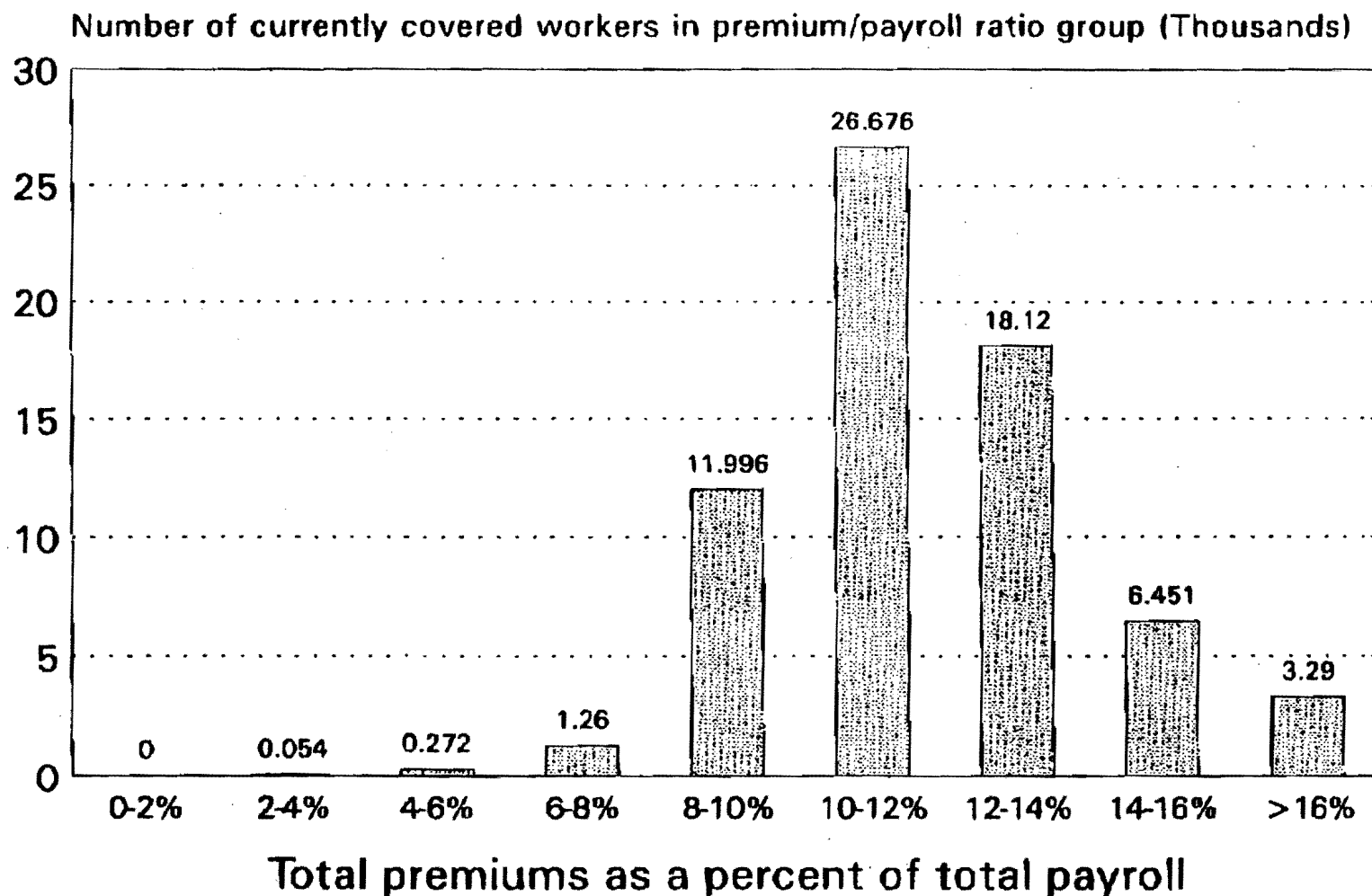
**Employer premium payments as a percent of payroll vary by industry and are highest for manufacturing.**

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Source: Urban Institute analyses of March 1992 Current Population Survey.

