First Annual Colorado Small Business Health Benefits Survey
Delta Dental of Colorado commissioned a first annual statewide survey of Colorado small business owners and employee benefits decision-makers in fall 2014 to understand the impact of the Affordable Care Act on their businesses and employee benefits strategies.

### At a Glance

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>320 Colorado small business owners and employee benefits decision-makers</td>
<td>320</td>
</tr>
<tr>
<td>surveyed in fall 2014</td>
<td>x10</td>
</tr>
<tr>
<td>Half of respondents represent companies with 5-49 employees; half represent companies with 50-100 employees</td>
<td>50%</td>
</tr>
<tr>
<td>Half of respondents in Denver Metro area; half elsewhere in Colorado</td>
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</tbody>
</table>

telephone interview of 320 small business owners and employee benefit decision-makers administered in August and September 2014; +/- 5.5% maximum sampling error at 95% confidence level

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Key Findings

1. It's a JUMP BALL! Colorado's smallest businesses are considering changing health plans

Half of Colorado businesses with 5-49 employees are considering new health plans; compared to 21% with 50-100 employees.

2. Small businesses are feeling the impact of the Affordable Care Act

1 in 4 say ACA has impacted employee benefits "a great deal."

The smaller the business, the greater the impact.

54% say ACA impacted benefits offerings for 5-49 employees.
39% say ACA impacted benefits offerings for 50-100 employees.

3. More change is expected in 2016

57% said they expect to see an even greater impact next year.
57% more impact
31% no change
10% don't know
2% unsure

Increased cost is the top impact small business owners report.

61% increased cost
19% less coverage/options
14% switched insurance

4. Significant knowledge gaps still exist

Only 41% feel knowledgeable about ACA and its impact on employee benefits.

When it comes to knowledge about ACA, location matters.

32% of businesses in the Mountains/West feel knowledgeable about ACA.
33% in the Front Range.
51% in the Denver Metro.
26% in the South/East.

5. Despite the changes, small businesses say benefits are becoming MORE IMPORTANT in the future

57% said they expect to see an even greater impact next year.

86% of small businesses consider employee benefits to be "very" or "extremely" important.
62% of small businesses say benefits will become more important over the next 3-5 years.

35% in the Front Range.
51% in the Denver Metro.
26% in the South/East.
32% in the Mountains/West.

Increased cost is the top impact small business owners report.

61% increased cost
19% less coverage/options
14% switched insurance

39% say ACA impacted benefits offerings for 5-49 employees.
54% say ACA impacted benefits offerings for 50-100 employees.

Brokers' stock is on the rise.

93% rely on brokers.
68% say brokers are more important with ACA.

Pediatric dental insurance is now 1 of the 10 essential health benefits that must be included in all ACA compliant health insurance plans because of the vital role dental health plays in overall health.

**1 Dental insurance is the most popular offering**

Currently Offered

<table>
<thead>
<tr>
<th></th>
<th>Dental</th>
<th>Vision</th>
<th>Life</th>
<th>Disability</th>
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<tr>
<td>Offered</td>
<td>77%</td>
<td>65%</td>
<td>69%</td>
<td>63%</td>
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<td>Will start offering within 2 years</td>
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<td>5%</td>
<td>7%</td>
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**61%** currently offer dental insurance

**6%** will start offering within 2 years

(5-49 employees)

(50-100 employees)

**2 69% of small businesses say dental benefits are “extremely” or “very” important**

**69%** say dental benefits are important

**8 of 10** HR directors say dental insurance is important

**5 of 10** CEOs say dental insurance is important

[Source: www.deltadentalco.com/HealthBenefitsSurvey.aspx]
Brokers’ Stock is on the Rise!

1. **68%** of small businesses say brokers are MORE IMPORTANT with ACA

   The larger the business, the more important the broker. 93% rely on brokers to navigate options.

   ![60% say that broker is now “More Important”](5-49 employees)

   ![75% say that broker is now “More Important”](50-100 employees)

   HR directors in particular view brokers as important.

   ![75% of HR directors say that broker is now “More Important”](5-49 employees)

   ![70% of CEOs say that broker is now “More Important”](50-100 employees)

   ![60% of managers say that broker is now “More Important”](5-49 employees)

2. **HALF** of all small businesses are considering changing health plans

   Half of Colorado businesses with 5-49 employees are considering new health plans; compared to 21% with 50-100 employees.

   ![5-49 employees](5-49 employees)

   ![50-100 employees](50-100 employees)

3. **Small businesses are making health benefits decisions sooner and doing more research**

   ![18% are making decisions sooner](5-49 employees)

   ![49% are spending more time researching options in 2015 than 2014](5-49 employees)

   ![25% are making decisions sooner](50-100 employees)

   ![30% are spending more time researching options in 2015 than 2014](50-100 employees)
**SHOP’s Potential**

1. **Awareness of the state’s Small Business Health Options Program (SHOP) is low**
   - 57% unaware of the SHOP today

2. **Small businesses are considering the SHOP as an option for the future**
   - 63% would consider using SHOP in 2016

3. **Top reasons for considering the SHOP**
   - “It sounds reasonable” 33%
   - “Gives me more choices for employees” 29%
   - “Possible cost savings” 31%
   - “Takes me out of the middle” 23%

Awareness is lowest in southern Colorado.

Percentages exceed 100% due to multi-responses.

www.deltadentalco.com/HealthBenefitsSurvey.aspx