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AN EXPLORATORY ANALYSIS OF HEALTH INSURANCE DECISIONS AMONG

RURAL WESTERN MONTANA SMALL BUSINESS OWNERS

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Bachelor of Arts, University of Puget Sound, Tacoma, Washington, 2007

Thesis

Presented in partial fulfillment of the requirement for the degree of

Master of Arts
In Sociology, Rural and Environmental Change

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An Exploratory Analysis of Health Insurance Decisions Among Rural Western Montana Small Business Owners:

Chairperson: Dr. Teresa Sobieszczyk

For decades small business owners have been struggling to offer health insurance to their employees. Health insurance reform has been an issue of contention over the last few decades, culminating in the passage of the Patient Protection and Affordable Care Act on March 23, 2010. One measure policy makers took to increase access to health insurance was to provide incentives to small business owners to offer health insurance. However, prior research has indicated that economic incentives alone do not guarantee the provision of health insurance coverage by small business owners. Previous research has rarely examined the noneconomic (social/cultural) factors behind why small business owners choose to provide or not to provide health insurance coverage for their employees. Rural Montana offers a unique opportunity to study economic and social factors that influence health insurance decision as it has high rates of employment in small firms. I conducted qualitative in-depth semi-structured interviews with small business owners in four rural western Montana communities to explore their reasoning for providing or not providing health insurance. Results indicate that small business owners are influenced by many interrelated practical/economic factors as well as social factors.

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CHAPTER ONE-INTRODUCTION

Over the past year, health insurance reform has been one of the most widely discussed public policy issues in the United States. The sky rocketing cost of health care has left approximately 44 million Americans uninsured (Short 2004, 5).The negative health outcomes associated with being uninsured are well-documented and helped force policy makers to address the issue. On March 23, 2010, President Barrack Obama signed the Patient Protection and Affordable Care Act into law.

The Patient Protection and Affordable Care Act ensures that business owners will continue to be the primary providers of health insurance for the vast majority of Americans. This has interesting implications for small business owners, who, because of high costs have traditionally, been less likely than larger businesses and corporations to offer health insurance to their employees. Because employment in a small business is generally the primary form of employment in rural America, rural residents are significantly less likely than their urban counterparts to receive health insurance from their employers (Larson and Hill 2010). As Mrs.Mazurek, one of my interviewees from a small town in Western Montana put it:

> We cannot provide health insurance…not in this little town. Maybe the big city folks with the big corporations, but not in these areas; they [small businesses] would be out of business right now… [We] can't do that.

The preceding quote highlights the economic constraints that small business owners in rural Montana face when trying to provide health insurance to their employees. Frequently they are confronted with health insurance costs that may be unaffordable given their oftentimes narrow profit margins. Some rural small business owners may consider offering health insurance as a step towards bankruptcy in light of the sky rocketing costs of health insurance.

Conventional wisdom suggests that business owners will provide health insurance for their employees if it is not economically cost prohibitive. However, research suggests that price alone may not be a reliable indicator of why or why not business owners provide health insurance for their employees. The research presented below examines the intersection of economic and social factors that influence small business owners in four rural communities in western Montana as they decide whether or not to offer health insurance to their employees. This research suggests moving the debate beyond purely economic factors to consider social and cultural influences.

Thesis Organization

The next chapter summarizes background information on health insurance and health care reform in the United States. It also addresses health insurance factors specific to the state of Montana. Chapter Three discusses the previous literature on rural health issues, health insurance and small businesses. In Chapter Four, I discuss the methodology used for this research project.

Chapter Five presents the analysis. This chapter is divided into two general themes: practical issues and social issues. The practical reasons for providing health insurance focus on the primarily economic reasons small business owners gave for providing health insurance, such as the cost of providing health insurance and the desire to attract and retain good employees. The social reasons for providing health insurance focus on a variety of noneconomic factors that help explain why small business owners in this study provided health insurance to their employees, including paternalism, the right thing to do, traditional business culture and individual social connectedness to the community. Chapter Six is my conclusion, which summarizes my key findings, addresses the policy implications of this research, and discusses suggestions for future research.

CHAPTER TWO: BACKGROUND

The Employer Based Health Insurance System and Contemporary Health Care Reform:

The development of the employer based health insurance system has significantly impacted small businesses in Montana and around the United States. The employer based health insurance system developed during World War II when employers started offering health insurance to attract and retain good employees. After the war, employers continued to offer health insurance, and gradually it became the norm for people to receive health insurance through employers (Focus on Health Care 2009). The employer-based health insurance system made employers both fiscally and socially responsible for the health care of their employees. In 2007, 67.5 percent of United States resident had private health insurance, and 59.3 percent of those received health insurance through an employer (DeNavas, Proctor and Smith 2008, 27)

Since World War II, American voters and policy makers have grappled over whether or not health care is basic human right (Blewett 2009). But in the United States, instead of recognizing access to health care as a basic human right, health insurance remains tied to employment, reinforcing the value of work inherent in the American Dream. Conventional wisdom suggests that if you work hard, all of your needs, including health care needs, will be met.

However, offering health insurance to employees has become a significant financial burden for many small employers. When a private insurance company is analyzing a business to determine whether or not to provide health insurance coverage, it assesses the overall risk of insuring all the people in that business. Businesses with more employees can spread out the risk over more people, thereby reducing their health care premiums. Small businesses, which have

fewer employees, end up paying more for health insurance coverage, an expense that is often unaffordable.

For the past several decades, small businesses have struggled to cope with the rising cost of health insurance. In the 1970s and 1980s health care prices began to increase faster than inflation (Hacker 1996). Employees frequently found themselves paying out-of-pocket for their health care coverage as fewer and fewer employers agreed to pay employee health insurance premiums or selected plans with higher deductibles or co-pays (Hacker 1996, 654). Between 1979 and 1984 the percentage of businesses that required their employees to pay their own health insurance premiums jumped from 14 to 52 percent (Bergthold 1990, 34). During that same time period, an increasing number of businesses stopped offering health care coverage, especially in the growing service sector industry (Hacker 1996). Gradually, it was becoming more socially acceptable for employers to drop health insurance coverage, and employment was no longer a predictor of health insurance coverage.

At the same time that the rising cost of health insurance forced many employers to deflect premium payments to their employees, the rising cost of American health insurance and health care received attention around the world. As shown in Figure 1 (below), in 2005 the United States spent 15.7 percent of its Gross Domestic Product (GDP) on health care, the highest proportional spending in the world. France had the next highest health care expenditure, spending 11.1 percent of its GDP on health care. In comparison, only 8.2 percent of the United Kingdom's GDP went toward health care (OECD).

However, higher health care spending does not necessarily translate into improved health outcomes. In recent years, the United States consistently has had a higher infant mortality rate and a lower life expectancy at birth compared to other member countries in the Organization for

Economic Cooperation and Development (OECD). The combination of higher health care spending and worse health outcomes in the U.S. helped pave the way for recent discussions on health care reform that would eventually have a significant impact on all small business in the United States.

Table 1: Key Health Indicators in Selected OECD Countries (2005)

	GDP Spent on Health Care (Percent)	Infant Mortality Rate	Male Life Expectacy at Birth (Years	Femal Life Expectancy at Birth (Years)
Japan	8.2	2.8	78.6	85.5
Sweeden	9.2	2.4	78.4	82.8
Frace	11.1	3.8	76.7	83.7
Germany	10.7	3.9	76.7	82
Switzerland	11.2	4.2	78.7	84
Greece	9.4	3.8	76.8	81.7
Canada	9.8	5.4	78	82.7
United Kingdom	8.2	4.1	77.1	81.1
United States	15.7	6.9	75.2	80.4

Source: OECD 2005

In 2008, the United States spiraled into an economic recession. As increasing numbers of small businesses and large corporations around the country declared bankruptcy, it was clear that access to health insurance was intricately tied to the economic health of the country. Policy makers argued that the exorbitant cost of health insurance was keeping American businesses from being competitive on a global scale (Obama and Biden 2009). For a short time, it seemed like the United States would move away from the employer based health insurance system, alleviating this burden on small businesses around the country.

However, a precedent had been set a decade earlier when then presidential candidate Bill Clinton campaigned heavily on the issue of health care reform. Some argue that it was largely due to Clinton's campaign promise to reform health care that he won the 1992 presidential election (Swenson and Greer 2002, 606). In 1993, the Clinton administration proposed a

comprehensive plan for universal health care coverage that would have moved the country away from the employer based health care system. However, the Clinton health care plan never became law largely because of political rivalries and divisive public opinion on the issue (Swenson and Greer 2002). Through an extensive media campaign, the Republican Party was able to play up the Clinton administration's proposed national health care reform as a plot aimed at big government takeover.

The Republican platform during the 1994 senate elections led a significant proportion of the American public to believe that popular opinion had been manipulated by big government interests and that there was really nothing wrong with the health care in the United States (Hacker 1996, 649). The Republican takeover of the legislature in the 1994 elections successfully squelched any immediate plans for health care reform in the national arena, so employers continued to face the burden and the responsibility of providing health insurance to their employees.

History repeated itself in the fall of 2009, when Republicans again labeled plans to move away from an employer based health insurance system as a plot at big government takeover. A slanderous media campaign surrounded the debate on health care reform, polarizing public opinion. Conservatives worried about "death panels" that would make decisions about end of life care and implied that children with disabilities would not be allowed to live. I was conducting my research during July and August 2009, the peak months of the most recent health care debate. All of my interviewees mentioned health care reform, and their opinions were very heated. It is likely that the media influenced their responses.