# Health Insurance Premiums Relative to Payrolls: The Distribution Under the Current System

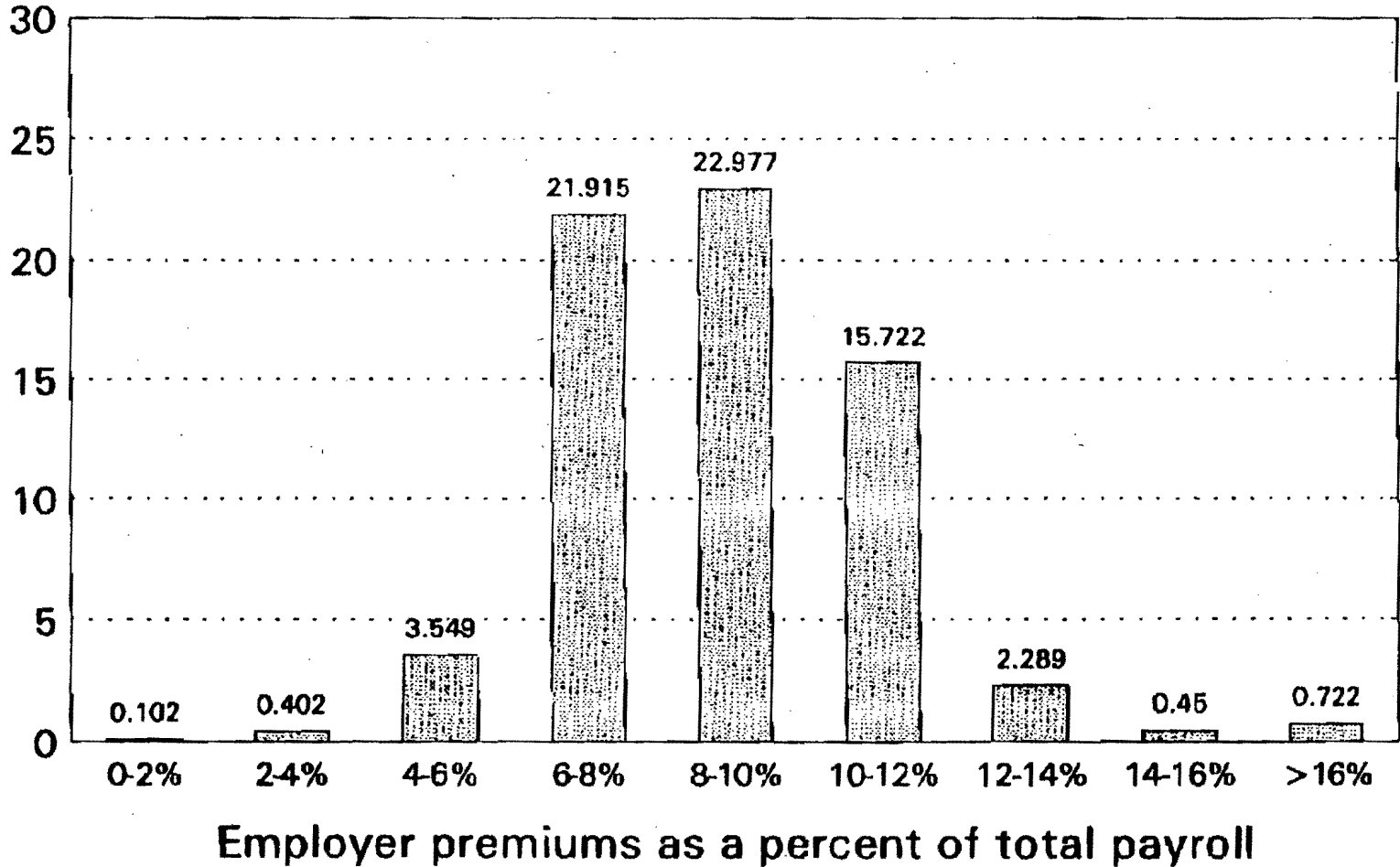


Source: Urban Institute's TRIM2 model, based on the March 1991 Current Population Survey.



# Health Insurance Premiums Relative to Payrolls: The Distribution Under the Current System

Number of currently covered workers in premium/payroll ratio group (Thousands)

