



Iowa Main Street Alliance

A project of Iowa Citizen Action Network

A Big Vision for Small Business

We, small businesses operating in the state of Iowa, demand a change in the state's current health care system to one that works for all of us. We believe that such a health care system needs to be secure, affordable, comprehensive, and accessible to everyone.

Iowa Main Street Alliance is working for a health care system that will:

Cover what we need, when we need it. No one should lose coverage when they start a new business, get sick or change jobs.

Share responsibility fairly. We need affordable and predictable costs. If everyone pays their fair share, we can make this system work.

Include everyone. Our health insurance system should cover everyone, no exceptions. It shouldn't matter whether you run a small business or a Fortune 500 company.

Level the playing field. Make it easier for small businesses to compete with large corporations for good coverage and high quality workers.

Prioritize health, not insurance industry profits. The health care system must be transparent and accountable to the public.

For more information, contact:

Sue Dinsdale, Organizer

Main Street Alliance

Iowa Citizen Action Network

515-277-5077 x14

sdinsdale@iowacan.org

Iowa Main Street Alliance

A big idea for small business

Stories from

Iowa Small Business Owners

A project of



The stories in this publication have been collected via one-on-one interviews with Iowa small business owners who need health care reform.

Produced and printed in-house

**Chris Petersen
Family Farmer
Clear Lake**

"My wife and I have been farming since 1974. We raise free range hogs and hay, and as farmers we have to purchase our own health insurance," says Chris Petersen of Clear Lake. In 2006, he and his wife to what they believed, was a better health insurance company.



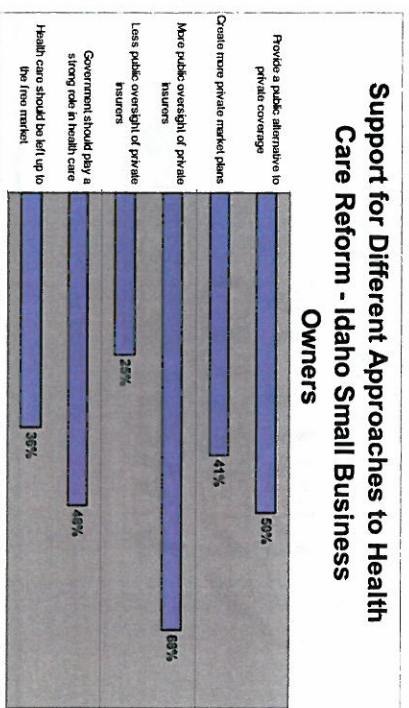
Then Chris was diagnosed with a hernia in his belly button, and went to the doctor to have it operated on. Prior to the operation, the hospital obtained pre-approval for the operation from the insurance company, which they documented. After the operation he started to receive bills in the mail. The bills turned into letters from collection agencies. Each time he received a bill or letter he would call his insurance agent who continued to reassure him that his insurance would cover it, but that sometimes it takes a little time for them to pay. Then he received a letter from the insurance company notifying him that he had been dropped and was now responsible for the more than \$8,000 in medical bills.

During this same time Chris' wife received the same letter informing her that she had also been dropped by the same company. She was being dropped because she was "falsifying" her medical records. Over the course of more than ten years there was a 15 pound change in her weight and a one inch difference in her height. They used

Continued on next page

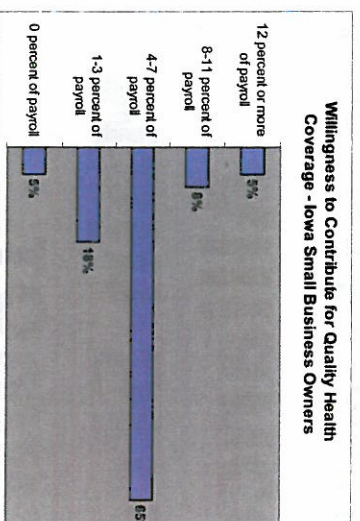
Public Oversight: Sixty-four percent of Iowa respondents said there should be more public oversight of insurers; 20 percent said there should be less.