Despite the heated debate and an increasingly polarized public, on March 23, 2010 President Obama signed into law the Patient Protection and Affordable Care Act. The bill passed

the House without a single Republican vote, increasing the rift between the two parties. The bill bars health insurance companies from discriminating based on preexisting conditions, expands Medicaid eligibility to 130 percent of the federal poverty line, promotes preventative care for all age cohorts and provides credits for small businesses to offer health insurance.[1] Although, the bill has some positive points, it continues to place the burden of providing health insurance on employers.

The Patient Protection and Affordable Care Act ensures that private insurance companies will continue to be the primary administrator of health insurance and that businesses will be primary providers of health insurance. Business with more than 50 employees will be fined $2,000 per employee per year if they do not offer health insurance to their worker, and smaller business will receive tax credits to encourage them to offer health insurance to their employees. The continued provision of health insurance through employers has huge implication for states such as Montana, where small businesses are the primary employer and 35 percent of employment is in businesses with fewer than ten employees (Seninger 2006, 3).

The Employer Based Health Insurance System in Montana:

In 2006, 19 percent of Montanans lacked health insurance, one of highest percentages of uninsured in the country (Seninger 2006, 3). As a result, the state has invested time and money into better understanding why so many residents are uninsured through the administration of an employer survey on health insurance coverage in 2003 and 2006. The Employer Survey on Health Insurance Coverage was conducted by the Bureau of Business and Economic Research (BBER) at the University of Montana and funded by the Department of Public Health and Human Services of Montana. In 2003 and 2006, BBER surveyed a stratified random sample of over 450 employers of varying sizes in Montana. The conclusions of the survey have startling

[1] The full text of the bill can be found at http://dpc.senate.gov/dpcdoc

implications for the relationship between small business employment and health insurance in the state.

In Montana, 35 percent of total state employment is in businesses with fewer than ten employees, and 26 percent of the uninsured are self-employed (Seninger 2006, 3). Additionally, only 49 percent of businesses offered health insurance to their employees, and businesses with fewer employees were consistently less likely to offer health insurance (Seninger 2006, 4). Given the large percentage of state employment in small firms, coupled with the lower likelihood of small firms to offer health insurance, it is not surprising that such a large percentage of Montanans are uninsured. The findings from the 2003 and 2006 employer surveys on health insurance are consistent with studies of other rural area in the United States that find that most people in rural America are employed in small businesses (Coburn et al 1998; Frenzen 1993).

Table 2: Percent of Montana Businesses that Offered Health Insurance in 2006 (n=486)

# of Employees	No Insurance	Certain Employees	All Employees
1 to 5	60%	6%	34%
6 to 10	47%	2%	51%
11 to 20	31%	11%	58%
20-100	17%	5%	78%
more than 100	2%	6%	92%

Source: Seninger 2006, 8

High rates of uninsured citizens, coupled with high rates of employment in small firms, spurred action on health care during Montana's 2005 legislative session. On July 1, 2005 the Small Business Health Care Affordability Act was enacted into law. This act created the Insure Montana Program, dedicated to decreasing health care costs for small business. The program attempts to reduce costs for small businesses through an insurance purchasing pool and a tax credit program. For the first time, small businesses in Montana received an incentive to provide health insurance to their employees.

The purchasing pool program is for employers who do not currently offer health insurance to their employees and have between two and 15 employees who earn less than $75,000 a year (Insure Montana 2010). Both employees and employers receive premium assistance money from the state ranging from 20 to 90 percent of total premium costs, depending on the employees' income per year (Insure Montana 2010). Enrollment in the purchasing pool program is limited by available state funding; currently there is a waiting list for enrollment in the program. The state tax credit program provides a refundable tax credit for businesses with between two and nine employees that already provide health insurance to their employees. The tax credit is $100 a month for each insured employee (Insure Montana 2010).

Despite these efforts to reduce the high number of uninsured workers in the state, Montana continues to have one of the highest percentages of uninsured in the US. Limited funding for the Insure Montana Program combined with many employers' inability or unwillingness to offer health insurance, even with tax credits and incentive programs, could explain the continued high number of uninsured in Montana.

A better understanding of the small business culture in Montana will lead to a more comprehensive understanding of the problem, enabling state government officials to better address the persistent problem of lack of health insurance in small businesses. This research project serves a potentially useful role by exploring why small employers in rural western Montana do or do not provide health insurance for their employees by going beyond the simple limitation of cost and addressing social and cultural factors that influence these decisions.

CHAPTER THREE: LITERATURE REVIEW

Montana is a primarily rural state with a high percentage of uninsured residents and a large percentage of the population working for small businesses. Each of these factors alone puts Montana in a unique position when it comes to health and health insurance. Rural residents consistently document a lower level of health, and being uninsured is commonly associated with negative health outcomes (Cunningham and Kemper1998; Ayanian 1998; Ross, Bradley and Bush 2006). Both of these factors are further exacerbated in Montana because of the large percentage of the population employed by small businesses, which generally increases individual chances of being uninsured (Seninger 2006; Coburn et al 1998; Frenzen 1994; Kapur 2004). Given the negative health outcomes associated with being uninsured, it is important to understand the fiscal and social factors that influence whether or not small business owners choose to offer health insurance.

The Consequences of Being Uninsured:

For the past 50 years researchers have been trying to accurately count the number of uninsured Americans. Different researchers and survey tools indicate different numbers; however a recent widely reported estimate is that approximately 44 million individuals in the U.S. lack health insurance (Short 2004, 5). Whereas researchers often dispute the exact number of uninsured, the negative health outcomes associated with being uninsured are less debatable. For example, uninsured heart attack patients have significantly higher in-hospital mortality rates compared to privately insured individuals (Blustein, Aarons, and Shea 1995; Canto et al 2002; Young and Cohen 1991), and uninsured individuals are more likely to be diagnosed with late stage cancers (Ayanian 1993; Ferrante et al 2000).

Further proof of the connection between good health and having health insurance is shown by Currie and Gruber (1996) in their study on the expansion of Medicaid between 1984 and 1992. This expansion nearly doubled the number of low income children eligible for benefits and was associated with a significant and profound decrease in childhood mortality rates (Currie and Gruber 1996). The negative health outcomes associated with being uninsured are not surprising given that the uninsured consistently report accessing lower levels of health care than their insured counterparts (Cunningham and Kemper 1998; Ayanian 1998; Ross, Bradley and Bush 2006).

A 1998 study used the Behavioral Risk Factor Surveillance System (BRFSS) which surveyed more than 100,000 adults in all 50 states plus the District of Columbia and asked both insured and uninsured adults about their access to health care. The survey included questions about access to preventive care, including cancer screenings, cardiovascular risk reduction and diabetes management. The survey found that two-thirds of respondents in poor health reported skipping needed treatments because of the expense. Additionally, the survey found that adults who had been without health insurance for more than a year and who had a chronic illness were much more likely than their insured counterparts to skip needed checkups (Ayanian et al 1998).

Similar findings emerged in studies that controlled for both income level of uninsured adults and community characteristics of their place of residence. For instance, a study using the 2002 BRFSS data looked at whether or not higher income uninsured individuals were more likely to have the recommended medical screenings. The study concluded that regardless of income level, uninsured individuals were less likely to have access to recommended health screenings and preventative medicine than their insured counterparts (Ross, Bradley and Busch 2006).

Community characteristics also appear to have an effect on access to health care for uninsured individuals. For example, in a study that compared metropolitan and nonmetropolitan areas, Cunningham and Kemper (1998) found that access to health care for the uninsured was highly dependent on whether or not individuals lived in a metropolitan or non-metropolitan area. However, identifying the various community characteristics that impact access was much more difficult, and the researchers drew no definitive conclusions about community characteristics. This research also indicated that regardless of location, uninsured individuals nationwide were less likely than their insured counterparts to have had preventative care (Cunningham and Kemper 1998).

All in all, these studies suggest that health insurance is an important factor regarding access to health care, especially preventative care. This could have an interesting impact on businesses owners and whether or not they decide to offer health insurance to their employees. Given the association between health insurance and the overall health of a population, presumably business owners would attempt to avoid having sick employees who might miss work. This type of behavior can be explained, in part, using the economic theory of behavior and uncertainty.

The economic theory of behavior and uncertainty states that "risk adverse individuals will pay to avoid severe financial consequences of the unfortunate state of the world" (Blumberg and Nichols 2004, 36). In this case the "unfortunate state of the world" refers to illness or risk of illness as it is perceived by the individual. It is generally argued that individuals will insure themselves fully if they are offered a fair market price for that coverage. Additionally, individuals may have a second motive for obtaining health insurance: extending their life span by improving their access to health care resources. In other words, individuals who obtain health

insurance generally have two motives, to avoid financial ruin and to have access to expensive medical care (Blumberg and Nichols 2004).

Although this theory helps to explain the existence of the health insurance market, actually obtaining fair prices in the health insurance market and accurately predicting individual health risks can be difficult. Increasingly, individuals with a chronic illness or preexisting conditions may find themselves unable afford the health insurance that is offered to them because insurance companies see them as risky to cover and so tend to charge them higher premiums for less coverage. These problems are driving up the number of uninsured. Individuals who obtain their health care through their employer are likely to pay lower premiums because risk can be spread out over a larger group of people.

In 2003, 70 percent of Americans obtained health insurance through their employer (Feldstein 2003, 67). However, it is interesting to note that only 40 percent of firms with fewer than ten employees offered health insurance, while 97 percent of firms with more than 50 employees offered health insurance (Kapur 2004, 63). Moreover, as discussed above, rural areas are less likely to have large employers, which could explain the lower health insurance coverage in rural compared to urban communities.

Factors Influencing Access to Health Care in the Rural U.S.

