



SMALL BUSINESS
FOR AMERICA'S FUTURE

Survey: Hospital Consolidation Contributes to High Healthcare Costs for Small Business

March 21, 2023

About Small Business for America's Future

- Small Business for America's Future is a national coalition of business owners and leaders working to provide small businesses a voice at every level of government.
- We're committed to ensuring policymakers prioritize Main Street by advancing a just and equitable economic framework that works for small business owners, their employees and their communities.



A blue-tinted photograph of a meeting. In the background, a person points at a laptop screen displaying a pie chart and a bar chart. In the foreground, a person's hands are clasped together, and another person's hand rests on a tablet. The desk is cluttered with papers, a pair of glasses, and a clipboard. The overall scene suggests a collaborative work environment focused on data analysis.

National Findings

Hospital Consolidation Exacerbates Healthcare Prices For Small Business

From Feb. 1-16, 2023, Small Business for America's Future surveyed **1,015 small business owners** in its network about impact and causes of the cost of healthcare coverage. The findings show they feel the increasing pace of hospital consolidations is exacerbating the cost of healthcare. High costs lead Main Street entrepreneurs to raise prices for goods and services, stifle small business growth and hiring, and cut into employee compensation.

- **A majority of small business owners surveyed have seen hospital consolidation** in their communities and they believe this leads to less choice, longer wait times, and fewer services—in addition to driving up healthcare costs overall.
- **Small business owners struggling with the expense of providing healthcare benefits** to their employees face a stark choice when costs rise: Drop or cut healthcare benefits, making it hard to attract quality candidates, or divert funds to healthcare and away from investing in the growth of their business.
- **The vast majority of small business owners say it's important that federal and state governments intervene** in the consolidation of the health systems.



Small Businesses Want Action on Hospital Consolidation That Drives Up Healthcare Prices

Specific findings from the survey of **1,015 small business owners** include:

- **58%** of those surveyed say they have seen hospital consolidation in their region, with the number of hospitals shrinking
- The biggest outcomes of those who have seen hospital consolidation are:
 - **61%** have fewer choices about where to receive care
 - **54%** see a loss of competition
 - **47%** see longer waits
- **80%** say that the consolidation of hospitals in their areas have made the overall availability and quality of healthcare services in their communities worse
- **71%** say the availability and cost of health insurance has been negatively impacted by hospital consolidation
- **50%** of small business owners say that hospital consolidation leads to a lack of competition making hospital services more expensive for employees, eating into their pay.



Small Businesses Want Action on Hospital Consolidation That Drives Up Healthcare Prices

- **45%** of small business owners said the rising price of health insurance has led them to delay growth opportunities for their business.
 - **41%** said they have increased the cost of goods and services
 - **More than a third** have said they have become less competitive in hiring compared to other companies that provide health benefits
- The survey shows strong small business owner support for regulating hospital consolidation and pricing:
 - More than **80%** say it's important that federal and state governments intervene in the consolidation of the health systems
 - Nearly **90%** say that hospitals are unfairly charging high prices leading to high healthcare costs and it's time for price regulation
 - **88%** of business owners support limiting the prices charged by hospitals with particularly high payment rates to no more than two times what Medicare pays for the service

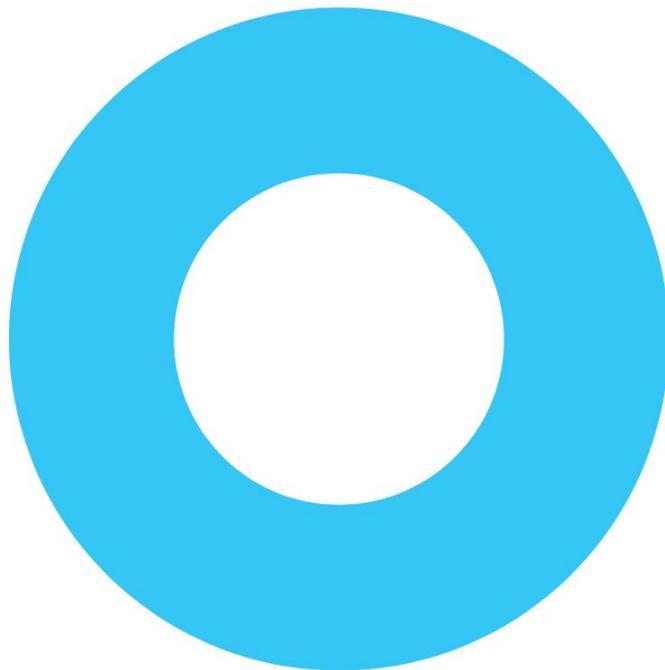


An overhead, top-down view of a wooden office desk. Several people are working at the desk. On the left, a person's hands are on a white keyboard in front of a large monitor. In the center, another person's hands are on a white keyboard in front of another large monitor. On the right, a person is using a pair of scissors to cut something in a clear plastic container. In the bottom left, a person is typing on a silver laptop. In the bottom center, a person is holding a black tablet. In the bottom right, a person is using a white mouse in front of a large monitor. The desk is cluttered with various items: a small potted plant, a coffee cup, a smartphone, a pen holder with pens, a spiral notebook, a calculator, and some papers. The entire image has a light blue tint.

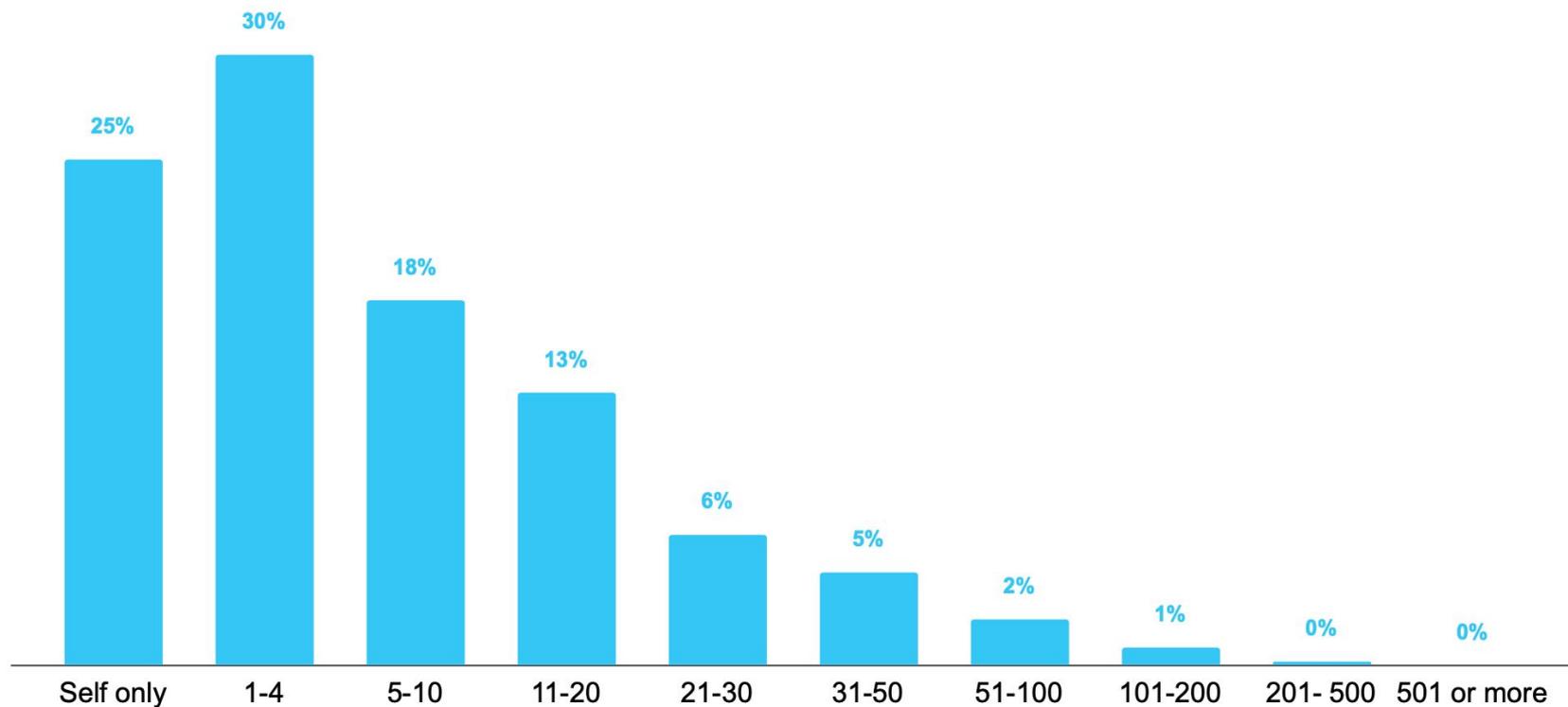
Full Survey Results

Q1: Are you a small business owner?

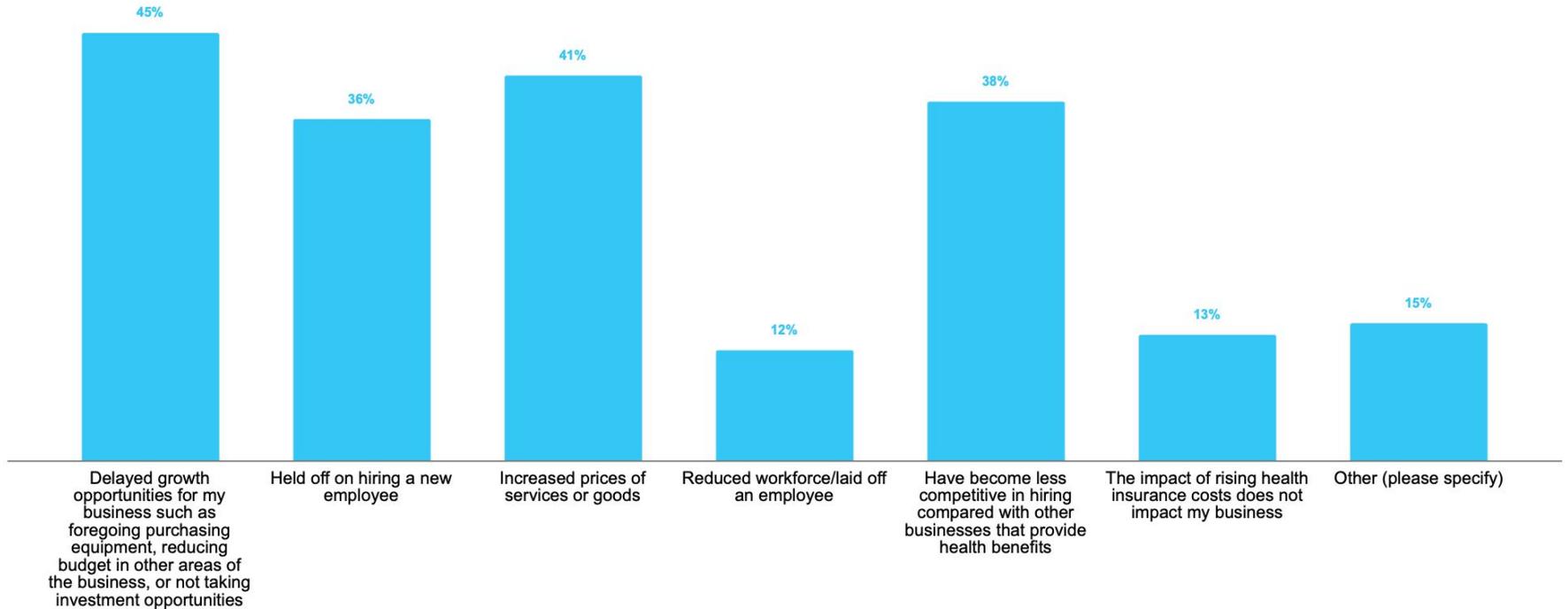
● Yes



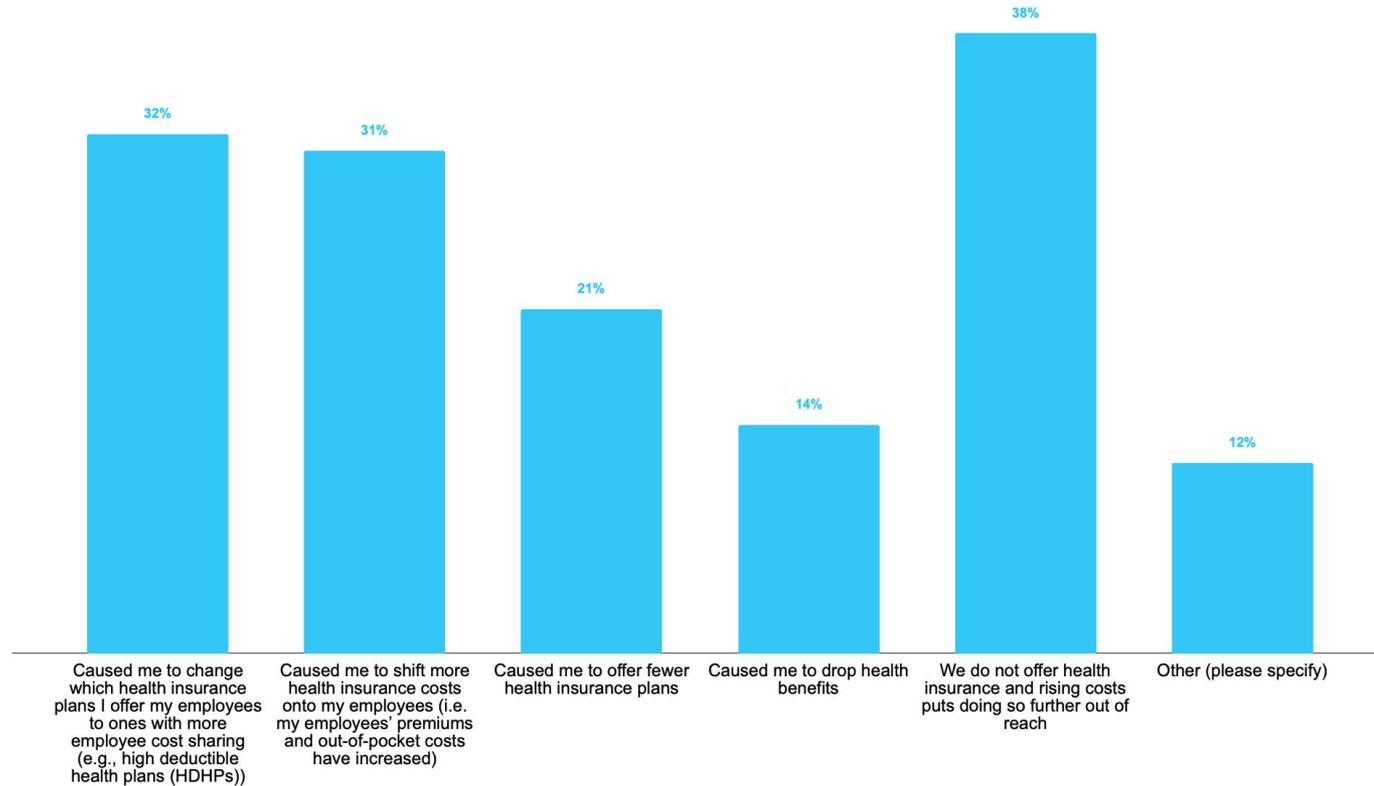
Q2: Not including yourself, how many people do you employ?



