



Executive Summary

The National Association for the Self-Employed (NASE) is continually monitoring the issues and challenges facing micro-businesses in the U.S. One of the most significant of these issues is health care, specifically the ability of micro-businesses to obtain affordable, effective health care insurance.

Investigations date back to 2002, when NASE implemented a comprehensive study of the leading health care issues facing micro-businesses. Given the significant and ongoing changes that impact the health care arena, the study was repeated in 2005, 2008 and 2011. This report presents the findings from the 2011 study.

To ensure current results could be accurately compared with past findings, the study used the same basic approach and methodology. The survey sample was drawn from the NASE membership roster, and is limited to only those companies that satisfied the following criteria:

- ▶ have ten or fewer employees;
- ▶ the respondent is their company's owner or operator.

The survey received strong participation rates, with 1,904 usable responses collected. A brief summary of major findings from the analysis is presented below. More detailed responses and analyses are provided in the full report.

Sample Profile

- ✓ Responses were received from 48 states, the District of Columbia, and the Virgin Islands. The sample is geographically balanced, with good representation from every region of the country.
- ✓ By sample design, all respondents have an ownership interest in their business, and most (82.1%) are the sole owner/operator/proprietor of their business. The number of full-time employees, including the respondent and any family members, ranges from one to ten, with a median of one. Solo practitioners (i.e., the one person companies) dominate the sample, accounting for a majority (56.8%) of the responses. More than three-quarters of the respondents describe their business as a career that presently supplies the main source of income in their household.
- ✓ Examining gross sales for 2010 underscores the sample diversity, with responses ranging from less than \$10,000 to more than \$5 million. As in past samples, the most popular category is \$100,000 to \$199,999, selected by 17.8%. Median and average gross sales figures are \$87,500 and \$207,594 respectively.

- ✓ Few changes are seen since 2008 regarding business organization methods. A sole proprietorship continues to be the most common business organizational structure by far, cited by 56.3%. A Chapter S Corporation and a Limited Liability Company are the only other structures cited by an appreciable number of respondents, indicated by about 17% each.
- ✓ The sample encompasses businesses ranging from start-ups (in operation for less than one year) to companies that have been in business for 35 or more years. The most prevalent company age segment is 5 to 9 years, followed closely by 10 to 14 years, with these two segments collectively accounting for 37% of the sample.
- ✓ Men outnumber women in the sample by a small margin (53.7% men versus 42.3% women). All age groups are represented (average age is 50.7 years).

Health Insurance Coverage for the Business Owner/Operator

- ✓ The percentage of respondents who have health insurance that they have purchased, either directly or through their business, reaches its highest point to date, cited by 77%. The percentage with coverage under a spouse's plan drops to 5.7%, continuing a trend seen since 2005. The percentage without health insurance coverage is 12.6%, a small improvement from the 14.3% level seen in 2005 and 2008. As seen in past studies, those most likely to lack health insurance coverage are respondents from the smallest companies and those under the age of 36. Age segmentation shows an especially strong gradient, with more than one in five of those under 36 lacking health insurance, versus only 5.5% of those over 65.
- ✓ There have been no significant shifts in opinion since 2005 regarding access to health insurance. A large majority — more than eight of every ten respondents — continue to feel that small businesses are at a disadvantage compared with large businesses when it comes to health insurance access. Close to a majority do not feel they have health insurance options that fit their company's needs. Knowing where to find health insurance is less of a problem. For the first time, a plurality agree with the statement "I know exactly where to find health insurance coverage for myself and my employees" although nearly the same number disagree (37.9% agree; 36% disagree).
- ✓ As in 2005 and 2008, a plurality of respondents feel it is the employer's responsibility to offer health insurance, and that health insurance is a necessity to remain competitive for employee recruitment. However, support for these issues has decreased over the years, and the percentage who are uncertain continues to grow.

Health Insurance Coverage Through the Business

- ✓ The incidence of offering health insurance through the business (either for the owner or the employees) has dropped a small amount, but remains above the level seen in the 2005 survey. 43.5% presently offer health insurance through their business, a decline from 46.8% in 2008, but an improvement over the 38.5% level seen in 2005. In a break from past patterns, only 56.5% who are presently covered by health insurance are purchasing that policy through their business. This is a notable drop from the nearly 70% level seen in 2005 and 2008.
- ✓ Cost remains the leading barrier to obtaining health insurance through the business, cited by about 82% as an important barrier, and by nearly 70% as the single most significant barrier. Cost concerns have increased a small amount since 2005, and continue to dwarf all other factors by a wide margin. A lack of interest in offering insurance, the second most significant barrier, is cited by only 8.3%.
- ✓ Those who do not presently offer/have health insurance through their business were asked “if the new health care reform law (which goes into full effect in 2014) lowers health coverage costs, how likely are you to provide and pay for a portion of health coverage for your employees?” About one in five respondents say they would be “very likely” to do so; an additional 14.1% would be “somewhat likely” to do so. The largest share of respondents (36.2%) are unsure, with the remaining 29.4% reporting they would be unlikely to do so. Those most likely to offer insurance through their business if the new health care reform law lowers costs are those under 36 and those who are not presently covered under any type of health insurance. There is no consensus of opinion in all other segments — while some show interest in the possibility of offering health insurance, about an equal number do not, with the most popular response often being “unsure.”
- ✓ Those who presently offer some form of health insurance through their business were asked to describe specific features and coverage issues. Leading findings include:
 - ▶ As in 2005 and 2008, the business owner is by far the one most likely to be covered under a health insurance plan through the business, cited by 93.5%. The percentage whose plan covers all or some of the full-time employees has increased a small amount since 2008, rising from 18.6% to 20.4%, but remains below the peak level of 46.2% seen in 2005. Fewer than 3% offer health insurance to part-time staff, with the situation unchanged since 2005.
 - ▶ A PPO provider remains the most prevalent type of health plan offered, but its popularity has declined a notable amount over time, dropping from a majority level in 2005 to 38% in 2011. There have been concurrent increases in the prevalence of traditional plans/fee for service and high deductible plans. The latter shows the greatest rate of increase, jumping from less than 6% in 2005 to

nearly 20% in 2011. The actual prevalence of high deductible plans is even higher — many of the “other” responses describe a high deductible plan that would be compatible with an HSA, but the respondents note that they did not fund the HSA.

- ▶ The prevalence of spouse and dependant coverage has remained stable since 2005: about 22% of the plans offer spouse coverage; about 41% offer spouse and dependant coverage. Respondents from the larger companies are the ones most apt to report spouse/dependant coverage as a plan feature.
- ▶ There has been a continued shift toward individual plans since 2005 — only 33.6% of the 2005 respondents had an individual plan, versus 58.9% in 2011. Individual plans are cited by a majority of respondents in every segment except for companies with six or more employees, where group plans are the preferred option.
- ▶ There has been a continued increase in the percentage of gross sales spent on health insurance premiums since 2005, with median costs rising from 3.7% of gross sales to 6.4%. Increases are especially pronounced at the upper ranges — the 90th percentile values increase from 10.1% in the 2005 survey to 25% in the 2008 survey, and further up to 30.2% in the 2011 survey. In a repeat of past patterns, the smaller companies spend a significantly higher amount (in terms of a percentage of their gross) on health insurance premiums, with median expenditures reaching as high as 19% of their 2010 gross.
- ▶ As seen in past surveys, most respondents (61.6%) say the company pays the entire premium for health insurance, but there continues to be cost-shifting to the employee. In 2005, 25.6% of the respondents indicated that their employees paid part of the insurance cost (an average of 64.5%). In 2011, nearly 37% indicate that their employees cost-share, with the employee paying an average of 85% of the cost.
- ▶ Increases in health insurance costs are again the norm, with 81.3% of the 2011 survey respondents indicating that the cost of their insurance premiums have risen in the past 12 months. Only 2.3% report a cost decrease, with the balance citing no change (or were unable to determine cost changes). The average increase is 16.3%.
- ▶ Insurance cost and affordability continue to garner low satisfaction levels, with a solid majority rating their satisfaction as “low” for both metrics. A smaller number, but still a majority, have low satisfaction with the number of coverage options available. Responses temper somewhat with regard to the ease of submitting claims/paperwork, with a plurality indicating they are highly

satisfied with the process, a small increase from the rates seen in 2008. Improvements from 2008 are also seen with regard to the quality of care provided, albeit the percentage who are highly satisfied still remain well below the mark set in 2005 (61.8% highly satisfied in 2005 versus 41% in 2011).

Impact of Health Insurance Costs

- ✓ The great majority (84.9%) of the respondents indicate that rising health coverage costs have been detrimental to themselves, their families, and their business over the past three years. Most acute has been the “bottom line” impact — 53.9% say rising health coverage costs have cut their household income. Significant responses are also seen for having to scale back/drop health coverage (cited by 37.5%). Business-specific impacts are also clearly seen: 27.4% say their “business is struggling to survive,” and more than one in ten say they have cancelled/put on hold plans to hire new employees and/or expand their business.
- ✓ The impact on household income is especially significant among the younger respondents — 63.2% of those under 36 report that their household income has been cut due to rising health coverage costs. Significant responses across all segments are also seen for “I’ve had to scale back or drop health coverage for myself and/or my family” and “my business is struggling to survive.” Among the largest companies, nearly one in four have had to scale back or drop employee health coverage.
- ✓ In addition to financial and business impacts the respondents also outline other ways escalating health coverage costs have affected them. These include being forced to change to a higher deductible plan and limiting (or even avoiding) doctor visits and/or prescription medications.

2010 Health Care Reform Law

- ✓ A plurality of respondents consider themselves to be “generally” familiar with the 2010 health care reform law. Only 5.1% feel they are “extremely” familiar, and about one in ten of the respondents say they are “not at all” familiar with the new law. The average familiarity score is 2.7 (on a 1 to 5 scale where 1 is “not at all familiar” and 5 is “extremely familiar.”) The respondents over 65 are the ones most familiar with the new law, as are those from larger companies and those who presently offer health insurance through their business. The weakest familiarity is among those under 36, and those who do not offer (or are covered) under insurance plans.
- ✓ There is no consensus of opinion regarding the 2010 health care reform law. About 30% of the respondents say they fully or mainly oppose the new law. An equal number say the new law is a “mixed bag” with some good, but also some bad changes. Only 15.1% fully or mainly support the new law. Nearly one in four say they lack sufficient information about the law to venture an opinion one way or another. The greatest opposition to the new law is seen among those who are the most familiar with it.

However, the strongest support is also seen among these same respondents, although at only about half the level who oppose the law (53.2% oppose, 27.4% support). Opposition to the law is also elevated among those over 65 (49.1% oppose).

- ✓ “Keep what’s good, take out what’s bad, and fix what’s broken in the 2010 law” is the most popular response when the respondents voice their opinion as to what they would like Congress and the Administration to do about the new law. Cited by 43.3%, the “fix it” stance is trailed by 28.2% who would like to see the law repealed and the reform process started anew. Fewer than 9% want the 2010 law to stand as-is, and only 5.8% want the 2010 law repealed with a return to the past health care system.
- ✓ Cost and government involvement top the list when the respondents indicate their main concern, if any, with the 2010 health care law. Nearly one in four respondents say “I expect that the cost of my health coverage will increase”; one in five say “the government will become too involved with my health care.” Fewer are concerned with potential declines in the quality of the health care system, rising taxes, or the impact on the deficit. Note, however, that nearly 15% say they do not have any concerns about the 2010 health care reform law, making that the third most popular response. As expected, 100% of those who oppose the law have concerns, chief among them being increased government involvement. Those who see the law as a “mixed bag” are far less concerned about government involvement, focusing instead on the potential for cost increases. While 73.2% of those who support the law do not have any concerns, cost is still an issue — 12.5% of the “support” segment remain concerned about potential cost increases; 4.2% are concerned about potential tax increases.
- ✓ The respondents were provided with data as to the household income levels that would qualify for assistance under the 2010 health care reform law, and asked if they would qualify. The responses are about equally divided — 41.9% say they would qualify; 45.6% say they would not. The balance (12.5%) indicated they are not sure or elected not to respond to the question. Those most likely to qualify are from companies with gross sales of less than \$50,000 (65.9% would qualify), those who are not presently covered by health insurance (57.7% would qualify) and those under 36 (55.9% would qualify).
- ✓ The respondents were provided with Congressional Budget Office (CBO) estimates as to policy costs under the new law in 2014, and asked how this compares with their present health coverage spending. A majority report that their current policy costs less than the CBO projection. This is especially pronounced for family policies — 80.4% say their present family policy costs less than the CBO projected amount of \$15,000 per year. Potentially having to pay more in 2014 for health insurance (e.g., their current policy is less expensive than the 2014 CBO estimates) is true across all segments for family policies, and across most segments for individual policies.

- ✓ The respondents were provided with information on penalties that would be enacted beginning in 2014 for individuals who do not purchase a qualified health insurance plan, and asked how this would affect their health insurance purchase plans. Of those who find the situation applicable there is no consensus of opinion — the most popular response is “I may or may not purchase health insurance to avoid the penalty,” cited by 37.5%. The percentage who say they definitely or probably will purchase health insurance is balanced by the percentage who say they probably or definitely will not. Uncertainty is the most popular response across most segments, but there is strong variation based on age. About two-thirds of the respondents under 36 years old say they will purchase health insurance to avoid a penalty. Nearly an equal number (60%) of those over the age of 65 say they will not purchase health insurance.



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I. Introduction and Methodology

Overview

The National Association for the Self-Employed (NASE) is continually monitoring the issues and challenges facing micro-businesses in the U.S. One of the most significant of these issues is health care, specifically the ability for micro-businesses to obtain affordable, effective health care insurance.

Investigations date back to 2002, when NASE implemented a comprehensive study of the leading health care issues facing micro-businesses. Given the significant and on-going changes that impact the health care arena, the study was repeated in 2005, 2008 and 2011. This report presents the findings from the 2011 study.

Research Goals

While each study explored unique, specific issues, the core questions remained the same to ensure results could be tracked over time. The main issue areas covered in the 2011 survey are as follows:

- ▶ What is the health insurance coverage status of micro-business owners/operators?
- ▶ What are the perceived barriers to obtaining health insurance coverage?
- ▶ How important is offering health insurance to employees among micro-business owners/operators?
- ▶ What type(s) of health insurance plans are presently offered through micro-businesses?
- ▶ What is the financial impact of offering health insurance and how has health coverage costs affected business plans and income?
- ▶ How satisfied are owners/operators with their present health insurance plan(s)?
- ▶ How familiar are micro-business owners/operators with the 2010 health care reform law, and how do they perceive its impact?
- ▶ How will the 2010 health care reform law affect micro-business owners' health coverage plans?

In addition, the survey collected a variety of demographic and related data to ensure the results could be tabulated within and across specific segments.

Survey Distribution

The *2011 Health Care Survey* was fielded as an online form using a commercial web-based survey hosting service. NASE distributed links to the online instrument using a variety of channels including its regular member newsletter and other member communication, plus access through the member section of the NASE website. As a response incentive, individuals completing the survey were invited to enter a drawing for a series of prizes offered by NASE. An expanded data collection period was used (early September to late November 2011) to ensure that all who wished to participate in the

survey had the opportunity to do so.

Strict confidentiality and respondent anonymity practices were put into place to encourage a frank and accurate dialogue with the respondents. All raw data were processed and tabulated by an independent research firm. Personal information was limited to basic contact information, which was collected on an optional basis from those who wished to enter the prize drawing. All prize drawing information was maintained separately from the survey response data to preserve respondent anonymity.

A hard copy version of the online form is provided in Appendix B.

Survey Sample

Responses were screened to ensure all survey participants were their company's owner or operator, and that the company employed ten or fewer individuals. Responses not adhering to these criteria were excluded, leaving a net useable sample of 1,904 responses.

It is important to determine how well the survey response pool reflects the overall population of micro-businesses. Two techniques are commonly used: the "margin of error" and the "confidence interval." Both provide guidance as to how repeatable (i.e., valid) the data collected are.

The 1,904 responses have an overall margin of sampling error of plus or minus 2.2% at a 95% confidence interval. This means that if this study were repeated 100 times, the overall results would be within 2.2% of the values listed in this report 95 times out of 100. This level of accuracy compares well with past surveys in this series, and is better than typically seen in opinion-based research projects.

Analysis Approach

The overall survey results are highly valuable illustrations of overarching trends and issues. However, given the diversity of the micro-business community, examining the data based solely on overall results limits research insights to generalized trends. To fully explore the findings, it is necessary to segment the data to determine how different population segments feel about each issue examined.

The depth of the data collected by the 2011 survey permits a variety of potential segmentation points — virtually any demographic or attitudinal variable could be used as a valid way to group responses. However, it is important to remain focused on the main "drivers" of health care issues since segmenting the data too finely, or in too many ways, can lead to confusion rather than clarity. Additionally, putting the 2011 data into proper perspective requires relating it to past surveys, thus favoring using a segmentation approach that parallels the approach used in past surveys.

The primary segmentation is based upon the following two criteria:

- ▶ **Number of employees** — the size of the company is a critical issue to explore, as the needs and perceptions of a multi-employee micro-business are often far different from those of a solo practitioner.
- ▶ **2010 gross sales** — this is a traditional variable used in any business study to evaluate how company volume impacts the issues under investigation. While it overlaps to some extent with the number of employees (i.e., larger grossing companies typically have more employees), the fact that health insurance can be a significant expense warrants using this variable as a segmentation tool to examine the cost impact of insurance.

The specific segmentation categories for these variables are the same as those used in past surveys in this series to permit year-to-year data comparisons.

A variety of secondary segmentation methods are also used for selected areas of the analysis. These encompass:

- ▶ age of the business owner/operator;
- ▶ gender of the business owner/operator;
- ▶ geographic area where the business is located;
- ▶ current health insurance status of the respondent;
- ▶ prevalence of offering health insurance through the business;
- ▶ awareness of/support for the 2010 health care reform law.

These additional segmentation variables are used on an *ad hoc* basis throughout the report to explore specific nuances of the data. Details on segment size and composition are provided in Section II.

The survey collected data for several numerical values by using ranges (i.e., rather than ask for the person's specific age, the respondent was asked to indicate if they fell within the "Under 25" bracket, the "25-to-35" bracket, etc.). This method speeds survey completion times and improves response rates. Averages for these data, however, must be computed using range mid-points. While accurate, it is less precise than working directly with a discrete value. Averages that rely upon range mid-points are noted as such throughout the report.

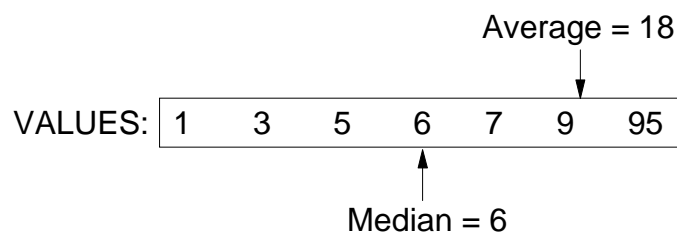
Full-text Responses

The survey closed with an open-ended question to allow the respondents to expand upon any of their survey responses, or provide general comments regarding health coverage. These responses were edited only for spelling and basic formatting, and are otherwise listed verbatim. A small representative sample of the comments is included in the report.

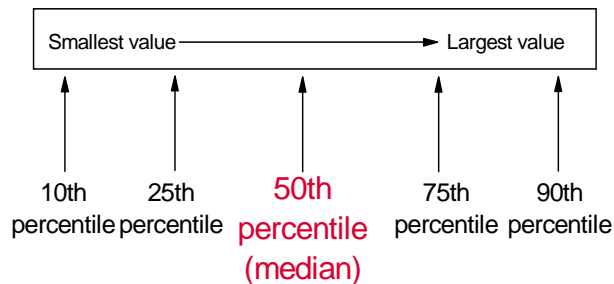
Due to the volume of comments received, the full listing is provided separately in Attachment A.

