Survey: Small Business Owners Want Action to Bring Down Rising Healthcare and Prescription Drug Costs

November 8, 2021
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.
Key Findings
Small business owners see lowering healthcare and prescription drugs costs as a top priority

- From Oct. 18 - 26, 2021, Small Business for America’s Future conducted a national survey of 1,032 small business owners in its network to learn more about their policy priorities and the legislative action America’s small business community wants Congress and the administration to take.

- The issue of rising healthcare costs has been exacerbated by the COVID-19 pandemic. Small business owners said lowering healthcare and prescription drug costs is their top priority, with 73% saying it is important to their business.

- 83% said lawmakers’ support for Medicare negotiation of drug prices will be important to determining their vote in the 2022 midterm elections (including 58% saying it is very important)

- Small business owners want bold action to combat rising drug prices. Far more small business owners (45%) were worried that the Biden Administration and Congress would not go far enough to lower the cost of prescription drugs than are worried they would go too far (25%).
Small businesses face challenges due to the high cost of healthcare

Small business owners want to be able to provide quality, affordable healthcare coverage to their employees, but the rising cost of healthcare has put a strain on their ability to do so.

- Overall, 83% of small business owners said rising health insurance costs had an impact on their business, including:
  - 42% said it increased employee costs, deductible, or share of the premium
  - 41% said it delayed growth opportunities for their business
  - 37% increased prices of services or goods to cope with rising healthcare costs
  - Nearly 1 in 3 (30%) said they have become less competitive in hiring compared with other businesses that provide health benefits
  - More than a quarter (29%) of small business owners held off on hiring a new employee due to rising healthcare costs
  - 1 in 4 (26%) changed or reduced health benefits for employees
  - Nearly 1 in 6 (14%) reduced workforce or laid off an employee
Small business owners support action to rein in healthcare and drug costs

The rise of consolidation in hospitals has led to the rapid increase in the cost of healthcare. Additionally, drug companies have continued to claim that increasing their prices is necessary to develop new treatments.

- **81%** of respondents said lowering drug prices would not hurt the industry's ability to develop new treatments and cures, compared to only **19%** who said drug companies are the engine for drug innovation and lower drug prices will lead to fewer new treatments and cures for other diseases.

- A staggering **87%** of small business owners agreed with the statement "Hospitals are unfairly charging high prices leading to higher health costs, and it is necessary to regulate hospital pricing," including **61%** strongly agreeing.

- **85%** of small business owners said it was important to them that federal and state governments intervene in the consolidation of the health systems, including **54%** saying it was very important.
Survey Results
Below are issues the Biden Administration and Congress are discussing. Please select the issues that are important to your business. (Select all that apply).

n=1,032

<table>
<thead>
<tr>
<th>Issue</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Lowering the cost of healthcare and prescription drugs</td>
<td>73%</td>
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<tr>
<td>Ensuring a full economic recovery from the COVID-19 pandemic through vaccination efforts and further economic relief</td>
<td>60%</td>
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<td>Passing the Bipartisan Infrastructure Deal, which invests in improving the nation's infrastructure</td>
<td>56%</td>
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<td>Making sure corporations pay their fair share of taxes</td>
<td>48%</td>
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<td>Reducing barriers to voting and protecting voting rights</td>
<td>46%</td>
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<td>Investments in the care economy to provide solutions such as a national paid leave policy, a permanent child tax credit, and high quality child care.</td>
<td>40%</td>
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What is the impact of rising health insurance costs on your business? (Check all that apply)

n=1,032
Thinking about your vote in the 2022 midterm election, how important is it to you that your current senator and/or representative supports allowing Medicare to negotiate prescription drug prices when you decide whether to vote for them?

n=1,032
What are you most concerned about when it comes to the federal government's efforts to lower the cost of prescription drugs?

n= 1,032
Drug companies generate revenue that far exceeds their spending on research and development; their profit margins exceed the performance of the S&P 500; and they spend millions on lobbying and marketing. Which of the following is more likely to happen if drug companies were forced to lower their prices?

n= 1,032

- Drug companies are the engine for drug innovation. Lower drug prices will lead to fewer new treatments and cures for other diseases. (19%)
- Lower drug prices will not hurt the industry’s ability to develop new treatments and cures. Treatments and cures are no good if people cannot afford them. (81%)
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."

n=1,032
Hospitals are becoming increasingly consolidated, leading to regional monopolies where healthcare providers have more market power to demand higher prices than private insurance companies and employers. How important is it that federal and state governments intervene in the consolidation of the health systems?

n= 1,032
Demographic Data
Not including yourself, how many employees do you have?

n=1,032

Bar chart showing the distribution of employees with the following percentages:
- Self only: 24%
- 1-4: 38%
- 5-10: 18%
- 11-20: 10%
- 21-30: 5%
- 31-50: 4%
- 51-100: 1%
- 100-201: 0%
- 201-500: 0%
What is your age?
n=1,032
How do you identify yourself? (Select all that apply).

n=1,032
What is your gender identity?
n=1,032
Survey Methodology

1,032 Total Responses
Methodology:
Survey Monkey survey of Small Business for America's Future small business network
Fielded Oct. 18-26, 2021