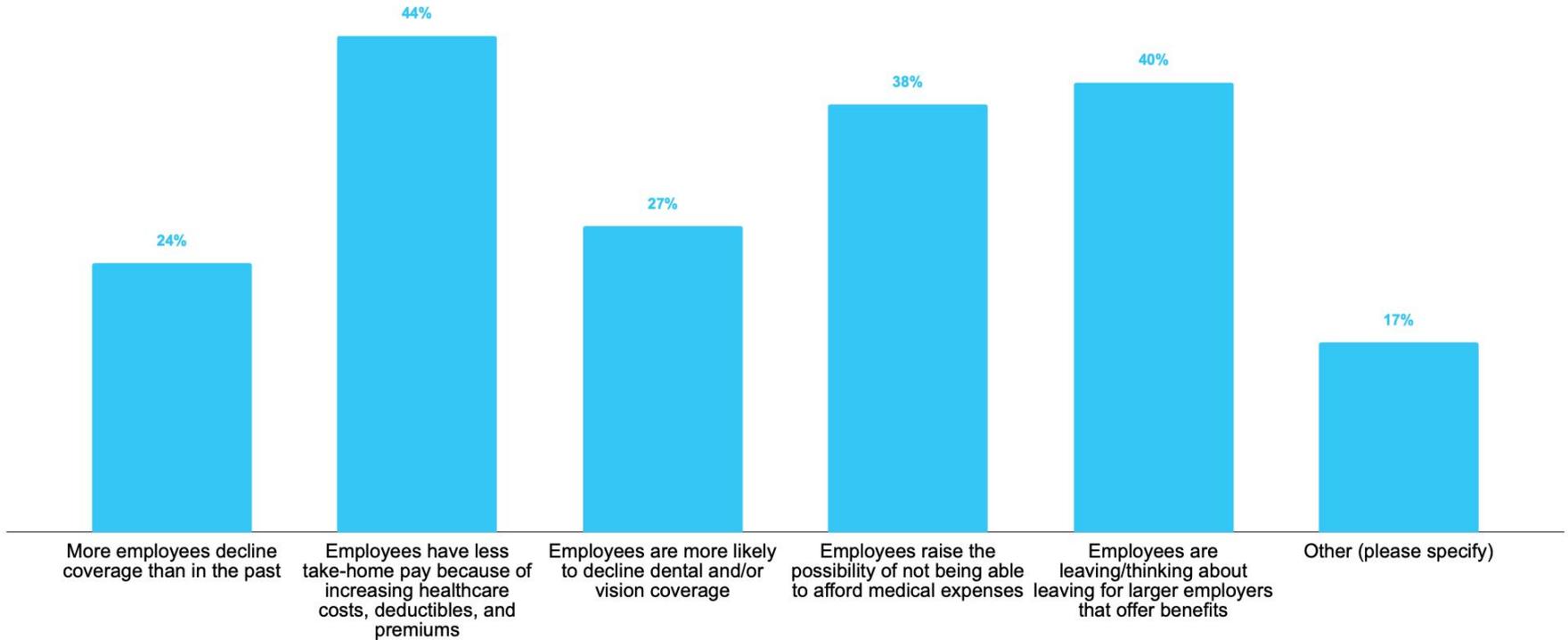
Q3: How does the rising cost of health insurance impact your business? (Select all that apply)



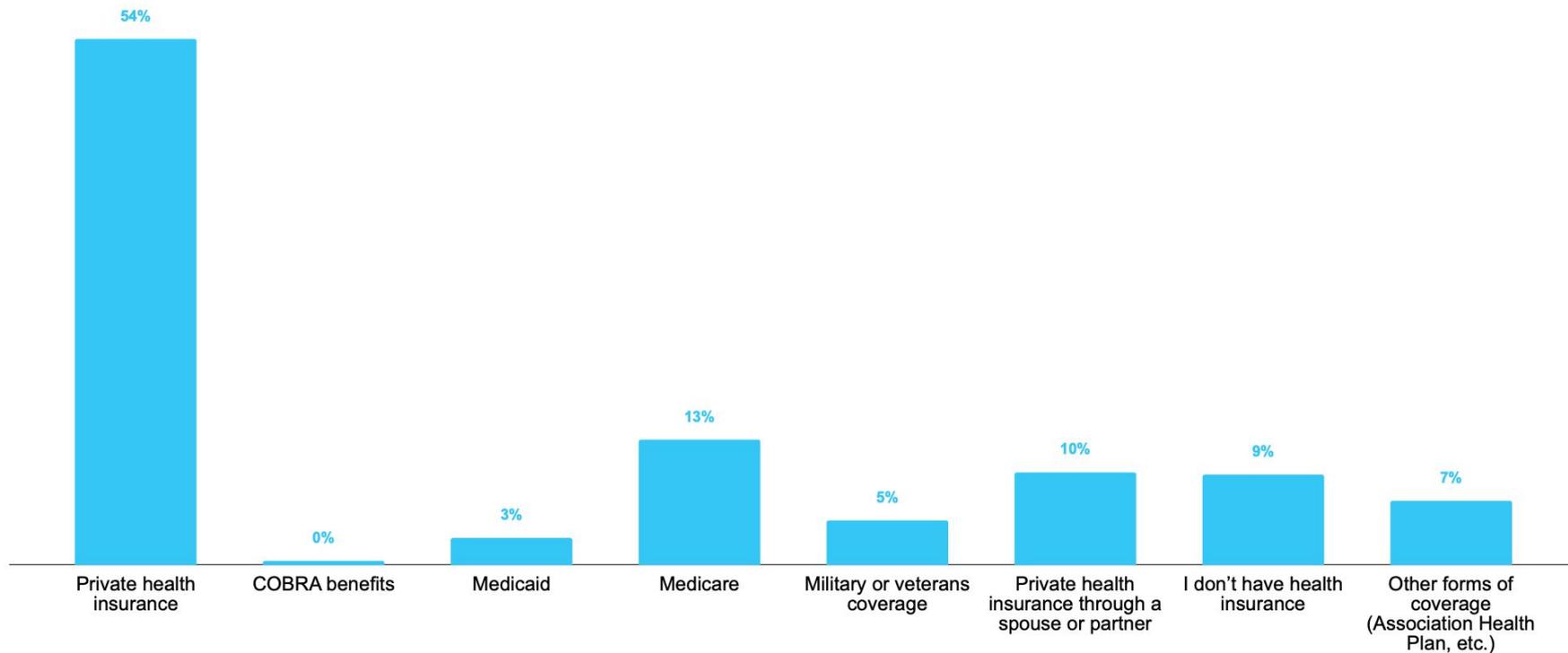
Q4: How does the rising cost of health insurance impact your health insurance offerings? (Select all that apply)



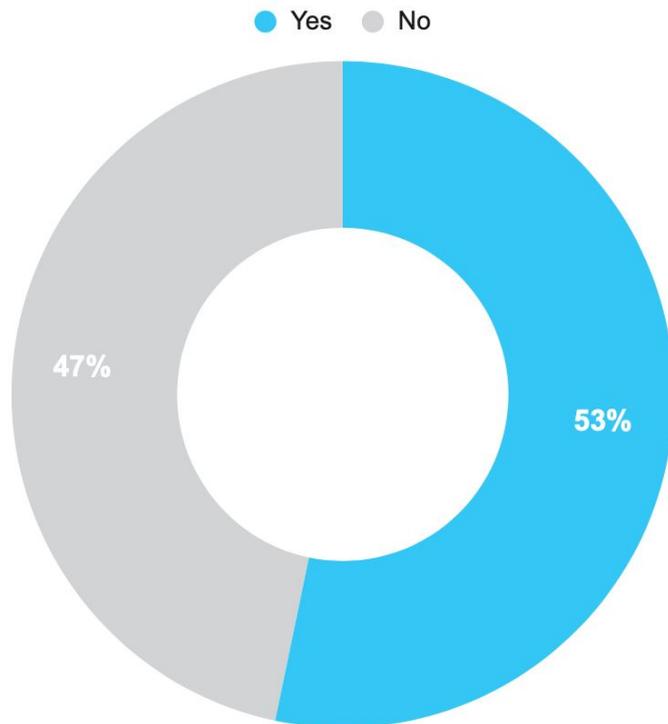
Q5: How does the rising cost of health insurance impact your employees? (Select all that apply)



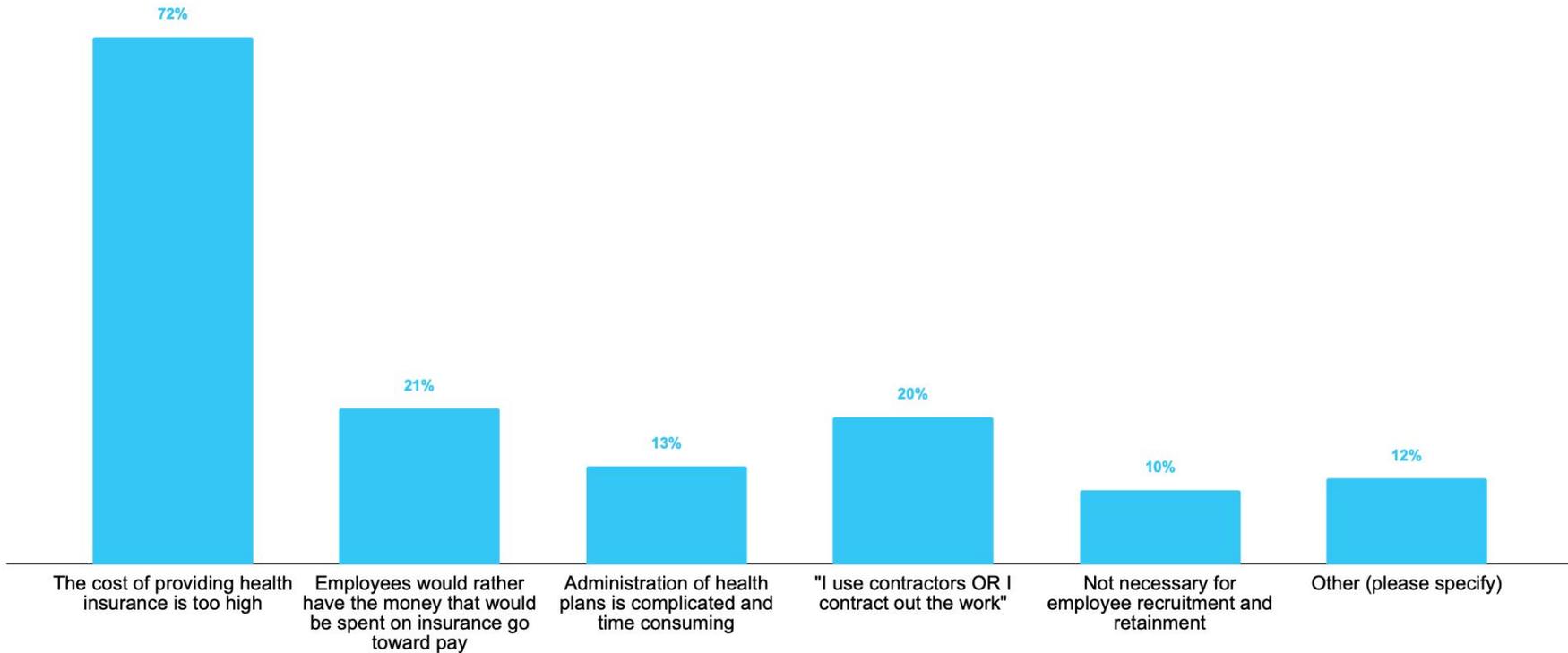
Q6: What is your current primary source of health insurance?



