

ACA 101: Details on the Affordable Care Act's Impact on Your Florida Small Business

Small Business Majority
August 2013

About Small Business Majority



- **Small business advocacy organization** – founded and run by small business owners
- **National** – offices in Washington, DC, Virginia, Ohio, Colorado, Missouri, New York and California
- **Research and advocacy** on issues of top importance to small businesses (<100 employees) and self-employed, including healthcare, taxes, access to capital, clean energy and more
- Very focused on **outreach to and education** of small business owners across the country

Small businesses struggling with costs



- ❗ Soaring **cost** of insurance – especially for small businesses – 25% of small business owners are uninsured (*2012 Kaiser study*)
- ❗ 28% **self-employed**: not covered
- ❗ Small firms pay **18% more** than large businesses

Our national study: Small business health costs would **more than double** by 2018 to **\$2.4 trillion** without reform

The Affordable Care Act



- Builds on **existing healthcare system**
- Aims to **rein in healthcare costs**
- **Upheld** by **U.S. Supreme Court**
- **Implementation** primarily the responsibility of the states (small business input essential)
- Some important benefits went into effect **immediately**
- Others implemented from **2010-2014**



Immediate consumer protections



- Insurers will no longer be able to deny coverage for patients with **pre-existing conditions** (2010 for kids, 2014 for adults)
- Ban on **lifetime caps** that set lifetime limits on coverage
 - Already, over 105 million Americans no longer have a limit on lifetime essential health benefits
- **Adult children** under 26 can stay on their parents' plan (Sept. 23, 2010)
 - As of December 2011, 3.1 million young adults who would have otherwise been uninsured have been able to stay on their parents' health insurance plans until age 26.



Immediate consumer protections



- Health plans **can't drop coverage** when someone gets sick, or if a mistake is made on their paperwork
- First-dollar coverage for **preventive care** for all new plans
 - Already, 71 million Americans, including 27 million women, with private health insurance gained preventative service coverage with no cost sharing.
- Increased access to care: **community health centers**
 - 1,200 health centers operating nearly 9,000 service delivery sites have received significant increases in funding to expand operations and facilities to provide more than 21 million patients nationwide increased access to basic health care.



Key provisions for small businesses



- **Immediate tax credits** for most small businesses
- Establishes **competitive marketplace** for small businesses (SHOP) and self-employed (individual)



