



Report

New Mexico Small Business Healthcare Survey

July 6, 2009

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New Mexico Small Business Owners' Perspectives on Healthcare Reform

Executive Summary

Small Business Majority is the leading national small business advocacy organization supporting comprehensive healthcare reform. The organization conducts original scientific research exploring the experiences and opinions of small business owners throughout the country. As part of an ongoing effort to better understand small business healthcare needs in specific states, Small Business Majority conducted a scientific poll in New Mexico in December 2008.

Small Business Majority's first national online survey, conducted in 2006, showed that the cost of healthcare was the top concern of small business—above taxes, energy and other issues. Follow-up polls by the organization carried out in 2007 and 2008 in California, New York and Ohio have echoed these findings, as have recent surveys done by the Robert Wood Johnson Foundation (nationwide and in Colorado and Kansas), AARP (Washington state, Vermont), the Universal Health Care Foundation of Connecticut, and The Access Project (Great Plains states and California, focused on farmers and ranchers). Surveys that Small Business Majority completed in May and June 2009 in 14 additional states in the West, Midwest, South and Northeast bear out these findings as well. Collectively, these surveys reflect a deep concern on the part of small business owners about healthcare issues and a willingness to consider a range of alternative approaches to crafting a solution to the problem.

Between December 1 and December 10, 2008, Lake Research Partners, on behalf of Small Business Majority, conducted a telephone poll of 300 randomly selected small business owners across New Mexico. Respondents were owners of companies with fewer than 100 workers, including sole proprietors.

The results show that New Mexico's small business owners strongly support reform and see a role for employers in paying for coverage. They believe in the concept of shared responsibility among individuals, employers, insurers, the government and healthcare providers to pay for healthcare.

The New Mexico survey was sponsored by AARP and Health Action New Mexico. Each of the sponsors was actively involved in designing the survey. The survey has a 95% confidence interval and a 5.7% margin of error.

Key Findings

New Mexico small business owners overwhelmingly believe healthcare reform is needed, and they see a role for business in paying for it. They believe barriers to healthcare coverage should be removed, and that by doing so, entrepreneurship would benefit.

- New Mexico small business owners want healthcare reform. Only 11% want to leave the system the way it is, while 66% of those who express an opinion say they want to see some kind of reform.

- 64% of small business owners believe that in order to get the economy back on track, the country needs healthcare reform now.
- 76% believe people should be able to buy healthcare policies regardless of their health status.
- 53% say more people would become entrepreneurs if they knew they could get healthcare regardless of preexisting conditions.
- 66% of small businesses in New Mexico support the principle of shared responsibility, whereby the cost of healthcare is shared among individuals, employers, insurance companies, providers and government.
- 59% believe employers should contribute something to cover their employees; 24% disagree.
- 45% support expanded access to affordable, high-quality healthcare for all New Mexicans, even if it means an increase in taxes.

Key Cross-Tabs

While New Mexico's small business owners broadly favor healthcare reform, several key groups are more likely to voice support for it. These include women, minorities and younger business owners. For example:

- 93% of women favor reforms to allow anyone to buy health coverage regardless of health status; 79% strongly agree.
- 72% of minority business owners believe employers, insurers, providers and the government should share the responsibility of paying for healthcare.
- 71% of business owners younger than 50 believe paying for healthcare should be a shared responsibility.

Key Demographics

The survey reached 300 small business owners in New Mexico with the following demographic characteristics:

- 38% offer insurance to at least two employees
- 80% employ 10 or fewer employees
- 70% male; 30% female
- Among those expressing a party preference, political affiliation is as follows: 36% Democrat; 34% Republican; 22% Independent

Conclusion

New Mexico's small business owners strongly favor healthcare reform and believe the economy would benefit from it. They see restrictions on coverage for preexisting conditions as unfair and as a barrier to entrepreneurship. Most believe they have a responsibility to provide healthcare coverage to their workers and that employers should pay something toward the cost. They worry, however, about the cost getting too high.

Methodology

Lake Research Partners designed and administered this survey on behalf of Small Business Majority.

Between December 1 and December 10, 2008, professional interviewers conducted telephone interviews with a total of 300 small business owners in New Mexico. For the purposes of this research, a small business is defined as having up to 100 employees, including sole proprietors. The interviews lasted an average of 8 minutes.

Researchers used a random sample of phone numbers obtained from InfoUSA, a leading commercial vendor that provides a constantly updated database of all businesses in the U.S. Respondents were screened to include only those directly involved in determining their company's healthcare benefits and to exclude employers with more than 100 employees and those who didn't know whether the company pays for health insurance benefits for its employees.