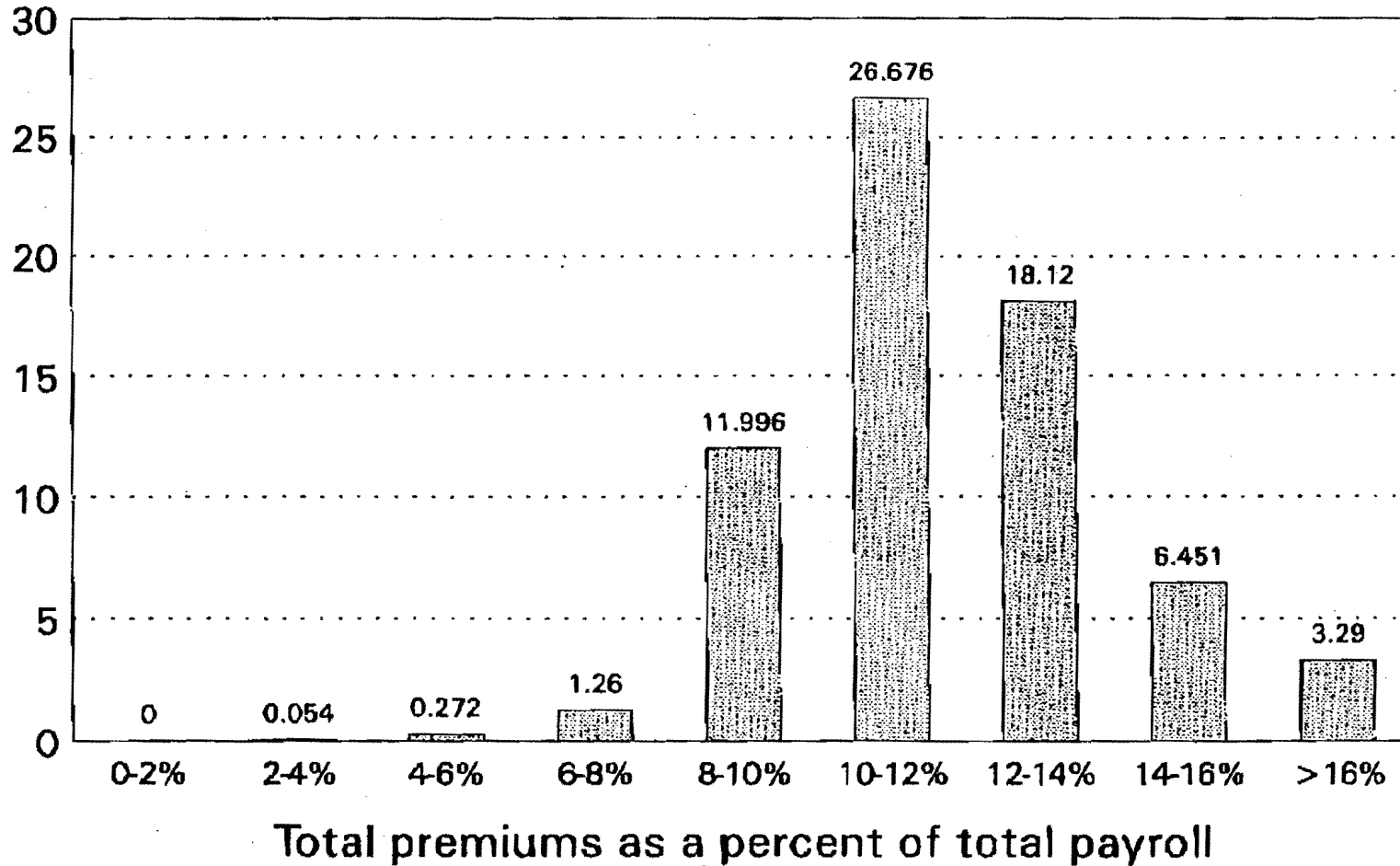


Employer premiums as a percent of total payroll

Source: Urban Institute's TRIM2 model, based on the March 1991 Current Population Survey.

# Health Insurance Premiums Relative to Payrolls: The Distribution Under the Current System

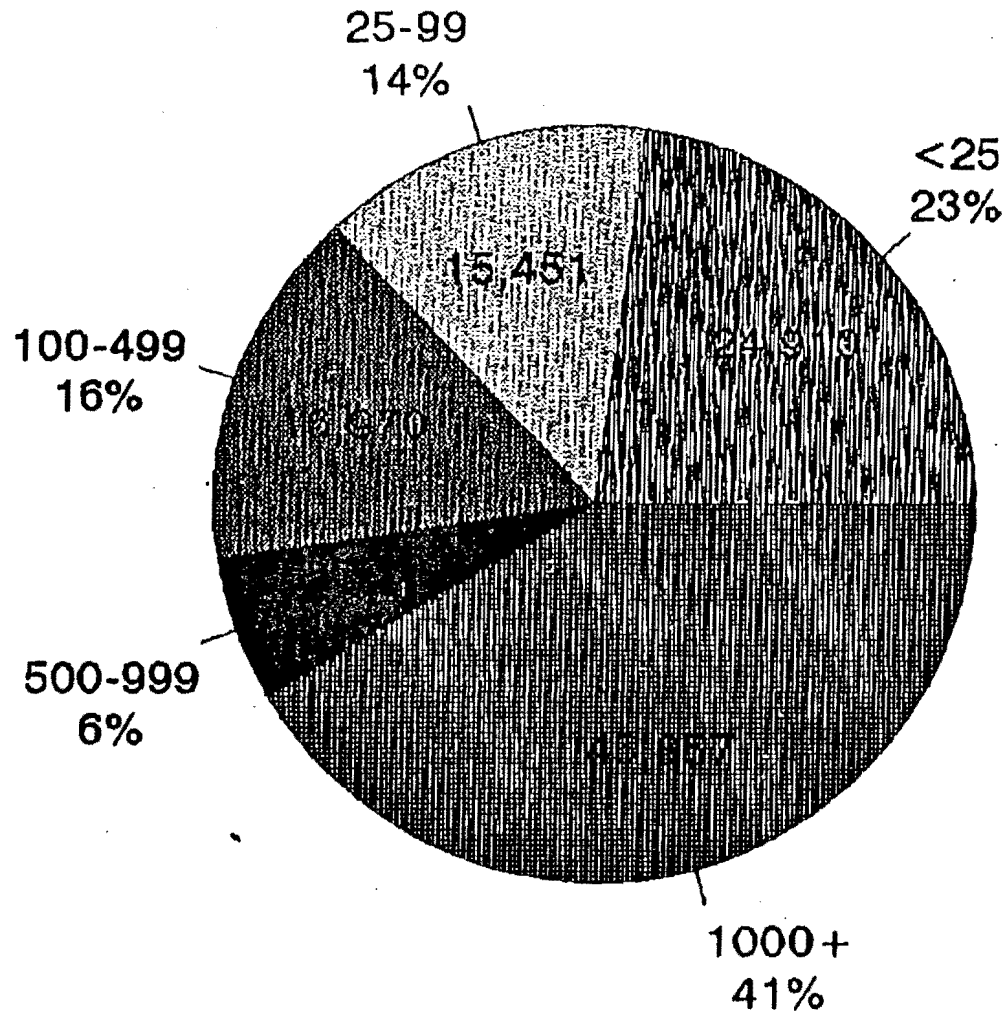
Number of currently covered workers in premium/payroll ratio group (Thousands)