Small business tax credits

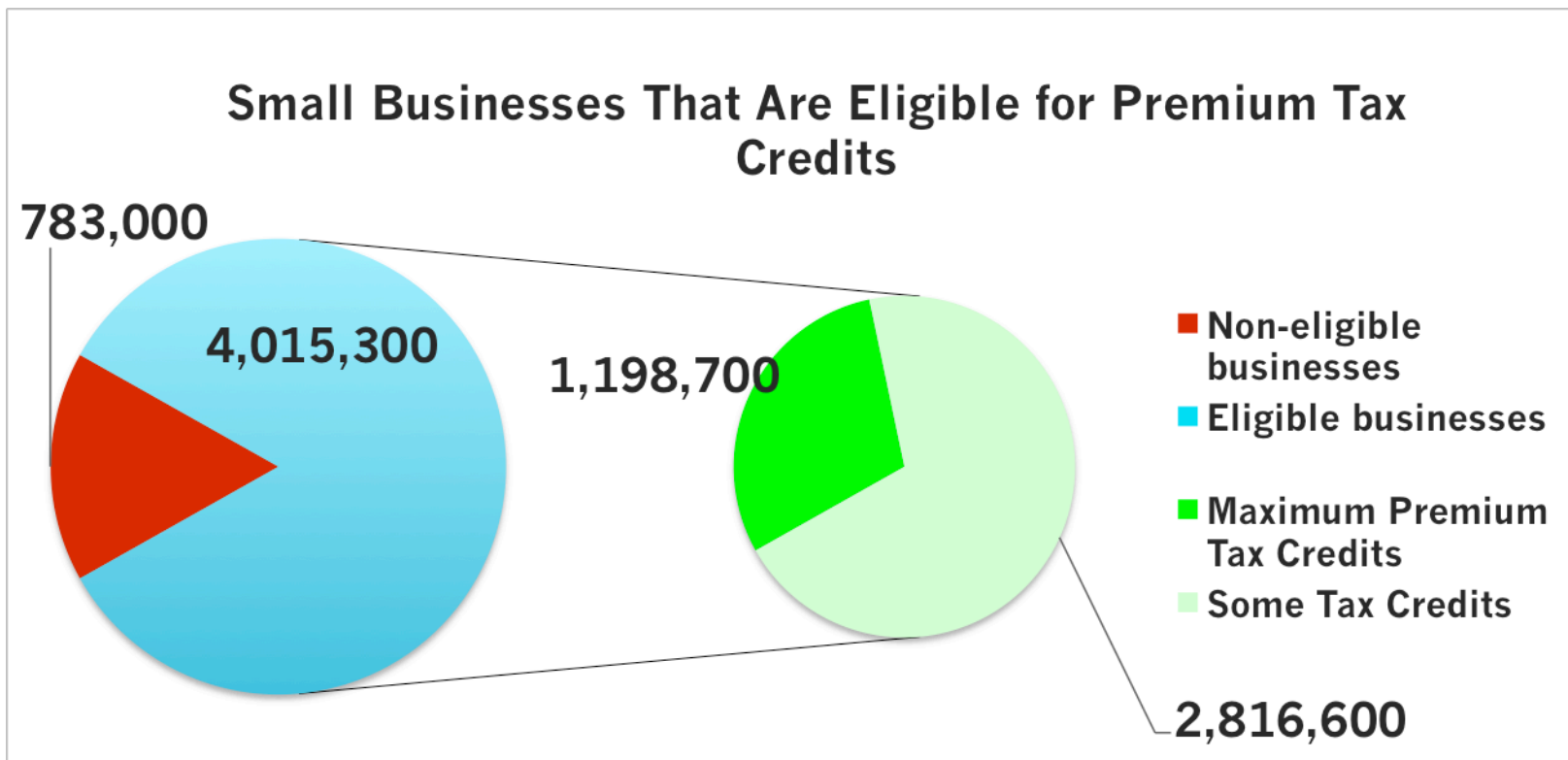


- Available to **businesses with employees**
- **Available now** (took effect tax year 2010)
- Which businesses are eligible?
 - Fewer than 25 full-time employees
 - Average annual wages <\$50,000
 - Employer pays at least 50% of the premium cost

Small business tax credits



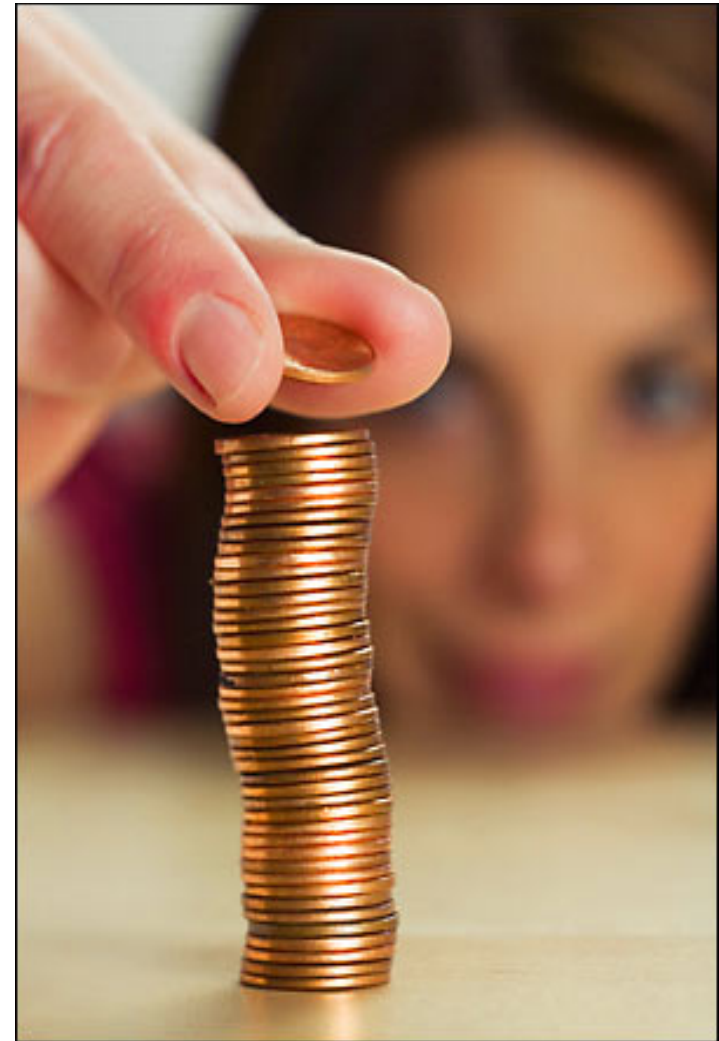
Our report: More than 222,000 Florida small businesses are eligible (71.6% of all businesses); 91,000 eligible for maximum credit