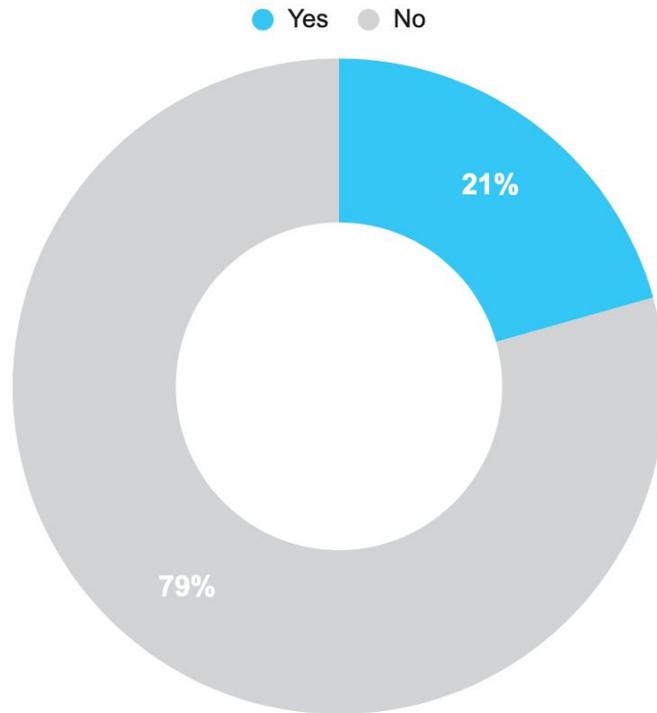
Q7: Do you provide health insurance as a benefit to your employees?



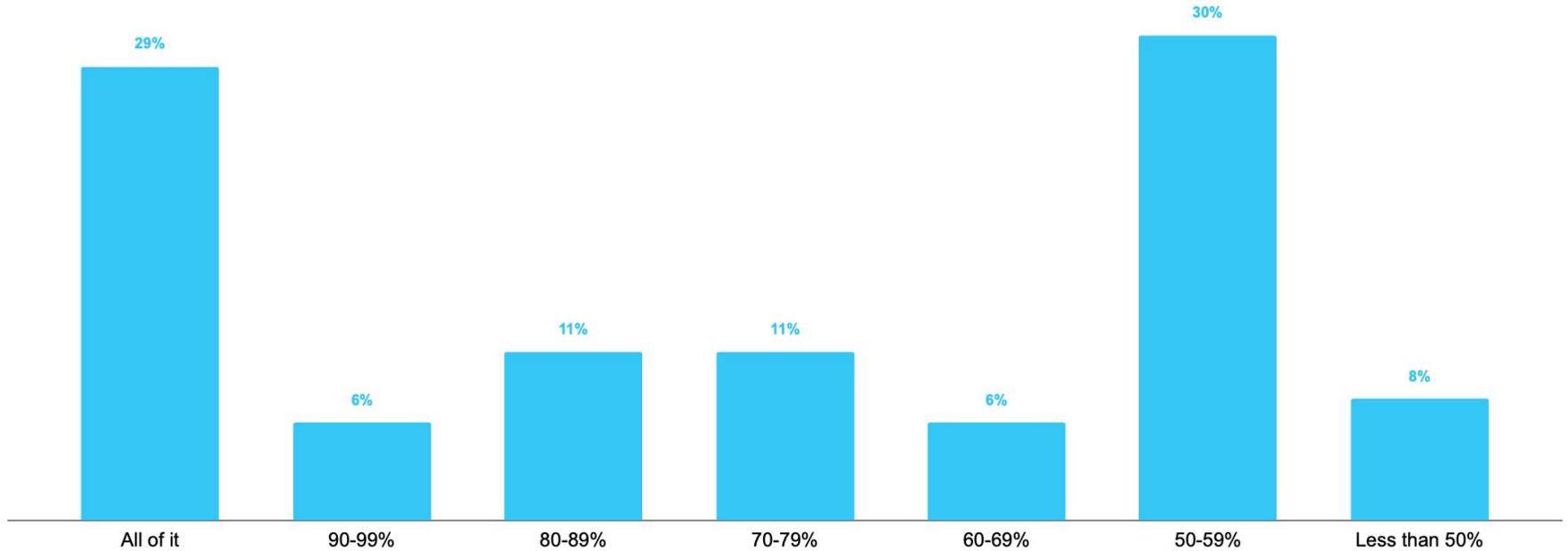
Q8: Why do you not provide health insurance to your employees? (Select all that apply)



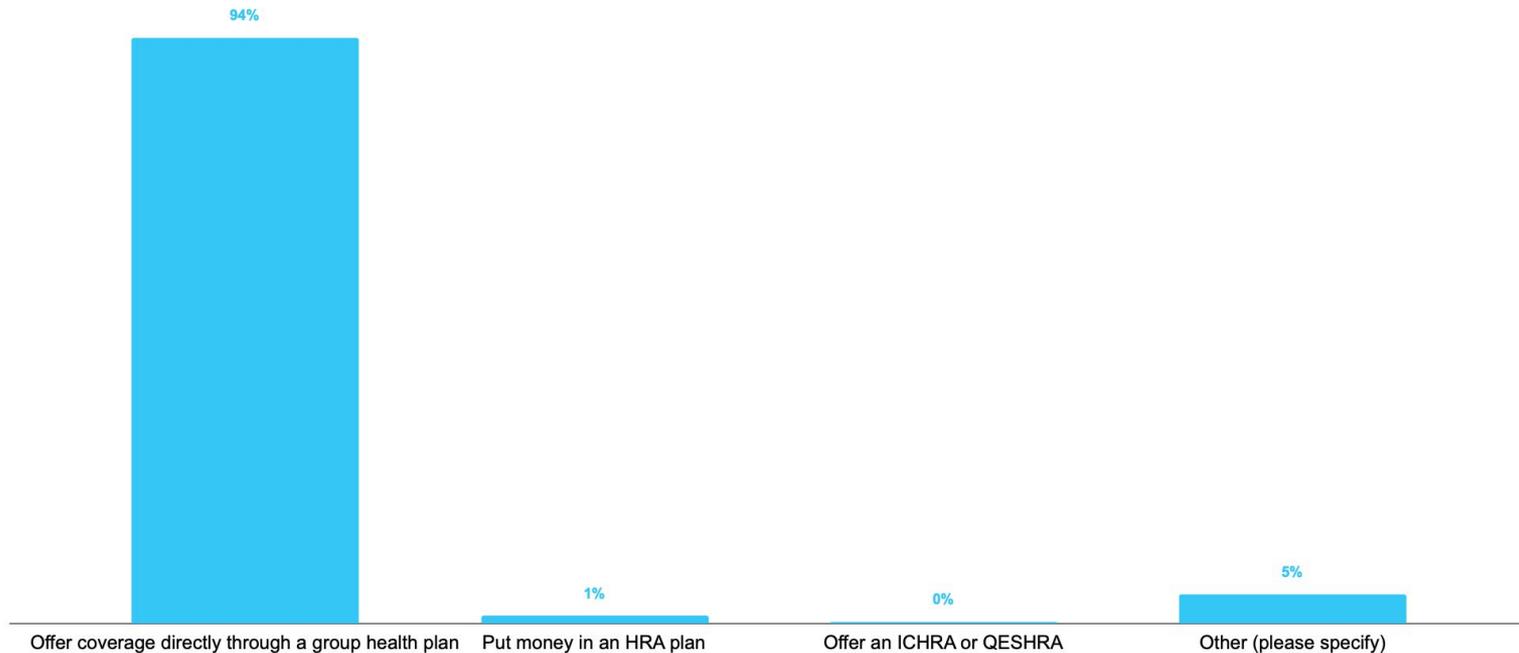
Q9: Is the healthcare insurance you provide to your employees mandated by any state or local government?



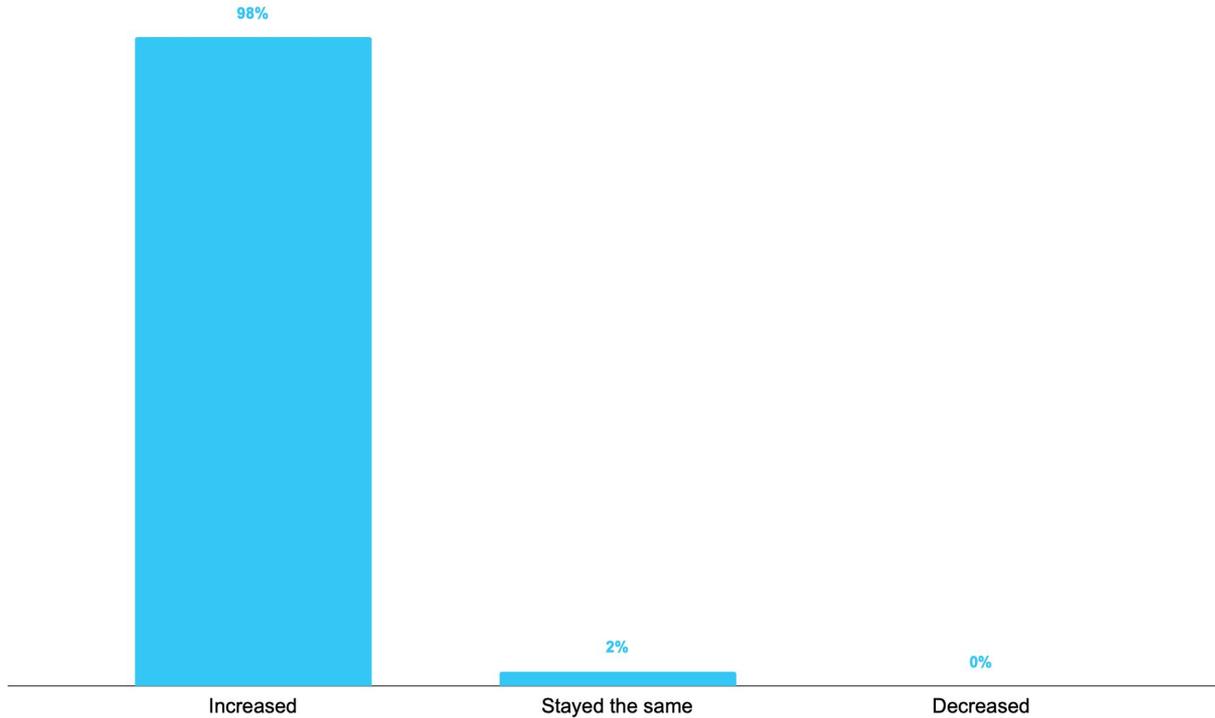
Q10: How much of the cost of an employee's healthcare insurance does your business contribute?



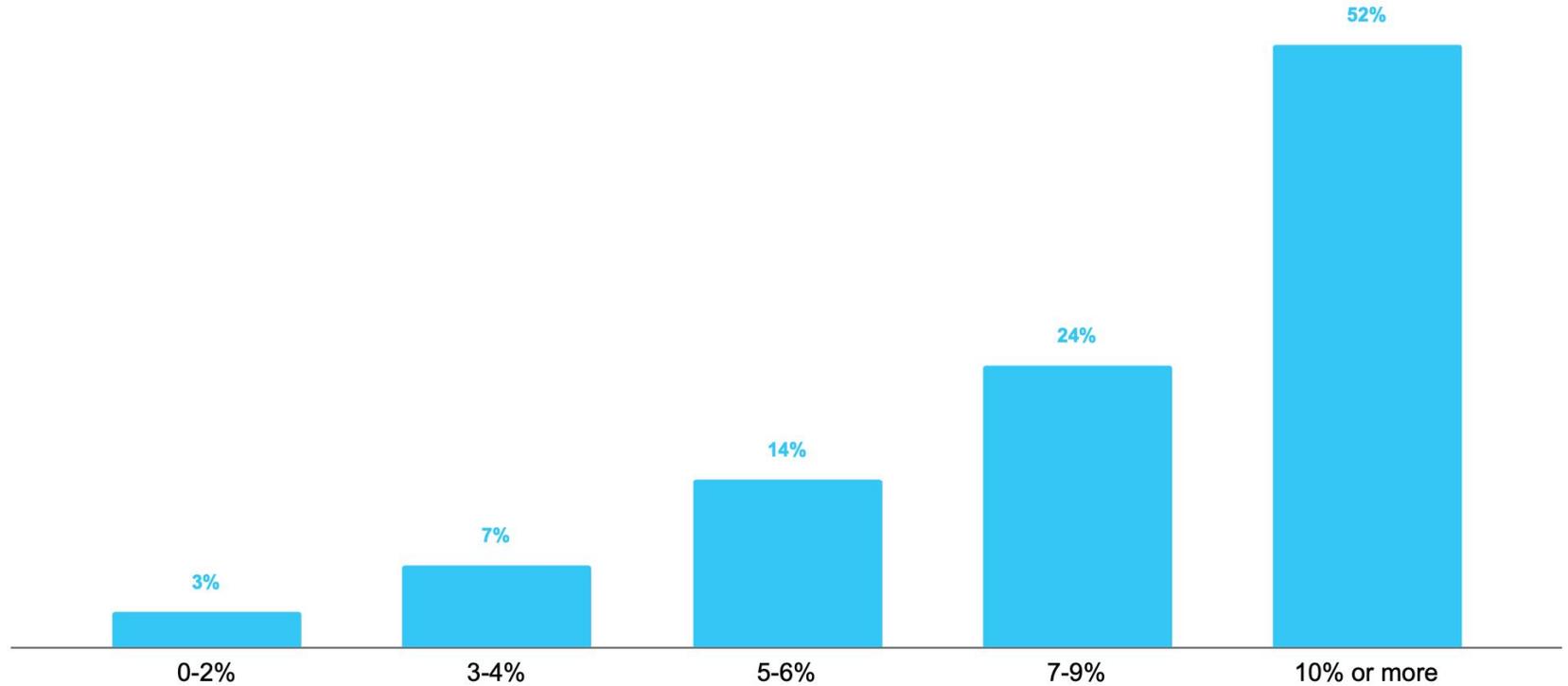
Q11: How do you offer healthcare insurance to your employees?