Role of Government: Of Iowa respondents, 76 percent said government should play a strong role in guaranteeing access to quality, affordable health care; 18 percent said access to quality, affordable health care should be left up to the free market, and government should not intervene.



Willingness to contribute to a system of shared responsibility:

● Among Iowa small employers, 83 percent indicated they were willing to contribute financially to achieve quality, affordable health care for their employees; 78 percent indicated they would be willing to pay four to seven percent or more of payroll to guarantee quality coverage for themselves and employees. Among self-employed entrepreneurs in Iowa, 75 percent expressed interest in buying into a statewide or national health care pool; 55 percent said they would be willing to contribute four to seven percent or more of their gross income for health care.



Taking the Pulse of Main Street: Iowa

Participating Businesses:

In Iowa, 90 small businesses participated in a survey, "Taking the Pulse of Main Street". They represented Des Moines, Marshalltown, Mason City, Cedar Rapids, and many smaller towns. Forty-eight percent of participating businesses were small employers; 52 percent were self-employed business owners.

Iowa Small Business Experiences with Private Health Insurance

Insured Rates:

- Among small employers, only 16 percent offered coverage to employees, and only 26 percent had coverage for themselves through their business. While 80 percent of the self-employed had health insurance themselves, 63 percent of that group relied on coverage from a spouse's employer.

Response to Premium Hikes:

Of businesses with current or recent coverage, 43 percent reported switching to insurance with higher out-of-pocket costs and 38 percent reported switching to insurance that covers fewer services in response to premium increases.

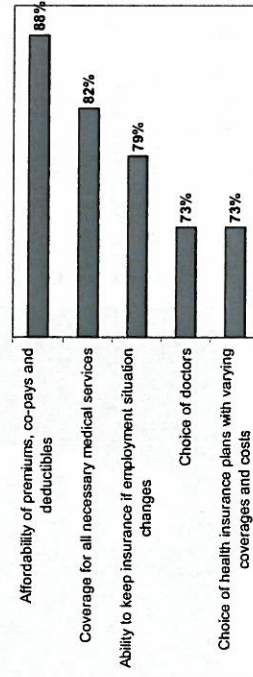
Business Impacts:

- Over 41 percent of respondents said they or their employees had delayed or avoided treatment because of health care or health insurance costs. Over 45 percent of respondents without health insurance said their business would be more productive if they and employees were covered.

Iowa Small Business Perspectives on Health Reform

Iowa Small Business Owners' Priorities in Health Insurance

(by percentage that considered each feature "very important")



Public Alternative vs. Private Market Expansion: Between a plan with a public insurance option and expanded private market options, 52 percent of Iowa businesses selected the public option plan, compared to 34 percent for the private market expansion.

Chris Petersen, continued

this excuse to deny her coverage and left her with over \$4,000 in outstanding medical debt that she had incurred from medical attention she received regarding her heart. "Since we were both dropped from our insurance company," explains Chris, "we are now considered 'uninsurable'. The only coverage we could qualify for is Iowa's high risk insurance pool. We pay over \$1,300 a month for a policy that hardly covers anything and still has a \$1,000 deductible. With the economy going south and the farm markets looking tough again this year, we don't know how we will be able to continue to afford it much longer."

Bill Wheeler Highland Park Hardware Des Moines

Bill Wheeler has run the local hardware store, that was once owned by his father, for nearly a quarter of a century. Over that time he has seen the cost of health care rise to the point where it is unaffordable to have any thing except catastrophic coverage. He is now considering dropping that since his month premiums have gone up to \$350 a month. He



doesn't go to the doctor even when he needs to since his insurance doesn't cover anything. He is having a tough time justifying why he keeps paying so much money every month.

ReShonda Young
Alpha Express, Inc.
Waterloo



them is like a family member to owner Levorn Robinson and his daughter ReShonda, which makes it even more important to them that their employees are healthy and well taken care of.

ReShonda has been looking for an employer-sponsored plan for months, but is finding it would mean an unmanageable increase in current payroll expenses - with no guarantee that the premium would remain the same. So, the company has decided to offer a stipend of sorts to employees who purchase insurance on their own to help defray the costs.