Source: Urban Institute's TRIM2 model, based on the March 1991 Current Population Survey.

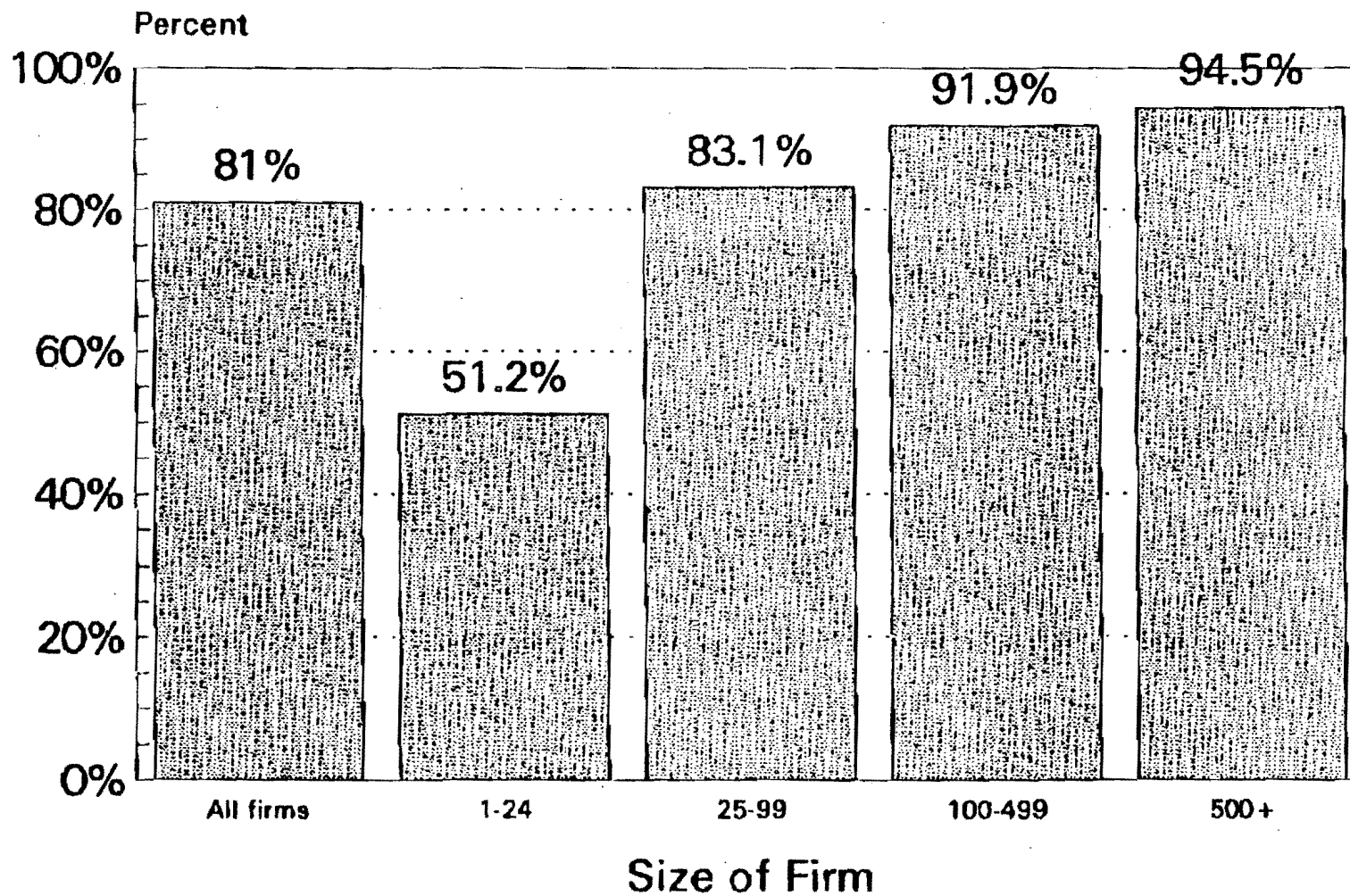
# Workers: How many work for small firms?

