



# The Small Business Case for the New York Health Act

## Affordable & Fair

- Employers in 2010 spent a median **12.8% of payroll costs on health insurance**, up more than 50% in a decade. Small businesses spend higher percentages than larger companies.
- Based on a study by Gerald Friedman, Chair of the UMass-Amherst Economics Department, *New York Health* could be funded by payroll and non-payroll personal income assessments **lower than most businesses spend on health insurance today**.
- The average assessment would be **8.1% of payroll, significantly less than existing commercial insurance**.

## Simple & Predictable

- Businesses thrive on cost predictability. But insurance costs fluctuate wildly – upward. In 2014, small group premiums increased an average of 6.7%, **some plans as much as 14%**.
- Businesses spend time and money – **over \$2 billion annually in New York** – reviewing health plans for price and benefit changes and administering the benefit. With *New York Health* that burden would be gone.

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## Flexibility & Entrepreneurship

- **Many workers suffer from “job-lock,”** discouraged from changing jobs or opening businesses for fear of losing health insurance.
- Studies show the United States **falling behind countries with national healthcare systems** on “employer enterprise birth rate,” the rate at which new businesses are formed.
- Professor Friedman’s study suggests that *New York Health* could create **up to 200,000 new jobs** thanks to decreased healthcare costs and increased labor mobility.

*For a copy of the study, call ext. 4941 or e-mail: [GottfriedR@assembly.state.ny.us](mailto:GottfriedR@assembly.state.ny.us)*

*“As a small business owner, New York Health would allow me to base my hiring decisions on whether I need another employee to get the work done, not whether I will be able to pay ever-increasing insurance premiums.”*

*-Cailie Currin, small business owner, Greenwich, NY, testimony to Assembly Health Committee*

*If you would like to co-sponsor or multi-sponsor the New York Health Act, A.4738, please send a gold or blue slip to my office, 822 LOB.*

*If you have questions about the bill, please contact me or my assistant, Mischa Sogut, ext. 4941 or [SogutM@nyassembly.gov](mailto:SogutM@nyassembly.gov)*