"We know this is not the perfect solution, but it has encouraged some of our employees to purchase health insurance, says ReShonda. "We are more than willing to bear some of the financial burden for coverage for our employees, but small companies do not have a large enough pool so the costs are prohibitive. We need our Members of Congress to work WITH us for a solution to this growing problem."

"Health insurance for our employees is something I think about all of the time," says ReShonda Young, Operations Manager of Alpha Express, Inc. "It's a burden and something has got to be done."

Alpha Express, Inc. has 40 employees and each of

Sherri Myers
Balloon Buddies
Humboldt

"I have owned my gift shop in Humboldt for 19 years," says Sherri Myers. "During these years my husband and I have had the same health insurance plan up until this year."

The Myers' had been covered under a plan that covered all of their basic needs, but they were sent notices year after year telling them our rates were going up again, so they looked into changing their plan. When they began paying over \$600 a month that they finally made the switch. Now they pay \$300 a month and but they have an enormous deductible.

Sherri says, "I wish health insurance that actually covered something was actually affordable. I was born legally blind. I have also inherited, from my father's side, a condition that is destroying my hearing. My insurance company put a rider on both my ears and my eyes."

Sherri finds this especially infuriating since she still has some hearing left and with the aid of a hearing aid would be able to hear much better for a much longer period of time, but insurance won't cover it and they can't afford the \$5,990 it would cost to purchase the hearing aids she needs.

"Health insurance shouldn't be about maximizing profits. It should be about spreading the risk around so some people who can't afford what they need aren't left behind. It is not like I want some lavish luxuries. I simply want the hearing aids I need so that I may continue to work and contribute to society," concludes Sherri. "I am willing to pay, but this current system is so out of sorts I doubt anyone will be able to pay at these rates much longer."

Chris Hawxay
Five Star Promotion
Des Moines

Chris Hawxay and his friend, both in their mid-twenties, have purchased a promotions business in a low income part of town with bank loans and financial help from their parents. They sell promotional items like shirts, mugs, bumper stickers, medals, and trophies. They also print business materials (ie. copies, business cards, letter head etc.).

They are in the process of unionizing. This would make them one of three union print shops in the entire state, which they hope will bring in a lot of business from union friendly organizations. However, this process will take some time. Chris expects to wait several years before they are fully up and running as a union shop.

In the meantime Chris and is co-worker will not be able to afford health insurance on the open market. He says unfortunately it is risk they have to take if you want to make it in this economy.

Natalie Dinsdale
The Head Shop
Ames

"My health plan right now is, I hope I don't get sick," says Natalie Dinsdale, a young cosmetologist from Ames.

Natalie graduated from high school and went on to cosmetology school and was covered by her parent's health insurance plan. When her education ended, so did her group insurance coverage. For a while, she paid for an individual policy. Eventually it became an issue of pay the insurance premium or pay the rent.



Now when Natalie searches for health insurance, she finds that since she has allergies, any treatment for them will not be covered. And since she is a young woman of child-bearing age, her cost is automatically higher.

Natalie puts off going to the doctor, uses over the counter remedies and worries about her health. "It's been years since I've had a physical," says Natalie. "It's hard to understand why health insurance is so expensive now, while I'm young and healthy."

As she builds her clientele and works other part-time jobs to supplement her income, Natalie doesn't see any way she can afford private health insurance for a while. "If there was a group plan I could buy into that would cover what I need, that would be a dream come true," she says.

Warren Geisler
Quality Print and Awards
Marion

"We need complete health care coverage for everyone. I don't care if you call it socialized medicine or universal health care or what. We need to cover everyone in this country," said Warren Geisler.

**Michael McFadden
Micky Pat's Barber Shop
Grinnell**



Michael McFadden is just trying to make ends meet. The 36-year-old father of 3 worked for Maytag for years. Then, in June of 2008, with the plant closing looming, he was laid off.

He took advantage of job re-training and signed up for Barber college. On the day he was to start class, he received a call from Maytag, recalling him to work.

If he returned to work for a few months, he would have to delay his education and the money he borrowed for school would have to be repaid right away. So, he decided to look forward and turned down the temporary job.