Statistical Definitions

The average (also called the mean) and the median are two summary statistics used throughout this report to describe the data collected. Though closely related, each describes a different facet of the data. The **average** is computed by taking the sum of all responses divided by the number of responses. The **median** is computed by ordering all responses, then taking the response which falls at the midpoint. As illustrated in the diagram below, the average is influenced by very large or very small numbers; the median is not. This typically makes the median a more representative indicator of the data when there are relatively small sample sizes or significant outliers.



Percentiles are a variation on the median, and are especially helpful in interpreting the scope of the data. As illustrated previously, the median splits the data into two equal parts. Percentiles go one step further, splitting the data into additional parts. It's common to use either three segments (25th, 50th and 75th) or five (10th, 25th, 50th, 75th and 90th), but any number of divisions can be made.



Percentiles aid in data interpretation by providing a flexible way to benchmark data. For example, let's assume the following values for insurance premiums:

- ▶ 25th percentile = \$2,000;
- ▶ 50th percentile (also known as the median) = \$4,000;
- ▶ 75th percentile = \$7,000.

This means that 25% of the respondents are spending \$2,000 or less on insurance, 25% are spending \$7,000 or more, and the "typical" respondent is spending \$4,000.

Limitations

The information and observations presented in this report are based strictly upon the results of the *NASE 2011 Health Care Survey*, and must be interpreted in light of overall NASE initiatives and other data/information held by the Association. Bear in mind that market research provides a “snapshot” of a particular group of individuals at a particular point in time. This study uses several techniques to ensure valid and accurate representation of the target population. However, no single research effort, regardless of the methodologies employed, can provide definitive answers to all potential research intentions. The complexity and diversity of the micro-business community, as well as the multi-dimensional aspects of health insurance, supports ongoing research and monitoring of selected topics, especially where there is no clear consensus of opinion. Also, and perhaps more importantly, respondents’ opinions are not static, but are affected by a variety of forces and issues — put simply, people often change their opinions over time. The Association must continue to research and track these issues, and should consider implementing a regular monitoring system based upon quantitative and qualitative research, to keep abreast of market reactions to Association actions, changes affecting the business community, and changes in the health insurance/health care arenas.

These limitations are stated to ensure that the results presented herein are not misused or misinterpreted.

II. Survey Findings

A. Sample Profile

Geographic Location

Responses were received from 48 states (all but Hawaii and Vermont), the District of Columbia, and the Virgin Islands. As in the 2005 and 2008 surveys, California is the best represented state, accounting for 12.2% of the sample. Texas, Washington and Illinois are also well-represented, each accounting for at least 5% of the sample. The top 11 states (see Exhibit 1) collectively account for a majority (53.2%) of the sample.

The 2011 sample has good representation from all regions, with the Pacific best-represented (22% of the sample). Regional response distribution is summarized in Exhibit 2.

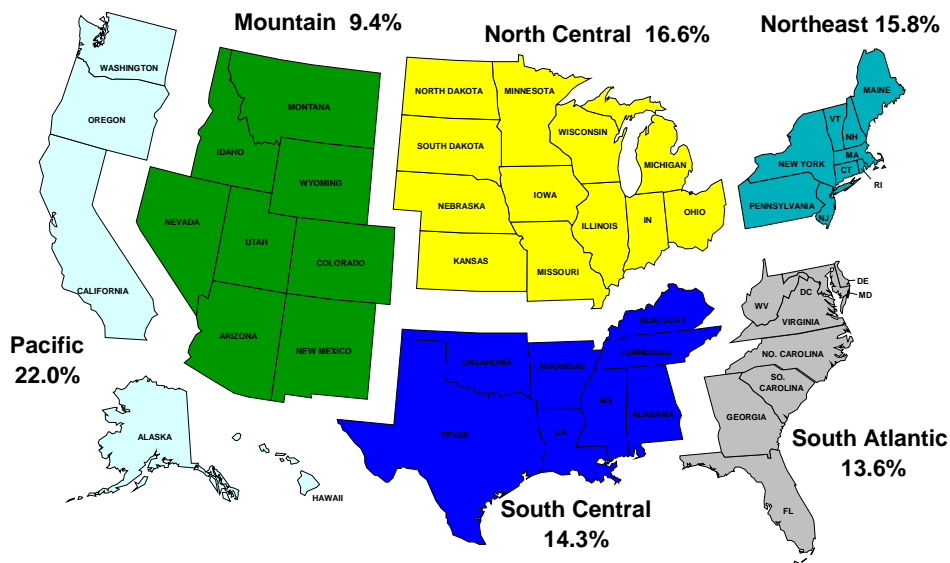
Top Represented States

California	12.2%
Texas	8.8%
Washington	6.1%
Illinois	5.0%
Maine	4.4%
Pennsylvania	3.4%
Massachusetts	3.0%
Maryland	2.8%
North Carolina	2.7%
Oregon	2.4%
Virginia	2.4%

All other states each represent 2.3% or less of the survey sample. 8.4% of the respondents (159 individuals) did not specify their location.

Exhibit 1

Regional Breakout



Note: 8.4% did not specify their state.

Exhibit 2

Company Ownership

By sample design, all respondents have an ownership interest in their business. A large majority (82.1%) are the sole owner/operator/proprietor of their business, with the balance indicating they are a co-owner or partner (see Exhibit 3).

Ownership Interest in the Business

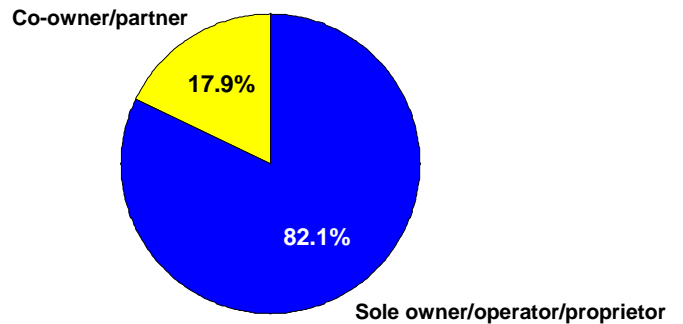


Exhibit 3

Company Size

The number of full-time employees, including the respondent and any family members, ranges from one to ten. As summarized in Exhibit 4, the solo practitioners (i.e., the one person companies) dominate the sample, accounting for a majority (56.8%) of the responses.

In comparison to the 2005 and 2008 samples, the 2011 sample emphasizes the smaller companies: the percentage of solo practitioners is significantly greater compared with past samples; the median company size drops from 2.0 individuals to 1.0; and the average company size drops from 2.2 or greater individuals to 1.9 (see Exhibit 5 on the following page). Some of these variations, however, are due to changes in how the question was worded. Prior to 2011, the question asked for the total number of employees; in 2011 the question asked for the number of full-time employees. While this change provides for a more accurate representation of “true” company size, it does limit the ability to do year-to-year company size comparisons.

Number of Employees

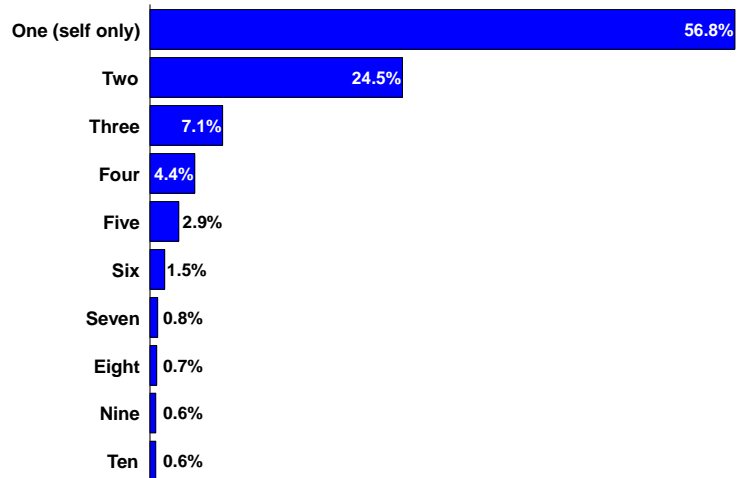


Exhibit 4

As in the past, the responses are grouped into the following four company size categories, which are used for the remainder of the report:

- ▶ One (self only) — 56.8%, 1,082 responses;
- ▶ Two — 24.5%, 466 responses;
- ▶ Three to five — 14.4%, 275 responses;
- ▶ Six to ten — 4.3%, 81 responses.

Exhibit 5: Number of Employees (Sample Comparison)

	2011 survey	2008 survey	2005 survey	2002 survey
One (self only)	56.8%	46.6%	30.4%	32.7%
Two	24.5%	28.4%	22.7%	24.7%
Three	7.1%	8.5%	12.1%	11.0%
Four	4.4%	5.8%	9.5%	11.8%
Five	2.9%	3.8%	5.5%	4.0%
Six to ten	4.2%	7.0%	19.7%	11.8%
No response	0.0%	0.0%	0.0%	4.0%
Median	1 employee	2 employees	2 employees	2 employees
Average	1.9 employees	2.2 employees	3.2 employees	3.0 employees

Note: the 2011 data captured data on the number of full-time employees; prior surveys captured data on the total number of employees.

Company Intent

A new metric tracked in the 2011 survey is the overall “intent” of the company. As summarized in Exhibit 6, more than three-quarters of the respondents describe their business as a career that presently supplies the main source of income in their household. Nearly 17% say it is a part-time business that supplements another household income; 7% say it is a start-up with the potential to become a permanent, main source of income.

Company Intent

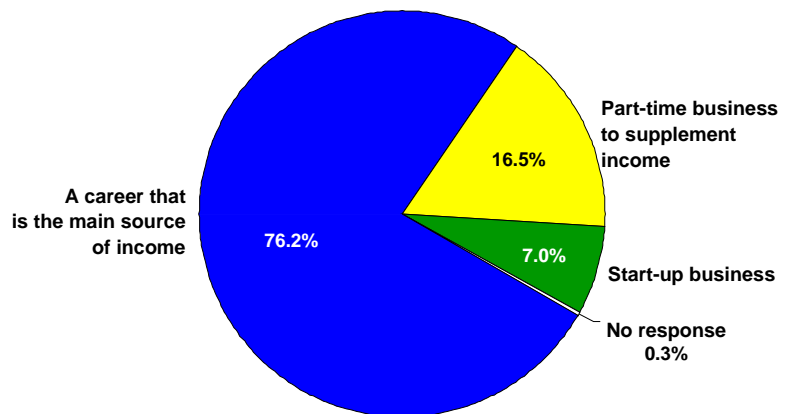


Exhibit 6

Company Revenue

Examining the gross sales for 2010 underscores the sample diversity, with responses ranging from less than \$10,000 to greater than \$5 million. The most prevalent income category meshes with past surveys, with a plurality indicating annual gross sales of \$100,000 to \$199,999. Median gross sales remain constant from the 2008 level of \$87,500; average sales have declined a small amount, dropping from \$229,400 to \$207,594. A comparison across survey samples is provided in Exhibit 7.

Exhibit 7: Gross Sales

	2011 survey	2008 survey	2005 survey	2002 survey
Less than \$10,000	11.2%	10.2%	6.3%	11.7%
\$10,000-\$24,999	8.5%	7.3%	5.2%	9.8%
\$25,000-\$49,999	14.3%	12.1%	9.5%	8.2%
\$50,000-\$74,999	12.8%	11.1%	9.2%	7.3%
\$75,000-\$99,999	9.7%	10.5%	10.0%	8.9%
\$100,000-\$199,999	17.8%	18.2%	16.7%	15.6%
\$200,000-\$299,999	6.8%	8.5%	12.6%	11.3%
\$300,000-\$499,999	6.3%	6.5%	11.3%	9.3%
\$500,000-\$749,999	2.8%	3.0%	8.1%	3.7%
\$750,000-\$999,999	1.7%	2.0%	3.9%	3.2%
\$1 million-\$2.5 million	1.8%	2.8%	4.2%	2.8%
\$2.6 million-\$4.9 million	0.5%	0.6%	0.3%	1.3%
\$5 million+	0.4%	0.2%	0.0%	1.0%
No response	5.5%	7.0%	2.6%	5.8%
Median	\$87,500	\$87,500	\$150,000	\$116,400
Average	\$207,594	\$229,400	\$301,910	\$341,600

Note: Median and average calculations derived from range mid-points.

For analytical clarity, 2010 gross sales are grouped into the same segments used in past surveys, as listed below:

- ▶ Less than \$50,000 — 33.9%, 646 respondents;
- ▶ \$50,000-\$99,999 — 22.5%, 429 respondents;
- ▶ \$100,000-\$199,999 — 17.8%, 339 respondents;
- ▶ \$200,000-\$499,999 — 13.0%, 248 respondents;
- ▶ \$500,000+ — 7.2%, 138 respondents.

Business Organization

Few changes are seen since 2008 regarding business organization methods. A sole proprietorship continues to be the most common business organizational structure by far, cited by 56.3%. A Chapter S Corporation and a Limited Liability Company are the only other structures cited by an appreciable number of respondents, indicated by about 17% each.

As expected, the sole proprietorships are the smallest companies, both in terms of employees (average of 1.5) and gross sales (average of \$106,377). The limited liability partnerships are the largest, with an average of 3.4 employees and average gross sales of nearly \$644,882 (see Exhibit 8).

Exhibit 8: Business Organization

	2008 survey	2011 survey	Average number of employees	Average 2010 gross sales
Sole proprietorship	56.6%	56.3%	1.5	\$106,377
Corporation (Chapter S)	17.7%	17.6%	2.7	\$360,688
Limited liability company (LLC)	16.4%	17.4%	2.2	\$215,807
Corporation (Chapter C)	4.6%	4.9%	3.0	\$644,375
General partnership	2.0%	1.8%	2.5	\$306,323
Limited liability partnership (LLP)	0.9%	0.9%	3.4	\$644,882
Limited partnership	0.7%	0.5%	3.3	\$547,450
Other(*)	0.8%	0.5%		
No response	0.3%	0.2%		

(*) = the “other” responses chiefly consist of non-profits.

Years in Operation

The sample encompasses businesses ranging from start-ups (in operation for less than one year) to companies that have been in business for 35 or more years (see Exhibit 9). The most prevalent company age segment is 5 to 9 years, followed closely by 10 to 14 years, with these two segments collectively accounting for 37% of the sample.

Age and Gender

As in past surveys in this series, men outnumber women in the sample by a small margin. The most popular age segment is 46 to 55 years old, with an overall average age of 50.7 years (50.1 years for women; 51.1 for men). Gender and age data are summarized in Exhibits 10 and 11.

Business Longevity

How many years has your business been in operation?

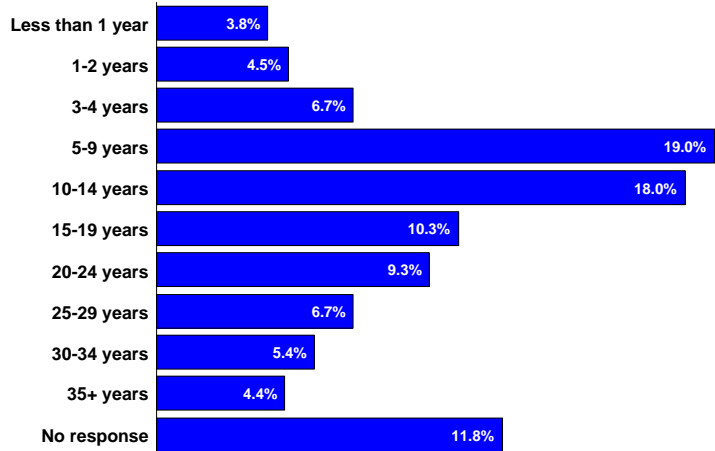


Exhibit 9

Gender

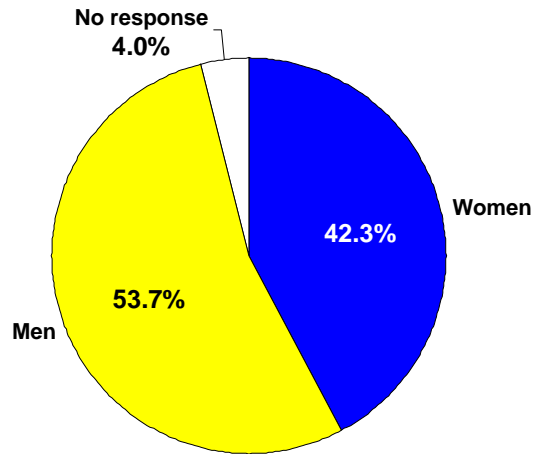


Exhibit 10

Age

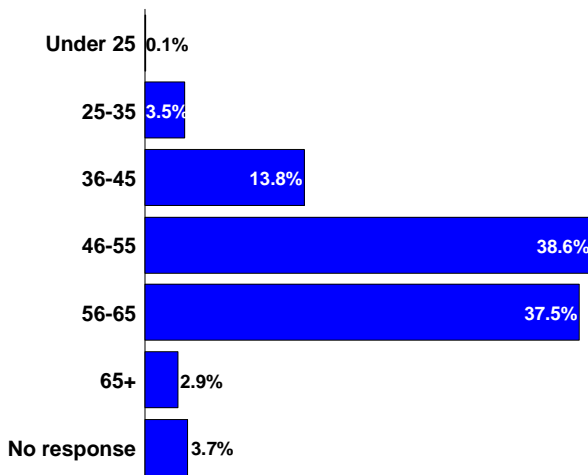


Exhibit 11

Demographic Comparison

A comparison of the 2011, 2008 and 2005 samples across the demographic criteria used as segmentation variables shows the three samples are generally analogous. As summarized in Exhibit 12, differences are mainly due to a trend toward having a larger proportion of solo practitioners in the sample. In turn, there are fewer respondents in the upper gross sales categories (i.e., 16.5% of the 2005 sample respondents are in the \$500,000+ gross sales category versus 7.2% of the 2011 sample). Company ages in the 2011 sample return to the pattern seen in 2005, with a plurality being in business for 20 years or more. Only minor variations are seen between the 2008 and 2011 samples regarding other demographic criteria such as gender and location.

Thus, while each sample is unique, the differences are not of such significance to interfere with an effective comparison of trends over time.

Exhibit 12: Demographic Comparison by Survey Sample

		2011 survey	2008 survey	2005 survey
Sample size		1,904	3,974	618
Number of employees	1 (self only)	56.8%	46.6%	30.4%
	2	24.5%	28.4%	22.7%
	3-5	14.4%	18.0%	27.2%
	6-10	4.3%	7.0%	19.7%
	Median	1.0	2.0	2.0
	Average	1.9	2.2	3.2
Gross sales	Under \$50,000	33.9%	29.6%	21.0%
	\$50,000-\$99,999	22.5%	21.6%	19.3%
	\$100,000-\$199,999	17.8%	18.2%	16.7%
	\$200,000-\$499,999	13.0%	15.0%	23.9%
	\$500,000+	7.2%	8.6%	16.5%
	Median	\$87,500	\$87,500	\$150,000
Average	\$207,594	\$229,400	\$301,910	
Gender	Female	42.3%	42.3%	34.0%
	Male	53.7%	52.7%	64.6%

Table continued on the following page

Exhibit 12: Demographic Comparison by Survey Sample

		2011 survey	2008 survey	2005 survey
Age	Under 36	3.6%	8.7%	9.7%
	36-45	13.8%	21.5%	25.6%
	46-55	38.6%	37.7%	31.7%
	56-65	37.5%	26.5%	24.8%
	65+	2.9%	3.1%	7.1%
	Average	50.7 years	49.6 years	49.4 years
Geographic region	Northeast	15.8%	16.8%	24.9%
	South Atlantic	13.6%	15.2%	18.4%
	South Central	14.3%	15.0%	11.5%
	North Central	16.6%	19.8%	26.2%
	Mountain	9.4%	10.6%	6.6%
	Pacific	22.0%	20.2%	11.7%
Company age	Less than 5 years	15.0%	32.0%	16.4%
	5-9 years	19.0%	24.9%	23.5%
	10-14 years	18.0%	14.7%	18.4%
	15-19 years	10.3%	9.2%	11.7%
	20+ years	25.9%	18.5%	29.5%
	Median	12 years	7 years	12 years

B. Health Insurance Coverage for the Business Owner/Operator

Personal Coverage Status

The percentage of respondents who have health insurance that they have purchased, either directly or through their business, reaches its highest point to date, cited by 77%. The percentage with coverage under a spouse's plan drops to 5.7%, continuing a trend seen since 2005. The percentage without health insurance coverage is 12.6%, a small improvement from the levels seen in the past two surveys. The remaining 4.6% cite a variety of coverage situations that include federal/state programs (such as Medicare and Medicaid), coverage via COBRA through a former employer, or coverage through a second job. Overall responses are summarized in Exhibit 13.