Distribution of workers by firm size



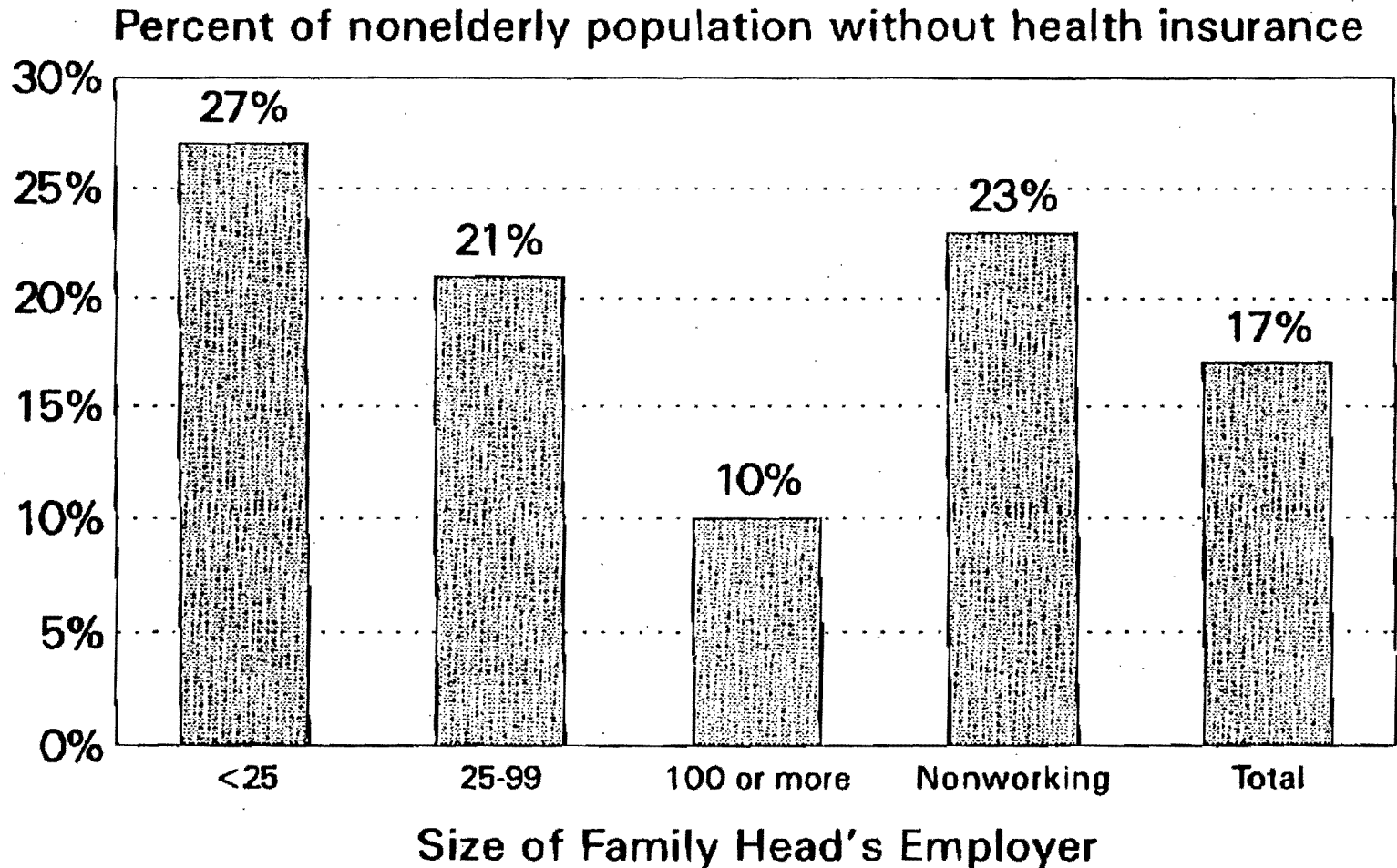
Source: The Urban Institute (1993), based on the March 1992 CPS and TRIM2. Numbers are in thousands.

# Percentage of Firms Offering Health Insurance By Firm Size



Source: Dept. of Labor, based on Small Business Admin calculations of May 1988 CPS Survey Data