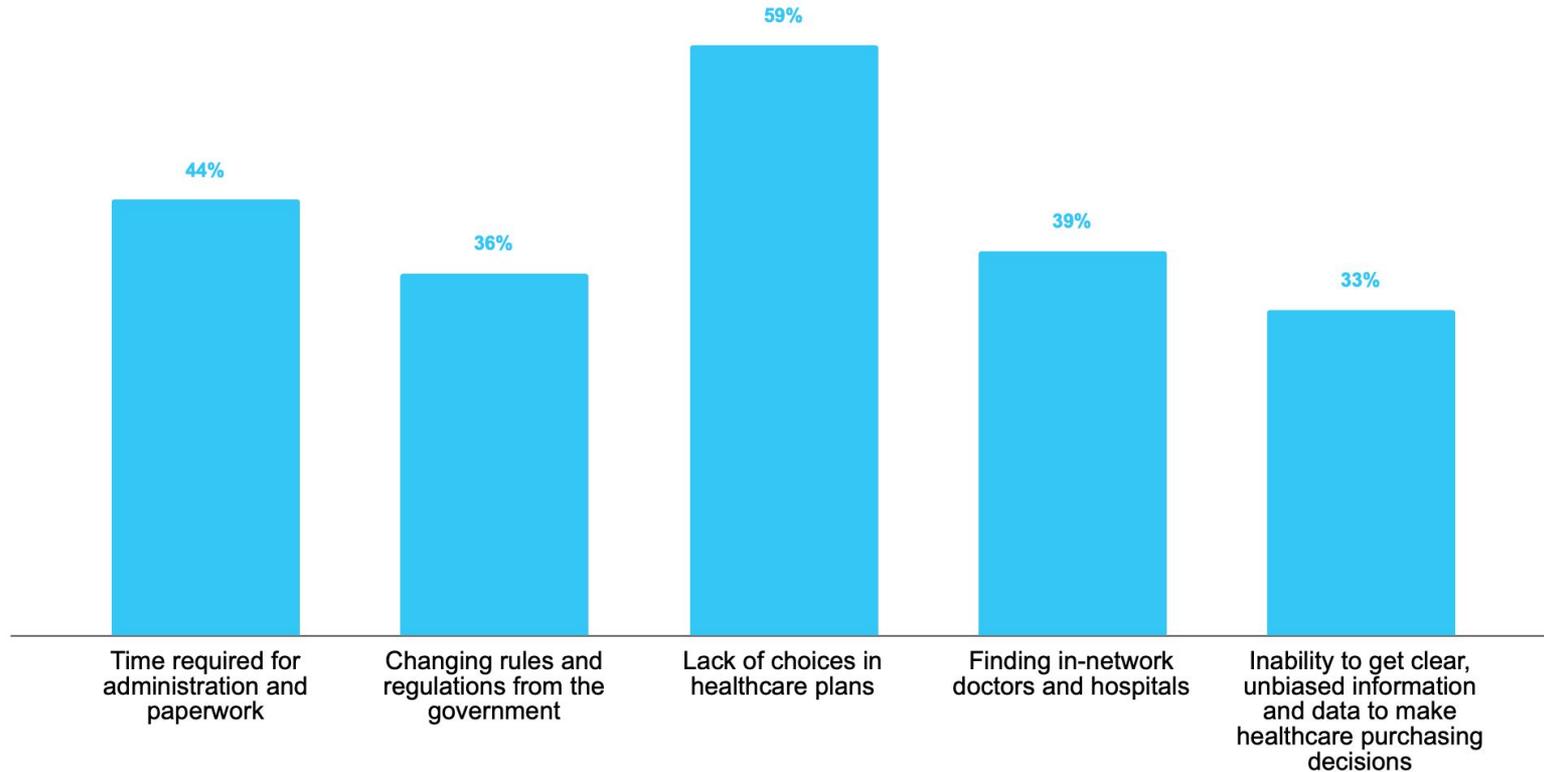
Q12: Over the last four years, would you say the costs of healthcare insurance for you and/or your employees have increased, decreased or stayed about the same?



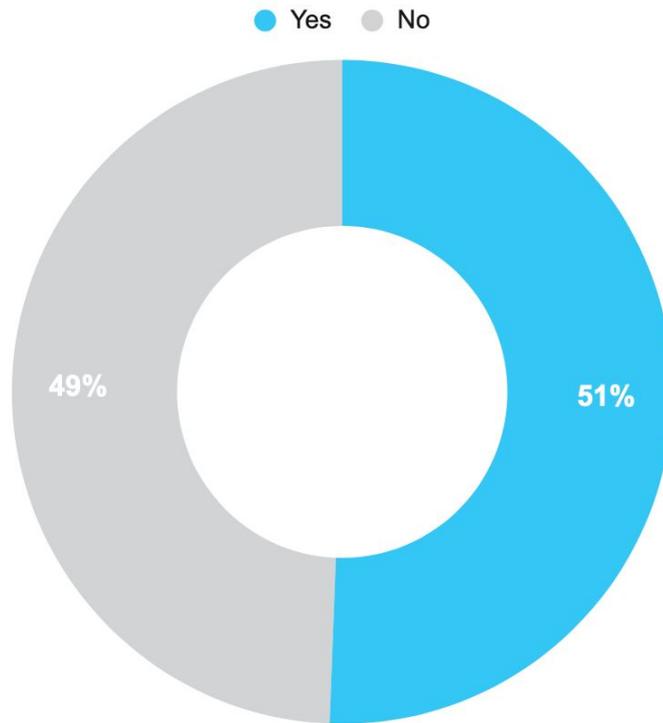
Q13: Please estimate the yearly increase of your healthcare costs of your business



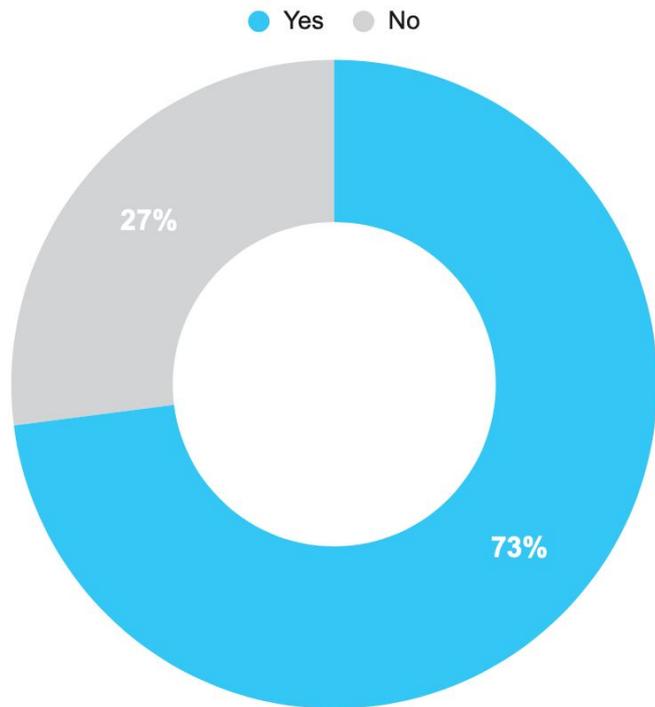
Q14: Outside of costs, which one of the following do you consider the biggest challenge when it comes to providing healthcare to your employees? (Select all that apply)



Q15: Have you thought about no longer providing health insurance for your employees due to the rising cost of coverage?

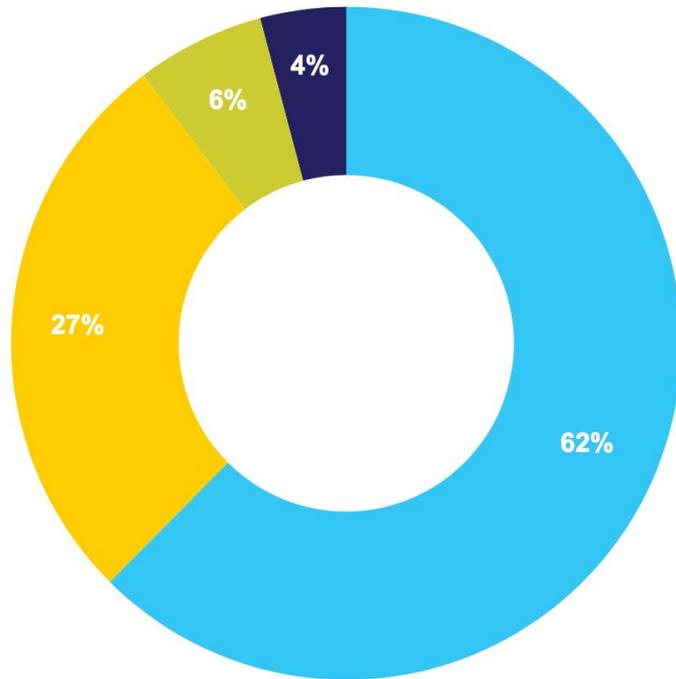


Q16: Have you thought about reducing how much your business contributes to the cost of health insurance due to the rising cost of coverage?



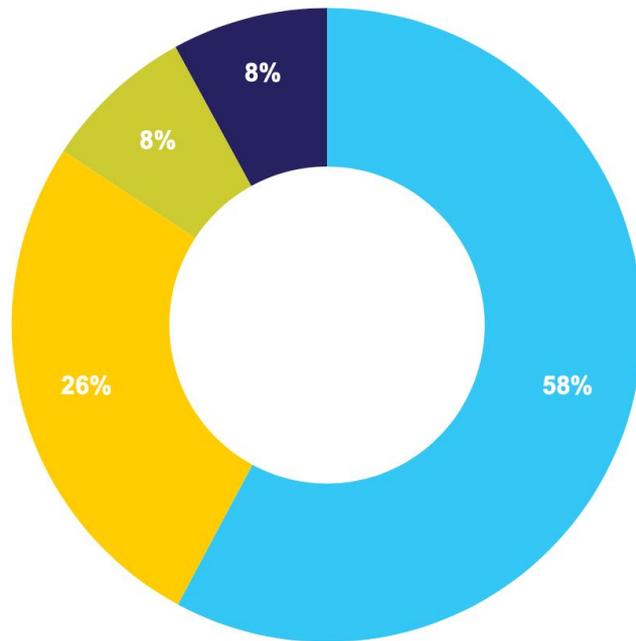
Q17: On average, hospitals charge patients with private insurance over 2 times more for inpatient services and 2.5 times more for outpatient services as compared to Medicare. How much do you agree or disagree with the following statement? Hospitals are unfairly charging high prices leading to higher health costs, and it is necessary to regulate hospital pricing.

● Strongly agree ● Somewhat agree ● Somewhat disagree ● Strongly disagree

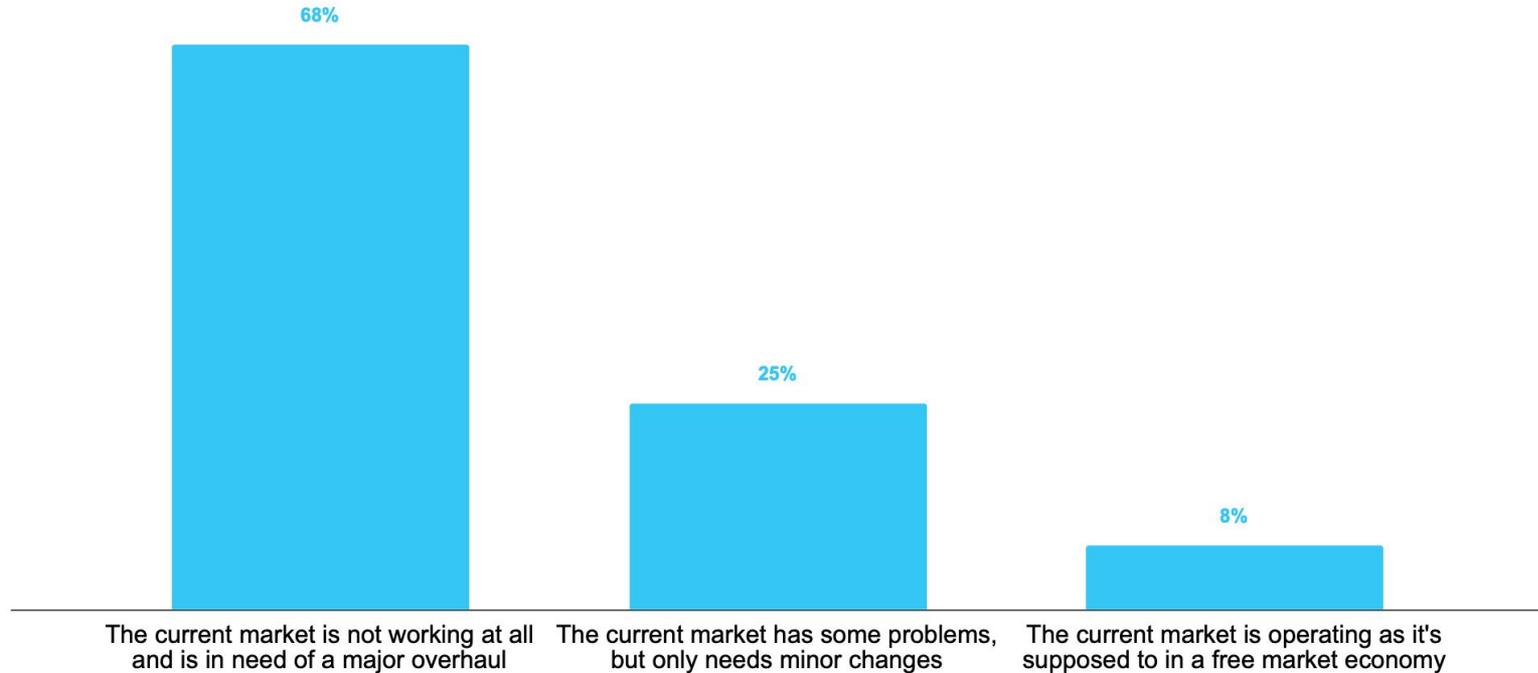


Q18: Hospitals are becoming increasingly consolidated, leading to regional monopolies where health care providers have more market power to demand higher prices than private insurance companies and employers. Nearly 90% of health care provider markets are highly concentrated. The top 10 health systems now control 24% market share and their revenue grew at twice the rate of the rest of the market. How important is it that federal and state governments intervene in the consolidation of the health systems?