Rural residents in the United States face unique challenges in gaining access to health care. Rural areas often have fewer health care options, a shrinking economy, an aging population and fewer fiscal and transportation resources (Averill 2006; Rust et al, 2009; Sander, Fitzgerald and Barteli 2008). Traditionally, studies on rural health have focused on access issues, sometimes failing to recognize the impact that having health insurance has on securing health care.

Exploring area-specific health determinants is increasingly important to rural health research. Traditionally, research on rural health focused on access issues (Hartely 2004). This is partly because the United States is the only industrialized nation that does not have socialized or single payer health care, instead relying on the private sector for its health insurance needs. The market-run health system results in uneven access among the general population. For instance, residents in the United States are less likely to have a regular doctor and to have forgone medication than their Canadian counterparts (Lasser, Himmelstein and Woolhandler 2006).

In communities that lack community health centers or other free or low cost health care providers, people may use emergency rooms as their primary care providers. This occurrence is both costly and inefficient, driving up the cost of care for everyone (Rust et al 2009). Furthermore, women who live in rural areas that lack a sufficient number of primary care providers are significantly less likely than urban women to have had a recent cancer screening (Coughlin, Leadbetter, Richards and Sabatino 2007).

However, lack of community health centers or primary care providers may not be the only predictor of negative health outcomes. A qualitative study looking at health care among rural women in Southwest Ontario concluded that rural women have unique experiences when it comes to their health care outcomes (Liepart and George 2008). Based on interviews with 65 rural women, the researchers concluded that the three primary influences on health among rural women in their study were rural change, rural culture and rural pride. Rural change refers to the shifting of the rural economy away from sustainable farming toward technologically intensive farming. Farmers have to learn about and acquire the new technology, resulting in higher levels of stress. Rural culture refers to the continued patriarchal society of rural areas and the stress women face in being responsible for 100 percent of the care giving, household chores as well as

farm responsibilities. Rural culture also refers to acceptance and integration into a community and the negative health impacts outsiders may experience[2]. Additionally, and perhaps most significantly, the researchers identified rural pride. Rural residents took pride in being able solve problems with few resources.

Each of these three factors influenced rural women's health in unique ways. Rural change increased stress levels as women were forced to cope with the rapidly changing farm economy. Rural culture, which reinforces patriarchal norms, negatively impacted women's health because it did not allow women to make health care decisions independent of their spouses. However, the researchers also found that rural culture provided strong community support, which can be beneficial to individual health. Rural pride encouraged individual to take initiative to fight adversity and encouraged rural communities to develop voluntary citizen-initiated strategies to improve population health by fighting common health epidemics such as childhood obesity and diabetes (Leipart and George 2008).

Leipart and George's study exemplifies the benefits of qualitative research in identifying community specific health determinants. Historically, most of the research done on health insurance and employment in the United States has focused on how material resources are distributed among the general population rather than the social conditions under which these material resources are distributed. It is widely documented that lower levels of socioeconomic status are correlated with a greater tendency to lack health insurance; less explainable however, is the variation in this phenomenon that occurs from community to community, as is demonstrated in the research presented above (Cunningham and Kemper1998) Hall and Taylor

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[2] The term "outsider," is used to refer to community residents who have not lived in the area for multiple generations.

(2009) suggest that one reason for this variation maybe the level of social connectedness in that community.

Social connectedness is defined as "the character of the ties that individuals have to each other in a society" (Hall and Taylor 2009, 88). Measuring social connectedness is difficult, however, and much of the research on social connectedness has focused on social capital. Putnam (1995, 67) defines social capital as "features of organizations, such as networks, norms and social trust that facilitate coordination and cooperation for mutual benefit." Put this with preceding sentence (delete spaces after benefit in line above) Putnam's definition of social capital has been widely adopted by public health researchers attempting to identify community characteristics responsible for health disparities. However, conceptualizing and operationalizing social capital has proven difficult, and much of the work utilizing Putnam's definition has been criticized for methodological and theoretical fallacies (Forbes and Wainwright 2001; Carpiano 2006; Stephens 2008). Despite these criticisms, social capital is one of the few social factors that have been given considerable consideration in sociological research on health disparities. It is important to continue to identify social factors that may influence health outcomes.

Numerous quantitative studies have failed to identify community specific characteristics that impact health. Although several studies document community variations in health outcomes based on place of residence, they do not document area specific health determinants (Murray et al 2006; Cunningham and Kemper1998). Leipart and George's qualitative analysis of the health care of women in rural southwest Ontario documents area-specific health determinants that would be impossible to identify using quantitative data. The limited amount of qualitative research on area-specific health determinants represents a gap in the literature that this research project attempts to address.

Small Businesses and Health Insurance:

Small businesses are in a unique position in the current health insurance market. Businesses with more employees can spread the risk out over more people, thereby reducing their health care premiums. Today, many states have passed small group health insurance reform, restricting how much health insurance providers can increase rates for small businesses. Despite these reforms, the administrative costs associated with offering health insurance are very high for small businesses. In firms with fewer than five employees, administrative costs are about 40 percent of insurance costs, but in the largest firms administrative costs are only about five percent of insurance costs (Kapur 2004, 69).

The increasing expense of health insurance is often unaffordable for small businesses. Several studies have indicated that decreasing health insurance premiums would lead to increased health care coverage among small businesses. For example, Feldman and his coauthors (1993) surveyed 2,000 small businesses owners in Minnesota, concluding that small businesses are responsive to very minimal increases and decreases in health insurance premiums. For instance, they found that for every $1.00 increase in monthly health insurance premiums for a single coverage policy, the probability of offering health insurance decreased nearly two percent (Feldman et al 1997, 655). Moreover, they found that the proportion of small firms offering a single coverage policy would increase from 0.610 to 0.6274 in response to a $1.00 decrease in premium coverage (Feldman et. al 1997, 655).

Morrisey, Jensen and Morlock (1994) had similar results in their 1993 survey of 750 small business owners employing fewer than 50 workers. They asked small business owners a series of question about whether or not they offered health insurance and their reasoning for that choice. The survey also asked a series of questions about whether or not they would offer health

insurance if they were offered a series of hypothetical premiums. Forty-five percent of the employers who did not currently offer health insurance said they would buy it for $175 per worker per month; 53 percent said they would buy it for $149 per month, and 75 percent said they would purchase it for $88 per month (Morrisey, Jensen and Morlock 1994, 155).

More recently, the Main Street Alliance (MSA) surveyed small business owners about what they would like to see in health care reform.[3] In January 2009, the MSA published a report "Taking the Pulse of Main Street" (TPMS), which presented the results of surveys of small businesses in Northwestern States, including Montana. The survey asked questions about the businesses' experience with the private health insurance industry and what the owners would like to see in the future. In Montana, MSA surveyed 72 small businesses across the state about what they would like to see in health care reform. Two out of three Montana small business owners in the study said they would like to see the creation of a public option to compete with private sector for health care reform (TPMS 2009, 28). Additionally, many small business owners in Montana said they would be interested in spending approximately four to seven percent of their payroll on health care to ensure that their employees have access to quality health insurance. Finally, 75 percent of those in the Montana survey reported believing that the government should play a larger role in guaranteeing access to quality affordable health care (TPMS 2009 28).

The literature mentioned above suggests that simply decreasing premiums would lead to increased health care coverage for employees of small businesses. Nonetheless, other studies suggest that it is unclear whether or not reducing the price of health insurance premiums would result in an increase in health insurance coverage offered by employers. For example, Kronick, Olsen and Glimer (2008) offered employers a hypothetical employee insurance packages ranging

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[3] The Main Street Alliance is coalition of small business owners in twelve North Western States that represents small businesses in the national health care debate. In Montana the coalition is called Businesses for a Healthy Montana.

in price from $20 to $100. The significantly decreased price did not result in a significant increase in employee coverage (Kroncik, Olsen and Glimer 2008). Price alone does not dictate whether or not an employer offers health insurance. Clearly, whether or not an employer offers health insurance is more complex than a simple cost-benefit analysis.

Conclusion:

Over the past year health insurance reform has been the most discussed topic in the United States. Policy makers have begun to recognize that employers no longer automatically provide their employees with health insurance. Their solution was the Patient Protection and Affordable Care Act, signed into law on March 23, 2010, which mandates individual health insurance and threatens business with more than fifty employees with fines for not providing health insurance. Businesses with fewer than 50 employees will not have to offer health insurance for their employees immediately, but those which do so will receive tax incentives from the federal government. The majority of employers in Montana have fewer than 50 employees (Seninger 2006). It remains uncertain how the Patient Protection and Affordable Care Act will affect the number of uninsured in Montana. However, it has been suggested in other research that decreased health insurance premiums do not necessarily translate into employers' wiliness to offer health insurance.

Analyzing the purely fiscal side of offering health insurance fails to take into account cultural and social factors that may influence small business owners' decisions to offer health insurance. This research project addresses this issue by examining the intersection between economic realities and social responsibilities that small business owners in four rural communities of Montana are facing. Understanding why rural small business owners may or may not provide health insurance is essential for the effort to improve people's health in rural areas.

CHAPTER FOUR: METHODOLOGY

The objective of this study was to explore perceptions of health care and health insurance needs among small business owners in rural western Montana. I explored this through semi-structured, in-depth interviews with small business owners in four rural western Montana communities. I chose to conduct interviews for this research to gain a more comprehensive understanding of why or why not small business owners offer health insurance. Eliciting individual narratives allowed me to develop a more in-depth understanding of small business owners' attitudes towards health insurance (Berg 2009).