Since that day he and his wife have joined the millions of Americans without health insurance.

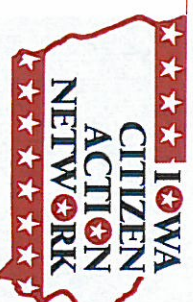
Michael says he has insurance agents call on him with different packages. If they could buy into a public plan, it would be affordable, but the cost of private insurance is outrageous. His family has cut back to the basics while the business is starting up and they just can't afford the monthly premiums for Michael and his wife. The children are on the HAWK-I program.

"Every day is scary," says Michael. "We just hope we can keep dodging the bigger bullet until we get to the point that there is health insurance that will cover us and is affordable."

Paul Schroedermeier, continued

childhood migraines - so it isn't covered in his policy. Paul says, "I have the right to appeal the decision, but you about have to have a law degree to go through that process. I can't imagine what it would be like for someone who doesn't have a steady income or has a family to have to go through this for necessary treatment or medication."

He continues, "We need to change our health care to include a public health insurance option. People need to know that they are covered when they need to be, that we won't be excluded for pre-existing conditions and the costs aren't prohibitive. Health insurance is supposed to help people, instead it is a burden."



Iowa Main Street Alliance is a project of Iowa Citizen Action Network. Our members are small business owners/entrepreneurs/ farmers from across the state who are dedicated to giving a voice to small business in the health care debate. Small businesses are the engine of the U.S. economy, and we hold the promise to create the jobs to drive economic recovery. But we need health reform to do our part. Small business owners deserve the chance to speak for ourselves about health care and how to fix it.

Iowa Citizen Action Network (ICAN) is a grassroots public interest organization and progressive political coalition committed to creating social change in Iowa and across the nation. ICAN has united Iowa's progressives for over thirty years, and is leading efforts to change the public climate for progressive change. ICAN has more than 40 organizational affiliates and 7,000 individual members. We are uniting citizens, communities and organizations that share a common progressive vision for the future of Iowa and mobilizing Iowans to take collective action to alter the relations of power and improve the lives of all Iowans.

Paul Schroedermeier
Paul Hauls
North Liberty

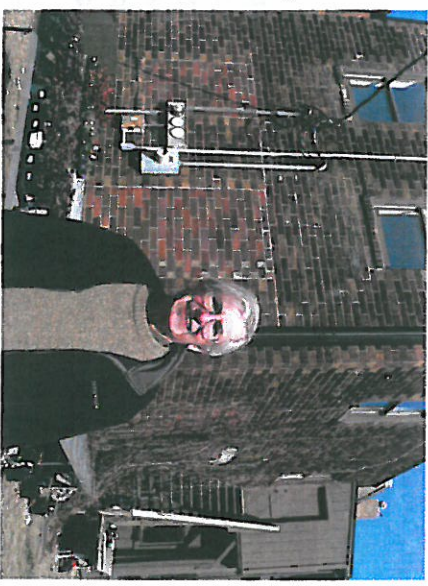


Paul Schroedermeier who owns a small hauling company sums up the insurance industry as, "holding people hostage to a policy... once we have a coverage, we're afraid to re-apply for a lower rate because we can be excluded." As he explains, "I have good coverage now, but am included in a group and every time someone reaches a certain age, the rates go up in the group for everyone. And I don't mean \$15 or \$20 a month—we're talking a \$90 to \$140 rate hike each month and this happens one or two times a year."

Paul explains, "When I first went into business for myself about 15 years ago I moved straight from an employer plan to an individual plan. It cost about \$275 per month and nothing was excluded as a pre-existing condition. After about 5 years my rates had been going up a lot so my agent suggested I move to a younger group to get a cheaper rate based on less risk. When I got my new coverage I was surprised to see that they had put a rider on covering migraines based on my childhood health history. Now my rates are over \$700 per month – just for me, but I'm afraid to move to a cheaper group because I am now in my 50's and have had some treatment for arthritis – including joint replacement surgery – and I'm afraid if they called arthritis a pre-existing condition and refused to cover it, another surgery like that would bankrupt me!"

