

# AFFORDABLE CARE ACT

## HOW THE HEALTH CARE LAW BENEFITS SMALL BUSINESSES

- **Provides \$40 billion in tax credits for small businesses to help them offer employee health insurance coverage – if they choose to do so.** The tax credits cover up to 35% of the cost of the coverage – going up to 50% in 2014. These tax credits went into effect for the 2010 tax year. More than 4 million small firms may be eligible for these credits. There are early signs that insurance sales to small businesses are increasing. For example, Blue Cross Blue Shield of Kansas City is reporting a 58% jump in the number of small businesses buying insurance since April 2010, the first full month after the legislation was signed into law.
- **Ensures key Patients’ Rights, which are particularly important for small businesses** that have often only been able to get health plans with large gaps in coverage. For example, as of 2010, the Patient’s Bill of Rights bans insurance companies from placing lifetime limits on coverage, from placing restrictive annual limits on coverage, from dropping people when they get sick, and from denying coverage to children with pre-existing conditions.
- **Provides small businesses access to the same affordable health plans only available to large firms today.** Reform establishes new Health Insurance Exchanges, or competitive marketplaces, where beginning in 2014, small businesses and their employees will be able to purchase affordable coverage. On the Exchanges, small business owners and workers will be able to pool their buying power and do one-stop comparison shopping for affordable plans.
- **Provides small businesses access to quality health plans.** Starting in 2014, affordable plans in the Health Insurance Exchanges will have a guaranteed set of minimum benefits – to eliminate fine print surprises and gaps in coverage that often face those who don’t have the purchasing power of a large group.
- **Provides grants to help small businesses provide workplace wellness programs.** These workplace wellness programs can offer a range of activities to help employees stay healthy, including preventive screenings and encouraging increased physical activity and better nutrition awareness.