Exhibit 13: Personal Health Insurance Coverage Status

	2011 survey	2008 survey	2005 survey
I have health insurance that is purchased through my business or on an individual basis	77.0%	67.0%	54.9%
I have health insurance coverage under my spouse's health plan through his/her employer	5.7%	17.4%	27.0%
I do not have health insurance coverage at present, but plan on acquiring it in the next 12 months	7.1%	7.6%	8.6%
I do not have health insurance coverage and have no plans to acquire it in the next 12 months	5.5%	6.7%	5.7%
Other	4.6%	1.2%	3.9%

Segmenting responses shows generally modest variations across most segments, with a majority of respondents in every segment reporting that they have a policy that they purchased either as an individual or through their business. The most significant variations are, as expected, based on company size (with size defined as both income and number of employees). As summarized in Exhibit 14 on the following page, the percentage with self-purchased health insurance coverage peaks at 87.7% among the largest companies. Those least likely to have a self-purchased policy are respondents who are 65 or older. Note, however, that more than one-third of these individuals have insurance through other means (most commonly Medicare).

Exhibit 14: Personal Health Insurance Coverage Status by Segment

		Purchased individually or through company	Covered under spouse's plan	Have insurance through other means (*)	Plan on acquiring coverage in next 12 months	No plans to acquire
	Overall – 2005	54.9%	27.0%	3.9%	8.6%	5.7%
	Overall – 2008	67.0%	17.4%	1.2%	7.6%	6.7%
	Overall – 2011	77.0%	5.7%	4.6%	7.1%	5.5%
Number of employees	1 (self only)	74.6%	7.0%	5.2%	7.1%	6.1%
	2	81.5%	3.4%	4.5%	6.0%	4.5%
	3-5	75.6%	5.1%	2.9%	10.2%	6.2%
	6+	87.7%	3.7%	3.7%	3.7%	1.2%
Gross sales	Under \$50,000	68.3%	6.2%	7.9%	9.6%	8.0%
	\$50,000-\$99,999	76.7%	6.8%	4.2%	7.2%	5.1%
	\$100,000-\$199,999	82.9%	6.2%	1.8%	5.0%	4.1%
	\$200,000-\$499,999	86.7%	3.2%	3.2%	4.0%	2.8%
	\$500,000+	84.1%	5.1%	2.2%	5.1%	3.6%
Gender	Female	75.2%	5.7%	5.5%	7.5%	6.2%
	Male	77.3%	6.0%	4.1%	7.2%	5.4%
Age	Under 36	63.2%	11.8%	4.4%	14.7%	5.9%
	36-45	75.6%	5.7%	3.8%	9.9%	5.0%
	46-55	77.4%	6.0%	3.5%	7.3%	5.7%
	56-65	78.9%	5.3%	3.9%	5.9%	6.0%
	65+	54.5%	5.5%	34.5%	1.8%	3.6%
Geographic region	Northeast	78.7%	6.3%	2.7%	6.7%	5.7%
	South Atlantic	76.8%	6.2%	5.8%	6.9%	4.2%
	South Central	73.2%	7.0%	3.3%	9.9%	6.6%
	North Central	76.3%	6.0%	6.9%	5.7%	5.0%
	Mountain	74.9%	3.9%	8.4%	5.0%	7.8%
	Pacific	78.2%	5.7%	3.1%	7.4%	5.5%

(*) = includes situations such as a second job, via a previous employer/COBRA, Medicare, etc.



To more clearly highlight trends, the data are condensed into two groups: those who have personal health insurance coverage through any source, and those lacking personal health insurance coverage. As summarized in Exhibit 15 on the following page, the overall pattern has changed only slightly since 2005, with 87.3% reporting coverage under a health insurance policy from any source, and 12.7% lacking health insurance coverage.

As seen in past studies, those most likely to lack health insurance coverage are respondents from the smallest companies and those under the age of 36. Age segmentation shows an especially strong gradient, with more than one in five of those under 36 lacking health insurance, versus only 5.5% of those over 65.

Still, the situation has improved over time for those most likely to lack health insurance. For example, in 2005, nearly 28% of those from companies grossing less than \$50,000 lacked health insurance. This dropped to 18.5% in the 2008 survey, and further down to 17.6% in the 2011 survey. While large numbers of individuals still lack any type of health insurance coverage, the ranks of the insured are increasing. This is clearly seen in Exhibit 16, which compares, across segments, the percentage of individuals who lack health insurance. Of the 22 segments examined, the situation has improved in all but five.

Exhibit 15: Personal Health Insurance Coverage Summary

		Have personal health insurance coverage through ANY source	Do not have personal health insurance coverage
Overall – 2005		85.8%	14.3%
Overall – 2008		85.6%	14.3%
Overall – 2011		87.3%	12.7%
Number of employees	1 (self only)	86.8%	13.2%
	2	89.5%	10.5%
	3-5	83.6%	16.4%
	6+	95.1%	4.9%
Gross sales	Under \$50,000	82.4%	17.6%
	\$50,000-\$99,999	87.6%	12.4%
	\$100,000-\$199,999	90.9%	9.1%
	\$200,000-\$499,999	93.1%	6.9%
	\$500,000+	91.3%	8.7%
Gender	Female	86.3%	13.7%
	Male	87.4%	12.6%
Age	Under 36	79.4%	20.6%
	36-45	85.1%	14.9%
	46-55	86.9%	13.1%
	56-65	88.1%	11.9%
	65+	94.5%	5.5%
Geographic region	Northeast	87.7%	12.3%
	South Atlantic	88.8%	11.2%
	South Central	83.5%	16.5%
	North Central	89.3%	10.7%
	Mountain	87.2%	12.8%
	Pacific	87.1%	12.9%

Exhibit 16: Lack of Health Insurance Coverage Trends

					Trend, 2008 to 2011
		2005	2008	2011	
<i>Data are the percentage who lack health insurance coverage from any source.</i>					
Overall		14.3%	14.3%	12.7%	▲
Number of employees	1 (self only)	21.8%	19.7%	13.2%	▲
	2	17.9%	20.4%	10.5%	▲
	3-5	9.5%	12.1%	16.4%	▼
	6+	4.9%	12.5%	4.9%	▲
Gross sales	Under \$50,000	27.7%	18.5%	17.6%	▲
	\$50,000-\$99,999	19.3%	22.1%	12.4%	▲
	\$100,000-\$199,999	10.7%	11.9%	9.1%	▲
	\$200,000-\$499,999	10.1%	17.9%	6.9%	▲
	\$500,000+	2.0%	9.5%	8.7%	▲
Gender	Female	18.1%	13.1%	13.7%	▼
	Male	12.5%	15.8%	12.6%	▲
Age	Under 36	21.7%	13.0%	20.6%	▼
	36-45	19.0%	14.5%	14.9%	▼
	46-55	12.8%	15.3%	13.1%	▲
	56-65	9.8%	14.1%	11.9%	▲
	65+	11.4%	13.6%	5.5%	▲
Geographic region	Northeast	14.3%	10.8%	12.3%	▼
	South Atlantic	14.9%	17.0%	11.2%	▲
	South Central	15.5%	17.8%	16.5%	▲
	North Central	15.4%	11.9%	10.7%	▲
	Mountain	12.2%	14.2%	12.8%	▲
	Pacific	11.1%	15.0%	12.9%	▲

Note: ▲ indicates that between 2008 and 2011 the situation has improved (e.g., fewer individuals lack health insurance); ▼ indicates the situation has become worse (e.g., more individuals lack health insurance).

Insurance Access Perceptions

There have been no significant shifts in opinion since 2005 regarding access to health insurance. A large majority — more than eight of every ten respondents — continue to feel that small businesses are at a disadvantage compared with large businesses when it comes to access to health insurance. Close to a majority do not feel they have access to health insurance options that fit their company’s needs, again a pattern nearly identical to that seen in 2005 and 2008.

Knowing where to find health insurance is less of a problem. For the first time, a plurality agree with the statement “I know exactly where to find health insurance coverage for myself and my employees,” although nearly the same number disagree (37.9% agree; 36% disagree).

As in 2005 and 2008, a plurality of respondents feel it is the employer’s responsibility to offer health insurance, and that health insurance is a necessity to remain competitive for employee recruitment. However, support for these issues has decreased over the years, and the percentage who are uncertain continues to grow. Overall responses are summarized in Exhibit 17.

Exhibit 17: Opinions on Health Insurance Access

		Disagree	Neutral	Agree	No opinion
<i>Responses in bold denote the most popular response for each statement.</i>					
Small businesses have access to the same health insurance options as large businesses	2011	81.0%	6.4%	8.0%	4.6%
	2008	81.5%	5.8%	8.6%	4.1%
	2005	81.4%	10.7%	5.3%	2.6%
I have access to health insurance options that fit my company’s needs	2011	48.9%	21.8%	23.4%	5.8%
	2008	49.9%	20.8%	23.8%	5.6%
	2005	46.0%	25.4%	24.6%	4.0%
I know exactly where to find health insurance coverage for myself and my employees	2011	36.0%	21.9%	37.9%	4.3%
	2008	36.1%	25.4%	35.1%	3.4%
	2005	36.9%	23.3%	36.2%	3.6%
I feel it is my responsibility as an employer to offer health insurance as an employee benefit	2011	23.9%	22.6%	34.7%	18.8%
	2008	19.8%	25.8%	36.8%	17.6%
	2005	27.2%	23.6%	43.0%	6.1%
It is necessary to offer health insurance as a benefit to find and hire qualified people	2011	19.2%	24.7%	37.1%	19.1%
	2008	13.7%	24.1%	44.0%	18.1%
	2005	19.7%	29.0%	44.8%	6.5%

NOTE: “Disagree” are the percentage selecting either of the lowest two ranking points; “agree” are the percentage selecting either of the highest two ranking points; “neutral” are the percentage selecting the mid-point.

Segmenting responses by key factors shows the following major patterns.

- ▶ **Small businesses have access to the same health insurance options as large businesses** — The respondents speak with one voice on this issue, with the great majority in every segment disagreeing. Disagreement levels never drop below 79%; agreement levels never surpass 10% across every segment.
- ▶ **I have access to health insurance options that fit my company's needs** — A majority, or near majority, of respondents in every segment disagree with this statement. Disagreement levels peak at 66.8% among those who lack health insurance coverage, and is also elevated among women (53.7% disagreeing). Agreement levels stay below 30% for all segments, and drop as low as 13.7%.
- ▶ **I know exactly where to find health insurance coverage for myself and my employees** — Although “agree” is the most popular response in several segments, it never rises to a majority level, and is often nearly tied with “disagree.” Those least aware of where to find health insurance are women and those who presently lack health insurance. It's significant to see that even among those who offer health insurance through their business, nearly one-third (31.4%) say they do not know exactly where to find health insurance coverage.
- ▶ **I feel it is my responsibility as an employer to offer health insurance as an employee benefit** — “Agree” remains the most popular response across nearly all segments except for the largest companies, but support for this statement has clearly waned over the years — 43% agreed in 2005 versus 34.7% in 2011. The strongest disagreement is seen among the companies with six or more employees (42% disagree).
- ▶ **It is necessary to offer health insurance as a benefit to find and hire qualified people** — “Agree” is the most popular response across nearly every segment, even among the solo practitioners. Interestingly, the highest disagreement levels are seen among those from companies with six or more employees. Some of the highest uncertainly levels are seen regarding this statement, reaching as high as 25.3% (the latter among solo practitioners). While the respondents continue to see health insurance as a necessary perquisite to successfully recruiting high-quality employees, they are far less certain of this today than they were in 2005.

Detailed breakouts by segment are provided in Exhibit 58 in Appendix A.

C. Health Insurance Coverage Through the Business

Overall Incidence

The incidence of offering health insurance through the business (either for the owner or the employees) has dropped a small amount, but remains above the level seen in the 2005 survey. As summarized in Exhibit 18, 43.5% presently offer health insurance through their business, a decline from 46.8% in 2008, but an improvement over the 38.5% level seen in 2005. Nearly 4% plan to offer health insurance through their business in 2012.

Health Insurance Plans Through the Business

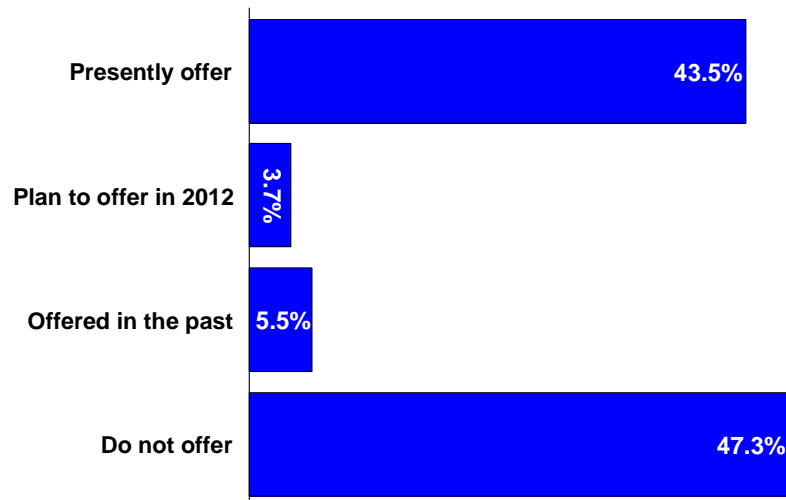


Exhibit 18

As in the past, those least likely to offer an insurance plan through their business are those who are 65 or older, cited by only 18.2%. But in a break from past patterns, only 56.5% who are presently covered by health insurance are purchasing that policy through their business. This is a notable drop from the nearly 70% level seen in 2005 and 2008.

Responses by segment are illustrated in Exhibit 19 on the following page.

Exhibit 19: Health Insurance Plans Through the Business by Segment

		Presently offer	Plan to offer this year	Offered in the past	Do not offer
Overall – 2005 survey		38.5%	4.5%	5.8%	51.1%
Overall – 2008 survey		46.8%	2.6%	3.4%	47.1%
Overall – 2011 survey		43.5%	3.7%	5.5%	47.3%
Number of employees	1 (self only)	40.0%	2.9%	4.6%	52.5%
	2	53.9%	2.8%	5.2%	38.2%
	3-5	38.9%	8.0%	7.3%	45.8%
	6+	46.9%	4.9%	13.6%	34.6%
Gross sales	Under \$50,000	33.3%	4.3%	4.3%	58.0%
	\$50,000-\$99,999	42.4%	3.0%	4.2%	50.3%
	\$100,000-\$199,999	53.1%	2.7%	7.1%	37.2%
	\$200,000-\$499,999	54.8%	3.2%	7.7%	34.3%
	\$500,000+	42.8%	5.8%	8.0%	43.5%
Gender	Female	39.6%	3.6%	6.0%	50.8%
	Male	45.6%	4.0%	5.3%	45.1%
Age	Under 36	30.9%	4.4%	2.9%	61.8%
	36-45	40.1%	6.1%	5.0%	48.9%
	46-55	44.1%	4.2%	4.8%	46.9%
	56-65	45.5%	2.7%	6.0%	45.8%
	65+	18.2%	1.8%	20.0%	60.0%
Current health insurance coverage	Have a self-purchased plan	56.5%	0.0%	3.5%	39.9%
	Covered under spouse or through other means	0.0%	4.1%	14.7%	81.2%
	Not covered	0.0%	25.7%	10.0%	64.3%
Geographic region	Northeast	47.7%	3.7%	4.7%	44.0%
	South Atlantic	39.4%	4.2%	6.2%	50.2%
	South Central	46.3%	4.8%	4.4%	44.5%
	North Central	42.3%	2.2%	2.2%	53.3%
	Mountain	36.3%	2.2%	6.7%	54.7%
	Pacific	44.3%	3.3%	6.0%	46.4%

Leading Barriers

Cost remains the leading barrier to obtaining health insurance through the business, cited by about 82% as an important barrier, and by nearly 70% as the single most significant barrier. Cost concerns have increased a small amount since 2005, and continue to dwarf all other factors by a wide margin. A lack of interest in offering insurance, the second most significant barrier, is cited by only 8.3%. Other factors, such as the cost to the employee, a lack of providers, paperwork/administrative difficulties, and not knowing where to find health insurance are contributing factors, but collectively fail to surpass cost as the primary barrier (see Exhibit 20).

Exhibit 20: Barriers to Offering Health Insurance

	2011 survey		2008 survey	2005 survey
	All important barriers	Single most significant barrier	Single most significant barrier	Single most significant barrier
<i>The response base consists of the individuals who do NOT presently offer any form of health insurance through their business (1,075 for 2011, 2,113 for 2008 and 380 for 2005).</i>				
The cost to my business	81.7%	69.2%	65.3%	61.8%
Not interested in offering or do not feel it is necessary to offer	15.9%	8.3%	6.0%	18.2%
The cost to my employees	31.4%	5.2%	5.1%	7.1%
A lack of providers	23.6%	4.4%	4.3%	5.5%
Do not know where to find health insurance coverage	15.1%	2.4%	1.9%	2.9%
Difficulties in dealing with paperwork/administrative tasks	18.3%	1.2%	1.7%	1.1%
Other (*)	4.8%	4.2%	8.5%	1.1%
Not sure/no response	0.5%	5.1%	7.2%	2.4%

(*) = the “other” reasons consist of a variety of issues, the most prevalent being an inability to obtain insurance due to pre-existing conditions and an inability to find a policy that offers acceptable coverage levels.

Segmenting responses shows no major deviation from the overall pattern, with cost dominating the list of barriers by a wide margin in every segment. Responses by segment are illustrated in Exhibit 21 on the following page.

Exhibit 21: Single Most Significant Barrier to Offering Health Insurance by Segment

	Overall	Number of employees				
		1 (self only)	2	3-5	6+	
<i>The response base consists of the 1,075 individuals who do NOT presently offer any form of health insurance through their business.</i>						
The cost to my business	69.2%	67.8%	67.9%	75.0%	74.4%	
Not interested in offering or do not feel it is necessary to offer	8.3%	9.7%	6.5%	6.0%	4.7%	
The cost to my employees	5.2%	4.0%	6.5%	7.0%	9.3%	
A lack of providers	4.4%	5.1%	5.1%	1.2%	2.3%	
Do not know where to find health insurance coverage	2.4%	3.1%	1.9%	0.6%	2.3%	
Difficulties in dealing with paperwork/administrative tasks	1.2%	1.5%	0.9%	0.6%	0.0%	
Other	4.2%	4.5%	5.1%	3.0%	0.0%	
No response	5.1%	4.3%	6.0%	6.5%	7.0%	
	Overall	Gross sales				
		Under \$50K	\$50-\$99.9K	\$100-\$199K	\$200-\$499K	\$500K+
The cost to my business	69.2%	69.6%	72.1%	68.6%	68.8%	65.8%
Not interested in offering or do not feel it is necessary to offer	8.3%	8.8%	5.7%	11.3%	6.3%	7.6%
The cost to my employees	5.2%	5.1%	3.6%	5.7%	3.6%	10.1%
A lack of providers	4.4%	4.4%	4.9%	1.9%	3.6%	6.3%
Do not know where to find health insurance coverage	2.4%	2.6%	3.2%	1.9%	0.9%	2.5%
Difficulties in dealing with paperwork/administrative tasks	1.2%	1.6%	1.2%	0.6%	0.9%	1.3%
Other	4.2%	4.4%	2.4%	4.4%	8.9%	1.3%
No response	5.1%	3.5%	6.9%	5.7%	7.1%	5.1%

Future Plans

Those who do not presently offer/have health insurance through their business were asked “if the new health care reform law (which goes into full effect in 2014) lowers health coverage costs, how likely are you to provide and pay for a portion of health coverage for your employees?” As summarized in Exhibit 22, about one in five respondents say they would be “very likely” to do so; an additional 14.1% would be “somewhat likely” to do so. The largest share of respondents (36.2%) are unsure, with the remaining 29.4% reporting they would be unlikely to do so.