As an example, after a recent orthopedic surgery, Paul was prescribed medication for pain relief. When he went to the pharmacy, payment on the prescription was denied. When he contacted the insurance company, they told him the medication might be related to a pre-existing condition – his

Larry Larson
Town and Country Market
Slater



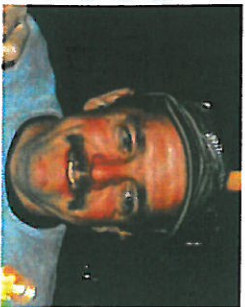
A few years ago, Larry Larson, longtime owner of the Town and Country Market in Slater decided that his full-time employees should have access to health insurance. He offered it to any of his employees who work 30 hours or more per week and asked that they pay 10% of the cost.

What he noticed was his employees are more productive when they are insured. They are healthier. They can go to the doctor and have physicals. When they are sick, they seek medical care and don't have to be worried about the high costs.

This year alone, the health insurance premium costs have increased 22% for Larry. He does not feel like it is fair to pass this increase along to his employees – a 22% decrease in their individual wages would be too much. So he covers the costs.

"Small businesses are the heart of many communities," says Larry. "But increasing premiums are hurting many of them. Congress needs to stop worrying about protecting the private insurance companies in business and start representing us."

Steve Pelz
Cambridge Car Wash
Cambridge, IA



"I feel like my life revolves around health insurance policies," says Steve Pelz. "I am constantly trying to figure out what is best for my family."

Steve is an entrepreneur who also works a full-time job so he has health benefits. He owns car washes and a storage facility plus does snow removal and other work, but has to keep his 8-5 job for his health insurance. So his nights and weekends are filled with running his own business and taking care of his family. His wife died suddenly from a heart condition 7 years ago leaving him with two young sons. The boys are insured through a private health insurance policy.

"There's no way I could change policies for the boys now," says Steve. "They have had tests to check for hereditary heart problems and if we would try to change policies or lose this one for some reason, I'm sure we could never get them insured again. It would be cheaper to put them on my family policy through work, but if my employment would change, I'd lose that policy."

Over the past few years, the private insurance plan's prices have skyrocketed making it even harder for Steve to think about going out totally on his own in business. "If there were a public health insurance option we could buy into, that would solve a lot of problems. I sure don't mind paying for coverage, but with the rising premiums, deductibles and other costs, it makes it impossible to budget. I'm not asking for a hand out, just a fair playing field so I can run my own business and take the best care possible of my family," concludes Steve.

Abdelaziz Abdelharim
Forest Mart Grocery
Des Moines

"I have owned my grocery store in Des Moines since I moved to Des Moines as a refugee from Sudan in 2005," says Abdelaziz Abdelharim: "I started my store to serve the needs of the growing Sudanese refugee population here in Des Moines."

As the sole owner of the business, Abdelaziz can't afford any health insurance – not for himself or for his family. Because he doesn't have insurance, he has had to depend on the emergency room at Broadlawns, the county hospital, to get health care.

Abdelaziz continues, "I would like to get health insurance, but as a small business owner it is just impossible. Small businesses, and especially self-employed business owners, get charged so much by the insurance companies. And we have no bargaining power and no real alternatives, so we have no choice but to take or leave what the insurance companies tell us to pay."

Abdelaziz sees many people in his community who go without health insurance, it seems to him it's become a luxury reserved for the rich. As he says, "The promise of America is a land of opportunity. That's why I started my business – for an opportunity for a better future. But with health care, the only opportunities we have as small businesses are to go broke paying for health insurance, or go without it and risk bankruptcy when something goes wrong."



Jill Adams
Aj's Attic
Osage

Jill Adams is a single woman who runs Aj's Attic by herself. She buys her own health insurance on the open market, paying \$400 a month with a \$1,500 deductible. This is over 33% of her income. She is also concerned about how she is going to continue to make it since her rates increase about twice a year in addition to the rising cost of fuel, food, and the recession that is slowing down her business. She never goes to the doctor even when she needs to, because nothing is covered and she essentially pays the full cost herself. She is considering just dropping her insurance and "risking it".