Research Paradigm and Research Questions:

For this project, I used the interpretive paradigm, which "focuses on social relationships, as well as the mechanisms and processes through which members in a setting navigate their social worlds" (Bailey 2007, 53). Researchers using this paradigm are interested in the multiple meanings that research subjects attach to events, objects and decisions (Bailey 2007).

This research focused on why or why not small business owners offered health insurance to their employees, examining the intersection between economic realities and social responsibilities. This research was centered on the following research questions:

1. What type of health insurance coverage do rural small business owners and their families in western Montana have?
2. What types of health insurance, if any, do rural small business owners in Western Montana provide for their employees
3. What are the perceived implications of providing/not providing health insurance for rural small business owners in western Montana?

As the above research questions indicate, I was interested in both what type of health insurance small business owners and their employees have, and the reasoning behind decisions about health insurance. Using an interpretive paradigm allowed the respondents to give meaning to their decisions by emphasizing factors that most impacted their decision-making process.

Description of Site Selection:

I conducted interviews in western Montana because I live in western Montana and it was easy for me to get to the study site. Additionally, rural western Montana communities have higher rates of employment in small firms and low rates of health insurance coverage, making them appropriate for my study (Seninger 2006).

I conducted interviews in four rural communities. I conceptualized rural using the U.S. Census Bureau's definition of rural as anything outside an urbanized area or an urban cluster. The United States Census defines an urban area as a densely settled census block groups with a population of more than 5,000. An urban cluster is defined as densely settled census block group with more than 2,500 people but fewer than 5,000 (Weeks 2008, 355) The Census Bureau classifies Missoula as an urban area and the four study sites as "rural".

Each of the four communities was between a 50 to 90 minute drive away from Missoula, which has the major hospitals in western Montana. I controlled for geographical proximity to ensure that community residents had similar access to medical resources in the area. This ensured that, at least geographically speaking, interviewees had about the same access to specialists and doctors if there were none in their immediate community. Additionally, controlling for geographic proximity to Missoula ensures that small businesses in the chosen communities face similar levels of competition from Missoula businesses, including larger chain stores such as Wal-Mart. I also chose the research sites for their historic involvement in the

extraction based industry. The four communities have all had to deal with dwindling economies as mines and lumber mills closed over the last few decades. To ensure confidentiality, I assigned each study site a pseudonym. Below, I refer to the four communities as Mountainview, Lakeview, Touristville and Rockville.

Interviewees in all four sample sites noted a decline in local extraction industries; respondents in Mountainview, Lakeview and Touristville all reported a large increase in tourism. Touristville residents actively promoted their town as a tourist destination in neighboring states through a citizen initiated program called "Touristville Promotions." Touristville Promotions pools money collected from local business owners to sponsor commercials and advertisements in metropolitan areas in the northwestern United States. This allows small business owners in Touristville to obtain marketing exposure that they never would have been able to afford by themselves, and several interviewees spoke favorably of the program.

Respondents in Lakeview noted a similar increase in tourism over the past few decades. Historically, residents in nearly every household in Lakeview were involved in the timber industry. In the 1980s community leaders recognized that the lumber industry was beginning to disappear and began to actively promote tourism, specifically through the development of vacation homes. The increase in the number of part-time residents was noted by all Lakeview respondents. The increase in local second home ownership was also recognized by respondents in Mountainview.

In contrast, respondents in Rockville did not recognize tourism as a major economic contributor in their community. Although Rockville has a comparable driving distance to Missoula as Mountainview, Lakeview and Touristville, it seems significantly more isolated.

Additionally, Rockville does not have the ski hills, lakes and mountains that make western Montana a tourist destination.

Sampling Small Business Owners:

For each of the four sample sites, I identified small business owners. I conceptualized small business owners as any individual who independently owned and operated their own establishment and had between zero and ten employees. This definition allowed me to interview individuals who were self employed as well as individuals who had between one and ten employees. Initially, I used purposive sampling to identify potential interviewees in the area.[4] To find small business owners in Mountainview, Lakeview, Touristville and Rockville, I cold-called local businesses listed in the online telephone book of each community, provided a brief explanation of my research and asked to talk to the owner of the business. I was refused three times because the contact had time constraints. After I had set up two interviews in a community, I drove to the community and conducted the interviews. Following the initial interviews, I used a snowball method of sampling. I asked each interviewee for the names of other local business owners who might be willing to speak with me. This method led to the identification of several more contacts, some who chose to participate and some who did not.

I followed the above sampling method in three of the four sites. In Rockville I had a personal connection who gave me the names and phone numbers of fifteen small business owners in the area. I called all of the business owners on the list and left messages when nobody answered the phone. I interviewed the first six business owners who either called back or agreed to an interview during the initial phone conversation.

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[4]Purposive sampling is used when the researcher in interested in a populations with a certain common characteristic, in this case, small business owners (Berg 2009, 51).

Sample Description

The final sample consisted of seventeen small business owners, including two husband wife couples that counted as two of the seventeen. To ensure confidentiality, I assigned each interviewee a pseudonym. I interviewed three business owners in Lakeview, four in Troutville, six in Rockville and four in Mountain View. Six of the interviewees were female, while twelve were male. Most of the interviewees had been living in their community for more than ten years, and many of the respondents had grown up in the community.

Twelve of the interviewees indicated that they had health insurance, while four indicated that they did not have health insurance. I conceptualized health insurance as any public or privately run insurance system that individuals can buy into or, qualify for through the federal or state government, which compensates medical expenses. The following chart indicates the characteristics of interviewees.

Table 3: Characteristics of Interviewees

Place of Residence	Total Number of Interviews
Lakeview	3
Mountainview	4
Rockville	6
Touristville	4
Business Owners Health Insurance	
Private	12
Public	1
No Health Insurance	4
Businesses Offered Employee Health Benefits	
Yes	6
No	8
Not Applicable/Has no Employees	3

The Interview Process:

The interviews explored (1) whether or not small business owners have their own health insurance and (2) whether or not they provide it for their employees (if any) and why. I

conducted each interview at the interviewee's business or in a public place nearby. All interviews were tape recorded with permission from the interviewee. One interviewee did not agree to be tape recorded, so I took rigorous notes and typed them up as soon as possible after the interview.

All of the interviews were semi-structured. This allowed the interview to feel more like a conversation, while still allowing me to ask all of the necessary questions and likely improved rapport and overall data quality. Additionally, a semi-structured interview allows the informant to discuss topic s/he sees as important. (See Appendix A for the complete interview guide.) The interviews ranged from 20 to 160 minutes. Interviews continued until respondents felt like they had no new information to share.

Data Analysis:

I transcribed the interviews verbatim using the transcription software *Express Scribe*. During the transcription process I took notes on reoccurring themes to investigate later. I transferred the completed transcripts to the coding software *NVIVO* for analysis. During the analysis phase I reread each transcript, making notes of interesting themes in each one. Then, using *NVIVO*, I created memos on interesting themes that I could refer back to throughout the analysis process. Next, I started a process of open coding, during which I again reread each transcript, this time coding individual quotes and passages that I later combined and organized to create two broad categories: (1) the practical/economic factors for providing health insurance and (2) the social factors for providing health insurance.

Data Quality:

I took several steps to ensure data quality for this project. Data quality in qualitative research includes rigor of methods, researcher background and credibility and faith in the

research process (Patton 2008). Rigor of methods focuses on taking steps to ensure data quality in all aspects of the research, from sampling to data analysis.

To ensure data quality in my sample, I conducted interviews in four communities and used a purposive method of sampling for finding interviewees. Conducting interviews in four communities ensured that I am not reflecting some anomaly in a single community, but rather experiences common to rural small business owners in western Montana.

Using a purposive method of sampling ensured that I interviewed small business owners for my research. Contacting a couple of business owners in each community who did not necessarily know each other also ensured that they would refer me to different people for further interviews, allowing me to access different social networks. Accessing different social networks ensured that I received opinions of a diverse group of people with different backgrounds and socioeconomic status and also improved data quality.

During the analysis stage I transcribed word for word which ensures that conclusions I am making are actually supported by the interviewees' responses, and that I am accurately presenting their words.

Finally, it is important in qualitative research to be aware of your own individual biases and to recognize how they may affect your analysis of the research. During my research I continually reminded myself of my own views on health insurance and health insurance reform and had to consciously remind myself that there are other ways of thinking.

Researcher Credibility:

I presented myself to informants as a student interested in learning more about their experiences as a small business owner in rural western Montana. This standpoint was appropriate because I do not have any experience as a small business owner or with choosing health care

plans for employees. Prior to beginning interviews, I investigated the literature on health insurance and small businesses and attempted to better understand all of the recent health care proposals and their affect on small businesses, which enabled me to develop appropriate questions for the interviews.

Additionally, taking this approach allowed access to individuals who would not have otherwise agreed to be interviewed. I had several interviewees tell me that they were hesitant to be interviewed, but agreed to this interview because of my status as a student. The fact that I could provide confidentiality was very important to many small business owners. Some small business owners were hesitant to openly express their opinions about healthcare because of fear of losing community support. Confidentiality ensured a more open and honest conversation regarding their business and health insurance.

Choosing rural Montana communities for study sites allowed me relatively easy access. I grew up in Montana and so I was able to achieve rapport fairly easily by opening the interviews with a general exchange about the state and common experiences we shared through being Montana state residents. Presenting myself as a student as well as building rapport through exchanging similar lived "Montana" experiences added to my credibility as a researcher.

CHAPTER FIVE-ANALYSIS

Health Insurance Coverage by Community, Business Type and Length of Time in Business:

There were clear distinctions in the likelihood of small business owners offering health insurance to employees between communities, business type and the length of time in business. Although there was little variation in personal health insurance coverage among small business owners based on the three preceding factors, there was a large variation between health insurance coverage offered to employees.