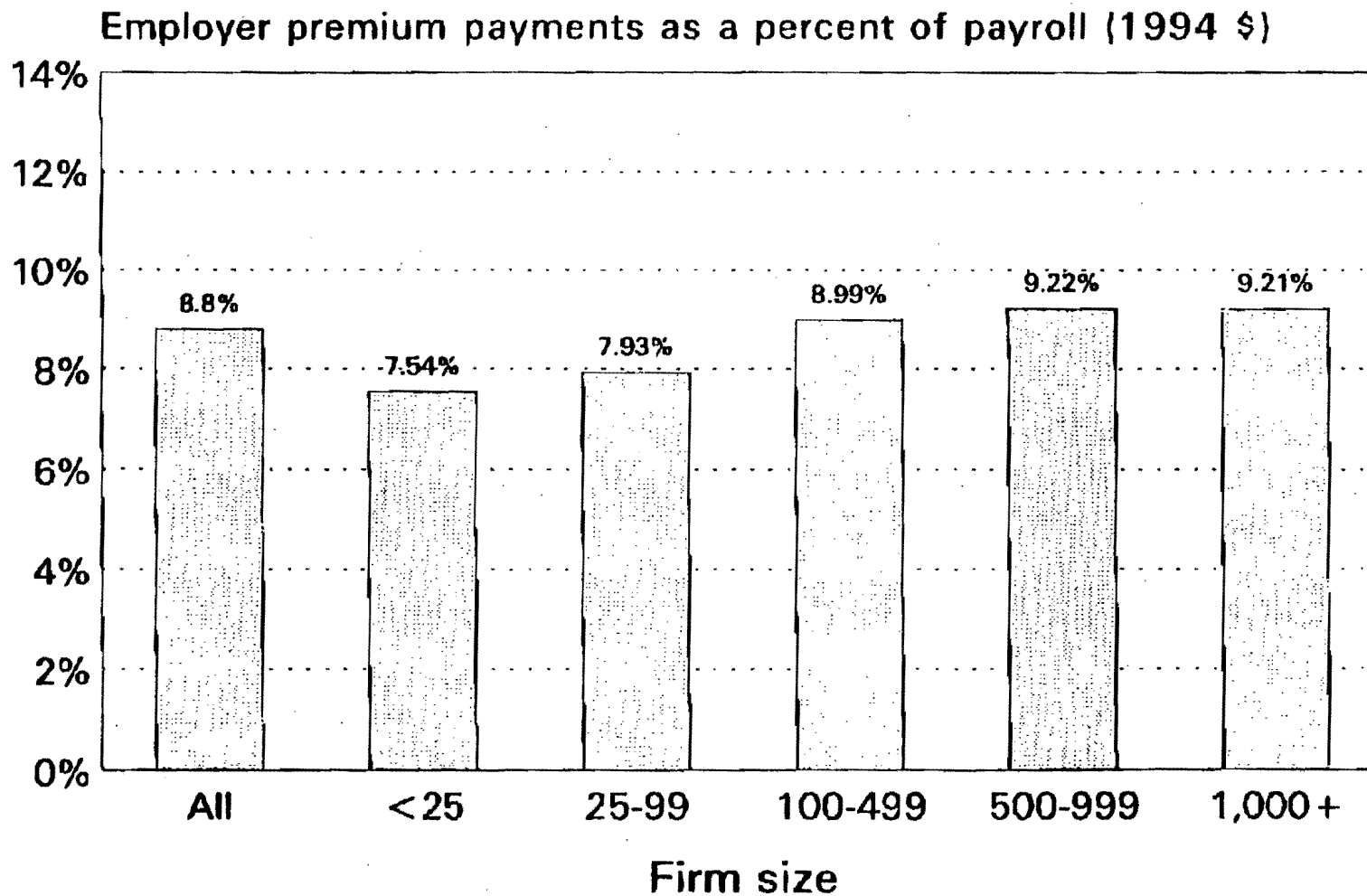
# People who work for small businesses are more likely to be without health insurance.



Source: Employee Benefits Research Institute Analysis of the March 1992 CPS.

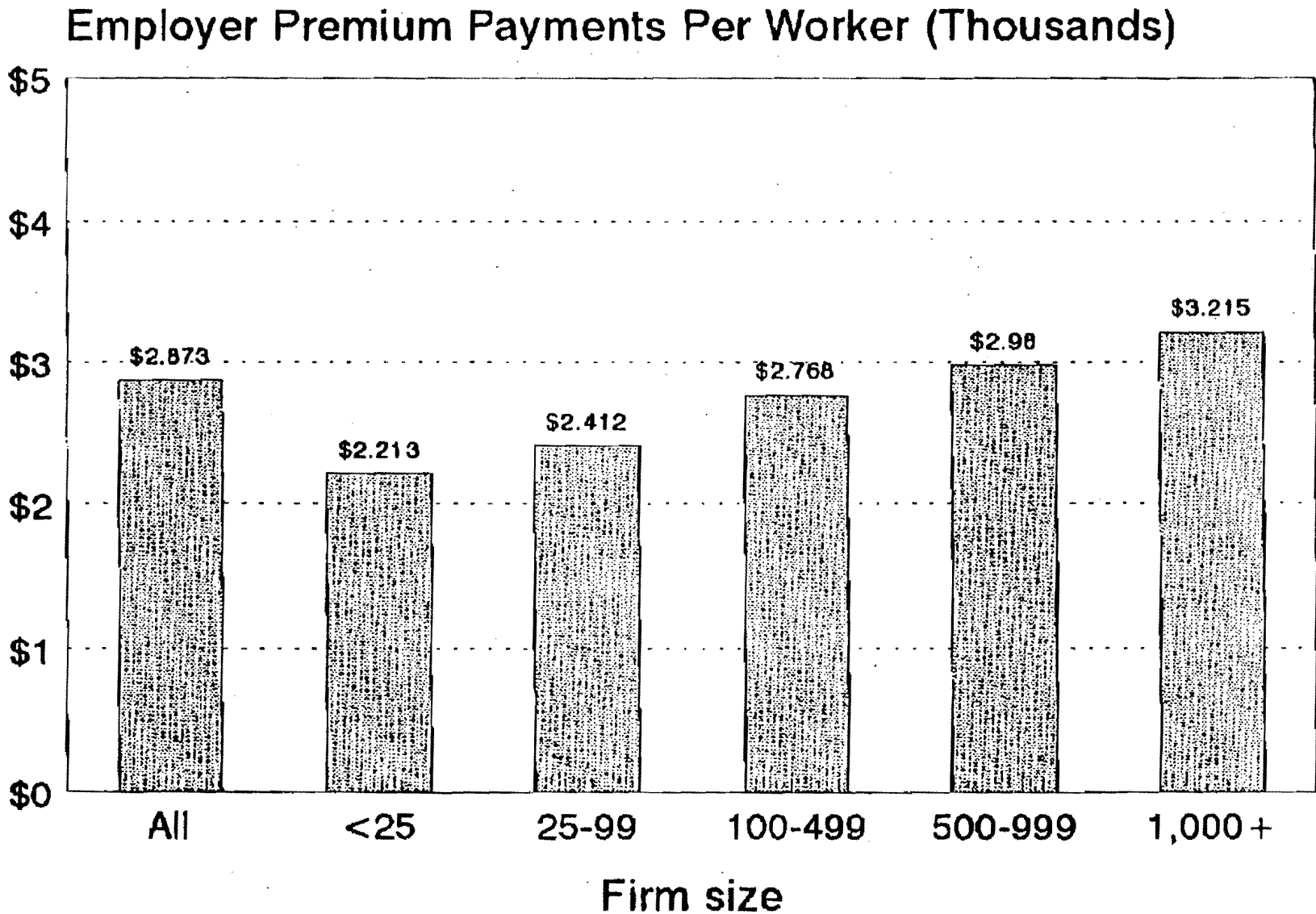
# Employer premium payments as a percent of payroll are lowest for small firms.