Marsha Weber
A Sweet Read, LLC
DeWitt

Marsha Weber and her husband used to have two stores, they had to close one of their stores so her husband could go back to work at a job that offered health insurance. Then the insurance company raised their rates on the group policy and they are now struggling to keep their remaining shop open.

Carolyn Tusler
Blue Heart Jewelry
Osage

Carolyn Tusler doesn't believe that anybody should be denied health care in this rich country. Everything shouldn't be free. You can't just have whatever house or car you want, but health care is different. You need health care to survive and people shouldn't be denied that.

Mike Draper
SMASH
Des Moines



"I am so lucky that I was able to start SMASH while I was young and healthy and could take a chance on not having health insurance for 3 years," says Mike Draper, owner of SMASH, a custom screen-printing, graphic design and web design business located in the historic East Village area of Des Moines. "I have friends with chronic health problems who are strapped to their employers because they need the health insurance. They can't afford to explore their entrepreneurial spirit."

SMASH opened in 2005 and now has nine employees. Mike takes a proactive approach to health care. Each employee of SMASH has a personal health insurance policy that SMASH then pays for. This gives employees the greatest flexibility if they leave employment at SMASH for a long or short period. The company also pays employee's expenses for whatever isn't covered by their health insurance. Mike estimates that health insurance costs equal about 18% of after tax wages. The premiums go up every year, which means that every employee gets a raise each year, it just goes to paying their insurance!

"We try to be flexible, but it's an expensive way to do it," says Mike. "Right now, health insurance is a volatile commodity such as oil -- the price swings, the price increases, and it takes up a larger portion of a company's budget. If the government were to provide a more stable option and take the market out of things, it would help settle business's books, it would help them better predict the future. As a business owner, I wouldn't have to worry about finding policies, knowing what is covered, what isn't covered and how much the company will end up paying."

Iowa Main Street Alliance National Leadership Council Members

Mike Draper; Owner: SMASH; Des Moines, IA

Mike Draper was born and raised in the small town of Van Meter near Des Moines. He studied history at the University of Pennsylvania in Philadelphia. After collecting a degree out east and a fiance from London (after one and a half years living in Europe), Mike moved back to Iowa in 2005 to open SMASH, a retail clothing store and screenprinting shop, in downtown Des Moines.

Over the past 4 years SMASH has grown dramatically, from 1,200 square feet of space to 4,300 square feet of space, from one employee (Mike) to now over a dozen employees, and from \$60,000 in annual sales in 2005 to over \$1M in annual sales in 2009. SMASH has built a local and regional following and has been featured in news outlets from the Des Moines Register to the New York Times, ReadyMade Magazine, National Geographic, Slate.com, NPR, and more. Next year, Mike plans to open a second store in Iowa City, then continue expansion throughout Iowa and then the Midwest in years to come.

Since 2005, Mike has maintained 100% ownership of the company and has stayed committed to the development of Des Moines' downtown, where SMASH has always been and where Mike lives in a loft with his wife, Laura and their 9 month old son, Malcolm.

Chris Petersen; Family Farmer; Clear Lake

Chris Petersen has been an independent family farmer since 1974. He and his wife raise free range hogs and hay near Clear Lake IA.

Chris is a Consultant for SRAP (Socially Responsible Agriculture Project). He is also a member of the Iowa Farmers Union (a part of the National Farmers Union) where he serves as President. He is a member of the Iowa Citizen Action Network Board of Directors and is affiliated with other progressive groups around Iowa and nationally.

Chris strongly believes that the health care system in the country is broken and is working with the Iowa Main Street Alliance and other organizations to bring about change.

Reshonda Young; Alpha Express; Waterloo

Reshonda Young is a native Iowan. She earned a B.A. in Business Administration with an emphasis in Management from Wartburg College in 1997. She has been actively involved in political and social issues since she was a sophomore in high school. She worked in the insurance industry for 12 years before joining her father, Levorn Robinson, in 2006 to help manage and grow his business, Alpha Express Inc. Alpha Express is a multi-faceted company whose services include transportation, delivery, and industrial maintenance and cleaning.