Likelihood to Offer Insurance

If the new health care reform law (which goes into full effect in 2014) lowers health coverage costs, how likely are you to provide and pay for a portion of health coverage for your employees?

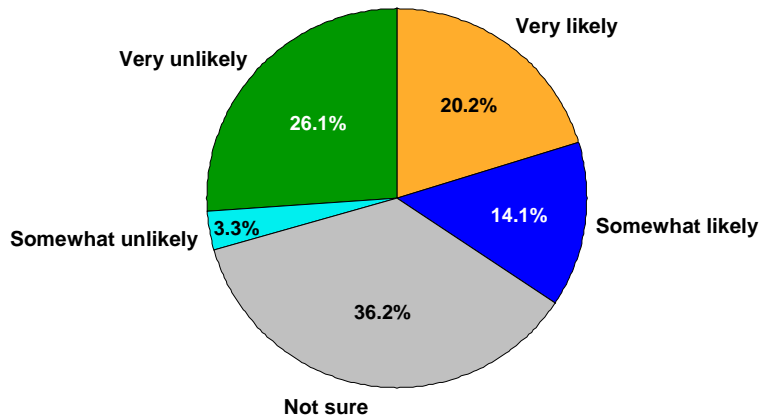


Exhibit 22

To help put the data in perspective, an average score was calculated using a scale where 1.0 is “very unlikely” and 5.0 is “very likely.” Doing so shows that the overall average score is 3.0 (equivalent to “unsure”). Those most likely to offer insurance through their business if the new health care reform law lowers costs are those under 36 (average score of 3.7) and those who are not presently covered under any type of health insurance (average score of 3.3). Average scores for most other segments vary within a tight range of 2.7 to 3.2, indicating that there is no consensus of opinion on this issue — while some show interest in the possibility of offering health insurance, about an equal number are not, with the most popular response often being “unsure.”

Responses by segment are illustrated in Exhibit 23 on the following page.

Exhibit 23: Impact of Health Care Reform Law on Health Insurance Purchase Plans

<i>The response base consists of the 1,075 individuals who do NOT presently offer any form of health insurance through their business.</i>		Somewhat or very likely to purchase	Not sure	Somewhat or very unlikely to purchase	Average score
Overall – 2011 survey		34.3%	36.2%	29.5%	3.0
Number of employees	1 (self only)	31.9%	37.1%	31.0%	2.9
	2	36.7%	33.0%	30.2%	3.0
	3-5	39.3%	36.3%	24.4%	3.2
	6+	39.5%	37.2%	23.3%	3.2
Gross sales	Under \$50,000	35.0%	35.7%	29.2%	3.0
	\$50,000-\$99,999	33.6%	33.6%	32.8%	2.9
	\$100,000-\$199,999	34.0%	39.0%	27.0%	3.1
	\$200,000-\$499,999	38.4%	33.0%	28.6%	3.1
	\$500,000+	38.0%	32.9%	29.1%	3.0
Gender	Female	38.1%	39.9%	22.0%	3.2
	Male	31.7%	32.4%	36.0%	2.8
Age	Under 36	57.4%	31.9%	10.6%	3.7
	36-45	45.2%	31.8%	22.9%	3.3
	46-55	33.8%	40.1%	26.0%	3.1
	56-65	30.8%	34.2%	35.0%	2.8
	65+	13.3%	28.9%	57.8%	2.1
Current health insurance coverage	Have a self-purchased plan	31.1%	38.0%	30.9%	2.9
	Covered under spouse or through other means	29.9%	38.1%	32.0%	2.9
	Not covered	46.5%	29.9%	23.7%	3.3
Geographic region	Northeast	27.4%	36.9%	35.7%	2.8
	South Atlantic	43.9%	29.3%	26.8%	3.2
	South Central	33.6%	43.8%	22.6%	3.1
	North Central	36.6%	39.3%	24.0%	3.2
	Mountain	30.7%	28.1%	41.2%	2.7
	Pacific	33.0%	37.8%	29.2%	3.0

Note: The average score is based on a 1 to 5 scale where 1 = “very unlikely, 3 = “not sure,” and 5 = “very likely.”

Features of the Present Insurance Plan

For the remainder of this section, all responses are based upon the 829 individuals who offer health insurance through their business.

Who is Offered Insurance

As in 2005 and 2008, the business owner is by far the one most likely to be covered under a health insurance plan through the business. As summarized in Exhibit 24, 93.5% of those who offer a plan through their business cover the owner. The percentage whose plan covers all or some of the full-time employees has increased a small amount since 2008, rising from 18.6% to 20.4%, but remains below the peak level of 46.2% seen in 2005. Fewer than 3% offer health insurance to part-time staff, with the situation unchanged since 2005.

Who is Offered Health Insurance

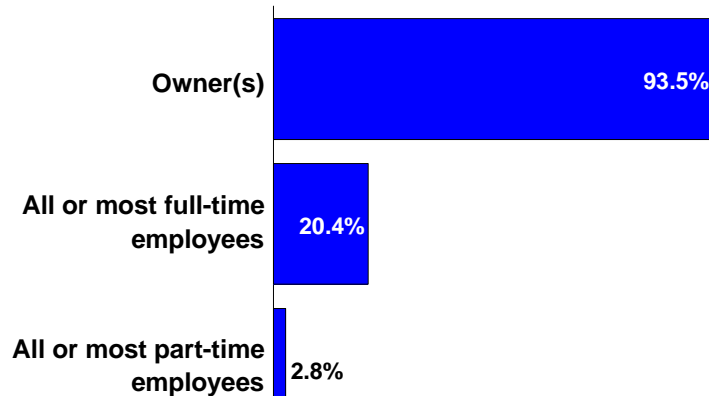


Exhibit 24

Segmenting responses shows the expected patterns, with owner-only coverage being the typical situation among the smaller companies. The percentage covering full-time employees steadily increases with company size, peaking at 62.7% among the largest-grossing companies. Few, regardless of company size, offer coverage for part-time employees. Responses by segment are summarized in Exhibit 25 on the following page.

Exhibit 25: Who is Offered Health Insurance by Segment

Responses are limited to the individuals who offer health insurance through their business (829 for 2011, 1,861 for 2008 and 238 for 2005).

	Owner	All or most full-time employees	All or most part-time employees
Overall – 2005 survey	96.6%	46.2%	2.9%
Overall – 2008 survey	97.1%	18.6%	2.5%
Overall – 2011 survey	93.5%	20.4%	2.8%
Number of employees	1 (self only)	100.0%	0.0%
	2	93.6%	35.1%
	3-5	71.0%	55.1%
	6+	81.6%	57.9%
Gross sales	Under \$50,000	99.1%	2.8%
	\$50,000-\$99,999	96.7%	13.2%
	\$100,000-\$199,999	95.6%	20.6%
	\$200,000-\$499,999	86.0%	38.2%
	\$500,000+	71.2%	62.7%

NOTE: Responses do not sum to 100% since respondents could select more than one answer.

An average of 81.9% of the business's employees are covered by health insurance offered by the business.

This is a small drop from the average of 87.2% reported in 2008, but well above the 56.8% reported in 2005. As summarized in Exhibit 26, about two-thirds of the companies cover all employees (with the latter including the solo practitioners). Responses by company size, and a comparison to past data are provided in Exhibit 27 on the following page.

Percentage of People Covered by the Health Plan

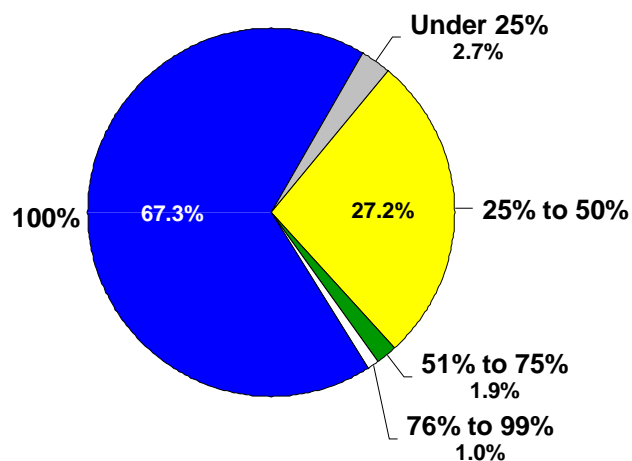


Exhibit 26

Exhibit 27: Percentage of People Covered by Segment

<i>Responses are limited to the individuals who offer health insurance through their business (829 for 2011, 1,861 for 2008 and 238 for 2005).</i>	2011 survey					2008 survey	2005 survey
	Overall	Number of employees					
		1 (self only)	2	3-5	6+		
100% covered	67.3%	100.0%	37.5%	22.3%	13.5%	76.8%	26.9%
76% to 99% covered	1.0%	0.0%	0.0%	4.9%	8.1%	0.9%	2.1%
51% to 75% covered	1.9%	0.0%	1.6%	9.7%	5.4%	3.3%	11.3%
25% to 50% covered	27.2%	0.0%	60.2%	55.3%	43.2%	15.8%	45.4%
Under 25% covered	2.7%	0.0%	0.8%	7.8%	29.7%	3.2%	14.3%
Average	81.9%	100.0%	67.9%	53.5%	43.1%	87.2%	56.8%

Type(s) of Plans Offered

A PPO provider remains the most prevalent type of health plan offered, but its popularity has declined a notable amount over time. As summarized in Exhibit 28, 38% of those who provide a health plan through their business indicated that their plan offers a PPO provider. In comparison, a PPO provider was cited by a majority (or near majority) in 2005 and 2008.

Type(s) of Health Plans Offered

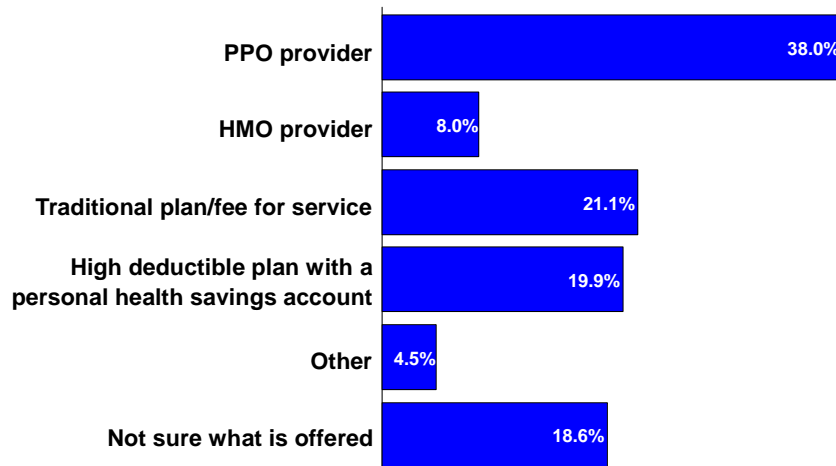


Exhibit 28

A traditional plan/fee for service and a high deductible plan with a health savings account (HSA) are also popular offerings, each cited by about one in five respondents. Least common is an HMO provider.

Clear trends are seen when comparing types of health plans since 2005. As noted previously, while a PPO provider remains the most popular plan type, its prevalence has declined, with concurrent increases in the prevalence of traditional plans/fee for service and high deductible plans. The latter shows the greatest rate of increase, jumping from less than 6% in 2005 to nearly 20% in 2011. The actual prevalence of high deductible plans is even higher — many of the “other” responses describe a high deductible plan that would be compatible with an HSA, but the respondents note that they did not fund the HSA.

Responses across segments adhere to the overarching pattern, with a PPO plan in the top spot, usually followed by a high deductible HSA plan. Note, however, that a large number of respondents (18.6%) are unaware or unsure of what specific plans are offered by their company-derived health insurance. Responses are summarized in Exhibit 29.

Exhibit 29: Type(s) of Health Plans Offered by Segment

		<i>Responses are limited to the individuals who offer health insurance through their business (829 for 2011, 1,861 for 2008 and 238 for 2005).</i>					Not sure what is offered
		PPO provider	HMO provider	Traditional plan/fee for service	High deductible plan with a personal HSA	Other	
Overall – 2005 survey		49.6%	28.6%	15.5%	5.9%	2.1%	9.2%
Overall – 2008 survey		53.8%	7.0%	17.0%	13.4%	5.3%	11.1%
Overall – 2011 survey		38.0%	8.0%	21.1%	19.9%	4.5%	18.6%
Number of employees	1 (self only)	37.2%	6.5%	23.1%	16.4%	5.1%	21.5%
	2	40.2%	7.6%	20.7%	22.7%	3.6%	16.3%
	3-5	35.5%	10.3%	16.8%	25.2%	4.7%	15.9%
	6+	39.5%	21.1%	13.2%	26.3%	2.6%	7.9%
Gross sales	Under \$50,000	37.7%	4.7%	18.6%	19.1%	5.6%	27.4%
	\$50,000-\$99,999	34.1%	8.2%	24.2%	18.7%	4.4%	17.6%
	\$100,000-\$199,999	41.1%	7.2%	20.6%	23.9%	5.0%	13.3%
	\$200,000-\$499,999	38.2%	11.8%	22.8%	15.4%	3.7%	11.8%
	\$500,000+	42.4%	10.2%	22.0%	22.0%	1.7%	11.9%

NOTE: Responses do not sum to 100% since respondents could select more than one answer.

Spouse/Dependant

Coverage The prevalence of spouse and dependant coverage has remained stable since 2005: about 22% of the plans offer spouse coverage; about 41% offer spouse and dependant coverage (see Exhibit 30).

Spouse/Dependant Coverage

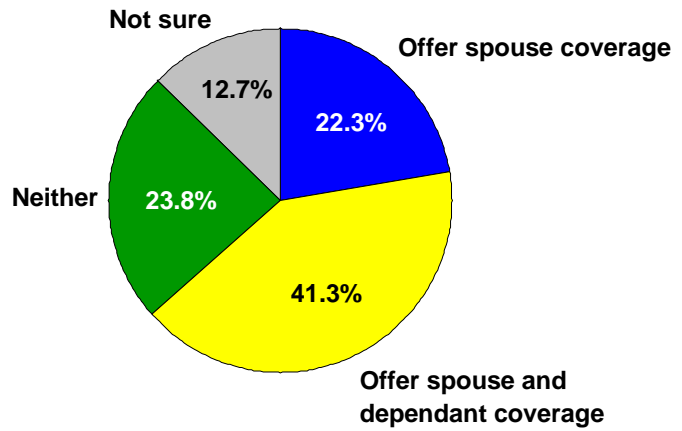


Exhibit 30

Responses remain fairly consistent across segments, with the most significant variation seen among the largest-grossing companies. Respondents from the large companies are far more apt to report spouse/dependant coverage as a plan feature than their smaller company peers. Responses by segment are provided in Exhibit 31.

Exhibit 31: Spouse and Dependant Coverage Options by Segment

Responses are limited to the individuals who offer health insurance through their business (829 for 2011, 1,861 for 2008 and 238 for 2005).

	Offer spouse coverage	Offer spouse and dependant coverage	Neither	Not sure	
Overall – 2005 survey	22.3%	40.3%	31.1%	6.3%	
Overall – 2008 survey	22.5%	40.1%	21.6%	15.7%	
Overall – 2011 survey	22.3%	41.3%	23.8%	12.7%	
Number of employees	1 (self only)	18.7%	34.4%	28.9%	18.0%
	2	31.9%	47.0%	16.3%	4.8%
	3-5	15.9%	55.1%	18.7%	10.3%
	6+	18.4%	42.1%	28.9%	10.5%
Gross sales	Under \$50,000	20.9%	27.9%	31.6%	19.5%
	\$50,000-\$99,999	30.8%	35.7%	20.3%	13.2%
	\$100,000-\$199,999	17.8%	51.7%	20.0%	10.6%
	\$200,000-\$499,999	25.0%	42.6%	26.5%	5.9%
	\$500,000+	16.9%	62.7%	16.9%	3.4%

Group Versus Individual Plans

Individual plans continue to increase in prevalence, and have become the plan type of a majority of those who offer health insurance through their business. As summarized in Exhibit 32, 58.9% say their health plan is an individual plan; 31.5% have a group plan. About one in ten are unsure of their plan's status.

There has been a continued shift toward individual plans since 2005. As summarized in Exhibit 33, only 33.6% of the 2005 respondents had an individual plan, versus 58.9% in 2011. Individual plans are cited by a majority of respondents in every segment except for companies with six or more employees, where group plans are the preferred option.

Group vs. Individual Plans

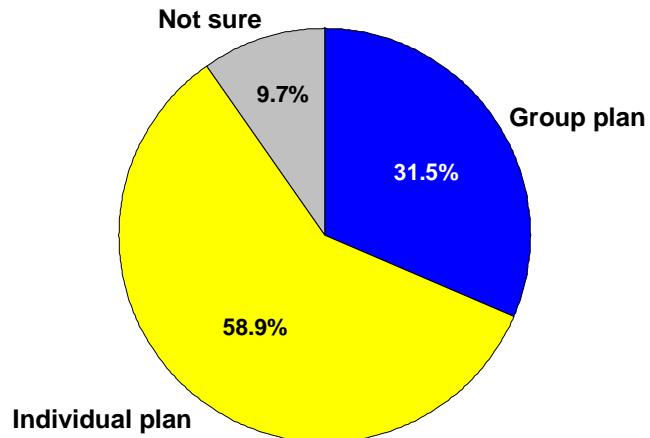


Exhibit 32

Exhibit 33: Group vs. Individual Plans by Segment

Responses are limited to the individuals who offer health insurance through their business (829 for 2011, 1,861 for 2008 and 238 for 2005).

		Group plan	Individual plan	Not sure
Overall – 2005 survey		59.7%	33.6%	6.7%
Overall – 2008 survey		39.0%	49.4%	11.5%
Overall – 2011 survey		31.5%	58.9%	9.7%
Number of employees	1 (self only)	28.6%	59.8%	11.5%
	2	32.3%	60.2%	7.6%
	3-5	32.7%	57.0%	10.3%
	6+	55.3%	44.7%	0.0%
Gross sales	Under \$50,000	27.9%	63.3%	8.8%
	\$50,000-\$99,999	27.5%	62.6%	9.9%
	\$100,000-\$199,999	33.9%	57.2%	8.9%
	\$200,000-\$499,999	38.2%	56.6%	5.1%
	\$500,000+	42.4%	50.8%	6.8%

Total Spent on Premiums The respondents were asked to specify the total amount spent in 2010 on health insurance premiums. To facilitate survey completion, respondents could provide the information as either a percentage of their gross 2010 sales, or as a dollar figure (the actual amount spent on insurance). Most respondents (693) opted to provide the information as a dollar figure; 262 provided the information as a percentage of their gross sales.

Examining the overall responses shows a wide range of health insurance expenditures. Dollar expenditures range from less than \$1,000 to \$75,000, with a median of \$6,741. A similar broad range is seen for the percentage-based data, with respondents report spending a median of 10% of their gross for health insurance (see Exhibit 34).

