

**TRANSAMERICA CENTER**  
**FOR HEALTH STUDIES®**

**One Year In: Businesses Respond to the Affordable Care Act**  
***Transamerica Center for Health Studies<sup>SM</sup> Survey***  
**Fact Sheet: Small Businesses**

**Only 51 percent of small businesses (with fewer than 50 employees) offer health coverage - compared with 98 percent of larger businesses.**

- Only 49 percent of small businesses evaluate their health care benefit offerings more frequently than every two years, compared to 91 percent of larger businesses with 50 or more employees.

**Only half of small businesses with less than 50 employees are aware of the Small Business Health Options Program Marketplace (SHOP) which gives these businesses the opportunity to provide coverage for their employees (and potential for tax credits).**

- 50 percent of small businesses are aware of SHOP, compared with 82 percent of businesses with 50-499 employees and 84 percent of businesses with 500 or more employees.
- 12 percent of small businesses expect to offer coverage to employees through the Small Business Health Options Program (SHOP) marketplace within the next 1-2 years.

**A majority of small businesses feel informed about the ACA and health care industry changes.**

- Three-quarters (74 percent) of small business employers feel at least somewhat informed about the ACA.
- 77 percent feel at least somewhat informed on the health care industry changes that impact their company.

**Smaller employers are more likely to prefer their employees to obtain health insurance independently than to provide health insurance through their company.**

- 60 percent of small business employers would prefer their employees to obtain health insurance independently, compared with about one third of larger businesses.

**Small businesses are divided on whether or not the ACA will result in more costs to the company.**

- 44 percent believe that costs will increase, and 53 percent believe that costs will stay the same as a result of the ACA (only 5 percent believe costs will decrease).

This survey was conducted online within the United States by Harris Poll on behalf of the Transamerica Center for Health Studies<sup>SM</sup> between July 8 and July 30, 2014 among a sample of 751 employer decision makers aged 18+, 301 of which were small businesses (1-49 employees). Data were weighted (statistically adjusted) on employer size (by number of employees) to be representative of U.S. businesses. No estimates of theoretical sampling error can be calculated; a full methodology is available upon request. When comparing to the 2013 benchmark study, please note the qualification was slightly more restrictive in the 2014 study. In 2014, respondents were required to be: 1) Primary decision makers of employee benefits at their company; 2) Employed by or the proprietor of a for-profit (non-educational) organization; 3) Owner, CEO/Chairman, Director of HR, Benefits Manager, other HR professional responsible for employee benefits, or other professional responsible for employee benefits.

For more information and the full survey, please visit the Transamerica Center for Health Studies website linked below.

Transamerica Center for Health Studies® | 1150 S. Olive Street, Los Angeles, CA 90015 | (213)742-5510  
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**Similarly, small businesses are divided on whether or not the ACA will affect the quality of health care and out-of-pocket costs for their employees.**

- 30 percent of small businesses believe that the quality of health insurance they are able to offer will decline, 55 percent believe it will stay the same, and just 15 percent believe it will improve.
- 45 percent believe out-of-pocket costs will increase, 49 percent believe they will stay the same, and 6 percent believe they will decrease.

**Small businesses are lacking in engaging employees in education/advice about the healthcare benefits their company offers.**

- Forty-two percent of employers from companies with fewer than 50 employees report that their company *never* engages employees in education/advice about the healthcare benefits the company offers.
- 46 percent of small business employers engage employees in education/advice about the healthcare benefits annually, compared with 83 percent of larger employers with 50 or more employees.

**Among the small companies who offer health care benefits, 45 percent offer only one type of health care plan, and 31 percent offer two types.**

- 81 percent of small businesses offer health insurance (major medical), compared to 91 percent of all employers.
- 46 percent of small businesses offer dental insurance and 36 percent offer vision insurance, compared to 66 percent and 62 percent of all employers.
- 22 percent of small businesses offer long term care insurance, compared to 43 percent of all employers.
- 19 percent of small businesses offer employee wellness programs, compared to 41 percent of all employers.

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