

Message to Obama from Small Businesses (6/16/09)

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Washington Post: What did you think of President Obama's address to the AMA?

In his American Medical Association speech, President Obama spoke of the strain of health-care costs on small business. This was gratifying. The erratic, unrelenting rise in health-care costs threatens small firms' viability. Small firms pay 113 percent more for insurance today than they did in 1999. They pay 18 percent more than large firms for the same coverage. Their cost increases are volatile and they and their employees have fewer insurance choices than larger businesses.

Typically, small firms that can afford to provide insurance do so, and those that don't offer insurance can't because it's unaffordable. People become small-business owners in part so they can make their own decisions and control their own destinies. Health insurance frustrates small business owners because it's the one cost they have virtually no power to control.

The President also spoke of expanding coverage and improving quality, as he should, but neither is possible without dealing upfront with costs. Affordability problems are worst for small business and these firms desperately need reform. This begins with insurance market reform that leads to more choice, competition and means to control costs. The delivery system must also change in ways that cut costs but don't eliminate the positive features that currently exist.

The President's speech also touched on some more contentious issues. The National Federation for Independent Business (NFIB) opposes a public plan, which would extinguish competition among private insurers. NFIB opposes employer mandates. Even exemptions for the smallest firms wouldn't change the fact that employer mandates destroy jobs, harm workers and fail to help many who need help. Furthermore, a mandate (with an exemption or not) simply does not address the core problem for small business -- costs.

The President placed cost front and center, and that's good for small business. That's a start. Now Congress must ensure that effective cost containment is achieved while ensuring quality care.