Percentages may not always add up to 100%, due to rounding or because several questions allowed for multiple answers.

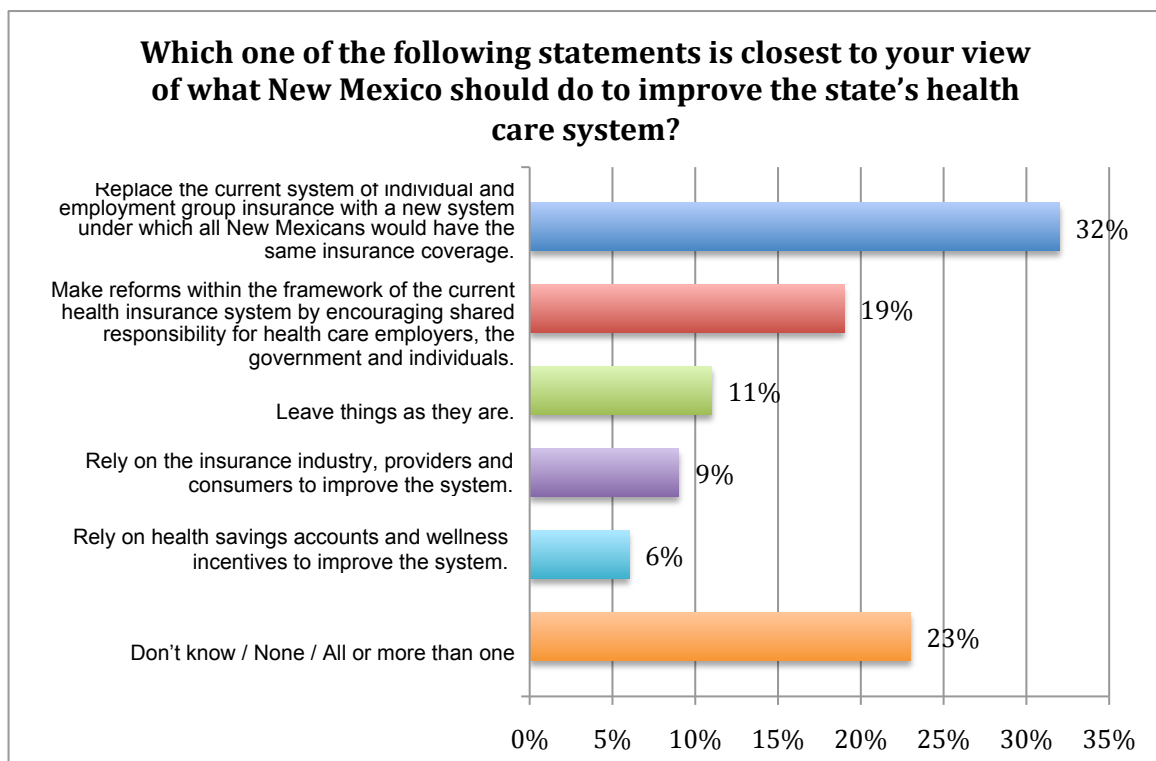
Like all surveys, this survey has the potential for sampling error. The potential for sampling error depends on both the number of respondents to a particular question and the distribution of their responses. The survey has a 95% confidence interval with an overall margin of error of 5.7%. Answers with fewer responses have higher margins of error than does the survey as a whole.

Survey Results

New Mexico's small business owners overwhelmingly believe healthcare reform is needed, and see a role for business in paying for it. They are comfortable with employers paying something toward their employees' coverage, but less supportive when required contributions or taxes are mentioned. They believe barriers to healthcare coverage (e.g., denial for preexisting conditions) should be removed, and that these barriers limit entrepreneurial innovation.

Small businesses strongly believe we need comprehensive healthcare reform.

The majority of small business owners in New Mexico want healthcare reform. Only 11% want to leave the system the way it is, while 66% want to see reform. About one-third (32%) of those surveyed believe the current system of individual and employment group insurance should be replaced with a new system under which all New Mexicans would have the same insurance coverage.

