



Most Small Businesses Don't Understand Requirements of Health Reform Law, According to eHealthInsurance Survey

October 30, 2012

Survey of "True" Small Businesses Explores Employers' Lack of Understanding of Health Care Reform, Why They Provide Coverage, and How Far They're Willing to Go to Save Money

Oct 30, 2012 (Marketwire via COMTEX) --The majority of small businesses either incorrectly believe or are not sure whether they must provide health insurance to employees in 2014, according to a recent survey of small business owners released today by eHealth, Inc. (NASDAQ: EHTH), the parent company of [eHealthInsurance](http://www.ehealthinsurance.com). eHealthInsurance (<http://www.ehealthinsurance.com>) is America's first and largest private health insurance exchange.

Beginning in 2014, the Patient Protection and Affordable Care Act of 2010 (ACA) requires businesses with the equivalent of 50 or more full-time employees to provide health insurance coverage for their workers. However, businesses with fewer than 50 employees are exempt from this requirement, although employees may be required to purchase their own coverage.

eHealth's [Fall 2012 Small Employer Benefits Survey](#) focuses on these small businesses. The survey was conducted anonymously online between Aug. 15 and Aug. 22, 2012, and gathered responses from a total of 439 small businesses that had purchased health insurance policies through eHealthInsurance.com. Results show many small employers still hold misconceptions about what health care reform requires of them, and few are making any long-term plans based on their expectations of how health care reform might impact their businesses.

Based on their size (fewer than 50 employees), only two of the businesses surveyed would be required by the ACA to offer health insurance coverage to employees in 2014. However, one-third (34%) incorrectly believed that they were required to buy insurance for employees in 2014, while 35% weren't sure. Nearly 70 percent either incorrectly believed or were not sure whether they would be required to pay a tax for not providing health insurance in 2014. Only thirty-one percent (31%) of respondents correctly said that the reform law does not require them to pay a tax if they don't offer insurance.

Another part of the ACA not factoring into employers' strategies is health insurance exchanges. A large majority of small business owners (78%) said they were not familiar with health insurance exchanges and how they could impact their business. Government-run exchanges, which are slated to come online by 2014, would make subsidized health insurance available to individuals who don't have access to health insurance through an employer.

The survey also explored employers' willingness to adopt new cost-saving strategies, as well as their attitudes for imposing penalties related to employees' participation in wellness programs. To reduce costs, more than half (51 percent) said they would increase employees' share of premiums. Nearly 40 percent would consider increasing employees' deductibles. Nearly half of the employers surveyed (44%) felt it would be fair to impose penalties on employees who don't participate in wellness programs.

eHealth's Small Employer Health Insurance Survey report can be downloaded in full [here](#) or through the [eHealth, Inc. Media Center](#).

Additional Survey Results

Reviewing and offering benefits

- 83% of small employers said they review their companies' health plan benefits once a year.
- More than half of all small employers (59%) ask their employees for input when reviewing their company's health insurance benefits, while 28% of employers said they never ask their employees for input.
- 68% of employers said they had no plans to drop coverage for employees in 2014, compared to only 3% who did plan to stop offering group health insurance coverage. Nearly a third (29%) of employers said they would consider dropping health coverage for employees in 2014.

Health care reform

- 61% of small employers are most concerned about the cost and budgetary implications of health care reform.
- One-in-four (25%) said understanding the impact on their businesses was their biggest concern.
- The vast majority of small employers (77%) said that they were not doing any long-term planning based on their expectations of how health care reform might impact their business.
- A large majority of small business owners (78%) said they did not know how health insurance exchanges could impact their business beginning in 2014.

Cost-saving strategies

- In order to manage costs, 51 percent of employers said that they would consider increasing an employee's share of premiums, while 39 percent said that they would consider increasing an employee's deductible.
- Nearly half of the employers surveyed (44%) felt it would be fair to impose penalties on employees who don't participate in wellness programs.
- More than 40 percent of the employers willing to penalize their employees, said they would consider any of the following to

be acceptable penalties:

- o Reduce their contribution to an employee's health insurance benefits
- o Reduce benefits like dental and vision coverage
- o Reduce 401k contributions, stock options or bonuses

The online survey of small employers and self-employed business owners was conducted anonymously online between Aug. 15, 2012, and Aug. 22, 2012, and gathered a total of 439 responses. Of those who provided insurance, 95 percent had between 1 and 10 employees.

eHealth's Small Business Survey report can be downloaded in full here (http://news.ehealthinsurance.com/pr/ehi/document/Final_SmallBusinessSurvey_Fall12_comp05.pdf) or through the eHealth, Inc. [Media Center](#).

eHealth, Inc. (NASDAQ: EHTH) is the parent company of eHealthInsurance, America's first and largest private health insurance exchange where individuals, families and small businesses can compare health insurance products from leading insurers side by side and purchase and enroll in coverage online. eHealthInsurance offers thousands of individual, family and small business health plans underwritten by more than 180 of the nation's leading health insurance companies. eHealthInsurance is licensed to sell health insurance in all 50 states and the District of Columbia. Through the company's eHealthTechnology solution (www.eHealthTechnology.com), eHealth is also a leading provider of health insurance exchange technology. eHealthTechnology's exchange platform provides a suite of hosted e-commerce solutions that enable health plan providers, resellers and government entities to market and distribute products online. eHealth, Inc. also provides powerful online and pharmacy-based tools to help seniors navigate Medicare health insurance options, choose the right plan and enroll in select plans online through its wholly-owned subsidiary, PlanPrescriber.com (www.planprescriber.com) and through its Medicare website www.eHealthMedicare.com.

For more health insurance news and information, visit the eHealthInsurance consumer blog: [Get Smart -- Get Covered](#).

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