Exhibit 34: Total Spent on Health Insurance Premiums in 2010

	10 th percentile	25 th percentile	50 th percentile (median)	75 th percentile	90 th percentile	Number of responses
Data expressed as a dollar amount	\$2,690	\$4,324	\$6,741	\$10,000	\$14,013	693
Data expressed as a percentage of gross sales	3.0%	5.0%	10.0%	20.0%	30.0%	262

While dollar values are informative, the most illuminating method to explore health insurance expenditures is to examine the responses as a percentage of gross sales. This normalizes the data, and allows the data from the smallest companies to be accurately compared with data from the largest. Converting the dollar value responses to percentages yields data spanning 718 responses.¹

The results show a continued increase in the percentage spent on health insurance premiums since 2005, with median costs rising from 3.7% of total 2004 revenue to 6.4% of total 2010 revenue. Increases are especially pronounced at the upper ranges — the 90th percentile values increase from 10.1% in the 2005 survey to 25% in the 2008 survey, and further up to 30.2% in the 2011 survey (see Exhibit 35 on the following page).

¹ Not all dollar-based data could be converted since some respondents elected not to disclose their company’s 2010 gross revenues. Percentages were computed using revenue mid-points.

Exhibit 35: Trends in Total Spent on Health Insurance Premiums (Converted Data)

	10 th percentile	25 th percentile	50 th percentile (median)	75 th percentile	90 th percentile	Number of responses
Amount spent as a percentage of gross 2004 sales	1.0%	2.0%	3.7%	5.9%	10.1%	211
Amount spent as a percentage of gross 2007 sales	1.3%	2.7%	5.5%	11.4%	25.0%	1,637
Amount spent as a percentage of gross 2010 sales	1.6%	3.3%	6.4%	13.6%	30.2%	718

Examining responses by segment (see Exhibit 36) shows the same pattern seen in previous surveys, with the smaller companies spending a significantly higher amount (in terms of a percentage of gross sales) on health insurance premiums. For example, respondents from companies with gross sales of less than \$50,000 report that their health insurance premiums account for a median of 19% of their gross sales. Elevated rates are also seen among the solo practitioners, who have to dedicate 8% of their gross to cover health insurance costs. This drops to 1.5% or less among the largest-grossing companies, even though their actual dollar amount spent is much higher.

Exhibit 36: Total Spent on Health Insurance Premiums by Segment

	Dollar amount spent		Amount spent as a percentage of gross sales		
	Median	Number of responses	Median	Number of responses	
Overall – 2005 survey	\$9,468	197	3.7%	211	
Overall – 2008 survey	\$5,520	1659	5.5%	1637	
Overall – 2011 survey	\$6,741	693	6.4%	718	
Number of employees	1 (self only)	\$5,350	369	8.0%	385
	2	\$8,363	212	6.1%	216
	3-5	\$9,000	81	3.4%	86
	6+	\$15,000	31	3.0%	31
Gross sales	Under \$50,000	\$5,000	179	19.0%	191
	\$50,000-\$99,999	\$6,000	154	8.8%	167
	\$100,000-\$199,999	\$7,519	164	5.2%	173
	\$200,000-\$499,999	\$8,611	120	2.8%	125
	\$500,000+	\$10,038	49	1.5%	52

Employee Share of Premiums As seen in past surveys, most respondents (61.6%) say the company pays the entire premium for health insurance (see Exhibit 37). Within companies that have a cost-sharing approach the percentage paid by individuals ranges from 4% to 100%, with an average of 85%.

Premium Cost Sharing

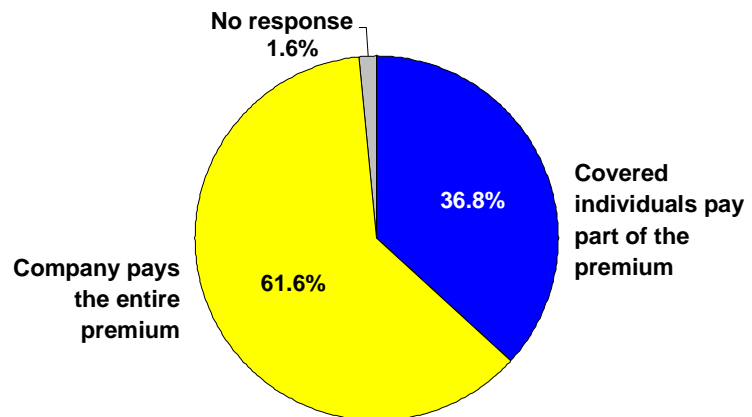


Exhibit 37

The 2011 data are highly similar to the 2008 data, which showed a shifting of the health care insurance cost to the employee. In 2005, 25.6% of the respondents indicated that the employees paid part of the insurance cost (an average of 64.5%). In 2011, nearly 37% indicate that employees cost-share, with the employee paying an average of 85% of the cost. As in the past, the smaller companies (in terms of gross sales) are most apt to have a cost-sharing policy, with the employees paying an average of about 92% of the premium cost (see Exhibit 38).

Exhibit 38: Premium Cost Sharing by Segment

Responses are limited to the individuals who offer health insurance through their business (829 for 2011, 1,861 for 2008 and 238 for 2005).

	Employees share in the cost of the premium	Average amount of the premium paid by the employee	Company pays the entire premium	No response
Overall – 2005 survey	25.6%	64.5%	73.5%	0.8%
Overall – 2008 survey	38.6%	87.8%	59.0%	2.4%
Overall – 2011 survey	36.8%	85.0%	61.6%	1.6%
Number of employees				
2	25.5%	93.6%	71.3%	3.2%
3-5	39.3%	81.2%	56.1%	4.7%
6+	39.5%	55.0%	60.5%	0.0%
Gross sales				
Under \$50,000	47.0%	91.9%	51.6%	1.4%
\$50,000-\$99,999	33.5%	92.6%	66.5%	0.0%
\$100,000-\$199,999	25.6%	87.0%	73.9%	0.6%
\$200,000-\$499,999	36.0%	75.0%	64.0%	0.0%
\$500,000+	33.9%	48.1%	64.4%	1.7%

Premium Cost Trends Increases in health insurance costs are again the norm, with 81.3% of the 2011 survey respondents indicating that the cost of their insurance premiums have risen in the past 12 months. Only 2.3% report a cost decrease, with the balance citing no change (or were unable to determine cost changes). Overall responses are illustrated in Exhibit 39.

Change in Premiums in the Past 12 Months

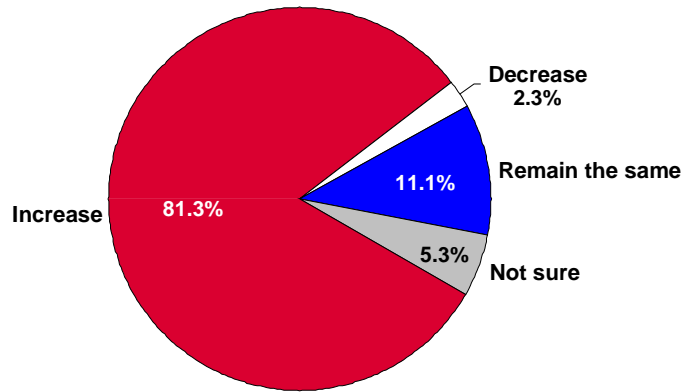


Exhibit 39

The average increase is 16.3%. This is less than the increase seen in the 2005 survey, but greater than the increase seen in the 2008 survey. Increases are common across all segments, with the average increase reaching as high as 19.3% (see Exhibit 40).

Exhibit 40: Changes in Premiums in the Past 12 Months by Segment

<i>Responses are limited to the individuals who offer health insurance through their business (829 for 2011, 1,861 for 2008 and 238 for 2005).</i>		Premium has increased		Premium has decreased (*)	Premium has remained the same	Not sure of premium changes
		% indicating an increase	Average increase			
Overall – 2005 survey		86.1%	20.7%	1.7%	3.4%	8.8%
Overall – 2008 survey		76.4%	14.7%	1.3%	16.2%	6.1%
Overall – 2011 survey		81.3%	16.3%	2.3%	11.1%	5.3%
Number of employees	1 (self only)	80.8%	15.5%	3.0%	9.9%	6.2%
	2	81.7%	17.2%	2.0%	12.0%	4.4%
	3-5	85.0%	16.2%	0.9%	9.3%	4.7%
	6+	73.7%	19.3%	0.0%	23.7%	2.6%
Gross sales	Under \$50,000	80.9%	14.4%	2.8%	10.7%	5.6%
	\$50,000-\$99,999	83.0%	16.7%	3.3%	11.0%	2.7%
	\$100,000-\$199,999	87.2%	17.3%	2.2%	10.0%	0.6%
	\$200,000-\$499,999	86.0%	18.2%	0.7%	11.8%	1.5%
	\$500,000+	71.2%	13.6%	3.4%	20.3%	5.1%

(*) = data on the amount of decrease was collected but, as only 18 respondents reported a decline in the 2011 survey, there is insufficient data for segmentation. The average overall decrease reported is 22.6%.

In addition to premium increases, there has been a substantial increase in the amount spent on health insurance as a percentage of total sales. As noted previously, the 2005 survey respondents reported spending a median of 3.7% of their total sales on health insurance. This increases to 5.5% among the 2008 survey respondents, and further up to 6.4% among the 2011 respondents. This equates to a 16.4% increase from 2008 to 2011, and a 73% increase from 2005 to 2011. Although the solo practitioners and smaller companies were most affected by increases between 2005 and 2008, it is the larger companies that are bearing the brunt of increased costs in the current survey. Health insurance costs, as a percentage of total revenue, have increased 50% among the largest-grossing companies from 2008 to 2011 (the median went from 1% to 1.5%, which equates to a 50% increase). Spending trends by segment are provided in Exhibit 41.

Exhibit 41: Health Insurance Spending Trends

		Median spent on health insurance as a % of 2004 sales	Median spent on health insurance as a % of 2007 sales	Median spent on health insurance as % of 2010 sales	Variation, 2008 to 2010
Overall		3.7%	5.5%	6.4%	16.4%
Number of employees	1 (self only)	5.7%	7.3%	8.0%	9.6%
	2	5.0%	6.0%	6.1%	1.7%
	3-5	3.7%	3.1%	3.4%	9.7%
	6+	2.8%	2.5%	3.0%	20.0%
Gross sales	Under \$50,000	18.7%	17.6%	19.0%	8.0%
	\$50,000-\$99,999	5.5%	7.4%	8.8%	18.9%
	\$100,000-\$199,999	4.8%	4.3%	5.2%	20.9%
	\$200,000-\$499,999	3.6%	2.4%	2.8%	16.7%
	\$500,000+	2.3%	1.0%	1.5%	50.0%

Satisfaction With the Plan Respondents were asked to rate their satisfaction with key aspects of the current health plan offered through their business. Cost and affordability continue to garner the lowest satisfaction levels, with a solid majority rating their satisfaction as “low” for both metrics. A smaller number, but still a majority, have low satisfaction with the number of coverage options available.

Responses temper somewhat with regard to the ease of submitting claims/paperwork, with a plurality indicating they are highly satisfied with the process, a small increase from the rates seen in 2008. Improvements from 2008 are also seen with regard to the quality of care provided, albeit the percentage who are highly satisfied still remain well below the mark set in 2005 (61.8% highly satisfied in 2005 versus 41% in 2011). Overall response

patterns are summarized in Exhibit 42.

Exhibit 42: Satisfaction with the Current Health Plan

*Values in **bold** denote the most popular response for each area.*

		Low satisfaction	Moderate satisfaction	High satisfaction	No opinion
Cost of premiums	2011	63.7%	20.0%	11.7%	4.6%
	2008	63.2%	21.7%	14.3%	0.9%
	2005	78.2%	18.5%	3.4%	0.0%
Overall affordability of the plan	2011	63.7%	17.5%	14.4%	4.5%
	2008	62.6%	21.2%	14.8%	1.4%
	2005	73.1%	17.2%	9.2%	0.4%
Number of coverage options available	2011	54.0%	23.8%	15.7%	6.5%
	2008	52.1%	23.8%	21.0%	3.1%
	2005	44.1%	34.0%	20.6%	1.3%
Ease of submitting claims/administrative paperwork	2011	26.3%	22.8%	38.0%	12.9%
	2008	32.9%	23.1%	32.1%	11.8%
	2005	24.4%	27.7%	41.6%	6.3%
Quality of care provided	2011	26.7%	23.0%	41.0%	9.3%
	2008	31.7%	24.9%	35.9%	7.5%
	2005	13.9%	20.6%	61.8%	3.8%

NOTE: “Low satisfaction” are the percentage selecting either of the lowest two ranking points; “high satisfaction” are the percentage selecting either of the highest two ranking points; “moderate satisfaction” are the percentage selecting the mid-point.

Examining responses across key segments shows the following general patterns.

- ▶ **Cost of premiums** — As in the past surveys, a majority of respondents in every segment rate their satisfaction as “low” on this issue. The percentage with “high” satisfaction regarding premium cost is nearly always below 13%.
- ▶ **Overall affordability of the plan** — The response distribution is virtually the same as seen previously with overall cost, with a majority of respondents in every segment indicating “low” satisfaction with the affordability of their health care plan.
- ▶ **Number of coverage options available** — Satisfaction levels remain low, with a majority in nearly every segment rating their satisfaction as “low.” Satisfaction levels improve somewhat among the largest companies, with 23.7% stating they are highly satisfied.

- ▶ **Ease of submitting claims/administrative paperwork** — Although opinions are mixed on this issue, more respondents are satisfied than unsatisfied across all segments. The percentage who are highly satisfied increases a small amount since 2005, and peaks at 45.8% among the largest-grossing companies.

- ▶ **Quality of care provided** — The highest satisfaction ratings continue to be seen regarding the quality of care provided — a plurality in every segment are highly satisfied. This rises to the majority level among the largest companies. Still, satisfaction levels remain well below the level seen in 2005, which saw a majority in every segment reporting high satisfaction levels.

Detailed breakouts by segment are provided in Exhibit 59 in Appendix A.

D. Impact of Health Insurance Costs

The great majority (84.9%) of the respondents indicate that rising health coverage costs have been detrimental to themselves, their families, and their business over the past three years. Most acute has been the “bottom line” impact — 53.9% say rising health coverage costs have cut their household income. Significant responses are also seen for having to scale back/drop health coverage (cited by 37.5%). Business-specific impacts are also clearly seen: 27.4% say their “business is struggling to survive,” and more than one in ten say they have cancelled/put on hold plans to hire new employees and/or expand their business.

In addition to the specific issues explored in the survey, the respondents also described other ways escalating health coverage costs have affected them. The most common “other” responses encompass changing to a higher deductible plan and limiting (or even avoiding) doctor visits and/or prescription medications.

Overall responses are summarized in Exhibit 43.

Exhibit 43: Impact of Health Coverage Costs

<i>How has the increasing cost of health coverage affected you, your family and your business over the past three years?</i>	
My household income has been cut	53.9%
I've had to scale back or drop health coverage for myself and/or my family	37.2%
My business is struggling to survive	27.4%
Not applicable – increasing health coverage costs have had little or no effect on me, my family or my business	13.1%
I have cancelled (or put on hold) plans to expand my business	11.4%
I have cancelled (or put on hold) plans to hire new employees	10.0%
I have frozen or cut employees' salaries	5.7%
I've had to scale back or drop health coverage for my employees	5.3%
I have let go of employees	3.8%
I have replaced full-time employees with part-time employees	3.6%
Other	4.0%
No response	2.3%

Segmenting responses shows that the impact on household income continues to be the primary effect of rising health coverage costs, with this issue cited by a majority (or near majority) across every segment. It is especially significant among the younger respondents — 63.2% of those under 36 report that their household income has been cut due to rising health coverage costs. Significant responses across all segments are also seen for “I’ve had to scale back or drop health coverage for myself and/or my family” and “my business is struggling to survive.” Among the largest companies, nearly one in four have had to scale back or drop employee health coverage.

Responses by segment are provided in Exhibit 44 beginning below.

Exhibit 44: Impact of Health Insurance Costs by Segment

	Overall	Number of employees			
		1 (self only)	2	3-5	6+
My household income has been cut	53.9%	54.7%	55.6%	46.5%	59.3%
I've had to scale back or drop health coverage for myself and/or my family	37.2%	38.7%	35.4%	37.5%	27.2%
My business is struggling to survive	27.4%	26.2%	31.1%	25.5%	28.4%
Not applicable – increasing health coverage costs have had little or no effect on me, my family or my business	13.1%	14.1%	11.4%	12.4%	11.1%
I have cancelled (or put on hold) plans to expand my business	11.4%	8.6%	13.9%	17.8%	13.6%
I have cancelled (or put on hold) plans to hire new employees	10.0%	6.1%	12.4%	19.6%	16.0%
I have frozen or cut employees' salaries	5.7%	2.1%	7.1%	13.5%	18.5%
I've had to scale back or drop health coverage for my employees	5.3%	1.7%	6.0%	12.7%	24.7%
I have let go of employees	3.8%	1.7%	4.5%	8.7%	11.1%
I have replaced full-time employees with part-time employees	3.6%	1.4%	4.3%	9.8%	8.6%
Other	4.0%	5.1%	1.9%	4.0%	2.5%

Table continued on following page

Exhibit 44: Impact of Health Insurance Costs by Segment

	Overall	Gross sales				
		Under \$50K	\$50-\$99.9K	\$100-\$199K	\$200-\$499K	\$500K+
My household income has been cut	53.9%	55.6%	57.3%	59.0%	49.2%	44.2%
I've had to scale back or drop health coverage for myself and/or my family	37.2%	40.2%	41.3%	36.3%	35.9%	29.7%
My business is struggling to survive	27.4%	28.8%	30.5%	27.7%	26.6%	18.8%
Not applicable – increasing health coverage costs have had little or no effect on me, my family or my business	13.1%	12.7%	12.4%	12.1%	14.5%	20.3%
I have cancelled (or put on hold) plans to expand my business	11.4%	9.4%	11.4%	14.7%	14.9%	9.4%
I have cancelled (or put on hold) plans to hire new employees	10.0%	5.4%	10.0%	13.6%	18.1%	10.9%
I have frozen or cut employees' salaries	5.7%	1.5%	4.0%	7.4%	14.1%	11.6%
I've had to scale back or drop health coverage for my employees	5.3%	2.2%	4.0%	7.4%	10.5%	11.6%
I have let go of employees	3.8%	1.5%	3.0%	4.7%	8.9%	5.8%
I have replaced full-time employees with part-time employees	3.6%	1.4%	3.5%	3.8%	8.5%	5.8%
Other	4.0%	5.0%	4.9%	2.7%	2.4%	3.6%

Table continued on following page

Exhibit 44: Impact of Health Insurance Costs by Segment

	Overall	Current insurance coverage			Offer insurance through business	
		Have self-purchased insurance plan	Have insurance through spouse or other means	No insurance	Yes	No
My household income has been cut	53.9%	58.7%	48.7%	29.0%	61.0%	48.5%
I've had to scale back or drop health coverage for myself and/or my family	37.2%	34.8%	26.4%	61.0%	28.7%	43.8%
My business is struggling to survive	27.4%	28.2%	21.8%	27.0%	29.4%	25.8%
Not applicable – increasing health coverage costs have had little or no effect on me, my family or my business	13.1%	12.2%	23.9%	9.5%	13.8%	12.6%
I have cancelled (or put on hold) plans to expand my business	11.4%	11.2%	11.2%	13.3%	12.8%	10.4%
I have cancelled (or put on hold) plans to hire new employees	10.0%	10.4%	7.1%	10.4%	11.3%	9.0%
I have frozen or cut employees' salaries	5.7%	6.8%	1.5%	2.1%	8.9%	3.2%
I've had to scale back or drop health coverage for my employees	5.3%	5.0%	5.1%	7.5%	5.3%	5.3%
I have let go of employees	3.8%	3.5%	1.5%	7.1%	3.0%	4.4%
I have replaced full-time employees with part-time employees	3.6%	3.8%	3.0%	2.9%	4.0%	3.3%
Other	4.0%	4.0%	6.1%	2.9%	3.6%	4.4%

Table continued on following page

Exhibit 44: Impact of Health Insurance Costs by Segment

	Overall	Age				
		Under 36	36 to 45	46 to 55	56 to 65	65+
My household income has been cut	53.9%	63.2%	54.2%	55.5%	55.3%	38.2%
I've had to scale back or drop health coverage for myself and/or my family	37.2%	39.7%	35.9%	39.0%	38.0%	29.1%
My business is struggling to survive	27.4%	16.2%	21.4%	28.6%	30.7%	29.1%
Not applicable – increasing health coverage costs have had little or no effect on me, my family or my business	13.1%	16.2%	11.1%	12.4%	13.3%	29.1%
I have cancelled (or put on hold) plans to expand my business	11.4%	13.2%	11.8%	13.2%	9.5%	12.7%
I have cancelled (or put on hold) plans to hire new employees	10.0%	8.8%	11.8%	10.9%	9.1%	7.3%
I have frozen or cut employees' salaries	5.7%	1.5%	5.7%	6.3%	5.7%	3.6%
I've had to scale back or drop health coverage for my employees	5.3%	2.9%	4.6%	5.4%	6.0%	7.3%
I have let go of employees	3.8%	1.5%	5.0%	4.2%	3.6%	1.8%
I have replaced full-time employees with part-time employees	3.6%	1.5%	3.8%	3.7%	4.2%	0.0%
Other	4.0%	0.0%	5.3%	4.5%	3.9%	0.0%

E. 2010 Health Care Reform Law

Overall Familiarity

A plurality of respondents consider themselves to be “generally” familiar with the 2010 health care reform law. As summarized in Exhibit 45, only 5.1% feel they are “extremely” familiar, and about one in ten of the respondents say they are “not at all” familiar with the new law.