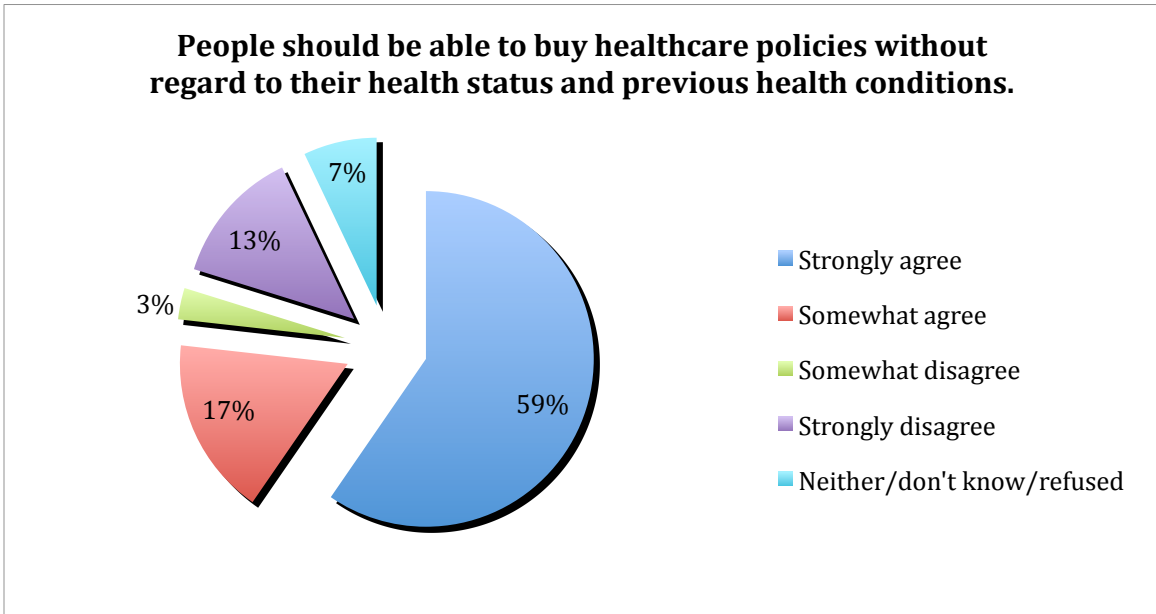


A majority (64%) of small businesses believe that in order to get the economy back on track, healthcare reform is needed now. In addition, 61% believe covering everyone would decrease the hidden tax paid through unreimbursed healthcare costs.

Small businesses want to eliminate preexisting condition rules.

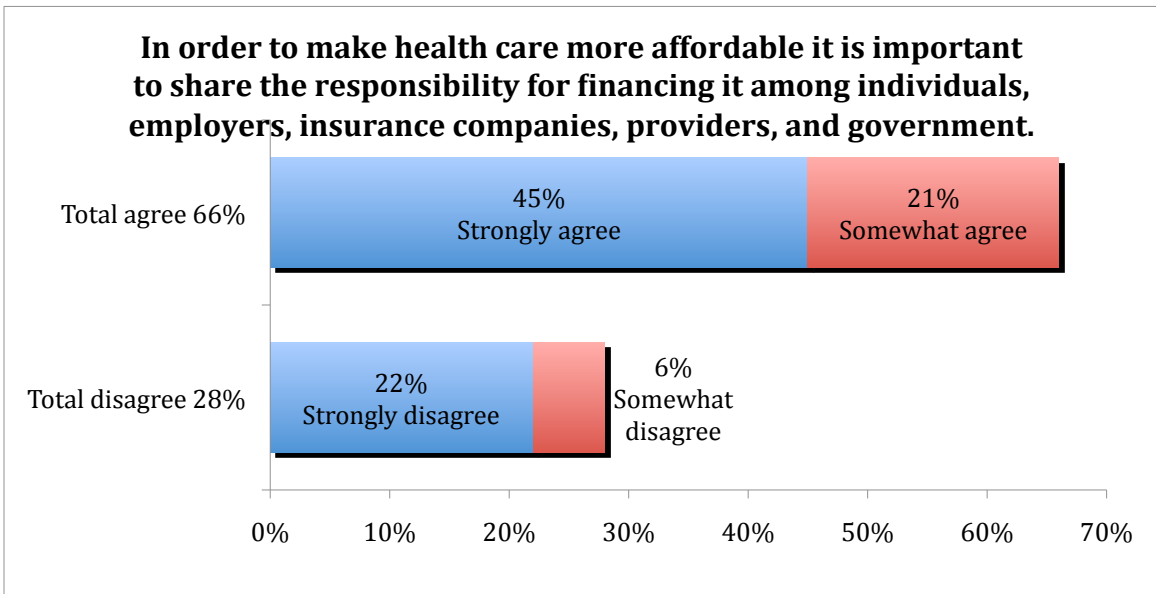
About three-quarters 76% of New Mexico small business owners say people should be able to buy healthcare policies regardless of their health status (59% strongly agree). More than half

(53%) say more people would become entrepreneurs if they knew they could get healthcare regardless of preexisting conditions.

