

2004 Small Business Health Insurance Survey Findings

From O'Hara, Frank and Lisa Pohlmann.
Maine Small Business Health Insurance: A 2004 Survey.
Maine Center for Economic Policy. July 2005

- 53% of small businesses (2-49 employees) were offering any employee health coverage in 2004.
- 8% dropped coverage between 2002-2004.
- The smallest businesses (2-10 employees) had a significant decline in rate of coverage between 1999-2004, from 62%-43%.
- The higher the Maine worker's salary, the more likely he or she is to receive health benefits.
- Small businesses that offered health insurance paid an average of 84% of the premium for their employees, with one out of three paying 60% or less.
- On average these firms paid less than half of the premium for their employees' families.
- Employee out-of-pocket costs are increasing. A worker who wants family insurance has an average monthly premium cost of over \$400 a month.
- 30% of small businesses would cut back further on coverage with an insurance rate increase of 10% or less.
- 25% of small businesses delayed raises to their employees to pay for health insurance at their last insurance renewal and 25% did so within the last three years.
- Small businesses want to provide health benefits as a matter of principle (85%), and in order to attract and retain employees (76%).
- Health insurance costs are a moderate to major concern for 95% of Maine small businesses.