Table 4: Health Insurance Coverage by Employee Status, Community, Type of Business, and Length of time in Business.

	Total	Had Personal Health Insruance	Provided health Insurance for employees
Employee Status			
Employees	15	12	6
Self Employeed	2	0	N.A.
Total	17	12	6
Community			
Rockville	6	6	5
Touristville	4	2	0
Lakeview	3	2	0
Mountainview	4	3	2
Type of Business			
Entertainment	1	0	0
Service	7	5	0
Automobile	2	1	1
Secondary Construction	4	3	1
Manufacturing	1	1	1
Pharmacy	1	1	1
Grocery	2	2	2
Years in Business			
15 or More	7	7	6
Less Than 15	10	5	0

For example, in Rockville all of the small business owners I interviewed had been in business for more than 15 years and were not directly involved in the tourism industry.[5] The type of businesses I interviewed in Rockville, were in the manufacturing, grocery, secondary construction and pharmaceutical industries. This stands in contrast to many of the other small business owners I interviewed in the three other communities. In Touristville, all of my interviewees were directly involved in the tourism industry. Three of the four small business owners I interviewed in Touristville had been in business for fewer than five years and all of them had been in business for fewer than ten years. None of my interviewees in Touristville offered health insurance to their employees.

Although less drastic, I also observed decreased rates of employee health insurance coverage associated with the tourism industry in Lakeview and Mountainview. The small business owners in these sample sites were less likely to have been in business for more than fifteen years and they were more likely to be directly or indirectly reliant on the tourism industry. The local grocery store owner in Mountainview was the one exception. His family opened the store in 1930s and since then provided a valuable service to the community that was not reliant on tourism. It appears that there is a connection between the length of time in business, the type of business and community involvement in the tourism industry. However because of the sample size it is difficult to reach any definitive solutions. This phenomenon could simply be an artifact of my sample. Additional research is needed to explore the relationship between business type and length of time in business. The rest of this analysis focuses on the health insurance coverage

[5] In this analysis, I define "tourism industry" as any business that reliant on nonpermanent residents as the main source of their business income. This included all businesses in the service and entertainment industries as well as some businesses in the "secondary construction" industry who provided building supplies and equipment for the construction of vacation homes

of small businesses owners and their employees and the intersection of the economic and practical factors associated with providing or not providing health insurance to employees.

Health Insurance Coverage:

Of the 17 small business owners I interviewed, twelve had personal health insurance and five did not have health insurance. There was little uniformity in types of health insurance coverage: seven had private health insurance, three had health insurance through a spouse's employment, one was on Medicare and one had insurance through Insure Montana. [6]

Table 5: Health Insurance Coverage of Small Business Owners and their Employees.

	Total	Had Personal Health Insruance	Provided health Insurance for employees
Employee Status			
Employees	15	12	6
Self Employeed	2	0	N.A.
Total	17	12	6

Those who had health insurance were generally satisfied with the quality of care they received using that insurance, although they often mentioned the increasing cost of health insurance as well as the degradation of coverage over the years. For instance, Mrs. Mazurek and her husband own a building and supply store in Rockville; she described her health insurance with sincere affection: "Ours is affordable, it is absolutely great. We have had it for ten, eleven years. It is absolutely wonderful." Many others with health insurance coverage, however, were less effusive in their appraisal of their health care coverage, instead choosing to contrast the price with the perceived benefits of their health insurance. For instance, Mr. Peterson, who owns a restaurant in Touristville, noted:

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[6] As discussed earlier, Insure Montana is a state subsidized health insurance program for small business with two to nine employees, who did not previously provide health insurance and where no employee makes more than $75,000.

> You pay your premium, and if you get sick, you go in and get it taken care of. I am not really adept at all of that. I know it has worked out for us over quite a period of time. The premiums are higher than obviously you would want them to be.

In contrast, all those who do not have health insurance spoke about going without health care because insurance is not affordable and mentioned coping mechanisms for not having health insurance. Mr. Logan, a mechanic in Mountainview, put it this way:

> You can see I am missing a tooth, and that is about 500 bucks to get done, but I just haven't been able to afford to do it.

Similarly, Ms. Chenowith, who lacks health insurance, also noted the difficulties associated with delaying and obtaining needed medical care.

> I have fallen down twice since I have been here, and I have hurt both of my hands. I didn't go to the Doctor, and now I am suffering the consequences by not going.

Mrs. Johnson who runs a small vaudeville theater in Touristville had a similar story after she fell of the stage during a rehearsal.

> It is so frustrating. There are many times we should have gone [to the doctor]; I mean I literally fell off the stage and totally cracked my jaw. I was in really bad shape, and I should have gone, and I didn't because we had no money. It just frustrates the hell out of me that we can have as good health facilities as we have and that care cannot be extended to our population. Yet we seem to be able to do all kind of other stuff. I think it is criminal.

The preceding responses match the findings of other researchers who suggest that the uninsured often go without needed medical treatment because of their inability to pay for care (Ayanian et al 1998; Ross, Bradley and Busch 2006). However, my findings diverge from survey-based studies such as these because they provide insight into how individuals cope with not having health insurance.

Coping with the Lack of Health Insurance:

Mr. Edelen has been living in Lakeview since 2000. After he was laid off from his job working at a youth correctional facility in 2000, he and his wife moved to Lakeview, and in 2006, they started a cleaning business because he was unable to find "decent" employment in the area. Since then, they have dedicated their lives to their cleaning business, rarely taking a day off. Last year, Mr. Edelen's wife broke a dental bridge that she had since she was fourteen. Their dentist in Missoula wanted $7,000 to replace the bridge, which they could not afford. Instead of going without the bridge replacement, Mr. Edelen and his wife used it as an excuse to visit snowbird friends in Phoenix, Arizona. While in Phoenix, Mrs. Edelen walked across the border to Mexico and had her bridge repaired by a Mexican dentist for a fraction of the price her dentist wanted in Missoula. The Edelens paid a total of $4,000 out of pocket, which included two round trip airfares to Phoenix.

The Edelen's experience was an extreme example of how individuals without health insurance innovatively cope with medical issues. Though no other interviewees reported such an extreme case, they did mention taking more moderate measures to improve their health generally through eating right and exercising. For instance, Mrs. Johnson makes the following comment about eating right regardless of budget constraints.

> We do [eat right] no matter what the budget is. I am not going to stuff ourselves with crap food…. We do buy vegetables and meat and salad. I think that has been a huge part of it [staying healthy].

Similarly, Mr. Edelen said he and his family also try to stay healthy since they lack health insurance:

> We are pretty active…She [my wife] skies. I snowboard. We do a lot of water sports….We try and stay healthy.

However, trying to avoid the doctor because of the expense was not exclusive to interviewees who did not have health insurance. Many respondents, who had health insurance,

also mentioned exercising and staying healthy in an attempt to avoid visits to the doctor. For example, Mr. Peterson, a restaurant owner in Touristville, mentioned taking proactive measures to stay healthy:

> We are fortunate, knock on wood, we are healthy, and I hike a lot and bicycle… and my wife checks for lumps a lot…We try and stay as healthy as we can.

Similarly, Mrs. Verulous, a self-employed entrepreneur and former owner of an auto parts store in Lakeview, works hard to maintain her weight by eating right and exercising. She is outspoken about the degradation of her health insurance coverage, which she blames on the obesity epidemic in the United States. She told me that she eats right and lost the 70 pounds she gained while she was pregnant. She is more aware than most of the connection between health and weight and works hard to stay healthy.

As the above quotes indicate, even those who are insured try to stay healthy and avoid going to the doctor. Mr. and Mrs. Everett, who have health insurance, also try and avoid going to the doctor, reserving doctor visits for "major issues." They left their jobs in Idaho and moved to Touristville with their three young children so they could start a business selling gems they mined as a family. Mr. and Mrs. Everett have health insurance that they buy privately to cover themselves and their young children. They noted that they use their health insurance exclusively for "major issues."

> We do not. . . rely on insurance a whole lot. We pretty much self insure for the most part. If we have small things, we take care of it, so we rely on the insurance for the bigger things--the major issues. Most people have to do that these days because health insurance is totally outrageous

Mr. and Mrs. Everett indicate that they only use their health insurance for "major issues." This is a major difference between those who have health insurance and those who do not. Those who have health insurance can always rely on it when taking proactive measure to stay healthy fail.

On the other hand, those who do not have health insurance are acutely aware that they are only one medical emergency away from financial ruin. Mr. Logan, a mechanic in Mountainview and father of two young children, worried about being uninsured:

> If I have a heart attack, then there goes my world... Hopefully that won't happen, and I will never be seriously injured here [on the job]...

Weighing Practical Factors--The Economic Reasons for Providing Health Insurance to Employees:

Of the 17 small business owners I interviewed, 15 had employees currently or in the recent past, and two were self-employed. Of those with employees, only six provided health insurance for their employees (see Table 4 above). Their reasons for providing health insurance were both practical and social. The practical reasons for providing or not providing health insurance were centered on five main themes: the cost of health insurance, the desire to recruit/maintain good employees, the length of their employees' employment in their business, whether their employees were full versus part time, whether or not an employee had health insurance through their spouse and economies of scale.

Cost of Health Insurance:

Many interviewees mentioned the cost of health insurance as the primary reason for not providing health insurance to employees. Mr. Cooney, a long time resident of Lakeview and owner of a business that rents construction equipment, commented:

> I would love to be able to provide health insurance for my guys, but when health insurance premiums are as much as 50 percent of their salary, it just doesn't make sense because somebody has to bear that cost. He is either going to bear it as part of a lower wage, which is not going to make him happy, or I am going to have to bear it in higher costs, which isn't going to make me happy. And then I am going to pass it onto my customers.