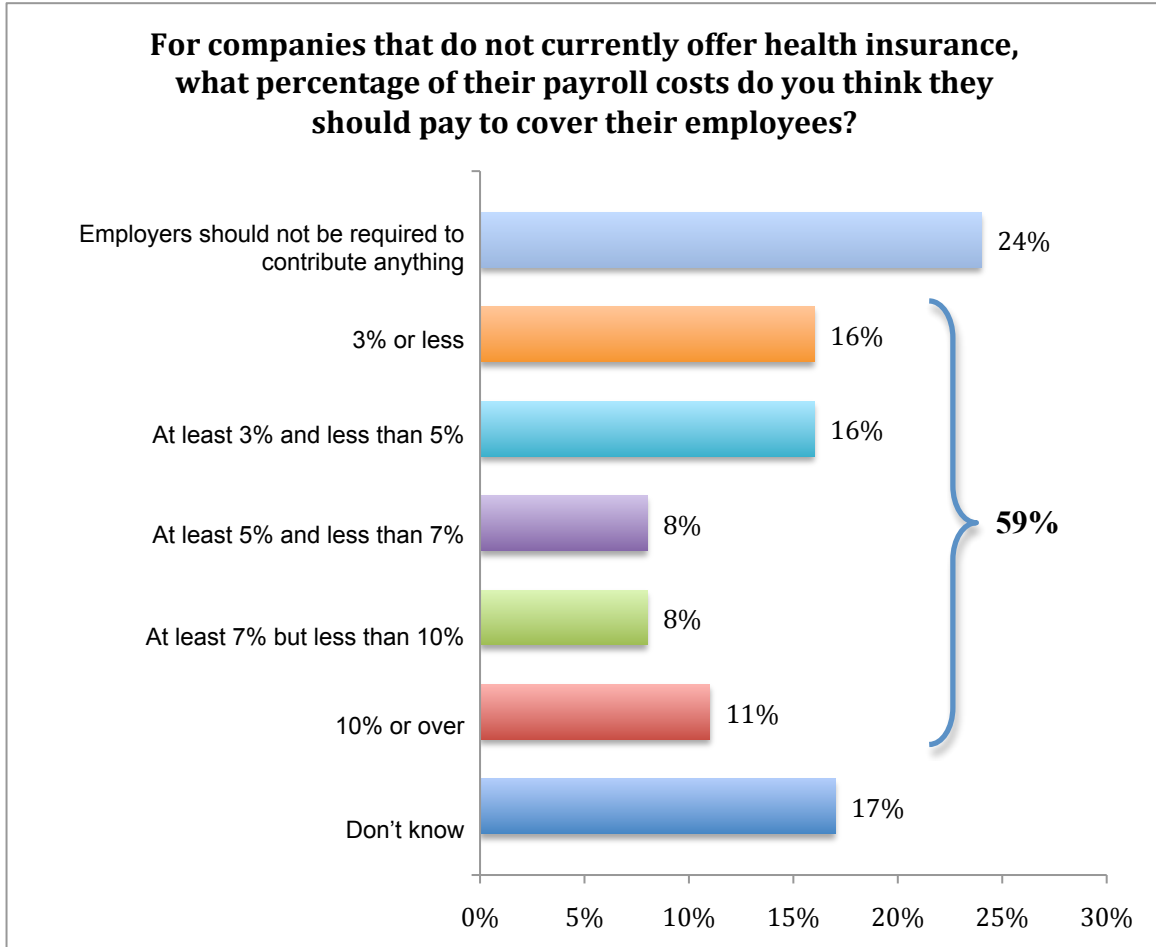


Small businesses support shared responsibility.

Two-thirds (66%) of small business owners in New Mexico support the principle of shared responsibility, whereby the cost of healthcare is shared among individuals, employers, insurance companies, providers and the government. (45% strongly agree).



Providing health insurance to their employees is important to a majority of New Mexico’s small business owners, with 59% saying employers should contribute something. More than 4 in 10 (43%) say employers should pay 3% or more, 16% say they should pay 3% or less, and 24% say they shouldn’t have to pay anything.



Moreover, even higher percentages of women, minorities, young business owners and owners of relatively smaller businesses believe business, government, insurers and providers should share the responsibility of paying for healthcare coverage.