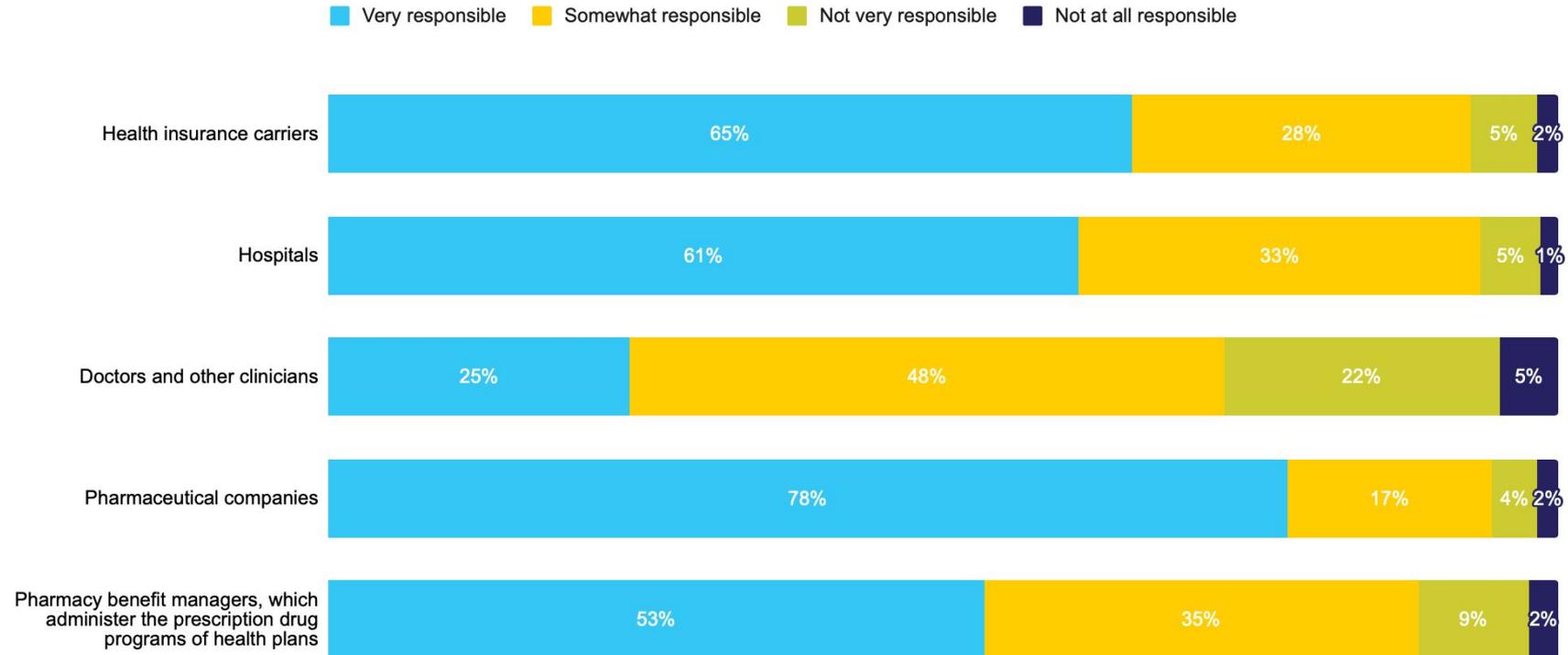
● Very important ● Somewhat important ● Somewhat unimportant ● Not important



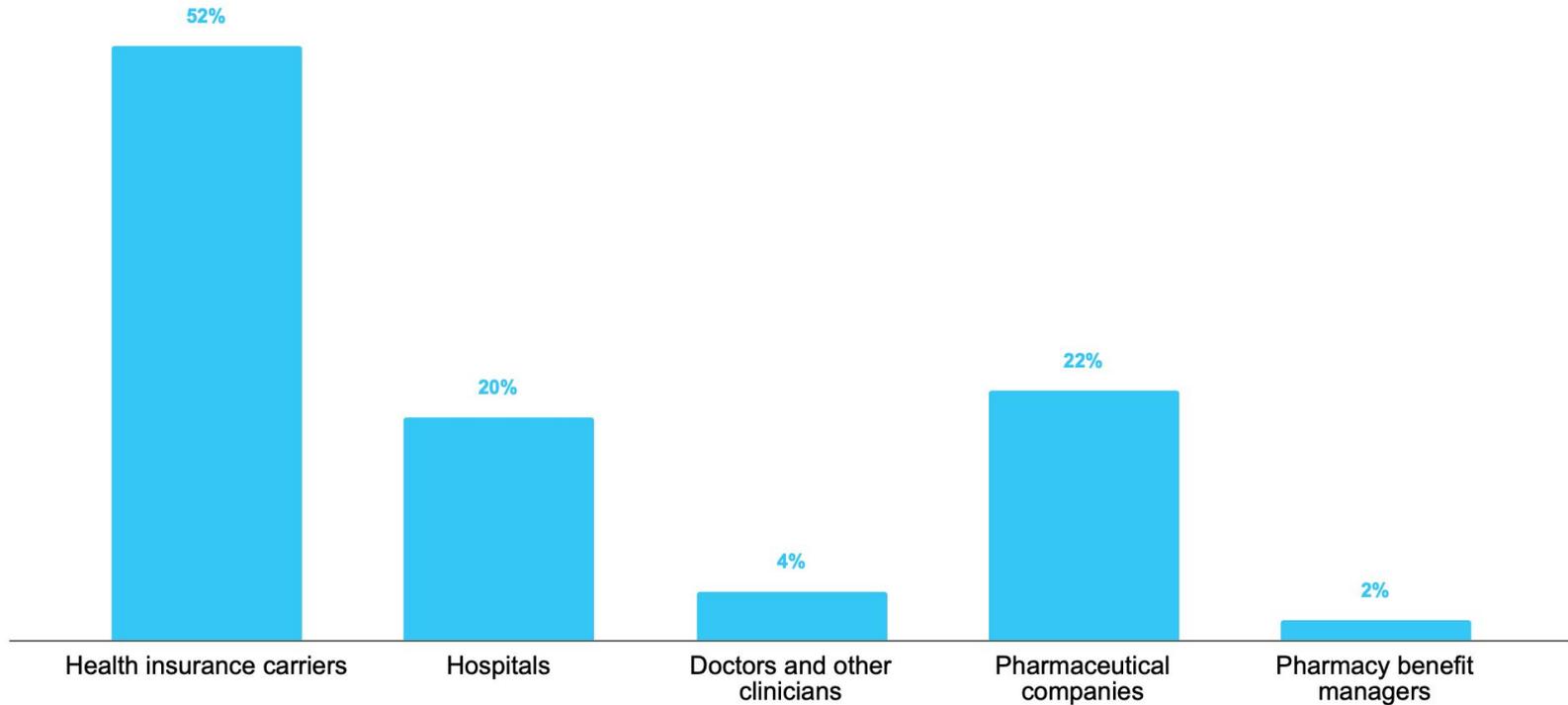
Q19: Generally speaking, which of the following statements is closest to how you feel about the way the trend of hospital consolidation is impacting the cost of healthcare and health insurance?



Q20: Below are groups that some say might be responsible for the rising costs of providing healthcare. For each group, please indicate how much responsibility you think they have for the rising costs of providing healthcare.

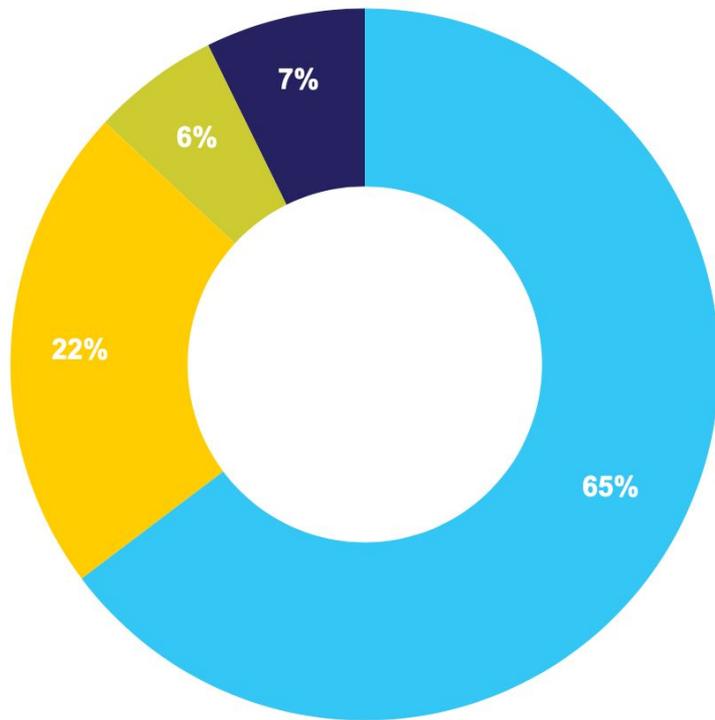


Q21: Which one of the following do you find the most responsible for the rising costs of providing health care insurance?



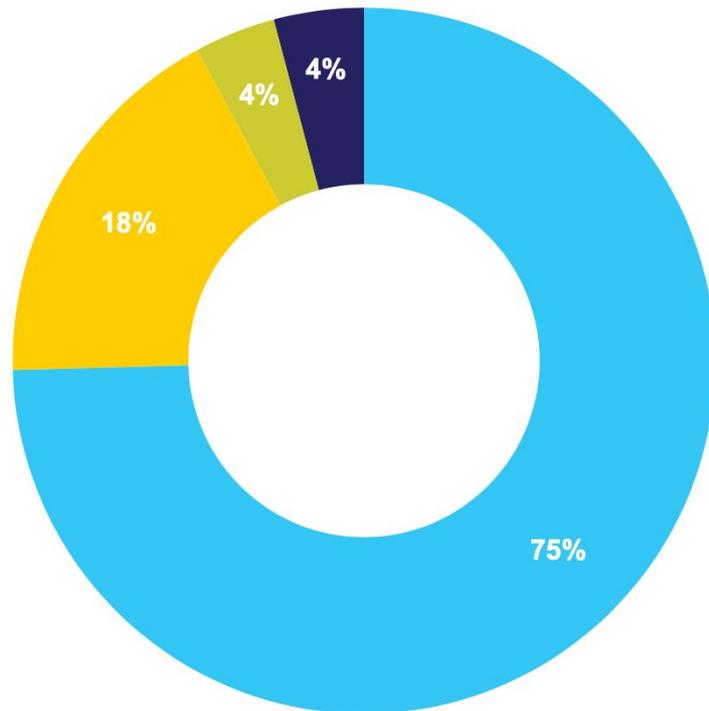
Q22: How high of a priority is it for leaders in your state to address the issue of hospital prices?

● Very important ● Somewhat important ● Somewhat unimportant ● Not important



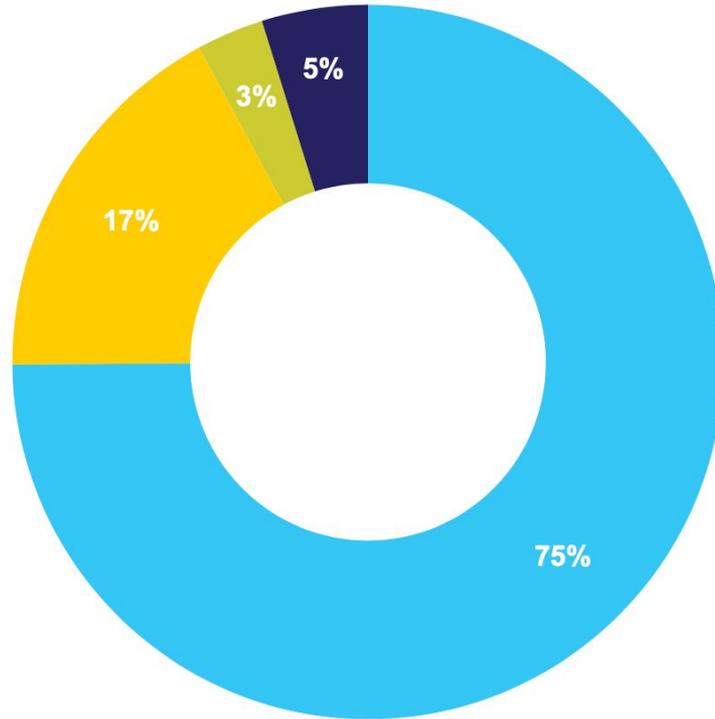
Q23: How important do you feel it is for leaders in your state to take action to reduce the cost of healthcare?