Many small business owners simply did not see how they could afford to offer health insurance, while maintaining market fair prices for their goods and services. Mr. Edelen, a restaurant owner

in Touristville, made a similar comment about pricing and the ability to provide health insurance to employees:

> The margin in the restaurant business doesn't allow that [employee health insurance] to be sure. Montana is one of the few states in the U.S. where the servers make full wages and then collect tips on top of that...Unless we reflect the price of health insurance in the menu prices, and we couldn't afford to do that. If we do that, if we allow for the menu prices to be more and pay for health care, no one is going to come here. They are going to go to McDonalds instead.

Like their counterparts in the rest of the US described in the literature, these rural small business owners are increasingly unable to afford health insurance for their employees because the high cost will not allow them to remain competitive with large corporations that have an expansive client base. Interestingly, new small business owners were less likely than established small business owners[7] to provide health insurance for their employees. This indicates that health insurance is a benefit that many small employers consider only after they are well-established. However, the rising cost of health insurance may prohibit the owners of newly opened small businesses from ever considering the added expense of providing health insurance for their employees.

The Desire to Recruit/Maintain Good Employees

Although many small business owners were not able to provide health insurance because of cost, others found that providing health insurance was essential for recruiting and maintaining good employees in their community. For example, Mrs. Fabian's family owns the local grocery store in Rockville. She mentioned providing health insurance to attract good employees:

> In this environment… if you want good people, you have to offer them something above and beyond a good paycheck.

Mr. Smith, the long-time owner of the grocery store in Mountainview, echoed Mrs. Fabian's views:

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[7] For this study, "established small business" refers to a business that has been open for more than ten years

> Well, here, anymore, it [providing employee health insurance] is the retention of good employees and those people who are honest and reliable. It is difficult here; most jobs in small rural areas are service jobs.

Both Mrs. Fabian and Mr. Smith recognize the difficulty in retaining good employees in rural areas where service sector jobs are the primary type of employment. Mrs. Verulous, the president of the Lakeview area Chamber of Commerce and a small business owner, recalled the decision by community leaders to initiate the shift from a timber-based economy to a lumber based economy. She recognized that the wages and the benefits provided by service sector jobs were dismal compared to the traditional lumber based economy in the area.

Some, but not all, rural small business owners in this study provided health insurance as a strategy to attract and retain good employees. Despite the role health insurance played in attracting high-quality employees, many small business owners I interviewed were unable to provide health insurance for their employees because of the cost. Additionally, many others recognized that the seasonal work they offered was not congruent with employing long term staff, thus providing health insurance as a strategy to retain good employees in the long term was far less important.

Duration of Employees' Employment with their Firm

All of the small business owners I interviewed who provided health insurance to their employees enforced time limits before their employees were eligible for health insurance coverage. Time limits were generally six months to a year, and in order to qualify for health insurance, employees had to be employed in the business full time. The insurance plans offered by small business owners in this study generally did not cover dependents. Employees who wished to ensure spouses and dependents generally paid for the coverage out-of-pocket.

Interviewees generally linked time limits for eligibility for health insurance with general business practices. Many employers viewed time limits as a sound business decision. In general,

businesses offering health insurance delayed eligibility until the employee has demonstrated commitment to the business through the length of time they have worked there. This provides security to the employer who risks losing money insuring employees who will only be employed for a short period of time and give little back to the business.

Unfortunately, the nature of the service industry is one in which employment is incredibly fluid; employees generally work through a season or two and then move on. Mr. Edelen, who owns a cleaning business in Lakeview and who does not provide health insurance for his employees, indicated the part time, temporary employment he offered.

> Previously, I had two high school kids working for me. One of them just terminated to move to California. He had been with me for about a year; the other one worked with me for about six months. [She was a] young gal, she had been doing some house cleaning with my wife, and it actually worked out pretty well. And then, actually she got a job here, [at the gas station]. She wanted more hours than I could give her.

The temporary nature of employees allows many small business owners to shunt the responsibility of providing health insurance to their employees. The small business owners I interviewed recognized that employment, especially in service sector jobs, is generally short term because of the low wages offered and the absence of benefits. This attitude contrasted with the attitudes of other employers in the study who have a strong social connection to their employees (see discussion below).

Interestingly, providing health insurance seemed to attract long-term, high quality employees. Both Mrs. Fabian and Mr. Poplar, small business owners in Rockville who provide health insurance for their employees, indicated that they were very satisfied with their core group of employees. They both attributed their retention of good employees to the health insurance package they offered following an employee's probationary period. Mrs. Fabian put it this way:

> I am very pleased with our core group of full time people; we have very little turnover, and I think that [offering health insurance coverage] is part of it.

Full Versus Part Time Employees

All of the small business owners I interviewed who offered health insurance only offered it to full time permanent employees. Reasons for doing this were primarily financial. The expense of providing health insurance to part time employees would be comparable or equal to the part –time employees' wages. Mr. Edelen, who owns a cleaning business in Lakeview, does not provide health insurance for his employees and only employs part-time workers, commented:

> That [health insurance] is an interesting issue because again they are all part time, and it would be hard to fund that [health insurance] to start with. If the business grew to where I could offer full time workers, I do not know if the income would be measurable with the health insurance [expenses].

In contrast, Mr. Poplar, who owns the local hardware store in Rockville, only hires full time employees so that he can provide health insurance and a steady job to everyone. He explained that full-time employees pick up the slack during the busy season so that he does not have to hire any part-time employees:

> There are times in the years when we are a little bit slow, and there are times in the year when we could use an extra hand, but I guess I would rather have people I can count on, and they know they have a job every day. When it is time to hustle, we hustle, and when it is slow, we are not laying them off or sending them home early.

Mr. Poplar indicates that providing health insurance is a reciprocal exchange. His full time employees receive more benefits and job security, in part, because they work hard during the busy season. If Mr. Poplar had to pay for additional employees during the busy season, providing health insurance would be less feasible. This concept not only highlights the economic benefit of hiring full time employees, but is also indicative of social connectedness that will be discussed in the next chapter.

Different small business owners in this study employed different tactics to ensure the success of their small business. Mr. Poplar appeared to be more concerned about having high quality, full-time, permanent employees, while Mr. Edelen was more concerned about high price of health insurance and keeping his business afloat. The main difference between these two employers is the length of time they have been in business and the types of relationship they have developed with their employees. These relationships will be discussed at length in the social analysis section below.

Health Insurance Coverage through Spouse

Many small business owners who did not provide health insurance to their employees justified their decision because their employees had health insurance through a spouse. When I asked, "What is the main reason you do not provide health insurance to your employees?" Mr. Cooney, a long time resident of Lakeview and small business owner who does not provide health insurance for his employees, made the following comment:

> … Because of the cost, there is actually a sideline to that, I would provide it if myself and my main employee needed it, but since neither one of us do [I do not provide health insurance], which unfortunately leaves the other guy out back [without health insurance].

Mr. Cooney also mentioned that one of the main reasons his wife worked at the local health clinic was because of the health insurance benefit she received there. Mrs. Verulous, a small business owner in Lakeview, also received health insurance through her husband's employment with the county. She did not provide health insurance to her employees because they all had health insurance through their spouses.

> I never had it [health insurance] for my employees; I always had people who had it other ways. My employees almost always had spouses who had it, so I never had this discussion [about providing health insurance].

Mr. Edelen also noted that a number of additional small business owners he knows employ this same tactic.

> I have a lot of friends up and down the valley who are self-employed or independent contractors who do not have health care, but whose wives work at a wage job and get health care. It may be a lower paying job, it may be a job that they do not particularly like, but they get the benefits. … [They] get one wage earner into a job where there are benefits and then just hang onto that job forever, not because the wages are worth it to the family, but the benefits are.

Some small business owners are able to avoid providing health insurance for their employees because of the strategies they and their employees use to obtain health insurance through a spouse. However, this strategy is problematic because not every small business owner or employee has such an outlet. Mr. Edelen highlighted that point: "the wages are not worth to the family, but the benefits are." This statement represents an interesting paradox for single small business owners and for families where both wage earners work in the family business.

The preceding five factors highlight practical reasons for offering health insurance to employees. Each of these themes is directly or indirectly influenced by financial constraints. The cost of providing health insurance is a direct example of how limiting economic constraints can be to employers. However, other themes such as attracting and retaining good employees and whether or not employees' spouses have health insurance, relate to other practical factors within the realm of finances. Despite the limitation of cost, some small business owners indicated social reasons for providing health insurance that diverge from the purely practical reasons.

Economy of Scale

A couple of small business owners were able to offer health insurance to their employees by expanding the economy of scale in their health insurance market. A couple of the small business owners in this study were able to offer health insurance coverage to their employees because they were able expand their economy of scale by grouping with other small businesses,

increasing the number of people in their risk pool and therefore, decreasing the cost of health insurance coverage. An example of the benefits of increasing economies of scale is Mr. Partridge's ability to provide health insurance to his employees. Mr. Partridge, whose family has owned the grocery store in Mountainview since the 1930s, provided health insurance to his employees through a plan that was available through the independent grocer association to which he belongs. He said he would not be able to provide health insurance if he was not able to purchase the plan through the independent grocers association. In Mr. Partridge's case, the formal relationship he had as a member of the independent grocers association enabled him to provide health insurance that otherwise would have been difficult for him to provide.