Breakdown by minority status and gender:

	Minority	Women	Neither	Total
Agree	69%	67%	64%	66%
Disagree	31%	33%	36%	34%

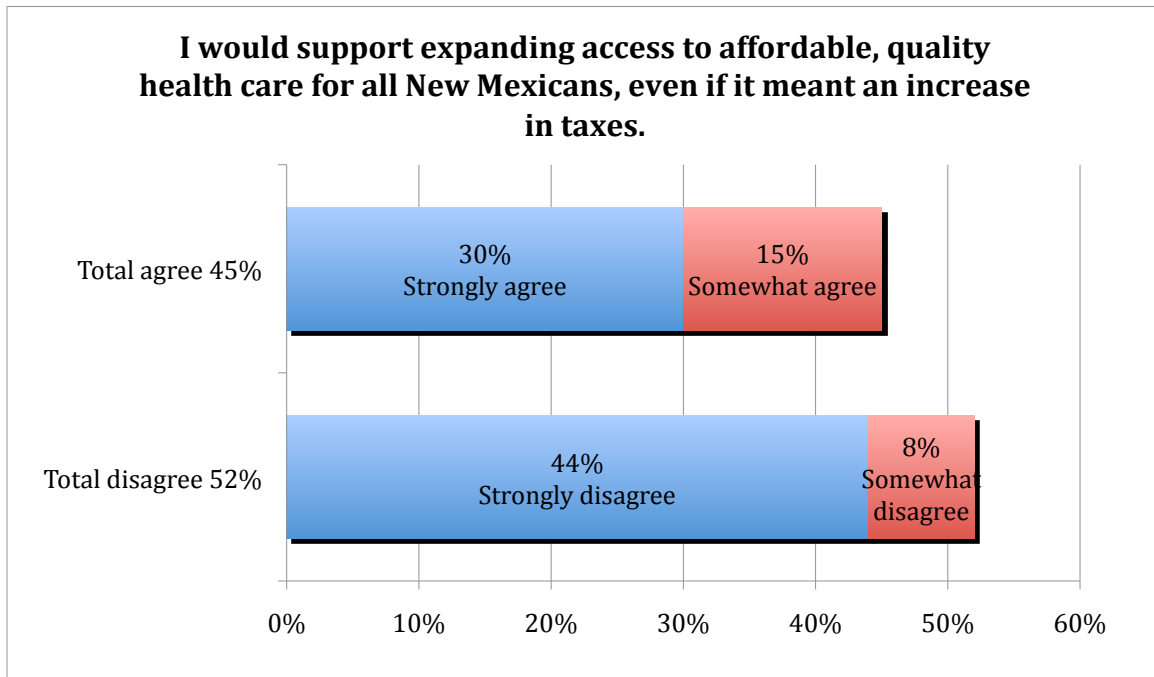
By age of business owner:

	Under 50	50-64	65 or older	Total
Agree	71%	66%	59%	66%
Disagree	29%	34%	41%	34%

By number of employees:

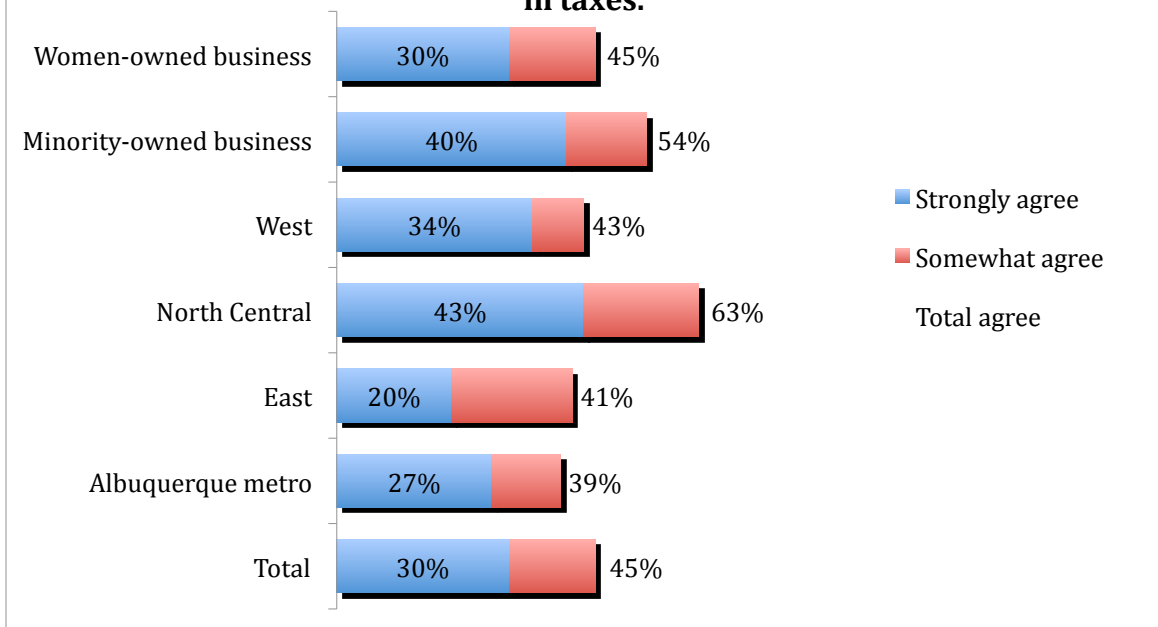
	1	2	3	4+	Total
Agree	68%	70%	69%	61%	66%
Disagree	32%	30%	31%	39%	34%