● Very important ● Somewhat important ● Somewhat unimportant ● Not important

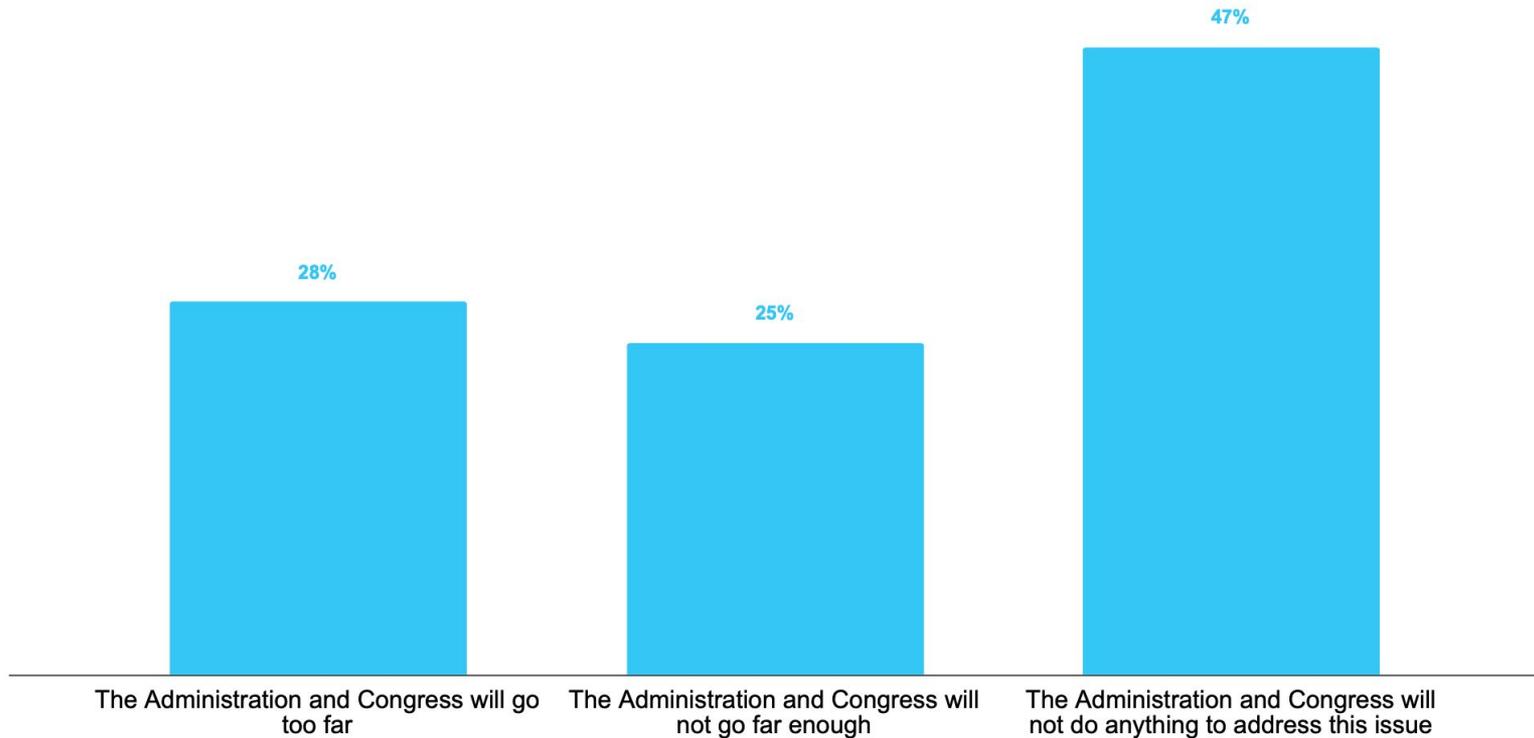


Q24: How important do you feel it is for Congress and the Administration to take action to reduce the cost of healthcare?

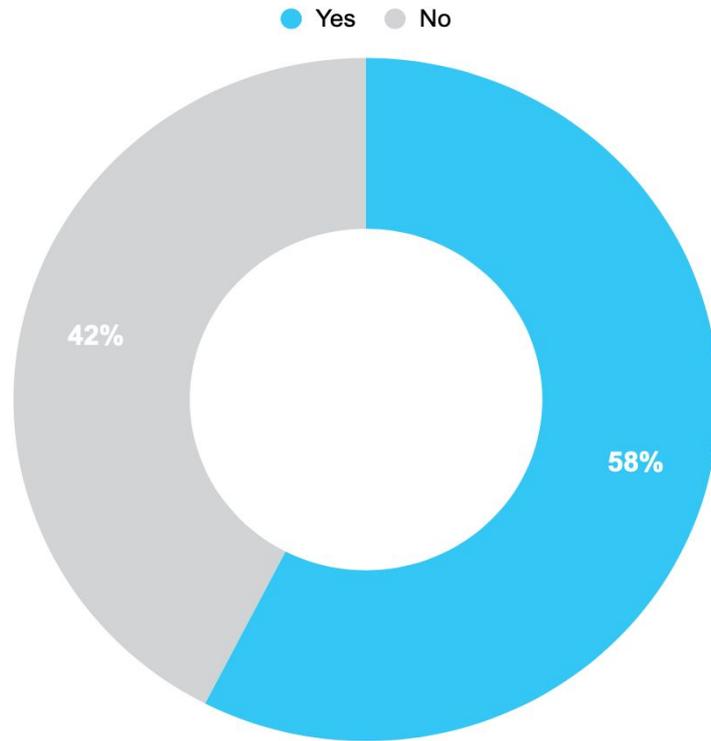
● Very important ● Somewhat important ● Somewhat unimportant ● Not important



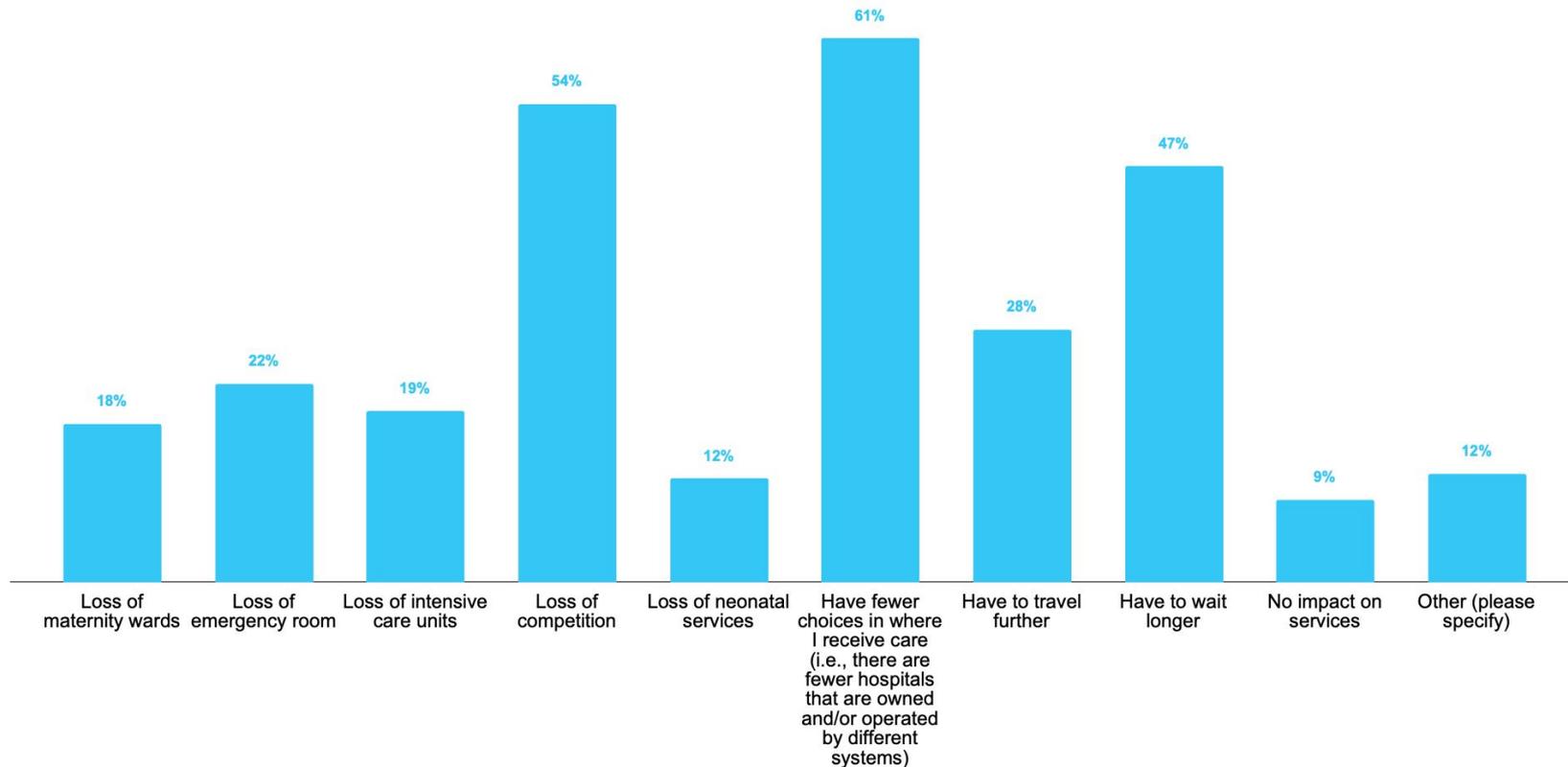
Q25: What are you most concerned about when it comes to the federal government's efforts to reduce the cost of healthcare?



Q26: Have you seen hospital consolidation in your region, with the number of hospitals shrinking?

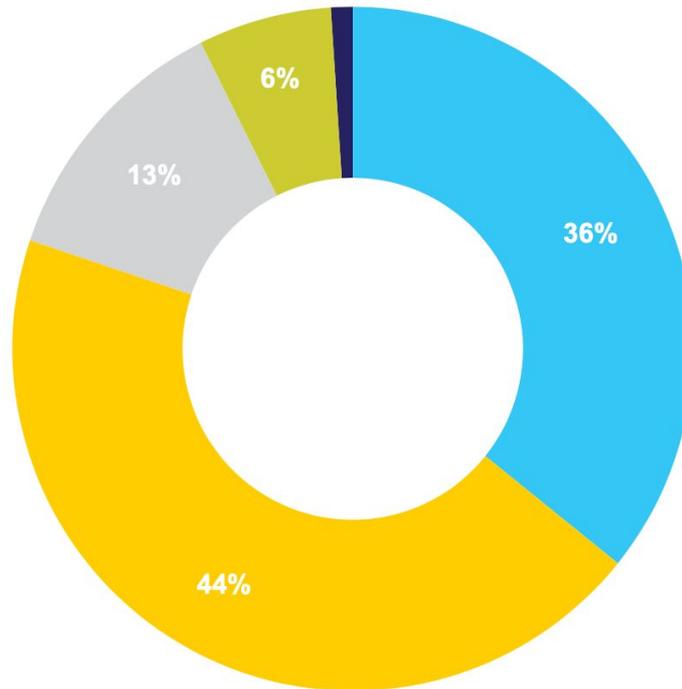


Q27: What kind of impact on services has it had? (Select all that apply)



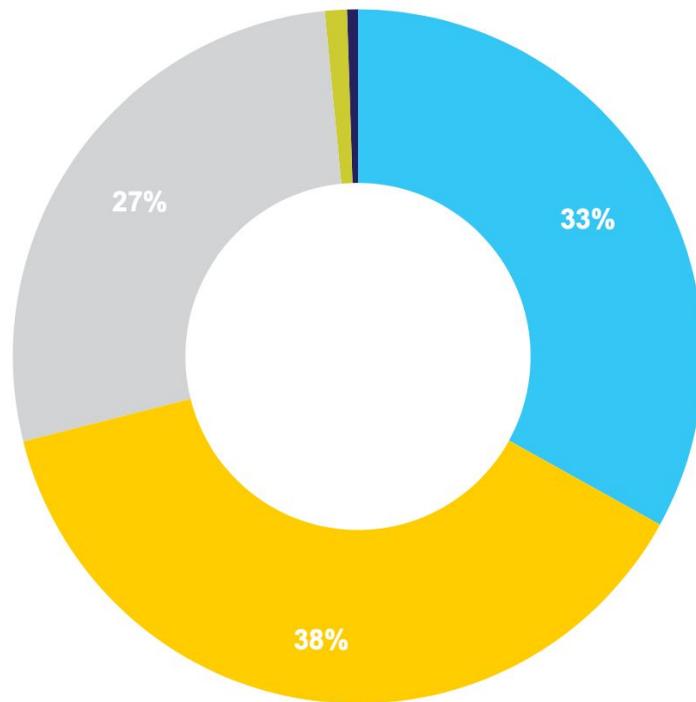
Q28: What is your opinion about the impact of hospital consolidation on the overall availability and quality of healthcare services in your community?