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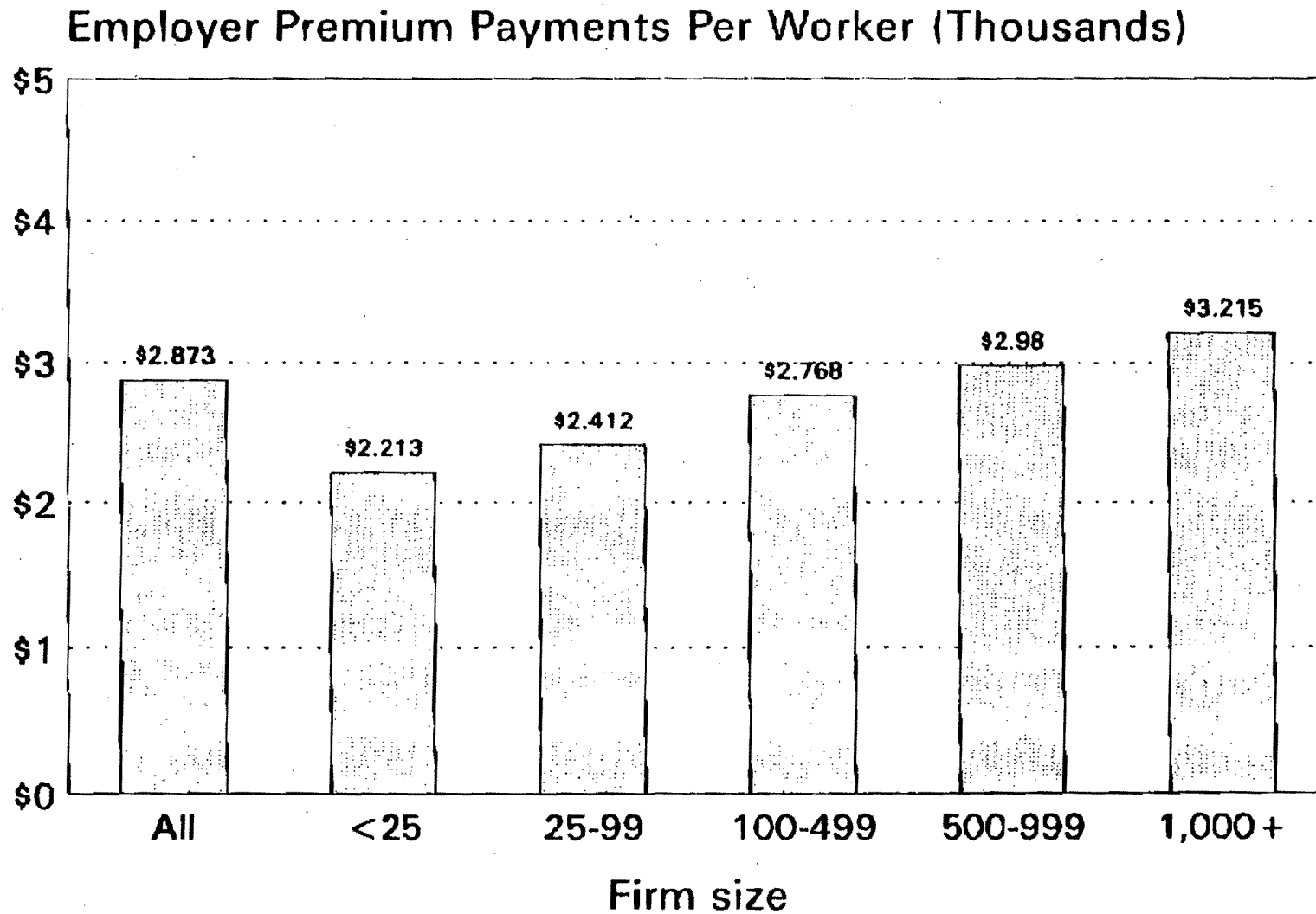
Source: Urban Institute analyses of the March 1992 Current Population Survey.