More than 4 in 10 (45%) small businesses support expanded access to affordable, high-quality healthcare for all New Mexicans even if it means an increase in taxes, and 30% strongly agree; 52% disagree.



However, some small businesses in New Mexico do support expanding access if it means increased taxes. Almost two-thirds (63%) of those in the North Central part of the state support tax increases to expand health insurance, making them the only group of the state's four regions to take this position. In addition, a majority (54%) of minority-owned small businesses support this proposition.

I would support expanding access to affordable, quality health care for all New Mexicans, even if it meant an increase in taxes.



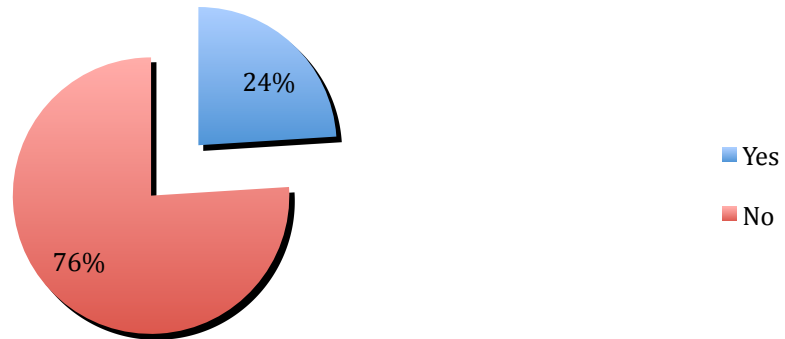
One-third (33%) of small businesses support a system in which everyone without healthcare is required to purchase insurance from a public plan, coupled with a requirement that businesses not offering healthcare coverage pay 7% of their payroll into the public plan (55% disagree).

Small businesses can't afford healthcare coverage for their employees.

Only about 1 in 4 small businesses (24%) in New Mexico currently offer healthcare coverage to their employees. When sole proprietors and those with just one employee are taken out of the total, 38% offer coverage. The majority (83%) of business owners have coverage for themselves.

Most (76%) small business owners who don't offer coverage to employees say they can't afford to, while the majority (79%) of those who do so say they're really struggling to pay for it. Among those who offer coverage, most pay between 75% and 100% of the premium, which amounts to between \$100 and \$499 per month, per employee, on average.

Do you pay for all or part of the cost of health insurance benefits for ANY of your employees?



Demographics

The survey reached 300 small business owners in New Mexico with the following demographic characteristics:

- 24% offer insurance; 76% do not; of those with two or more employees, 38% offer coverage
- Of those who offer insurance:
 - 22% pay under 50% of employee premiums
 - 23% pay between 50% and 75% of employee premiums
 - 52% pay between 76% and 100% of employee premiums
 - 3% don't know
- 80% employ 10 or fewer employees
 - 39%: 1 or self-employed
 - 27%: 2–3 employees
 - 15%: 4–9 employees
 - 9%: 10–14 employees
 - 4%: 15–19 employees
 - 2%: 20–24 employees
 - 1%: 35–39 employees
 - 1%: 40–44 employees
 - 1%: 45–50 employees
 - 1%: 51–100 employees
- Broad range of business types:
 - 24%: retail
 - 12%: construction
 - 8%: creative or technical services
 - 8%: financial, legal, accounting, consulting or similar

- 5%: manufacturer
- 4%: healthcare
- 3%: wholesale distributor
- 3%: restaurant or fast food
- 2%: agriculture
- 12%: other services
- 10%: other
- Broad range of ages:
 - 1%: 25–29
 - 2%: 30–34
 - 5%: 35–39
 - 11%: 40–44
 - 14%: 45–49
 - 18%: 50–54
 - 17%: 55–59
 - 13%: 60–64
 - 9%: 65–69
 - 7%: 70–74
 - 2%: Over 75
 - 2%: Refused
- Broad range of business revenue levels:
 - 22%: under 50k
 - 12%: 50–99k
 - 13%: 100–249k
 - 11%: 250–499k
 - 3%: 500–749k
 - 3%: 750–999k
 - 6%: 1–2 million
 - 7%: 2–5 million
 - 3%: Over 5 million
 - 7%: Don't know
 - 13%: Refused
- 70% male; 30% female
- 36% Democrat; 34% Republican; 22% Independent