● Significantly worse ● Somewhat worse ● No impact ● Somewhat better ● Significantly better

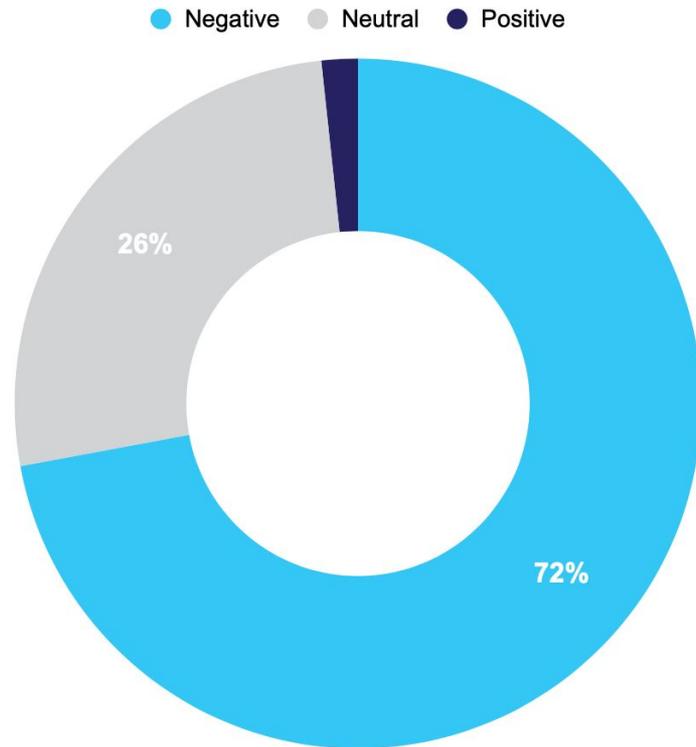


Q29: How has hospital consolidation affected the availability and cost of health insurance for your small business?

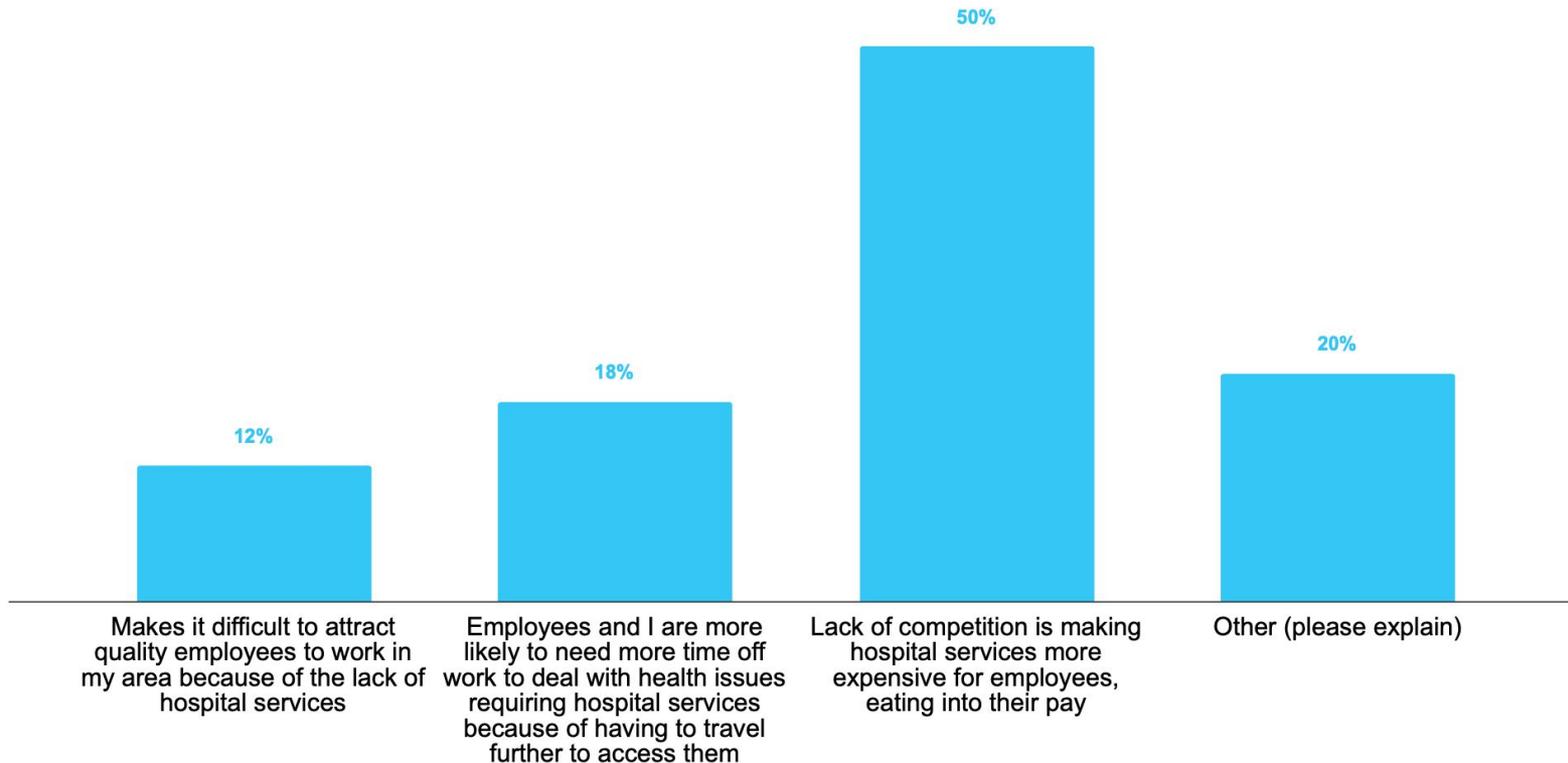
● Significantly negatively ● Somewhat negatively ● No impact ● Somewhat positively ● Significantly positively



Q30: How do you view the overall impacts of hospital consolidation on the healthcare system for small businesses?

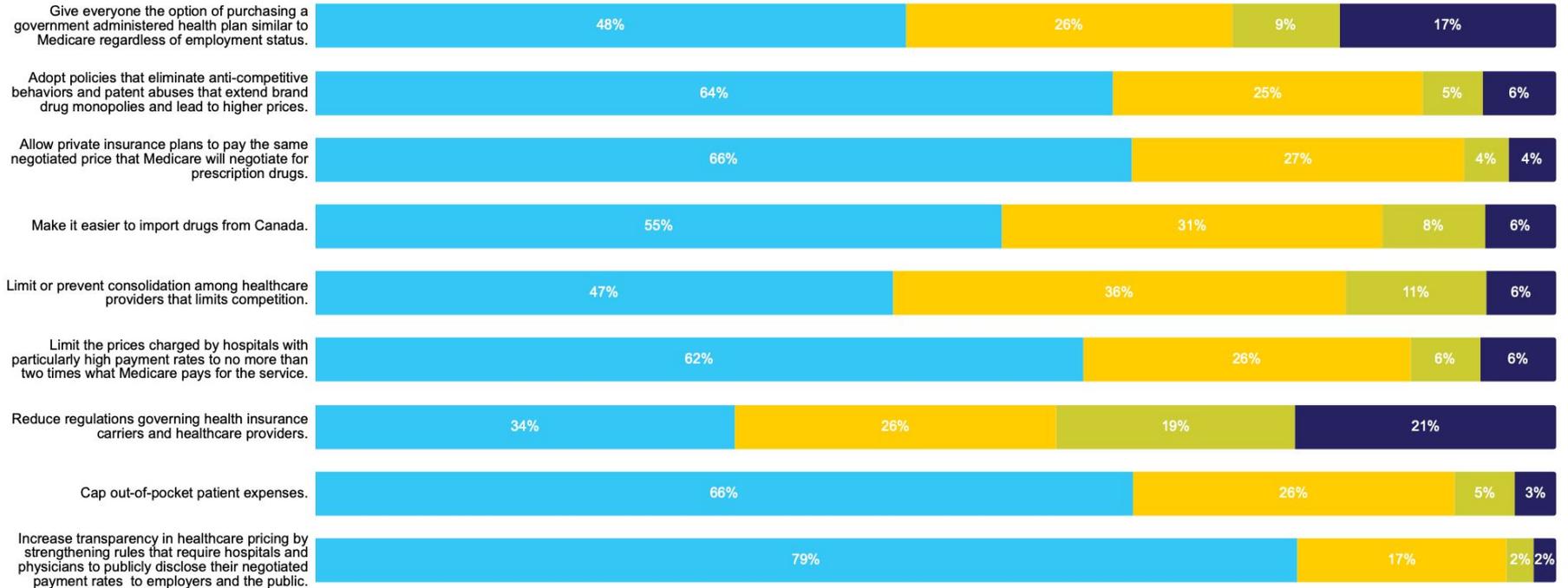


Q31: What kind of business impact has or would hospital consolidation have on your small business?



Q32: Below are suggestions some people have made to reform healthcare in this country. For each solution, please indicate whether you support it.

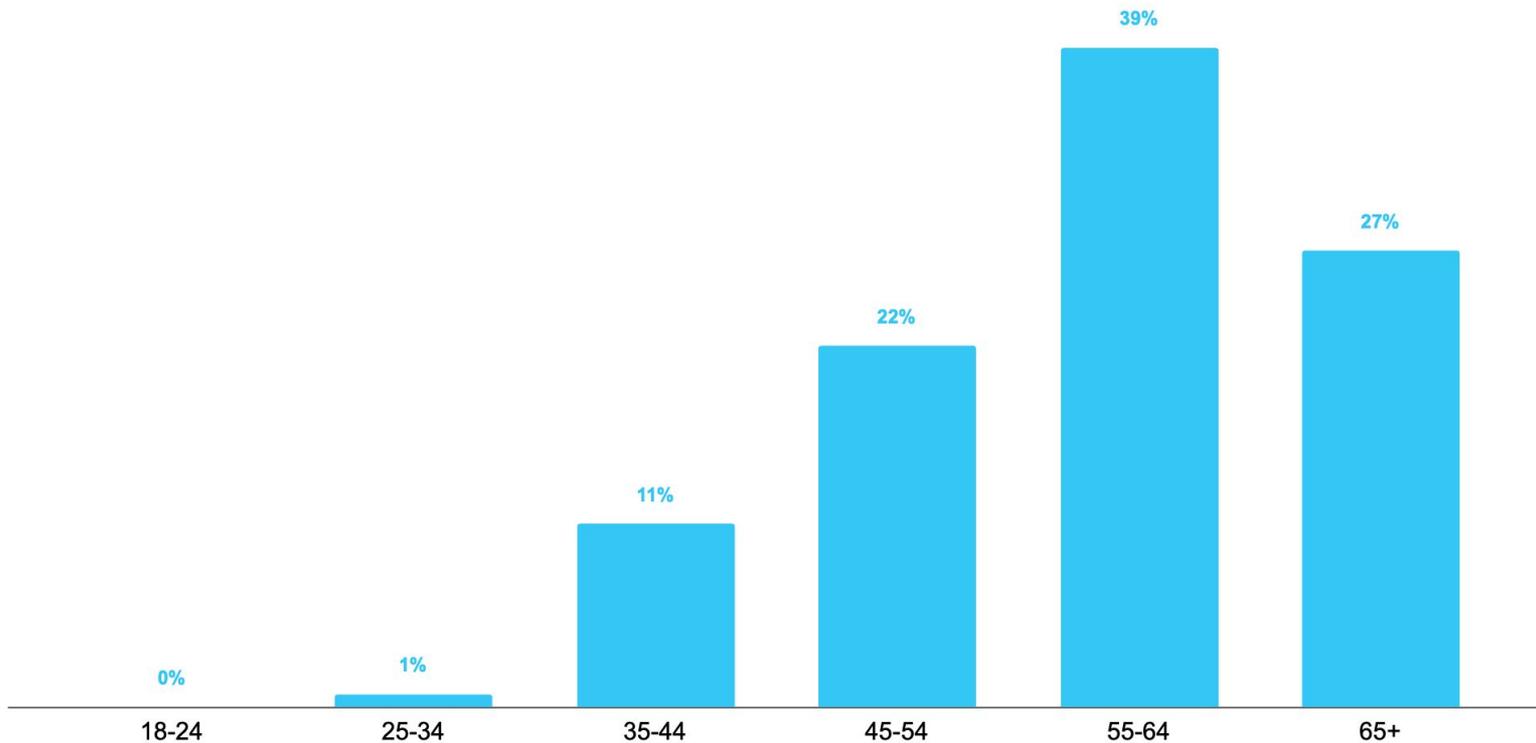
■ Strongly Support
 ■ Somewhat Support
 ■ Somewhat Oppose
 ■ Strongly Oppose