To help put the data in perspective, the familiarity ratings were converted to a 1 to 5 numeric score, where 1 is “not at all familiar” and 5 is “extremely familiar.” Doing so shows that the overall average familiarity score is 2.7.

Familiarity with the 2010 Health Care Reform Law

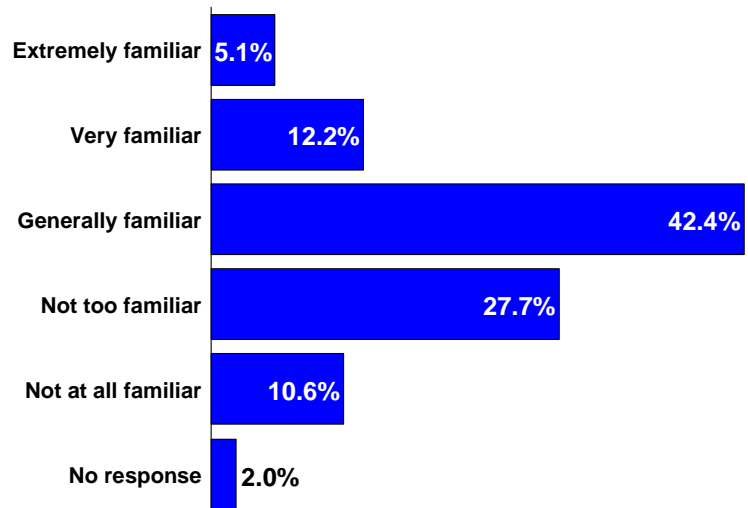


Exhibit 45

As summarized in Exhibit 46 on the following page, average familiarity scores stay in a narrow range of about 2.6 to 2.8 across nearly every segment. The respondents over 65 are the ones most familiar with the new law — nearly 31% are either “extremely” or “very” familiar with it, yielding an average familiarity score of 3.2. Somewhat higher than average familiarity levels are also seen among the larger companies and those who presently offer health insurance through their business, with average familiarity scores of 2.9. The smallest companies, those under 36, and those who do not offer (or are not covered) under insurance plans show the weakest familiarity with the new law, with average scores of 2.6.

Exhibit 46: Familiarity with the 2010 Health Care Reform Law by Segment

*Values in **bold** denote the most popular response within each segment.*

		Extremely familiar	Very familiar	Generally familiar	Not too familiar	Not at all familiar	No response	Average score
Overall – 2011 survey		5.1%	12.2%	42.4%	27.7%	10.6%	2.0%	2.7
Number of employees	1 (self only)	4.6%	10.7%	42.8%	28.6%	11.6%	1.7%	2.7
	2	5.6%	12.9%	42.3%	29.0%	7.7%	2.6%	2.8
	3-5	6.5%	15.6%	38.2%	26.2%	11.3%	2.2%	2.8
	6+	3.7%	16.0%	53.1%	14.8%	9.9%	2.5%	2.9
Gross sales	Under \$50,000	4.3%	11.3%	39.6%	33.1%	11.5%	0.2%	2.6
	\$50,000-\$99,999	4.9%	10.7%	46.6%	26.6%	11.2%	0.0%	2.7
	\$100,000-\$199,999	6.2%	13.9%	44.2%	24.5%	10.6%	0.6%	2.8
	\$200,000-\$499,999	6.9%	16.5%	43.5%	23.4%	9.3%	0.4%	2.9
	\$500,000+	4.3%	10.9%	46.4%	28.3%	9.4%	0.7%	2.7
Gender	Female	5.0%	9.2%	44.5%	29.6%	11.6%	0.2%	2.7
	Male	5.4%	14.7%	42.4%	27.1%	10.2%	0.3%	2.8
Age	Under 36	5.9%	10.3%	33.8%	36.8%	13.2%	0.0%	2.6
	36-45	5.3%	11.5%	38.9%	30.2%	13.7%	0.4%	2.6
	46-55	4.1%	9.8%	44.9%	29.5%	11.4%	0.3%	2.7
	56-65	5.6%	14.7%	44.0%	26.2%	9.4%	0.1%	2.8
	65+	10.9%	20.0%	45.5%	18.2%	3.6%	1.8%	3.2
Offer insurance through the business	Yes	6.0%	14.0%	43.4%	25.1%	7.8%	3.6%	2.9
	No	4.4%	10.8%	41.7%	29.8%	12.7%	0.7%	2.6
Current health insurance coverage	Have a self-purchased plan	5.3%	12.4%	42.6%	26.9%	10.3%	2.5%	2.8
	Covered under spouse or through other means	3.6%	13.2%	44.2%	28.9%	9.6%	0.5%	2.7
	Not covered	5.4%	10.0%	39.8%	31.5%	12.9%	0.4%	2.6

Opinion of the 2010 Reform Law

There is no consensus of opinion regarding the 2010 health care reform law.

About 30% of the respondents say they fully or mainly oppose the new law. An equal number say the new law is a “mixed bag” with some good, but also some bad changes. Only 15.1% fully or mainly support the new law. Nearly one in four say they lack sufficient information about the law to venture an opinion one way or another (see Exhibit 47).

Opinion of the 2010 Health Care Reform Law

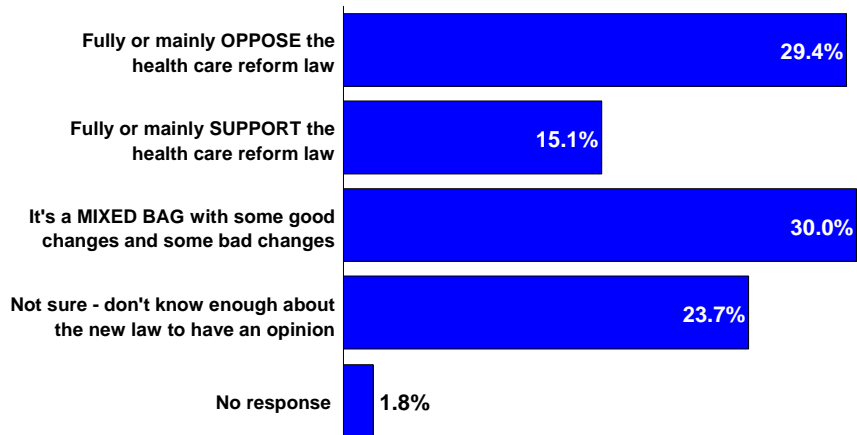


Exhibit 47

Segmenting responses also shows a lack of consensus — it is very rare to see a majority stance either in favor of or against the new law in any segment. The more prevailing sentiment is opposition, with the percentage who fully or mainly oppose the law exceeding the percentage who fully or mainly support it in nearly every segment, sometimes by a wide margin. “Fully or mainly oppose” garners a plurality of responses in 12 of the 25 segments examined; “it’s a mixed bag” garners a plurality of responses in 10 segments.

The greatest opposition to the new law is seen among those who are the most familiar with it. However, the strongest support is also seen among these same respondents, although at only about half the level who oppose the law (53.2% oppose, 27.4% support). Opposition to the law is also elevated among those over 65 (49.1% oppose).

Responses by segment are provided in Exhibit 48 on the following page.

Exhibit 48: Opinion of the 2010 Health Care Reform Law by Segment

Values in **bold** denote the most popular response within each segment.

		Fully or mainly oppose	Fully or mainly support	Mixed bag	Not sure	No response
Overall – 2011 survey		29.4%	15.1%	30.0%	23.7%	1.8%
Number of employees	1 (self only)	25.5%	16.2%	31.1%	25.8%	1.5%
	2	33.7%	14.8%	28.3%	20.8%	2.4%
	3-5	34.5%	12.7%	28.0%	22.5%	2.2%
	6+	38.3%	9.9%	33.3%	16.0%	2.5%
Gross sales	Under \$50,000	25.4%	14.6%	31.9%	28.2%	0.0%
	\$50,000-\$99,999	28.2%	16.1%	32.6%	22.8%	0.2%
	\$100,000-\$199,999	34.8%	18.6%	23.9%	22.1%	0.6%
	\$200,000-\$499,999	36.3%	13.7%	29.8%	20.2%	0.0%
	\$500,000+	36.2%	11.6%	32.6%	18.8%	0.7%
Gender	Female	21.2%	16.3%	34.9%	27.5%	0.1%
	Male	37.0%	14.5%	26.9%	21.3%	0.3%
Age	Under 36	16.2%	20.6%	36.8%	26.5%	0.0%
	36-45	27.1%	13.0%	28.6%	31.3%	0.0%
	46-55	27.2%	13.9%	29.9%	28.6%	0.4%
	56-65	34.2%	16.5%	31.2%	17.9%	0.1%
	65+	49.1%	18.2%	21.8%	10.9%	0.0%
Offer insurance through the business	Yes	31.8%	14.4%	30.5%	19.8%	3.5%
	No	27.4%	15.6%	29.7%	26.7%	0.6%
Current health insurance coverage	Have a self-purchased plan	29.7%	14.8%	30.1%	23.3%	2.2%
	Covered under spouse or other means	27.4%	18.3%	32.0%	21.8%	0.5%
	Not covered	29.0%	14.1%	28.2%	27.8%	0.8%
Familiarity with 2010 health care reform law	Extremely/very familiar	53.2%	27.4%	18.8%	0.3%	0.3%
	Generally familiar	34.5%	19.7%	40.1%	5.7%	0.0%
	Not too familiar	14.4%	7.2%	31.6%	46.4%	0.4%
	Not at all familiar	12.9%	0.0%	8.0%	78.6%	0.5%

Suggested Actions

“Keep what’s good, take out what’s bad, and fix what’s broken in the 2010 law” is the most popular response when the respondents voice their opinion as to what they would like Congress and the Administration to do about the new law. Cited by 43.3%, the “fix it” stance is trailed by 28.2% who would like to see the law repealed and the reform process started anew. Fewer than 9% want the 2010 law to stand as-is, and only 5.8% want the 2010 law repealed with a return to the past health care system (see Exhibit 49).

Suggested Health Care Reform Law Actions

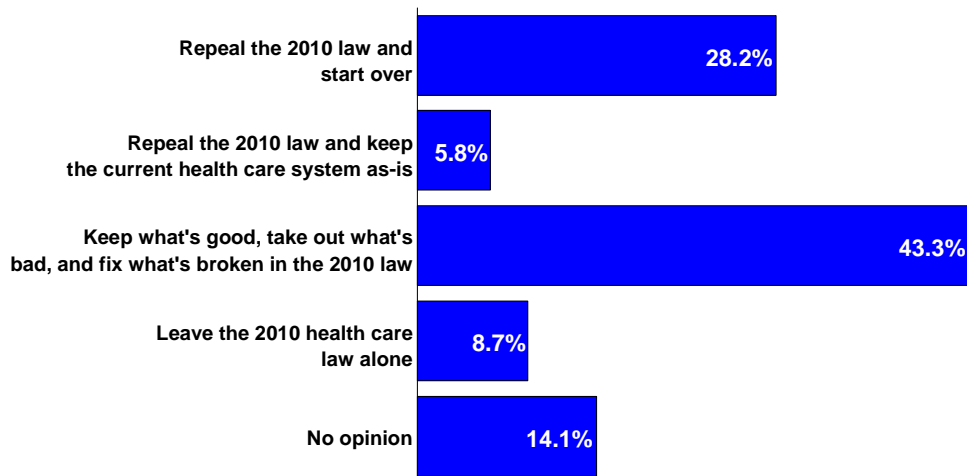


Exhibit 49

The “fix it” approach is the most popular response across nearly every segment, with responses reaching the majority, or near majority level in several segments. Those most interested in seeing the law repealed and replaced with a fresh start are the same segments that showed the greatest opposition to the law — those who are the most familiar with it, and those over 65. The percentage who would like the law kept as-is peaks at 18.5% among those who are most familiar with the law, but usually remains below 10% for all other segments (see Exhibit 50 on the following page).

Exhibit 50: Suggested Health Care Reform Law Actions by Segment

*Values in **bold** denote the most popular response within each segment.*

		Repeal it and start over	Repeal it and leave system as-is	Keep good, take out bad	Leave 2010 law alone	No opinion/no response
Overall – 2011 survey		28.2%	5.8%	43.3%	8.7%	14.1%
Number of employees	1 (self only)	25.1%	4.9%	43.9%	9.8%	16.3%
	2	30.9%	6.2%	45.3%	7.3%	10.3%
	3-5	33.1%	8.0%	38.9%	6.9%	13.1%
	6+	35.8%	8.6%	38.3%	7.4%	9.9%
Gross sales	Under \$50,000	24.1%	4.2%	47.4%	8.7%	15.6%
	\$50,000-\$99,999	26.1%	6.8%	45.0%	10.0%	12.1%
	\$100,000-\$199,999	34.2%	7.1%	40.4%	9.1%	9.1%
	\$200,000-\$499,999	33.9%	6.0%	42.3%	7.7%	10.1%
	\$500,000+	38.4%	7.2%	39.1%	5.8%	9.4%
Gender	Female	21.1%	4.0%	50.6%	9.4%	14.9%
	Male	34.7%	7.6%	38.9%	8.3%	10.4%
Age	Under 36	20.6%	5.9%	42.6%	11.8%	19.1%
	36-45	23.7%	6.9%	42.0%	7.6%	19.8%
	46-55	27.2%	5.6%	46.1%	8.0%	13.1%
	56-65	31.5%	6.0%	43.3%	9.9%	9.2%
	65+	52.7%	5.5%	30.9%	7.3%	3.6%
Offer insurance through the business	Yes	29.8%	5.7%	42.2%	9.4%	12.9%
	No	26.9%	6.0%	44.1%	8.1%	15.0%
Current health insurance coverage	Have a self-purchased plan	28.0%	5.7%	43.7%	9.0%	13.6%
	Covered under spouse or through other means	26.9%	6.6%	42.6%	9.1%	14.7%
	Not covered	29.9%	6.2%	41.1%	6.2%	16.6%
Familiarity with 2010 health care reform law	Extremely/very familiar	42.2%	10.9%	26.5%	18.5%	1.8%
	Generally familiar	32.2%	5.9%	47.6%	10.3%	4.0%
	Not too familiar	18.2%	4.0%	54.5%	4.0%	19.3%
	Not at all familiar	18.9%	3.0%	30.8%	0.0%	47.3%

Concerns With the 2010 Law

Cost and government involvement top the list when the respondents indicate their main concern, if any, with the 2010 health care law. As summarized in Exhibit 51, nearly one in four respondents say “I expect that the cost of my health coverage will increase”; one in five say “the government will become too involved with my health care.” Fewer are concerned with potential declines in the quality of the health care system, rising taxes, or the impact on the deficit. Note, however, that nearly 15% say they do not have any concerns about the 2010 health care reform law, making that the third most popular response.

Exhibit 51: Primary Concern with the 2010 Law

<i>Which of the following is your main concern with the 2010 health care reform law?</i>	
I expect that the cost of my health coverage will increase	24.5%
The government will become too involved with my health care	20.2%
I do not have any concerns about the current health care reform law	14.5%
The quality of our health care system will decline	9.9%
I expect that my taxes will increase	7.9%
It will increase the deficit and be too costly to the country	6.3%
I expect that I will not be able to keep my current health insurance and medical professionals	3.6%
No opinion	13.1%

Segmenting responses shows that potential cost increases and increased government involvement remain the top two concerns across nearly every segment. The sole exception is among the respondents who are the most familiar with the 2010 law, with a plurality (25.2%) indicating that they do not have any concerns with the new law.

Some of the most significant segment-to-segment variations are seen when the data are grouped by the respondents’ opinions of the new health care law. As expected, 100% of those who oppose the law have concerns, chief among them being increased government involvement. Those who see the law as a “mixed bag” are far less concerned about government involvement, focusing instead on the potential for cost increases. While 73.2% of those who support the law do not have any concerns, cost is still an issue — 12.5% of the “support” segment remain concerned about potential cost increases; 4.2% are concerned about potential tax increases.

Responses by segment are illustrated in Exhibit 52 beginning on the following page.