Mrs. Riley discussed a different type of economy of scale expansion. Mrs. Riley works at the auto dealership in Rockville, and it was because of her hard work and perseverance that she was able to get health insurance for her coworkers through the Insure Montana program. The Insure Montana program pools together small businesses that have between two and nine employees so that they can buy more affordable health insurance in a larger group, subsidized by the state government. It is solely because of this expanded economy of scale that Mrs. Riley and her coworkers have access to health insurance. Mrs. Riley explained that she was previously uninsured and was basically playing "Russian Roulette" with her health care. Her fiancée recently lost his job, so they were living off of one income. Buying health insurance as a family was unaffordable. Mrs. Riley heard about the Insure Montana program and put her business on the waiting list. Although her small business was on a waiting list for the better part of two years, eventually her business came to the top of the list and they bought health insurance through the Insure Montana Program.

Social Factors:

Most research looking at why small business owners offer health insurance to their employees has focused on the cost of providing health insurance. Few researchers have examined social factors. But focusing only on economic reasons for providing health insurance overlooks the complex intersection of social and economic factors that small business owners face in deciding whether or not to offer health insurance to their employees. In my research, I identified four types of social factors that impacted small business owners' decisions about offering health insurance to their employees. These four themes are paternalism "the right thing to do," tradition and the degree of individual social connectedness to the community.

Paternalism

Paternalism is an employer's sense of responsibility for their employees' well-being, much like the head of a family would have for the well-being of their family members. A sense of paternalism was the primary reason why one small business owner provided health insurance for his employees, despite the financial burden this imposed. Mr. Poplar is in his mid-thirties and has lived in Rockville his entire life. Six years ago he bought the hardware store he now runs from his parents, who ran the store before him. Mr. Poplar has five employees, including two employees who have been working at the hardware store for more than twenty years. When describing the health insurance for his employees, Mr. Poplar explained:

> I pay the whole [health insurance] premium for my folks. Working in retail, I just cannot see taking more out of their checks. I mean it is not a really, you know, a high paying deal, but as long as I can do it, I am going to keep doing it because I really feel that… a lot of them wouldn't have it if we didn't do it. People have been here….one gal has been her over thirty years; another gal has been here closer to twenty years.

Mr. Poplar referred affectionately to his employees as "my folks" and provides complete health insurance coverage, even though later in the interview he discussed the amount of time and resources he expends in order to find affordable health insurance. Although he could require his

employees to cover part of their premiums, he chooses not to because he is worried that it would put extra strain on his employees. He further exemplified his paternalistic attitude towards his employees in the following quote:

> I mean, the main reason why I do it [provide health insurance] is because I do not want somebody working for me and have to have a spaghetti feed or lose their house [because of a health emergency]. I mean if something ever happens it is going to be covered.

Mr. Poplar provides health insurance because he feels personally responsible for the well-being of his employees.

"The right thing to do…"

Other small business owners in this study were motivated to provide health insurance for their employees not because of this feeling of personal responsibility for individual employee health, as with Mr. Poplar above, but because it was 'the right thing to do' as a responsible business owner. Such respondents were less inclined to guarantee insurance coverage of all employees and usually expected their employees to pay some of the premium. Mrs. Fabian, who works full time at the grocery store her family owns, indicated that providing health insurance is "the right thing to do" and regrets that they are unable to do more.

> I feel bad, because we cannot make it [health insurance premiums] any cheaper, and we are looking at having to increase it if they [the health insurance company] increase us next year.

The preceding quote highlights the complex intersection of the social and economic reasons for providing health insurance. Mrs. Fabian indicates that providing health insurance is the right thing to do, but feels limited in her ability to provide health insurance because of the cost. Mrs. Fabian's reasons for providing health insurance are different than Mr. Poplar's because he indicated a sincere, personal connection to his employees where as Mrs. Fabian viewed providing health insurance as a social responsibility but did not directly speak about the welfare

of her individual employees. Mrs. Fabian even noted that she has several employees who opt out of health insurance coverage because of the costs they must bear.

Mr. Rogers also illustrated the concept of responsible business owners providing health insurance as the "right thing to do." He has owned and operated a pharmacy in Rockville for the past twenty years. When asked about providing health insurance to his employees, he said:

> I provide it [health insurance] just to provide a benefit for my employees. Basically, we just try to pay our employees well and then offer them a program where, after a period of time, they are eligible for health insurance.

Mr. Rogers extends employer responsibility beyond offering benefits to the realm of good wages. Employer responsibility is embedded in the tradition of small business culture, a concept that I will explore in greater detail in the next section.

Tradition

Many small business owners who offered health insurance to their employees ran small businesses that had been in the family for more than one generation. They all began providing health insurance twenty years ago, when premiums were considerably cheaper and have continued to do so because they cannot envision eliminating health insurance benefits. Mr. Saxton, who owns a small manufacturing business in Rockville, explained how he began offering health insurance in the 1980s.

> When we first did it, it was much more reasonable in cost, so it wasn't that big of a deal. To provide it twenty-five years ago, percentage wise, it wasn't very much, but it has gotten much, much more expensive over the years. So originally, it was a nice fringe benefit that didn't cost that much, but now it does.

Likewise, Mr. Poplar, mentioned above, had been providing health insurance to his employees for upward of fifteen years.

Interestingly, in all of my interviews, health insurance was only offered by businesses that were well-established and that provided health insurance before the cost became prohibitive.

Providing health insurance was something that had always been done by these small business owners and/or their parents before them. As the price increased, they simply adapted by finding lower priced health insurance options with higher deductibles and less coverage.

In contrast, all newer small business owners did not have the ability to offer health insurance given its high and increasing cost. Interestingly, however, they did not foresee a future in which they would be able to provide health insurance for their employees. Mr. Peterson, who owns a restaurant in Touristville, commented:

> It [health insurance] is cost prohibitive, absolutely. Now if we were in a high tech computer operation where we were generating a million dollars a year and our cost was two hundred thousand dollars a year, obviously we might be able to afford to do that.

Here again, Mr. Peterson highlighted the economic burden of offering health insurance by providing a hypothetical situation in which he could provide it. He did not foresee a time when he would be able to provide health insurance because of the small profit margins of his restaurant. However, I believe that this quote is indicative of a larger social shift when compared with attitudes of long time small business owners.

All of the long term small business owners I interviewed indicated that providing health insurance was financially burdensome and that the administrative tasks associated with it were exceedingly time consuming. Nevertheless, they all still found ways to provide health insurance for their employers. In contrast, newer small business owners, such as Mr. Peterson discussed above, seemed to expect that they would never be able to provide health insurance because of financial constraints. This dichotomy seems to represent a shift in business culture away from providing health insurance for employees. Business owners who had been in business for more than a decade provided health insurance because it was the "right thing to do," regardless of monetary constraints, and because it was a traditional benefit on which employees depended. In

contrast, the new business owners in this study passed on the task of obtaining health insurance to their employees because of the cost. Increasingly, the norm of providing health insurance to employees is become eroded as small business owners are faced with crippling premiums in hypercompetitive markets. Moreover, they may not want to provide health insurance because they rely on temporary and/or part-time workers, whom they do not expect to employ in the long term. For example, Mr. Peterson, who owns a restaurant in Touristville, remarked on the fluidity of his employees:

> A wonderful thing that has happened here is that we have ended up the season with the same fifteen we started with. In the restaurant business, that is unbelievable.

Mr. Peterson expressed sincere surprise at the fact that he has employed the same people for close to a year. He also mentioned that almost all of his employees were in their twenties and college students and indicated that they would be leaving once the summer ended. Mrs. Johnson, who owns a theater in Touristville, also indicated that all of her employees were seasonal and would be leaving at the end of the summer.

In the end, those business owners, like Mr. Poplar or Mr. Saxton, who traditionally provided health insurance for their employees, may continue to try to do so because it is a tradition. Meanwhile, newer small business owners, struggling with the demands of their new businesses, may instead opt for a temporary, part-time labor force in which they are less invested and shift the full costs of health insurance onto their employees.

Individual Social Connectedness to the Community

Although my research did not directly explore the phenomenon of social connectedness, social connectedness is a theme that emerged during the analysis. Social connectedness may be defined as "the character of the ties that individuals have to each other in a society" (Hall and

Taylor 2009, 88). Much of the research examining levels of social connectedness has focused on social capital as it is defined by Robert Putnam (1995) and has explored the strength, quality and socioeconomic characteristics of the immediate social circles in which people move. This research does not address any of the traditional measures of social connectedness; however, I think it is important to note that in my sample, all of the small business owners who provided health insurance for their employees, had been living and working in their community for more than a decade. In contrast, almost all of the small business owners who did not provide health insurance had only recently opened their businesses and had started their businesses to fulfill personal dreams. I believe that different levels of social connectedness and corresponding feelings of social responsibility may arise, at least in part, from the length of time a business owner has been living and working in a particular area.

Individual social connectedness refers to the strength and the duration of social bonds that small business owners feel with other community members and their employees. Most of the people who did not provide health insurance to their employees had made money elsewhere and moved to western Montana to fulfill a lifelong ambition. From example, Mr. Peterson moved to Montana after he retired from his business selling concessions at professional sporting events in the South. He and his wife had always vacationed in Montana and had always dreamed of owning a restaurant in Montana when they retired. Similarly, Mr. Wolf moved to the area to fulfill a dream. His primary business is engineering and patenting machinery for the slaughterhouse industry, however his passion is fixing motorcycles. He moved to Montana from the Midwest to open a bed a breakfast that caters to motorcyclists, complete with a shop where guests can tune up their bikes.

The difference between small business owners who provide health insurance and small businesses owners who do not provide health insurance may be related to the amount of time they have been living in a community. Well-established small business owners may have more financial flexibility to provide health insurance, but the reasons for providing health insurance also seem to be related to social ties with their employees and their families. Those who had lived and worked in a community for a long period of time, such as Mrs. Fabian, Mr. Poplar and Mr. Rogers, may feel a stronger social connection to their employees and the community they live in because of the amount of time they have lived there. The relationship between social connectedness and reasons for offering health insurance should be examined in greater detail in future research projects.

