

## ***America's Small Businesses and the Affordable Care Act: Strengthening Health Care for Small Business***

### ***A Broken System...***

- Health care is a top concern for small business owners across the country, and many employers want to provide coverage but often can't afford to.
- Historically, the health care market has been broken for small businesses.
- In fact, many small businesses pay as much as 18 percent more than their larger competitors for the same coverage.

### ***A Better Solution...***

- The Affordable Care Act will help small businesses in two critical ways: by increasing access and offering affordable options.
- The law provides access to better health care options for both the employer and employees.
- The law helps to lower the growth of premium costs and provides a number of key benefits for small businesses—including tax credits and the opportunity to pool their buying power with other small businesses in the new Small Business Health Options Program (SHOP) Marketplace.
- We fully expect that competition through the new Marketplaces will help to drive down premium costs, as states like California demonstrate.
- The law also provides special tax credits for small businesses to help cover the premium costs of employee insurance.
- Hundreds of thousands of businesses and business owners with fewer than 25 full-time equivalent employees have already taken advantage of a tax credit covering 35% of their premium contribution (25% for tax-exempt employers), and the maximum tax credit available will rise to 50% (35% for tax-exempts) in 2014.
- The SHOP Marketplace will allow small business owners to get comprehensive information about benefits and quality, side-by-side with facts about price, and will help them benefit from insurance with lower administrative costs and allow them to pool risk.
- Currently, an average U.S. family and their employer pay \$1,000 a year extra in health insurance costs to cover care for those without insurance.
- The law's employer shared responsibility provisions, which take effect in 2015, help to address this imbalance by requiring the small number of businesses with 100 or more full time or full time equivalent employees (this number drops to 50 in 2016) that don't offer coverage to their full-time workers to pay an assessment.

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