Exhibit 52: Primary Concern with the 2010 Law by Segment

*Values in **bold** denote the most popular response within each segment.*

		Cost increase	Tax increase	Govt. involvement	Increase deficit	Not keep current medical prof.	Decline in quality	Do not have any concerns	No opinion/no response
Overall – 2011 survey		24.5%	7.9%	20.2%	6.3%	3.6%	9.9%	14.5%	13.1%
Number of employees	1 (self only)	25.3%	7.1%	18.1%	5.2%	3.9%	8.6%	16.6%	15.2%
	2	27.3%	8.8%	20.8%	7.1%	3.0%	10.1%	12.4%	10.5%
	3-5	17.8%	9.8%	25.5%	6.9%	4.4%	13.5%	10.9%	11.3%
	6+	21.0%	7.4%	25.9%	13.6%	1.2%	14.8%	9.9%	6.2%
Gross sales	Under \$50,000	27.2%	6.2%	18.4%	5.9%	4.5%	9.4%	14.2%	14.1%
	\$50,000-\$99,999	29.4%	7.9%	19.8%	5.6%	3.3%	7.9%	16.1%	10.0%
	\$100,000-\$199,999	24.2%	9.4%	20.4%	5.3%	3.2%	10.3%	16.8%	10.3%
	\$200,000-\$499,999	21.0%	9.3%	23.4%	8.5%	4.4%	14.1%	11.3%	8.1%
	\$500,000+	16.7%	12.3%	26.1%	9.4%	2.2%	12.3%	12.3%	8.7%
Gender	Female	23.9%	7.7%	17.8%	5.6%	3.7%	11.4%	16.4%	13.5%
	Male	26.6%	8.4%	22.4%	6.9%	3.7%	9.2%	13.1%	9.6%
Age	Under 36	23.5%	5.9%	14.7%	7.4%	4.4%	14.7%	17.6%	11.8%
	36-45	26.0%	11.1%	17.6%	4.6%	3.4%	9.5%	13.4%	14.5%
	46-55	27.1%	7.5%	18.1%	6.3%	4.1%	10.7%	14.0%	12.2%
	56-65	24.5%	8.0%	23.4%	7.0%	3.5%	9.4%	15.0%	9.2%
	65+	10.9%	5.5%	36.4%	7.3%	3.6%	12.7%	20.0%	3.6%
Offer insurance through the business	Yes	27.5%	7.2%	20.4%	6.0%	3.5%	9.0%	13.0%	13.3%
	No	22.2%	8.5%	20.0%	6.4%	3.7%	10.6%	15.6%	12.9%
Current health insurance coverage	Have a self-purchased plan	27.1%	6.8%	19.6%	6.1%	3.8%	9.9%	14.1%	12.6%
	Covered under spouse or other means	13.2%	10.2%	24.9%	8.1%	3.0%	11.2%	17.3%	12.2%
	Not covered	18.3%	12.9%	19.5%	5.4%	2.9%	9.1%	14.9%	17.0%
Familiarity with 2010 health care reform law	Extremely/very familiar	18.2%	7.9%	23.1%	7.3%	1.2%	12.5%	25.2%	4.6%
	Generally familiar	27.4%	8.0%	22.3%	5.7%	3.3%	10.1%	17.3%	5.8%
	Not too familiar	26.3%	9.1%	17.8%	6.8%	5.7%	8.9%	9.7%	15.7%
	Not at all familiar	22.9%	6.0%	16.4%	6.0%	4.0%	9.0%	1.0%	34.8%

Table continued on the following page

Exhibit 52: Primary Concern with the 2010 Law by Segment

*Values in **bold** denote the most popular response within each segment.*

	Cost increase	Tax increase	Govt. involvement	Increase deficit	Not keep current medical prof.	Decline in quality	Do not have any concerns	No opinion/no response
Overall – 2011 survey	24.5%	7.9%	20.2%	6.3%	3.6%	9.9%	14.5%	13.1%
Opinion of 2010 health care reform law								
Fully/mainly oppose	24.8%	8.1%	36.9%	10.0%	2.7%	17.2%	0.0%	0.4%
Fully/mainly support	12.5%	4.2%	0.0%	1.4%	2.4%	0.7%	73.2%	5.6%
“Mixed bag”	32.0%	10.7%	19.4%	6.3%	4.7%	9.8%	8.2%	8.9%
Not sure	23.9%	7.3%	14.9%	4.9%	4.4%	7.8%	4.0%	32.8%

Financial Assistance Qualification

The respondents were presented with the following information and asked if they would qualify for financial assistance to pay for health coverage:

The 2010 health care reform law provides financial assistance to help pay for health coverage. To determine if you may qualify, please refer to the chart below:

Persons in family	Maximum household income to qualify for assistance (e.g., your income must be LESS than this to qualify)
1	\$43,320
2	\$58,280
3	\$73,240
4	\$88,200
5	\$103,160
6	\$118,120
7	\$133,080
8	\$148,010
<i>For families with more than 8 persons, add \$3,740 for each additional person</i>	

As summarized in Exhibit 53, the responses are about equally divided — 41.9% say they would qualify; 45.6% say they would not. The balance (12.5%) indicated they are not sure or elected not to respond to the question.

Qualify for Financial Assistance

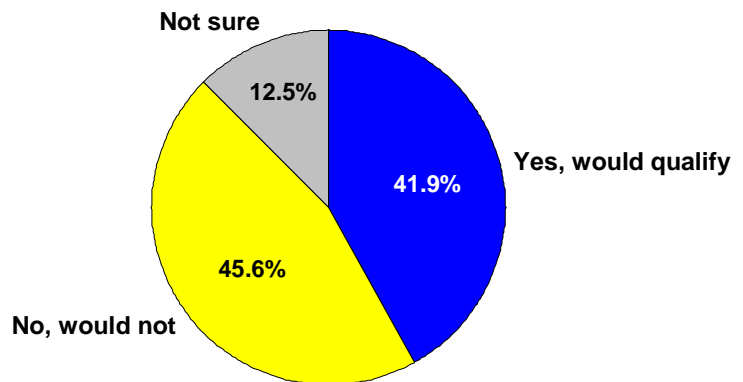


Exhibit 53

Those most likely to qualify are from companies with gross sales of less than \$50,000 (65.9% would qualify), those who are not presently covered by health insurance (57.7% would qualify) and those under 36 (55.9% would qualify). Responses by segment are illustrated in Exhibit 54 beginning below.

Exhibit 54: Qualify for Financial Assistance by Segment

		Yes	No	Not sure/no response
Overall – 2011 survey		41.9%	45.6%	12.5%
Number of employees	1 (self only)	46.4%	41.5%	12.1%
	2	37.3%	49.4%	13.3%
	3-5	36.0%	50.5%	13.5%
	6+	27.2%	63.0%	9.9%
Gross sales	Under \$50,000	65.9%	25.2%	8.8%
	\$50,000-\$99,999	36.4%	50.3%	13.3%
	\$100,000-\$199,999	29.5%	61.4%	9.1%
	\$200,000-\$499,999	23.8%	66.9%	9.3%
	\$500,000+	22.5%	64.5%	13.0%
Gender	Female	47.7%	40.4%	11.9%
	Male	39.3%	51.3%	9.4%

Table continued on following page

Exhibit 54: Qualify for Financial Assistance by Segment

		Yes	No	Not sure/no response
Overall – 2011 survey		41.9%	45.6%	12.5%
Age	Under 36	55.9%	38.2%	5.9%
	36-45	43.5%	45.0%	11.5%
	46-55	40.4%	48.7%	10.9%
	56-65	43.8%	45.9%	10.2%
	65+	41.8%	49.1%	9.1%
Offer insurance through the business	Yes	36.6%	49.3%	14.1%
	No	46.0%	42.8%	11.3%
Current health insurance coverage	Have a self-purchased plan	40.1%	46.8%	13.1%
	Covered under spouse or through other means	35.5%	55.8%	8.6%
	Not covered	57.7%	30.3%	12.0%

Future Outlook for Premiums

The respondents were provided with the following information concerning the estimated cost for health insurance premiums in 2014:

According to Congressional Budget Office estimates, under the health care law, health insurance premiums in 2014 will be approximately \$5,300 per year (\$442 per month) for an individual (single) policy, and \$15,000 per year (\$1,250 per month) for a family policy.

How does this compare with the current cost of your individual or family policy?

Separate questions were asked (one for individual policies; another for family policies) as to whether the respondent is paying more or less than the 2014 Congressional Budget Office (CBO) estimate for their current policy. Each question was limited to only those individuals who indicated that they have an individual or family policy.

As summarized in Exhibit 55 on the following page, a majority report that their current policy costs less than the CBO projection. This is especially pronounced for family policies — 80.4% say their present family policy costs less than the CBO projected amount of \$15,000 per year.

Potentially having to pay more in 2014 for health insurance (e.g., their current policy is less expensive than the 2014 CBO estimates) is true across all segments for family policies, and across most segments for individual policies. Exceptions are limited to large companies and those in the 56 to 65 age group.

Exhibit 55: Policy Cost Comparison with CBO Estimates

		Individual policy (sample = 1,273)			Family policy (sample = 910)		
		Current policy costs MORE than CBO estimate	Current policy costs LESS than CBO estimate	Not sure	Current policy costs MORE than CBO estimate	Current policy costs LESS than CBO estimate	Not sure
<i>Values in bold denote the most popular response within each segment.</i>							
Overall – 2011 survey		36.9%	56.4%	6.7%	12.6%	80.4%	6.9%
Number of employees	1 (self only)	32.3%	60.6%	7.2%	10.2%	80.7%	9.0%
	2	42.1%	51.1%	6.8%	14.1%	81.2%	4.7%
	3-5	42.9%	51.6%	5.6%	13.6%	80.2%	6.2%
	6+	51.6%	45.2%	3.2%	21.6%	74.5%	3.9%
Gross sales	Under \$50,000	30.7%	62.8%	6.4%	8.7%	81.7%	9.6%
	\$50,000-\$99,999	37.1%	56.9%	6.1%	11.6%	81.6%	6.8%
	\$100,000-\$199,999	38.8%	54.0%	7.1%	11.7%	82.4%	5.9%
	\$200,000-\$499,999	46.4%	45.8%	7.7%	18.7%	78.0%	3.3%
	\$500,000+	40.8%	54.1%	5.1%	15.2%	78.3%	6.5%
Gender	Female	33.0%	61.0%	6.0%	12.6%	80.4%	7.0%
	Male	40.7%	52.7%	6.6%	12.6%	81.2%	6.1%
Age	Under 36	10.5%	78.9%	10.5%	8.3%	75.0%	16.7%
	36-45	23.1%	66.5%	10.4%	6.8%	85.1%	8.1%
	46-55	31.5%	63.3%	5.2%	11.8%	83.9%	4.3%
	56-65	50.2%	44.0%	5.8%	17.3%	74.7%	8.0%
	65+	21.4%	66.7%	11.9%	5.3%	89.5%	5.3%
Offer insurance through the business	Yes	38.6%	54.7%	6.7%	12.7%	81.9%	5.4%
	No	35.3%	58.0%	6.7%	12.6%	78.9%	8.5%

Reaction to Non-insured Penalties

The respondents were presented with the following information and asked to indicate how the potential penalty will affect their health insurance purchase plans:

In 2014, the health care reform law will make you pay a penalty if you do NOT purchase a qualified health insurance plan. The penalties per individual are:

- **2014: penalty of \$95 per individual if you do NOT purchase a qualified health insurance plan**
- **2015: penalty of \$395 per individual if you do NOT purchase a qualified health insurance plan**
- **2016: penalty of \$695 per individual if you do NOT purchase a qualified health insurance plan**

How will this penalty affect your health insurance purchase plans?

Most of the respondents (1,237 individuals, which is 65% of the total sample) say this situation is not applicable to them as they are presently covered under a health insurance plan and intend to keep the plan. Limiting the question to the 667 respondents who find this situation applicable shows no consensus of opinion — the most popular response is “I may or may not purchase health insurance to avoid the penalty,” cited by 37.5%. The percentage who say they definitely or probably will purchase health insurance is balanced by the percentage who say they definitely or probably will not (see Exhibit 56).

Impact of Penalty on Future Health Insurance Purchase Plans

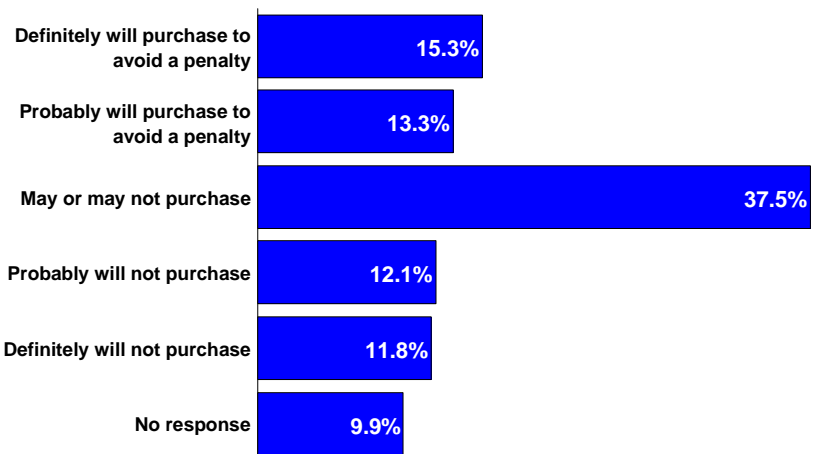


Exhibit 56

Uncertainty is the most popular response across most segments, with at least one-third to close to one-half stating that they “may or may not” purchase health insurance to avoid the non-coverage penalty. The responses vary strongly across age categories. About two-thirds of the respondents under 36 years old say they will purchase health insurance to avoid a penalty. Nearly an equal number (60%) of those over the age of 65 say they will not purchase health insurance.

Responses are mixed among the key segment of those who currently lack any type of health insurance coverage. Each option (purchase, not purchase, or not sure) receives about an equal response. Responses by segment are illustrated in Exhibit 57.

Exhibit 57: Impact of Penalty on Future Health Insurance Purchase Plans by Segment

*Sample limited to the 667 respondents who are not presently covered by insurance or who do not plan to keep their present insurance. Values in **bold** denote the most popular response within each segment.*

		Will purchase insurance	May/may not purchase insurance	Will not purchase insurance	No response
Overall – 2011 survey		28.6%	37.5%	24.0%	9.9%
Number of employees	1 (self only)	33.2%	35.1%	22.0%	9.7%
	2	20.4%	42.8%	25.0%	11.8%
	3-5	26.4%	36.8%	28.3%	8.5%
	6+	22.2%	41.7%	27.8%	8.3%
Gross sales	Under \$50,000	31.8%	38.0%	26.7%	3.5%
	\$50,000-\$99,999	35.9%	39.8%	23.4%	0.8%
	\$100,000-\$199,999	29.2%	45.8%	22.9%	2.1%
	\$200,000-\$499,999	21.4%	45.7%	32.9%	0.0%
	\$500,000+	25.0%	47.7%	22.7%	4.5%
Gender	Female	38.1%	35.4%	22.8%	3.7%
	Male	26.0%	44.0%	28.6%	1.5%
Age	Under 36	65.5%	24.1%	10.3%	0.0%
	36-45	37.2%	41.9%	16.3%	4.7%
	46-55	28.8%	41.7%	27.3%	2.3%
	56-65	28.2%	40.9%	29.1%	1.8%
	65+	0.0%	30.0%	60.0%	10.0%
Offer insurance through the business	Yes	26.3%	36.3%	15.3%	22.1%
	No	29.6%	37.9%	27.5%	5.0%
Current health insurance coverage	Not covered	32.7%	31.8%	33.2%	2.2%

F. Closing Comments

The survey closed with an invitation to the respondents to share any additional comments on any of the topics raised in the survey. A total of 925 respondents provided input, underscoring the strong importance of health insurance among micro-businesses.

The comments touch upon a wide range of health coverage issues, the most common being the overall the lack of affordable and accessible health insurance, the factors contributing to escalating costs, and an often passionate debate regarding the role and impact of government in health care.

A small selection of comments are listed below. The full listing is provided in Attachment A: Full-text Comments.

Although I have insurance, it is still costly each month and my out of pocket costs are horrible. My family avoids necessary care because of the high costs and continual increases. Sad.

As this law now stands I would never be able to have employees due to the high cost. I would be forced to close my small business.

Frustrating, frustrating, frustrating and too expensive. Every 1-2 years I have to shop around for a new policy as my current one goes up 20-30%. Each year I pay more and have less coverage than I did before. I would LOVE for private citizens under 65 to be eligible to buy a Medicare like policy.

Glad that the President is working to help the country with the health care mess. Too much bad info is flying around.

Government has to get out of the health care business, period. The free market has to be allowed to work, and people need to be responsible for the cost of their care.

Health care industry is out of control and the real problem is an over medicated, under educated country.

Health insurance is so expensive my family does not go for medical care because there is no money left to meet the deductible.

I am a sole proprietor with no employees. I have tried to get health insurance, but have been rejected because of my past medical history. I only have a catastrophic policy and an assistance program through my bank to help with hospital costs in an emergency. I am wondering what will happen if there is a penalty for not getting health insurance for my business if I cannot get insurance.

The Health Care Reform Bill did not go nearly far enough. Medicare for all would be more like it.

The law needs to be fully repealed because it is fully unconstitutional.

There is not enough room on this page to post how I feel about this mess.

Appendix A: Statistical Tables

Exhibit 58: Opinions on Insurance Access by Segment

I know exactly where to find health insurance coverage for myself and my employees

*Values in **bold** denote the most popular response within each segment.*

		Disagree	Neutral	Agree	No opinion
Overall – 2005 survey		36.9%	23.3%	36.2%	3.6%
Overall – 2008 survey		36.1%	25.4%	35.1%	3.4%
Overall – 2011 survey		36.0%	21.9%	37.9%	4.3%
Number of employees	1 (self only)	34.9%	23.0%	36.8%	5.3%
	2	35.6%	21.0%	40.6%	2.8%
	3-5	39.6%	21.1%	36.4%	2.9%
	6+	39.5%	14.8%	42.0%	3.7%
Gross sales	Under \$50,000	35.8%	23.4%	36.8%	4.0%
	\$50,000-\$99,999	39.2%	19.6%	36.4%	4.9%
	\$100,000-\$199,999	31.3%	22.1%	43.7%	2.9%
	\$200,000-\$499,999	40.3%	21.0%	34.7%	4.0%
	\$500,000+	34.8%	17.4%	43.5%	4.3%
Gender	Female	40.7%	21.2%	33.7%	4.3%
	Male	32.9%	22.0%	41.3%	3.8%
Offer insurance through the business	Yes	31.4%	21.2%	44.3%	3.1%
	No	39.5%	22.4%	32.9%	5.1%
Current health insurance coverage	Have a self-purchased plan	34.5%	21.4%	39.8%	4.2%
	Covered under spouse or through other means	34.0%	21.8%	37.1%	7.1%
	Not covered	46.5%	24.9%	26.6%	2.1%

Table continued on following page

Exhibit 58: Opinions on Insurance Access by Segment

I have access to health insurance options that fit my company's needs

*Values in **bold** denote the most popular response within each segment.*

		Disagree	Neutral	Agree	No opinion
Overall – 2005 survey		46.0%	25.4%	24.6%	4.0%
Overall – 2008 survey		49.9%	20.8%	23.8%	5.6%
Overall – 2011 survey		48.9%	21.8%	23.4%	5.8%
Number of employees	1 (self only)	48.1%	21.9%	23.0%	7.0%
	2	46.6%	24.9%	24.0%	4.5%
	3-5	55.6%	18.2%	21.8%	4.4%
	6+	51.9%	16.0%	29.6%	2.5%
Gross sales	Under \$50,000	46.0%	23.7%	23.1%	7.3%
	\$50,000-\$99,999	53.1%	20.3%	20.5%	6.1%
	\$100,000-\$199,999	46.6%	21.8%	27.7%	3.8%
	\$200,000-\$499,999	52.4%	22.2%	23.0%	2.4%
	\$500,000+	51.4%	19.6%	24.6%	4.3%
Gender	Female	53.7%	20.7%	18.1%	7.5%
	Male	45.9%	22.8%	27.3%	4.0%
Offer insurance through the business	Yes	44.1%	23.2%	29.0%	3.7%
	No	52.7%	20.8%	19.1%	7.4%
Current health insurance coverage	Have a self-purchased plan	46.5%	22.4%	25.4%	5.7%
	Covered under spouse or through other means	45.2%	23.9%	20.3%	10.7%
	Not covered	66.8%	17.0%	13.7%	2.5%

Table continued on following page

Exhibit 58: Opinions on Insurance Access by Segment

It is necessary to offer health insurance as a benefit to find and hire qualified people

*Values in **bold** denote the most popular response within each segment.*

		Disagree	Neutral	Agree	No opinion
Overall – 2005 survey		19.7%	29.0%	44.8%	6.5%
Overall – 2008 survey		13.7%	24.1%	44.0%	18.1%
Overall – 2011 survey		19.2%	24.7%	37.1%	19.1%
Number of employees	1 (self only)	14.0%	22.6%	38.1%	25.3%
	2	21.0%	26.6%	37.6%	14.8%
	3-5	30.9%	29.1%	33.5%	6.5%
	6+	38.3%	25.9%	33.3%	2.5%
Gross sales	Under \$50,000	15.3%	22.4%	38.5%	23.7%
	\$50,000-\$99,999	15.2%	20.3%	41.3%	23.3%
	\$100,000-\$199,999	21.5%	28.9%	32.4%	17.1%
	\$200,000-\$499,999	30.6%	26.6%	33.9%	8.9%
	\$500,000+	25.4%	29.0%	39.1%	6.5%
Gender	Female	16.8%	24.7%	38.3%	20.2%
	Male	20.8%	25.0%	36.3%	17.8%
Offer insurance through the business	Yes	17.0%	22.1%	39.3%	21.6%
	No	20.8%	26.7%	35.3%	17.1%
Current health insurance coverage	Have a self-purchased plan	18.9%	24.3%	36.3%	20.5%
	Covered under spouse or through other means	19.3%	28.4%	38.1%	14.2%
	Not covered	20.7%	24.1%	41.1%	14.1%

Table continued on following page

Exhibit 58: Opinions on Insurance Access by Segment

I feel it is my responsibility as an employer to offer health insurance as an employee benefit

Values in **bold** denote the most popular response within each segment.