Employer premium payments per worker vary by firm size and are the largest for large firms.



Employer premium payments per worker vary by firm size and are the largest for large firms.

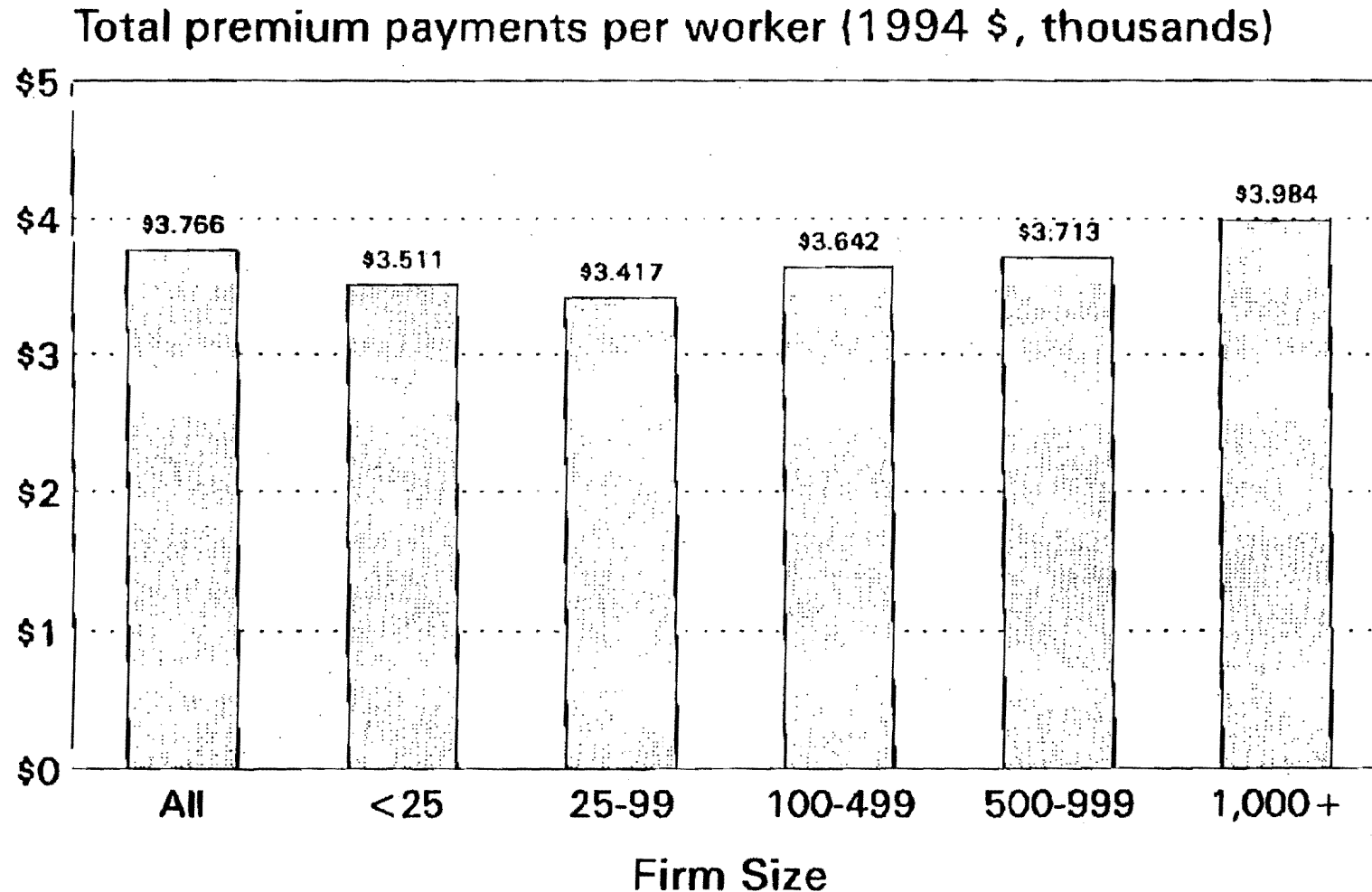
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Total premium payments per worker vary with firm size and are highest for large firms.

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Source: Urban Institute analyses of March 1992 Current Population Survey.