Conclusion

New Mexico's small business owners view healthcare reform as essential and believe the economy would benefit from it. They see restrictions on coverage for preexisting conditions as unfair and as a barrier to entrepreneurship. Most believe they have a responsibility to provide health coverage to their workers and that employers should pay something toward the cost. They worry, however, about the cost getting too high.

Organization & Contact Information

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newyork@smallbusinessmajority.org

FINAL

Hello, may I please speak with

CHOOSE ONE

- NAME FROM LIST— Name Listed as CEO/President/or Owner of Company
- The owner or president of company
- The person at your company who is responsible for making decisions about employee health care and compensation

IF NONE OF THE ABOVE AVAILABLE, ARRANGE TIME FOR CALL BACK

FIRST CONTACT WITH ACTUAL INTERVIEWEE:

Hello, My name is _____ of New Mexico Opinion Research. I am calling on behalf of the Small Business Majority. We are conducting a confidential brief survey among New Mexico small business owners on the topic of healthcare. Your responses will be kept strictly confidential and no material that identifies your response will be distributed. This survey is for research purposes only. We are not attempting to sell anything, nor will your participation result in any calls in the future to sell you anything. **(DO NOT PAUSE)**

Prompt if respondent asks who is the Small Business Majority:

The Small Business Majority is a group of business entrepreneurs in New Mexico who have joined together to speak out on health care changes needed by small businesses to ensure our competitiveness and economic survival.

Prompt if respondent asks why Small Business Majority is conducting the survey:

The Small Business Majority is conducting this survey to understand the views of small businesses on health care.

GENDER OF RESPONDENT

Male 70
Female 30

REGION

Albuquerque Metro..... 38
East 20
North Central..... 21
Northwest 10
Southwest 12

1. Just to confirm, are you directly responsible for or directly involved in the decision making process for determining the health care benefits that will be offered at your company?

Yes 100
No..... **TERMINATE**
(Don't know) **TERMINATE**

2. And how many employees, not including contractors, does your company have?

1 or Self-Employed.....	39
2 or 3	27
4-9	15
10-14	9
15-19	4
20-24	2
25-29	0
30-34	1
35-39	1
40-44	1
45-50	1
51-100	1
101 or more.....	TERMINATE
(Don't Know/Refused).....	TERMINATE

3. Are you personally covered by health insurance?

Yes,	83
No.....	16
(don't know).....	1

4. Do you pay for all or part of the cost of health insurance benefits for ANY of your employees?

Yes	GO TO Q5	24
No.....	GO TO Q7	76
(Don't know)	TERMINATE	

ASK ONLY IF Q4=1

5. What percentage of your full-time employees' health insurance premiums do you pay for (IF ASKED, CLARIFY: This would be the portion of the employee's premium, not their dependents)? (READ LIST)

We pay UNDER 50% of the premium cost	22
We pay BETWEEN 50% and 75% of the premium cost.....	23
We pay between 76% and 100% of the premium cost.....	52
(Don't know)	3

ASK ONLY IF Q4=1

6. How much per employee do you estimate you currently pay for health insurance premiums in your company? (READ LIST)

Under \$100 per month	9
\$100 to \$299 per month	31
\$300 to \$499 per month	27
\$500 to \$700 per month	8
Over \$700 per month	9
(Don't know)	16

RESUME ASKING ALL

7. Which one of the following statements is closest to your view of what New Mexico should do to improve the state’s health care system?
(RANDOMIZE)

- _Leave things as they are..... 11
- _Rely on the insurance industry, providers, and consumers to improve the system..... 9
- _Make reforms within the framework of the current health insurance system by encouraging shared responsibility for health care employers, the government and individuals. 19
- _Rely on health savings accounts and wellness incentives to improve the system..... 6
- _Replace the current system of individual and employment group insurance with a new system under which all New Mexicans would have the same insurance coverage..... 32
- (all or more than one)..... 4
- (None) 10
- (Don’t know) 9

Now I am going to read you some statements about health care. For each one, please tell me whether you strongly agree, somewhat agree, somewhat disagree, or strongly disagree with the statement.

[READ FIRST ITEM.] Do you strongly agree, somewhat agree, somewhat disagree, or strongly disagree with that statement?

