National WOMEN'S BUSINESS Council

News Release

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Women Business Owners Voice Concerns About Access to Affordable Health Care Coverage

National Women's Business Council Hosts Roundtable on #1 Issue for Small Businesses

Washington, DC – The National Women's Business Council (NWBC) convened a roundtable discussion Thursday in the nation's capitol on the number one concern of small business owners - access to affordable health insurance for themselves and their employees. "Sometimes it's a choice of dropping health insurance or closing the doors," said business owner Leslie Saunders, Founder and President of Leslie Saunders Insurance and Marketing International of Tampa Bay, Florida.

The roundtable brought together women business owners from across the country to discuss the challenge of providing affordable health care coverage to their employees and to ensure that their voices would be heard by lawmakers as they debate health insurance legislation in the 108th Congress. Business association leaders, issue experts, and public policy makers also contributed to the discussion, which was led by NWBC Chair Marilyn Carlson Nelson, Chairman and CEO of Carlson Companies, Inc. Speakers not only discussed current challenges, but also offered several viable solutions for consideration such as Association Health Plans (AHPs), Medical Savings Accounts and tax credits.

The discussion centered primarily on the viability of AHPs, which would allow trade and professional associations to band together across state lines to purchase health insurance coverage for their members. In this way, the small businesses that belong to these organizations would enjoy the same "pooling" benefits that larger employers enjoy, enabling them to offer health care coverage at lower rates.

"Today, more than 41 million Americans lack health insurance. And fully 85 percent of the uninsured are in

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working families – with most of the uninsured working in firms with fewer than 100 employees," said Secretary of Labor Elaine Chao. "President George W. Bush and I are deeply concerned about this coverage gap, which is why providing affordable health care is at the top of the President's agenda for helping small businesses."

In addition to Secretary Chao, Representative Donald Manzullo, Chair of the House Committee on Small Business, and Hector Barreto, Administrator of the U.S. Small Business Administration, participated in the discussion.

"We estimate that as many as 7.3 million of the uninsured are employed by the 9.1 million women-owned firms in the United States," said Carlson Nelson. "The National Women's Business Council is deeply committed to serving as an advocate for women business owners on this issue. Working alongside others in the women's business community, we are determined to make sure that affordable health care options for small businesses are a top priority for this Congress."

Women-owned businesses are a vital and significant part of the American economy, growing in number at twice the national average. They currently account for 38% of businesses in the U.S., employ 27.5 million workers and generate $3.6 trillion in revenues. The women business owners testifying agreed that many women business owners are facing a crisis posed by the rising costs of health care coverage.

"Small businesses employ the greatest number of Americans," said Leeanna Roman Fournier, President and CEO of Providence Medical Day Care, Inc. of Marlton, New Jersey. "Yet such businesses are being crippled by huge health insurance premiums. We are being forced to make our employees pay a larger share of the premium burden in order to remain in business. We are being forced to, in effect, lower our employees' salaries because there have not been any alternatives to the existing system."

"I certainly expected challenges when I started my company," continued Deborah L. Harrington, President and CEO of Harrington Capital Advisors, Inc. of Newport Beach, California. "But never would I have anticipated finding adequate health care insurance to be such a formidable challenge. As we went through the process of obtaining health care benefits for the firm, we quickly discovered that health care coverage was going to overwhelmingly influence our overhead."

"If health care costs continue to rise, many small business owners will be faced with a tough decision," added Mary J. Griffin, President of Griffin & Associates of Sacramento, CA. "Should they continue to provide the same level

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of coverage or should they opt to reduce employer contribution? In some instances, they may not even have a choice and may be forced to eliminate this employee benefit altogether, which may mean losing valuable employees to larger companies that can provide coverage."

Sharon L. Hall, President of Red Tail Outfitters, LLC of Cincinnati, Ohio, agreed, saying, "As the owner of a small business, I struggled to find the most affordable and comprehensive health care plan available. In spite of my exhaustive search, it paled in comparison to the coverage I received when I worked for a larger corporation."

The NWBC recently voted unanimously to support one proposed solution to this crisis, the strengthening of AHPs. The Council agreed that AHPs will increase access to and reduce the costs of health care for small businesses.

"Association Health Plans are aimed squarely at filling the coverage gap," said Secretary Chao. "They will help break down the barriers that discourage many small business owners from sponsoring health insurance coverage. Small employers tell us that they want to provide coverage. But costs, legal and market barriers, and the threat of fraud prevent many from offering health insurance. With Association Health Plans, small businesses would clearly enjoy greater bargaining power, economies of scale, and administrative efficiencies."

The complete transcript from the roundtable will be available in coming weeks on the Council's Web site at www.nwbc.gov or by contacting the Council at (202) 205-6850.

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The National Women's Business Council is a bi-partisan Federal government council created to serve as an independent source of advice and counsel to the President, Congress, and the U.S. Small Business Administration on economic issues of importance to women business owners. Members of the Council are prominent women business owners and leaders of women's business organizations. The National Women's Business Council is committed to conducting research on issues of importance to women business owners and their organizations; to communicating these findings widely; to connecting the women's business community to public policy makers; and to providing programs and platforms for change in order to expand and improve opportunities for women business owners and their enterprises. For more information about the Council, its mission and activities, contact: National Women's Business Council, 409 3rd Street, SW, Suite 210, Washington, DC 20024; phone: 202-205-3850; fax: 202-205-6825, e-mail: nwbc@sba.gov