Report: Central Oregon Small Business Owners, Workers Suffer from Health Care Gap

by Bend Weekly News Sources

Central Oregon workers suffer from a health care gap because their employers cannot find affordable health insurance, according to a new report released by the Northwest Federation of Community Organizations (NWFCO), Oregon Action and Central Oregon Jobs with Justice.

The new study, "2006 Northwest Health Gap Study: Quality Health Insurance Out of Reach for Small Businesses," stresses that small businesses struggle more than larger businesses when it comes to offering health insurance benefits to employees.

The study, co-authored by NWFCO and Aaron Katz of the University of Washington School of Public Health, surveyed 388 small businesses in the Pacific Northwest, including businesses in Ashland, Central Point, La Grande, Medford, and Portland.

Oregon survey results show that:

Â§ Fifty percent of Oregon small business owners surveyed for the study said it is too expensive to provide health insurance that meets their employees' needs.

Â§ Eighty-seven percent of small business owners said they were forced to increase their employees' out-of-pocket costs to cover the rising cost of premiums.

Â§ Seventy Eight percent said they preferred state-subsidized, comprehensive coverage over less expensive policies with less than comprehensive benefits for their employees.

Rhonda Ealy, co-owner of Strictly Organic Coffee with Richard Steffensen, says that rising health care costs make it hard for small business owners in Bend.

"We recently expanded our business and now provide health insurance for 10 employees," says Ealy. "Health care costs are a huge part of our overall business expenses and they get more expensive every year. As employers we feel it is our responsibility to provide affordable, accessible health care. We all deserve health care."

"Right now," Ealy said, we have to choose between doing some things that could improve other segments of our business or providing insurance. With support from state or local government, we could do both. We would welcome support that provides health care to Strictly Organic employees because they help to make Bend work every day."

"Small businesses are an important segment of the Central Oregon economy," said Michael Funke, organizer for Central Oregon Jobs with Justice. "Small business owners and employees need help from state and local government so they can survive, prosper, and compete on a level playing field with big business. There are examples of successful government-business-worker health care partnerships around the country."

"We need a health insurance system that covers the services people need at a price they can afford," said Bev DeLeonardis, Chair of Oregon Action's Health Care Committee. "Nobody should go without health care or have to rely on substandard insurance just because they have a lower income or work for a small business."

The health gap study recommends several options for government, including:

Â§ Creating opportunities for shared responsibility for quality health insurance, such as pooled purchasing by government, business and employees.

Â§ Increasing access to public health insurance programs.

Â§ Increasing oversight and transparency in private health insurance markets.

"Closing the health gap--and ensuring access to care for all residents of Oregon--should be a high priority for the state's policy makers," says the health gap study. "Small businesses in Oregon want quality health insurance at an affordable price. Small businesspeople do not believe that increasing choice among less expensive, less-than-comprehensive plans will meet their health care needs. They acknowledge that quality counts, and overwhelmingly prefer public solutions that put affordable, comprehensive coverage in their hands and the hands of their employees."

The "2006 Northwest Health Gap Study: Quality Health Insurance Out of Reach for Small Businesses" is available at www.nwfco.org, the website of the Northwest Federation of Community Organizations.

NWFCO is a regional federation of four statewide community-based social and economic justice organizations in the Pacific Northwest, including Oregon Action. Central Oregon Jobs with Justice is a labor-community coalition of 250 individuals and 19 organizations working together for workers rights and economic justice.