ROTATE Q8-16

	str	smwt	smwt	str	(neither)(DK/ref)		
	agree	agree	disag	disag		agree	disag

ASK ONLY IF Q4=2

8. _My business cannot afford to provide health coverage.
..... 66 10 3 9 10 2 76 13

ASK ONLY IF Q4=1

9. _My business is really struggling to afford the cost of health coverage.
..... 57 22 9 10 0 1 79 20

RESUME ASKING ALL

10. _In order to get our economy back on track we need health care reform now.
..... 47 17 6 24 2 4 64 30

11. _I would support expanding access to affordable, quality health care for all New Mexicans, even if it meant an increase in taxes.
..... 30 15 8 44 0 2 45 52

12. _I feel my company has a responsibility to offer health coverage to employees.
..... 32 22 5 29 10 2 53 34

13. _Making sure the uninsured are covered would decrease the “hidden tax” that we all pay in unreimbursed healthcare costs such as emergency room visits.
..... 40 22 5 19 3 12 61 24

	str agree	smwt agree	smwt disag	str disag	(neither) (DK/ref)	agree	disag
14. SSA: People should be able to buy healthcare policies without regard to their health status and previous health conditions.	59	17	3	13	2	5	76
15. SSB: More people would become entrepreneurs and start businesses if they knew that they could get health insurance despite their pre-existing health conditions.	31	22	4	27	0	16	53
16. In order to make health care more affordable it is important to share the responsibility for financing it among individuals, employers, insurance companies, providers, and government.	45	21	6	22	1	5	66

END ROTATION

17. For companies that do not currently offer health insurance, what percentage of their payroll costs do you think they should pay to cover their employees? **(READ CHOICES IN ORDER)**

Employers should not be required to contribute anything.....	24
3% or less	16
At least 3% and less than 5%	16
At least 5% and less than 7%	8
At least 7% but less than 10%	8
10% or over.....	11
Don't Know.....	17

[PAY OR PLAY]

18. Now I am going to read you a proposal that has been made to reform health care. Please tell me whether you strongly support, somewhat support, somewhat oppose, or strongly oppose this proposal.

Guarantee health coverage for everyone by requiring individuals to purchase private health insurance or a public health plan offered by the federal or state government. Employers would be required to either purchase health insurance for their employees from a private or public plan or pay up to 7% of their payroll costs to enroll their employees in the public plan.

Support strongly.....	14
Somewhat support	19
Somewhat oppose	14
Oppose strongly	41
(neither)	6
(DK/Refuse)	6
Support.....	33
Oppose.....	55

The few remaining questions are for statistical purposes only.

19. Which of the following categories best describes your business?

READ LIST

_ Retail	24
_ Online/Internet-based	0
_ Manufacturer	5
_ Wholesale distributor	3
_ Healthcare	4
_ Real estate	5
_ Construction	12
_ Agriculture	2
_ Creative or technical services	8
_ Financial, legal, accounting, consulting or similar	8
_ Other services	16
_ Restaurant or fast food	3
_ Other	10
(don't know).....	0

20. Generally speaking, do you think of yourself as a Republican, a Democrat, an independent, or something else?

IF INDEPENDENT: Would you say that you lean more toward the Republicans or more toward the Democrats?

Democrat.....	31
independent - lean Democrat.....	5
Democrat.....	36
independent	22
Republican	34
independent - lean Republican	6
Republican	28
(don't know/other)	8

21. What is your age?

CODE ACTUAL AGE: _____

IF REFUSED: I am going to read you some categories. Stop me when we get to your category:

READ CATEGORIES:

18-24	0
25-29	1
30-34	2
35-39	5
40-44	11
45-49	14
50-54	18
55-59	17
60-64	13
65-69	9
70-74	7
Over 75	2
(Refused/don't know)	2

22. What was the gross revenue of your company in 2007?

CODE ACTUAL REVENUE: _____

IF REFUSED: I am going to read you some categories. Stop me when we get to your category:

READ CATEGORIES:

Under \$50,000	22
\$50,000 to \$99,999	12
\$100,000 to \$249,999	13
\$250,000 to \$499,999	11
\$500,000 to \$749,999	3
\$750,000 to \$999,999	3
\$1 million to \$1.99 million	6
\$2 million to \$5 million	7
Over \$5 million	3
(Don't know)	7
(Refused)	13

23. And just to make sure we have a representative sample, could you please identify which of the following descriptions best fit your company:

Minority-Owned Business	18
Woman-Owned Business	31
Minority & Woman-Owned Business	2
None of the Above	49