		Disagree	Neutral	Agree	No opinion
Overall – 2005 survey		27.2%	23.6%	43.0%	6.1%
Overall – 2008 survey		19.8%	25.8%	36.8%	17.6%
Overall – 2011 survey		23.9%	22.6%	34.7%	18.8%
Number of employees	1 (self only)	17.9%	22.1%	33.0%	27.0%
	2	27.9%	23.2%	38.2%	10.7%
	3-5	35.3%	25.1%	34.2%	5.5%
	6+	42.0%	17.3%	39.5%	1.2%
Gross sales	Under \$50,000	18.6%	23.8%	33.3%	24.3%
	\$50,000-\$99,999	18.4%	20.7%	36.1%	24.7%
	\$100,000-\$199,999	30.1%	23.9%	33.9%	12.1%
	\$200,000-\$499,999	32.7%	21.8%	37.1%	8.5%
	\$500,000+	34.8%	17.4%	39.9%	8.0%
Gender	Female	19.9%	23.1%	35.4%	21.6%
	Male	27.0%	22.7%	34.1%	16.1%
Offer insurance through the business	Yes	22.0%	19.3%	38.6%	20.1%
	No	25.4%	25.1%	31.7%	17.8%
Current health insurance coverage	Have a self-purchased plan	24.1%	22.3%	33.8%	19.8%
	Covered under spouse or through other means	21.8%	25.9%	35.5%	16.8%
	Not covered	24.5%	21.6%	39.4%	14.5%

Table continued on following page

Exhibit 58: Opinions on Insurance Access by Segment

Small businesses have access to the same health insurance options as large businesses

*Values in **bold** denote the most popular response within each segment.*

		Disagree	Neutral	Agree	No opinion
Overall – 2005 survey		81.4%	10.7%	5.3%	2.6%
Overall – 2008 survey		81.5%	5.8%	8.6%	4.1%
Overall – 2011 survey		81.0%	6.4%	8.0%	4.6%
Number of employees	1 (self only)	79.6%	7.0%	8.2%	5.2%
	2	84.5%	3.4%	7.7%	4.3%
	3-5	81.5%	8.4%	6.9%	3.3%
	6+	79.0%	7.4%	9.9%	3.7%
Gross sales	Under \$50,000	79.1%	7.1%	9.1%	4.6%
	\$50,000-\$99,999	83.0%	4.2%	7.2%	5.6%
	\$100,000-\$199,999	83.8%	5.6%	7.7%	2.9%
	\$200,000-\$499,999	80.2%	7.7%	8.9%	3.2%
	\$500,000+	80.4%	10.1%	6.5%	2.9%
Gender	Female	82.0%	4.8%	8.0%	5.2%
	Male	80.7%	7.4%	8.2%	3.6%
Offer insurance through the business	Yes	80.1%	6.9%	9.3%	3.7%
	No	81.8%	6.0%	7.0%	5.3%
Current health insurance coverage	Have a self-purchased plan	80.9%	6.1%	8.3%	4.8%
	Covered under spouse or through other means	79.2%	7.1%	8.1%	5.6%
	Not covered	83.4%	7.5%	6.2%	2.9%

NOTE: “Disagree” are the percentage selecting either of the lowest two ranking points; “agree” are the percentage selecting either of the highest two ranking points; “neutral” are the percentage selecting the mid-point.

Exhibit 59: Satisfaction with the Current Health Plan by Segment

*Responses are limited to the individuals who offer health insurance through their business (829 for 2011, 1,861 for 2008 and 238 for 2005). Values in **bold** denote the most popular response within each segment.*

		Cost of premiums			
		Low satisfaction	Moderate satisfaction	High satisfaction	No opinion
Overall – 2005 survey		78.2%	18.5%	3.4%	0.0%
Overall – 2008 survey		63.2%	21.7%	14.3%	0.9%
Overall – 2011 survey		63.7%	20.0%	11.7%	4.6%
Number of employees	1 (self only)	62.8%	21.5%	11.8%	3.9%
	2	64.5%	17.9%	12.7%	4.8%
	3-5	65.4%	15.0%	12.1%	7.5%
	6+	63.2%	31.6%	2.6%	2.6%
Gross sales	Under \$50,000	62.3%	22.3%	13.0%	2.3%
	\$50,000-\$99,999	67.0%	19.2%	11.5%	2.2%
	\$100,000-\$199,999	66.1%	17.8%	15.6%	0.6%
	\$200,000-\$499,999	66.9%	25.7%	5.9%	1.5%
	\$500,000+	67.8%	11.9%	18.6%	1.7%

Table continued on following page

Exhibit 59: Satisfaction with the Current Health Plan by Segment

*Responses are limited to the individuals who offer health insurance through their business (829 for 2011, 1,861 for 2008 and 238 for 2005). Values in **bold** denote the most popular response within each segment.*

		Number of coverage options available			
		Low satisfaction	Moderate satisfaction	High satisfaction	No opinion
Overall – 2005 survey		44.1%	34.0%	20.6%	1.3%
Overall – 2008 survey		52.1%	23.8%	21.0%	3.1%
Overall – 2011 survey		54.0%	23.8%	15.7%	6.5%
Number of employees	1 (self only)	54.3%	22.9%	15.5%	7.4%
	2	55.4%	23.5%	15.5%	5.6%
	3-5	56.1%	23.4%	14.0%	6.5%
	6+	36.8%	36.8%	23.7%	2.6%
Gross sales	Under \$50,000	56.3%	21.9%	16.3%	5.6%
	\$50,000-\$99,999	54.9%	24.7%	15.9%	4.4%
	\$100,000-\$199,999	57.2%	26.1%	15.0%	1.7%
	\$200,000-\$499,999	56.6%	27.2%	14.7%	1.5%
	\$500,000+	52.5%	18.6%	25.4%	3.4%

Table continued on following page

Exhibit 59: Satisfaction with the Current Health Plan by Segment

*Responses are limited to the individuals who offer health insurance through their business (829 for 2011, 1,861 for 2008 and 238 for 2005). Values in **bold** denote the most popular response within each segment.*

		Quality of care provided			
		Low satisfaction	Moderate satisfaction	High satisfaction	No opinion
Overall – 2005 survey		13.9%	20.6%	61.8%	3.8%
Overall – 2008 survey		31.7%	24.9%	35.9%	7.5%
Overall – 2011 survey		26.7%	23.0%	41.0%	9.3%
Number of employees	1 (self only)	25.9%	26.1%	37.4%	10.6%
	2	28.7%	20.3%	43.4%	7.6%
	3-5	27.1%	18.7%	45.8%	8.4%
	6+	21.1%	18.4%	52.6%	7.9%
Gross sales	Under \$50,000	27.0%	25.6%	37.7%	9.8%
	\$50,000-\$99,999	30.8%	26.4%	36.3%	6.6%
	\$100,000-\$199,999	23.9%	26.1%	44.4%	5.6%
	\$200,000-\$499,999	27.9%	14.7%	52.2%	5.1%
	\$500,000+	22.0%	16.9%	55.9%	5.1%

Table continued on following page

Exhibit 59: Satisfaction with the Current Health Plan by Segment

		Overall affordability of the plan			
		Low satisfaction	Moderate satisfaction	High satisfaction	No opinion
Responses are limited to the individuals who offer health insurance through their business (829 for 2011, 1,861 for 2008 and 238 for 2005). Values in bold denote the most popular response within each segment.					
Overall – 2005 survey		73.1%	17.2%	9.2%	0.4%
Overall – 2008 survey		62.6%	21.2%	14.8%	1.4%
Overall – 2011 survey		63.7%	17.5%	14.4%	4.5%
Number of employees	1 (self only)	62.4%	17.1%	15.5%	5.1%
	2	64.1%	18.7%	13.5%	3.6%
	3-5	66.4%	14.0%	14.0%	5.6%
	6+	68.4%	23.7%	7.9%	0.0%
Gross sales	Under \$50,000	62.3%	18.1%	17.2%	2.3%
	\$50,000-\$99,999	68.1%	15.9%	12.6%	3.3%
	\$100,000-\$199,999	63.9%	18.3%	17.8%	0.0%
	\$200,000-\$499,999	69.9%	19.9%	9.6%	0.7%
	\$500,000+	64.4%	16.9%	18.6%	0.0%

Table continued on following page

Exhibit 59: Satisfaction with the Current Health Plan by Segment

		Ease of submitting claims/administrative paperwork			
		Low satisfaction	Moderate satisfaction	High satisfaction	No opinion
<i>Responses are limited to the individuals who offer health insurance through their business (829 for 2011, 1,861 for 2008 and 238 for 2005). Values in bold denote the most popular response within each segment.</i>					
Overall – 2005 survey		24.4%	27.7%	41.6%	6.3%
Overall – 2008 survey		32.9%	23.1%	32.1%	11.8%
Overall – 2011 survey		26.3%	22.8%	38.0%	12.9%
Number of employees	1 (self only)	24.9%	22.6%	37.9%	14.5%
	2	29.1%	19.9%	39.0%	12.0%
	3-5	26.2%	29.0%	34.6%	10.3%
	6+	23.7%	26.3%	42.1%	7.9%
	Gross sales	Under \$50,000	26.5%	22.8%	40.5%
	\$50,000-\$99,999	27.5%	23.6%	34.6%	14.3%
	\$100,000-\$199,999	27.8%	21.1%	41.1%	10.0%
	\$200,000-\$499,999	25.7%	24.3%	41.2%	8.8%
	\$500,000+	23.7%	23.7%	45.8%	6.8%

NOTE: “Low satisfaction” are the percentage selecting either of the lowest two ranking points; “high satisfaction” are the percentage selecting either of the highest two ranking points; “moderate satisfaction” are the percentage selecting the mid-point.

Appendix B: Survey Instrument

NASE 2011 National Health Care Survey

About Your Business

1. What level of ownership interest do you have in your business?
 - Sole owner/operator/proprietor
 - Co-owner/partner
 - No ownership interest in the business

2. How many full-time employees, **including yourself and any family members**, does your business have?
 - 1 (just myself) 2 3 4 5 6 7 8 9 10 Greater than 10

3. Which statement best describes your business?
 - A career that presently supplies the main source of income in my household
 - A part-time business to supplement another income in my household
 - A start-up business with the potential to become a permanent, main source of income
 - Other: _____

4. How many years has your business been in operation?
 - Less than 1 year 5–9 years 20–24 years 35 or more years
 - 1–2 years 10–14 years 25–29 years
 - 3–4 years 15–19 years 30–34 years

5. In what state is your business located? _____

6. How is your business organized?
 - Sole proprietorship Limited Liability Partnership (LLP) Corporation (Chapter S)
 - General Partnership Limited Liability Company (LLC) Other: _____
 - Limited Partnership Corporation (Chapter C) _____

Health Insurance Coverage

7. Do **YOU** presently have health insurance coverage?
 - I have health insurance coverage that is purchased through my business or on an individual basis
 - I have health insurance coverage under my spouse's health plan through his/her employer
 - I do not have health insurance coverage at present, but plan on acquiring it in the next 12 months
 - I do not have health insurance coverage and have no plans to acquire it in the next 12 months
 - Other: _____

8. Please indicate your level of agreement or disagreement with the following statements:

	Strongly DISAGREE	2	Neutral	4	Strongly AGREE	No opinion
a. I know exactly where to find health insurance coverage for myself and my employees	1	2	3	4	5	<input type="checkbox"/>
b. I have access to health insurance options that fit my company's needs	1	2	3	4	5	<input type="checkbox"/>
c. It is necessary to offer health insurance as a benefit to find and hire qualified people	1	2	3	4	5	<input type="checkbox"/>
d. I feel it is my responsibility as an employer to offer health insurance as an employee benefit	1	2	3	4	5	<input type="checkbox"/>
e. Small businesses have access to the same health insurance options as large businesses	1	2	3	4	5	<input type="checkbox"/>

9. Does your business presently offer any form of health insurance as a benefit for the owner or employees?

Yes, presently offer



GO TO question 11

No, but plan to offer it in the next 12 months

No, but did offer in the past

No

A. If your business DOES NOT offer health care insurance, please indicate what you feel are the top barriers to obtaining this benefit:

The cost to my business

The cost to my employees

A lack of providers

Do not know where to find health insurance coverage

Not interested in offering or do not feel it is necessary to offer

Difficulties in dealing with paperwork/administrative tasks

Other: _____

→→ Which of the above do you feel is the MOST SIGNIFICANT barrier? _____

B. If the new health care reform law (which goes into full effect in 2014) lowers health coverage costs, how likely are you to provide and pay for a portion of health coverage for your employees?

Very likely

Somewhat likely

Not sure

Somewhat unlikely

Very unlikely

Skip to Q XX

10. What type(s) of health plans are offered by your business? (check all that apply)

PPO provider

HMO provider

Traditional plan/fee for service

High deductible plan with a personal health savings account

Other: _____

Not sure what is offered

11. Does your health plan(s) offer spouse/dependant health insurance coverage?

Offers spouse coverage

Offers spouse and dependant coverage

Neither

Not sure

12. Who is offered health insurance coverage in your business? (check all that apply)

Owner(s)

All or most full-time employees

All or most part-time employees

Other: _____

13. What percentage of the people employed by your business (including yourself) are covered under a health plan offered by your business?

_____ % are covered by the health plan offered by my business

14. Is your health plan a: Group insurance plan Individual insurance plan Not sure

15. How much did your business spend in 2010 on health insurance premiums? You can provide this information as a percentage of total sales, or as the actual amount spent, whichever is easier for you.

Total amount spent in 2010 on health insurance premiums was :

_____ % of total 2010 revenue OR \$_____ (actual amount spent on premiums)

16. Do the covered individuals pay part of the health insurance premium for their coverage?

- Yes, they pay _____% of the premium No, the company pays the entire premium

17. What change, if any, has your company seen in the cost of health insurance premiums in the past 12 months?

- Cost has increased _____ % Cost has remained the same
 Cost has decreased _____ % Not sure of change

18. Overall, how satisfied are you with the following aspects of your current health insurance options:

	Not at all satisfied				Highly satisfied	No opinion
a. Cost of premiums	1	2	3	4	5	<input type="checkbox"/>
b. Number of coverage options available	1	2	3	4	5	<input type="checkbox"/>
c. Quality of care provided	1	2	3	4	5	<input type="checkbox"/>
d. Overall affordability of the plan	1	2	3	4	5	<input type="checkbox"/>
e. Ease of submitting claims/administrative paperwork	1	2	3	4	5	<input type="checkbox"/>

Health Insurance Impact

19. How has the increasing cost of health coverage affected you, your family and your business over the past three years?
(Check all that apply)

- I've had to scale back or drop health coverage for myself and/or my family
 I've had to scale back or drop health coverage for my employees
 I have let go of employees
 I have replaced full-time employees with part-time employees
 I have cancelled (or put on hold) plans to hire new employees
 I have cancelled (or put on hold) plans to expand my business
 I have frozen or cut employees' salaries
 My household income has been cut
 My business is struggling to survive
 Not applicable – increasing health coverage costs have had little or no effect on me, my family or my business
 Other

Health Care Reform

20. How familiar are you with the health care reform law that was passed in 2010?

- Extremely familiar
 Very familiar
 Generally familiar
 Not too familiar
 Not at all familiar

21. Which of the following statements best describes your opinion of the 2010 health care reform law?

- I fully or mainly OPPOSE the health care reform law
 I fully or mainly SUPPORT the health care reform law
 The health care reform law is a MIXED BAG with some good changes and some bad changes
 Not sure – I don't know enough about the health care reform law to form a qualified opinion

22. What do you think Congress and the Administration should do about the 2010 health care reform law?

- Repeal the 2010 law and start over
 Repeal the 2010 law and keep our current health system as is
 Keep what's good, take out what is bad, and fix what's broken in the 2010 law
 Leave the 2010 health care law alone
 No opinion

23. Please indicate which of the following is your MAIN concern with the 2010 health care reform law:

- I expect that the cost of my health coverage will increase
- I expect that my taxes will increase
- The government will become too involved with my health care
- It will increase the deficit and be too costly to the country
- I expect that I will not be able to keep my current health insurance and medical professionals
- The quality of our health care system will decline
- I do not have any concerns about the current health care reform law
- No opinion

24. The 2010 health care reform law provides financial assistance to help pay for health coverage. To determine if you may qualify, please refer to the chart below:

Persons in family	Maximum household income to qualify for assistance (e.g., your income must be LESS than this to qualify)
1	\$43,320
2	\$58,280
3	\$73,240
4	\$88,200
5	\$103,160
6	\$118,120
7	\$133,080
8	\$148,010
<i>For families with more than 8 persons, add \$3,740 for each additional person</i>	

Based on the information above, would you qualify for financial assistance to pay for health coverage?

- Yes, I would qualify for assistance
- No, I would not qualify for assistance
- Not sure

25. According to Congressional Budget Office estimates, under the health care law, health insurance premiums in 2014 will be approximately \$5,300 per year (\$442 per month) for an INDIVIDUAL (single) policy.

How does this compare with the current cost of your INDIVIDUAL policy?

- Not applicable – I do not have an individual policy
- My current individual policy costs MORE than \$5,300 per year (\$442 per month)
- My current individual policy costs LESS than \$5,300 per year (\$442 per month)
- Not sure what my individual policy costs

26. According to Congressional Budget Office estimates, under the new health care law, health insurance premiums in 2014 will be approximately \$15,000 per year (\$1,250 per month) for an FAMILY policy.

How does this compare with the current cost of your FAMILY policy?

- Not applicable – I do not have a family policy
- My current family policy costs MORE than \$15,000 per year (\$1,250 per month)
- My current family policy costs LESS than \$15,000 per year (\$1,250 per month)
- Not sure what my family policy costs

27. In 2014, the health care reform law will make you pay a penalty if you do NOT purchase a qualified health insurance plan. The penalties per individual are:
- 2014: penalty of \$95 per individual if you do NOT purchase a qualified health insurance plan
 - 2015: penalty of \$395 per individual if you do NOT purchase a qualified health insurance plan
 - 2016: penalty of \$695 per individual if you do NOT purchase a qualified health insurance plan

How will this penalty affect your health insurance purchase plans?

- Not applicable – I already have health insurance and will keep it
- I will definitely purchase health insurance to avoid the penalty
- I will probably purchase health insurance to avoid the penalty
- I may or may not purchase health insurance to avoid the penalty
- I probably will not purchase health insurance
- I definitely will not purchase health insurance

The following questions are needed for classification purposes. Remember, all survey responses are completely confidential and anonymous.

28. What were the gross sales for your business in 2010?

- | | | | |
|---|---|---|---|
| <input type="checkbox"/> a. Less than \$10,000 | <input type="checkbox"/> e. \$75,000 - \$99,999 | <input type="checkbox"/> i. \$500,000 - \$749,999 | <input type="checkbox"/> m. \$5 million + |
| <input type="checkbox"/> b. \$10,000 - \$24,999 | <input type="checkbox"/> f. \$100,000 - \$199,999 | <input type="checkbox"/> j. \$750,000 - \$999,999 | |
| <input type="checkbox"/> c. \$25,000 - \$49,999 | <input type="checkbox"/> g. \$200,000 - \$299,999 | <input type="checkbox"/> k. \$1 million - \$2.5 million | |
| <input type="checkbox"/> d. \$50,000 - \$74,999 | <input type="checkbox"/> h. \$300,000 - \$499,999 | <input type="checkbox"/> l. \$2.6 million - \$4.9 million | |

29. Please indicate your gender and age: Gender: a. Female b. Male

- Age: a. Under 25 c. 36-45 e. 56-65
 b. 25-35 d. 46-55 f. 66+

30. One final question: Please feel free to share any additional comments you may have on any of the topics raised in this survey:
-