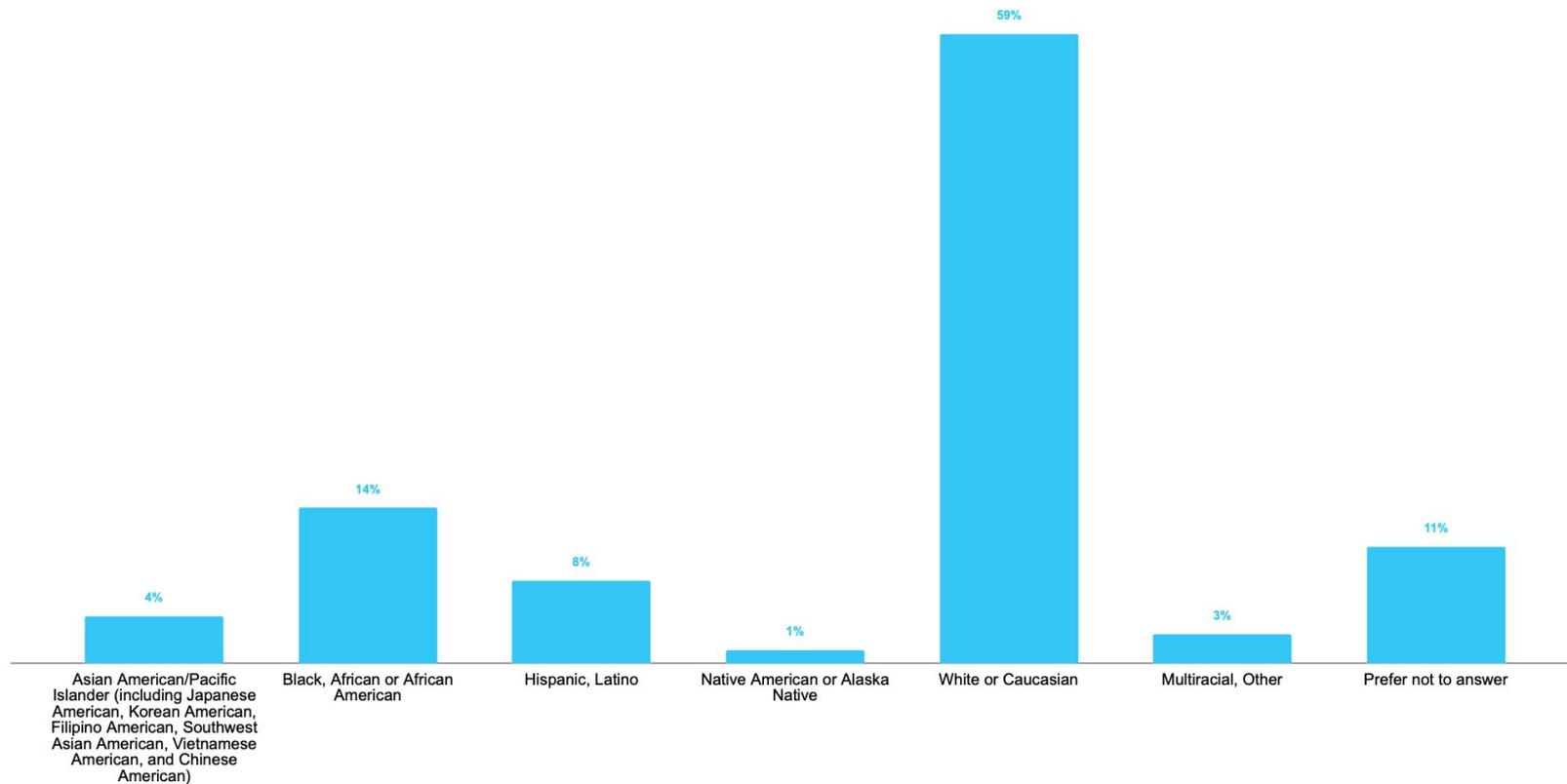


Demographic Data

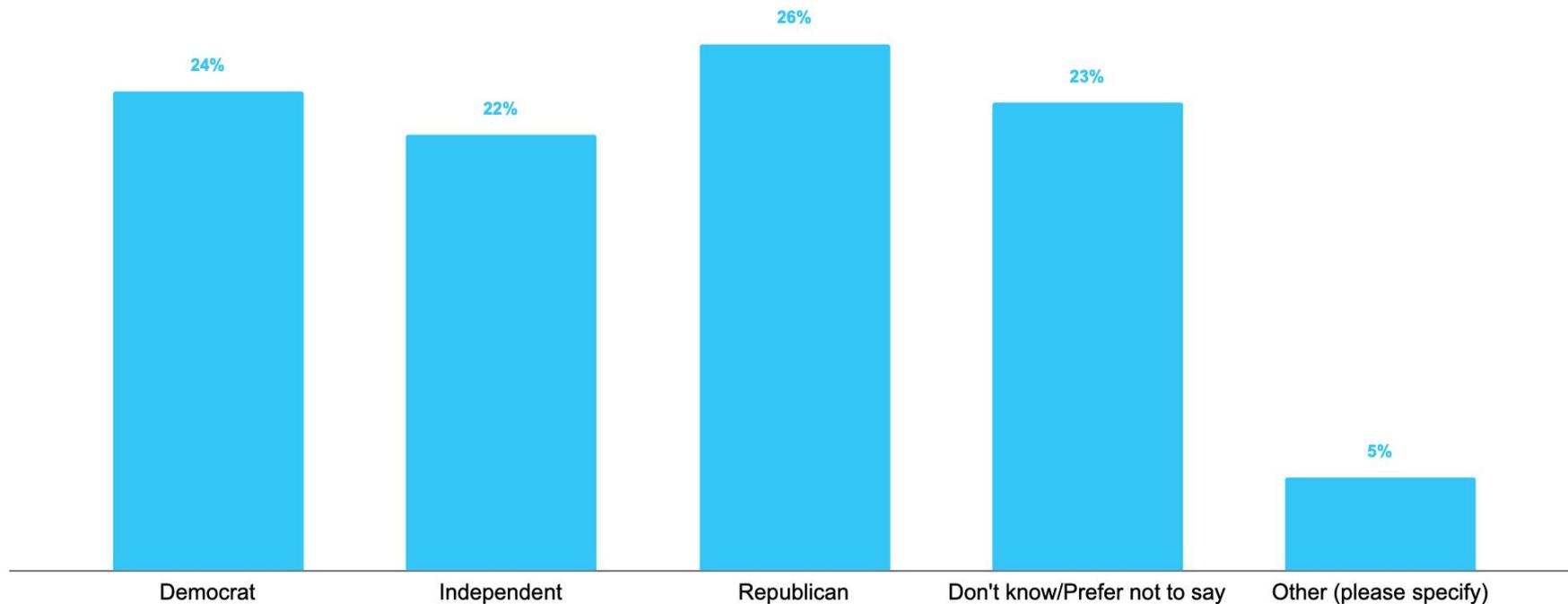
What is your age?



How do you identify yourself?

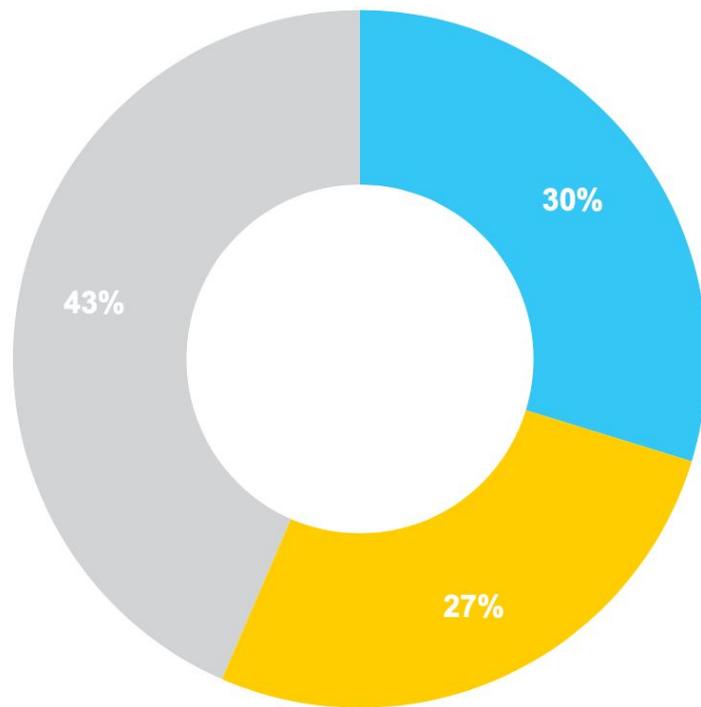


Which best represents how you typically vote in elections?



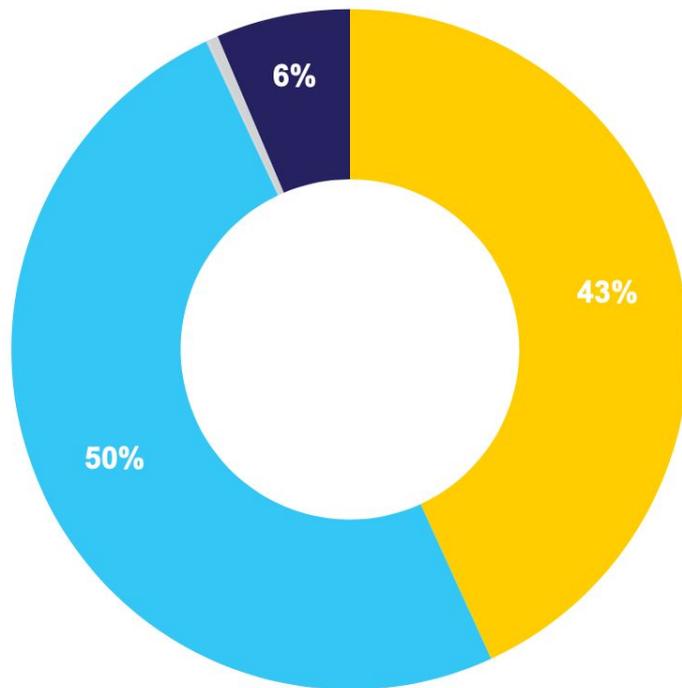
Do you more often vote for Democrats or Republicans?

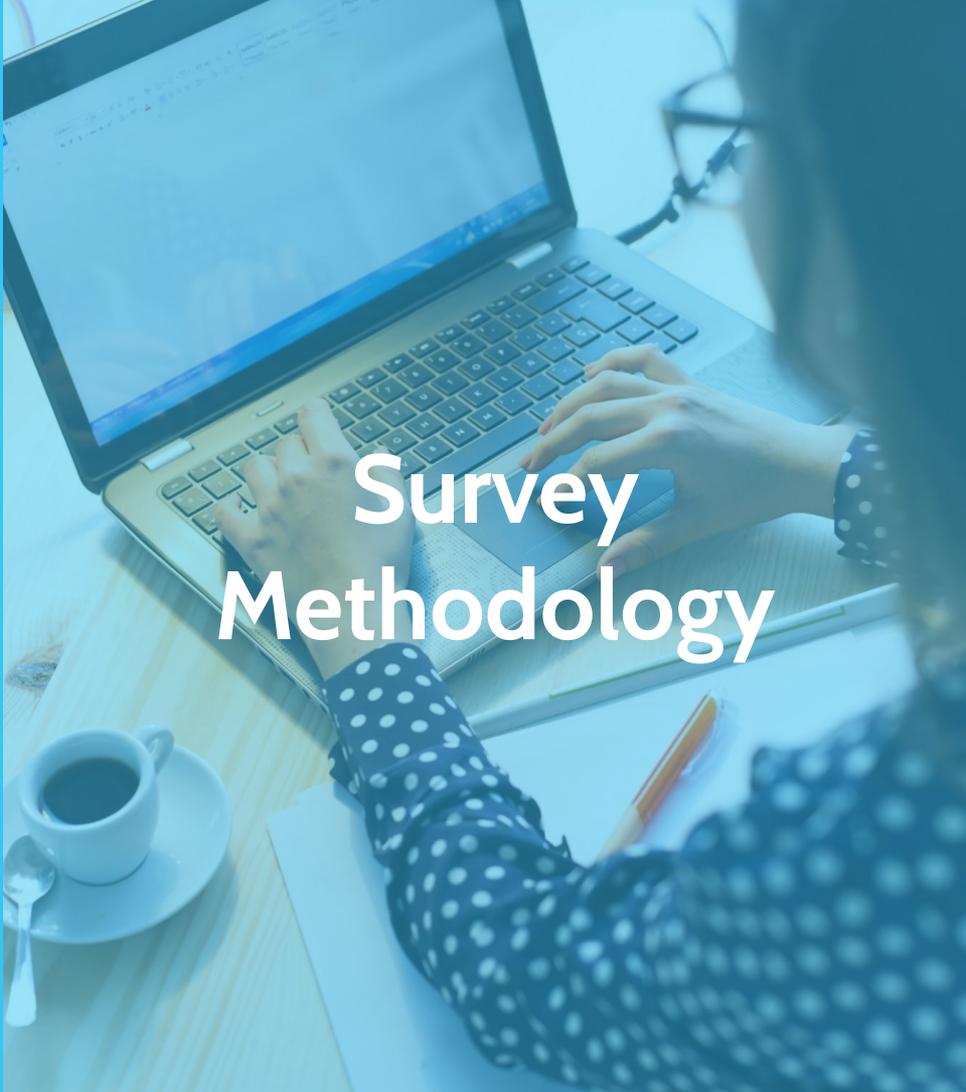
● Democrats ● Republicans ● Neither



What is your gender identity?

● Female ● Male ● Transgender ● Non-binary/ non-conforming ● Prefer not to say





Survey Methodology

1,015 Total Responses

Methodology:
Survey Monkey survey of Small Business for
America's Future small business network
Fielded Feb. 1-16, 2023

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