Conclusion:

The social factors that help explain why small business owners offer health insurance add further insight beyond the economic factors generally addressed by research on the subject. This research suggests that reasons for offering health insurance are not based purely on economic factors, but rather on the intersection of social and economic factors. Many small business owners feel that offering health insurance is the right thing to do because it is better for the community as well as individual employees. Some small business owners indicated that they offered health insurance for the benefit of individual employees while other small business owners indicated the offering health insurance improved community development by keeping good employees in the community.

The data presented here cannot prioritize social factors over economic factors for providing health insurance to employees or vice versa. More research is needed to examine the hierarchy of social and economic factors that small business owners consider when deciding

whether or not to provide health insurance to employees However, although it is absolutely necessary to address social factors that influence small business owners' decisions to offer health insurance, in the end, if the money is not available to provide health insurance, small business owners will not be able to offer it regardless of the responsibility they feel towards their employees. However, the shortage of money to cover such insurance may just be in the eyes of the beholder. While some small business owners may want to maximize their own profits by not providing it, in other cases businesses are so close to the edge that even the expense of sharing health insurance premiums with their employees may force them out of business.

As the structure of rural communities continues to change as extraction industries are replaced by service and tourism industries, the social factors and traditions addressed in this research, that made some small business owners feel responsible for the well-being of their employees, may be eroded. Additionally, The social norm of offering health insurance to employees may disappears as newcomers move to rural communities and are unaware of the unwritten rules associated with being a small business owner in these areas.

CHAPTER SIX-CONCLUSION

Providing health insurance is commonly believed to be an economic issue. Conventional wisdom suggests that if small business owners can afford to offer health insurance, they will provide health insurance for their employees. As a result of this conventional wisdom, much of the research examining access to health insurance to those employed in small firms has focused on making health insurance affordable to small business owners. However, this body of research fails to consider several social factors that may also influence small business owners' decisions about whether or not to offer health insurance to their employees. The research presented here addresses a gap in the research by examining the complex intersection of the economic and social factors that influence whether or not small business owners in four rural communities in western Montana offer health insurance to their employees.

Not surprisingly, cost was the primary reason why individual small business owners did not provide health insurance. However, beyond this basic issue, the small business owners in this study weighed a variety of practical factors when deciding whether or not to provide health insurance to their employees. Many small business owners first examined whether or not their employees needed health insurance. The primary reason why some of the small business owners in this study do not provide health insurance for their employees (other than cost) is because most of their employees already have access to health insurance through a spouse. Importantly, this tactic often left at least one employee in the business without health insurance altogether.

Other business owners provided health insurance because they felt that they had to in order to attract and retain good employee. Still others felt like they could always find the unskilled and seasonal labor they needed without offering health insurance benefits and believed that providing health insurance would be of no benefit to them. Not providing health insurance

because of a lack of full time, permanent employees likely represents a shift in these rural communities away from extraction and towards the service industry, including tourism. Employment in the service sector industry typically does not provide benefits such as health insurance (Hacker 1995).

Although practical factors were important, they were not the only factors that small business owners weighed when deciding whether or not to provide health insurance for their employees. In this study, one small business owner viewed providing health insurance as a personal responsibility, looking after 'his folks' in a paternal way, while many others viewed it as a social responsibility, the 'right thing to do' as a responsible business owner and community member. Providing health insurance because it was a socially responsible thing to do seemed to be tied to how long the small business owners had been in business and the type of relationships they had developed with their employees because of the length of the time they had been employed there.

Implications of Findings on Healthy Insurance Policy and Rural Health Care:

The recent passage of the Patient Protection and Affordable Care Act has significant implications for health insurance in the United States. The bill has an individual mandate for health insurance, which requires that everybody has health insurance who can afford it. Businesses with more than 200 employees will be required to automatically enroll new full time employees. Businesses with more than 50 employee and do not provide health insurance will pay a fine that increases each year after 2014 if they have one fulltime employee who is receiving premium health insurance assistance from the government (DPC 2010).

Most businesses in rural Montana have fewer than 50 employees. Small businesses with fewer than 50 employees will not be required to offer health insurance and will not be penalized

for failing to offer health insurance. However, they will be encouraged to offer health insurance coverage through government subsidized and rewards. Employers with fewer than ten employees who make an average of $25,000 a year or less will be eligible for 50 percent federal tax credit on benefits paid by the employer. Small business owners will be required to pay at least 50 percent of the coverage in order to be eligible for the tax credit.

Given the findings of this research, I am somewhat skeptical that employer provided health insurance will increase in rural areas. Most of the small business owners in my sample had very tight profit margins, and any increase in cost might force them to close their doors. Additionally, social factors that encouraged well-established small business owners in my sample to provide health insurance, such as a sense of paternalism and social responsibility to the community, seemed to be absent among most newer business owners. It will take time for them to develop connections to the community or other social institutions, and it is unclear if such connections will foster an increased willingness to invest in employees and community ties by providing health insurance in the future. In my view, it seems unlikely that health insurance coverage in rural areas will increase significantly unless the United States moves completely away from the employer based health insurance system.

However, the Patient Protections and Affordable Care act does provide a competitive market space where individuals can buy more affordable health insurance. Government subsidies for health insurance are available for families with an income of up to 400 percent of the poverty line. Given the individual mandate on health insurance, it seems like rural areas may move away from the employer-based health insurance system completely as individuals are required to pay a fine if they do not buy health insurance, which is unlikely to be made available to them through their employers.

Limitations of this Study and Implication for Future Research:

This study was meant to be an exploratory analysis of social and factors that influence rural small business owners' decisions to provide health insurance in western Montana. The small sample size and nonrandom sampling method does not allow generalizations to be made to these communities, the state, or the country as a whole. Despite the limitations of the study, it provides insight into some of the social factors influencing whether or not small business owners provide health insurance for their employees. This study also presents further avenues for qualitative and quantitative inquiry.

First, a more comprehensive qualitative study in the current study sites, combined with a quantitative analysis of primary economic contributors to the study sites, may provide an interesting insight into the shifting reasons why small businesses provide health insurance as communities shift away from local extraction industries to service based economy. I would recommend a stratified purposive sampling method for future qualitative research on the issue to be sure to include a sufficient number of short and long term business owners in all communities. Additionally, a random sample survey of rural small business owners that addresses both the social and economic factors small businesses owners may consider when deciding whether or not to provide health insurance to their employees, followed by key informant interviews with small business owners would also be beneficial to the research on social factors that influence why small business owners offer health insurance.

Finally, as the United States implements significant health insurance reform, it is important to monitor how reform affects small business owners in rural areas. This needs to be monitored not only from a quantitative perspective, but also from further qualitative perspectives, perhaps through the continued analysis of in-depth interview or focus group data

from small business owners and employees who are directly impacted by aspects of the current health insurance reform.

Appendix A: Interview Questions

1. Tell me a little about your business
   a. How many years have you been in that business?
   b. How many full time employees do you have? Part time?

2. Tell me about the climate for small businesses in your town. How has it changed over the last 10-15 years?

3. Do you personally have health insurance? Why/Why not?

   IF YES:
   a. How do you get you health insurance coverage/ health care?
   b. What type of health insurance do you have? (Medicare, Medicaid, Private, Veteran, SCHIP)
   c. Do you buy your health insurance as an individual or as part of a group plan? Or is it part of a government service (Medicare, Medicaid, Private, Veteran, SCHIP)
   d. Do you feel that your health insurance is affordable?
   e. Does your health insurance make receiving health care affordable?

   IF NO:
   a. How do you get health care?
   b. Are you satisfied with the quality of care you receive?
   c. Is health care affordable for you without health insurance?

4. Does your health insurance cover your family?

   IF YES:
   a. How is it worked out for them? Explain

   IF NO:
   a. Does your family have health insurance?
   b. Who do they get their health insurance through?
   c. Are you satisfied with the quality of care your family receives?
   d. Is health care affordable for your family without health insurance?

5. About, how much of your families monthly budget goes to health care?

6. How is your health care plan working out for you?

a. Does it cover everything you need it to cover?
b. Can you see any doctor you would like at any time you choose?

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Now I am going to ask you some questions about why or why not you offer health care to your businesses employees.

7. Do you provide health insurance for your employees?
    a. What are the main reasons for providing/not providing health insurance for your employees?
    b. Which is the most important reasons and why?

IF YES:

8. What type? How does it work? How much of the cost is covered by you? Explain?
    i. Do you provide health insurance for both full and part time employees?
    ii. Does the health insurance you provide cover your employee's families?
    iii. Is providing health insurance for your employees' a financial burden for your business?
    iv. Approximately how much of your business expenses go towards health insurance? Explain
    v. What are the pros of offering health insurance? What are the cons?

IF NO:

9. Are you aware of whether or not your employees have health care coverage?
    i. Where do they get their coverage? Spouse? Government? Veteran? SCHIP? Private?
    ii. Have your employees ever shown an interest in receiving health insurance from you? Explain how they approached the subject?
    iii. What are the benefits of not offering health insurance? What are the cons? (Take more sick days? Lose good workers? Difficult to hire reliable employees?

10. Has the importance of having health insurance for you changed over time?
    a. Has the importance of have health insurance for your family changed over time?
    b. Has the importance having health insurance for your business changed over time?

11. Do you think the government should play a larger role in the administration of health care? Why or why not?

12. In general, if you could fix one thing about the United State's health care system, what would it be? Why?

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