Small business tax credits



- Tax credits on a **sliding scale**:
 - Up to 35% 2010–13
 - Up to 50% any two years beginning in 2014
- Premium expenses: comprehensive medical coverage, incl. dental, vision, long-term care
- Tax credits do not cover premium expenses of owners or their families
- Can amend your taxes for past years



How to claim the small business tax credit



- Small employers (businesses or tax-exempt) use [Form 8941](#), available on www.irs.gov
- Include amount of credit as part of general business credit on income tax returns
- Can be reflected in determining estimated tax payments for a year
- Applies toward income tax, not employment tax



SHOP insurance marketplace

Small Business Health Options Program



- Large **marketplace** to shop for health coverage in each state
- **Private** insurance plans **compete** for your business
- Who? Small Businesses with fewer than 50 full time employees
- Enrollment begins Oct 1, 2013
- Coverage begins January 1, 2014

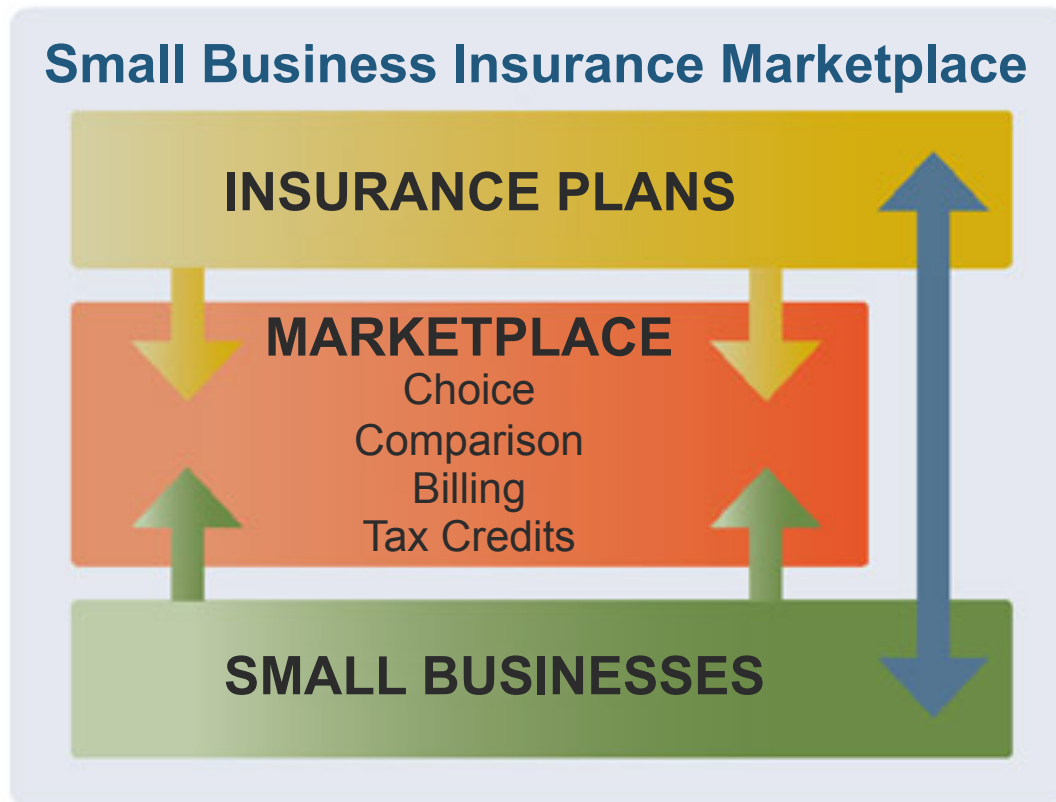


RAND study: Expand coverage to **85.9% of small business employees** (60.4% today); an increase of **10.5 million workers**

SHOP insurance marketplace



- One-stop shop **web portal**



- Compare plans and get detailed information about price, quality and service
- Plans organized by category: bronze, silver, gold, platinum
- Calculator to compare costs across plan options
- Streamlined billing process

Additional Programs



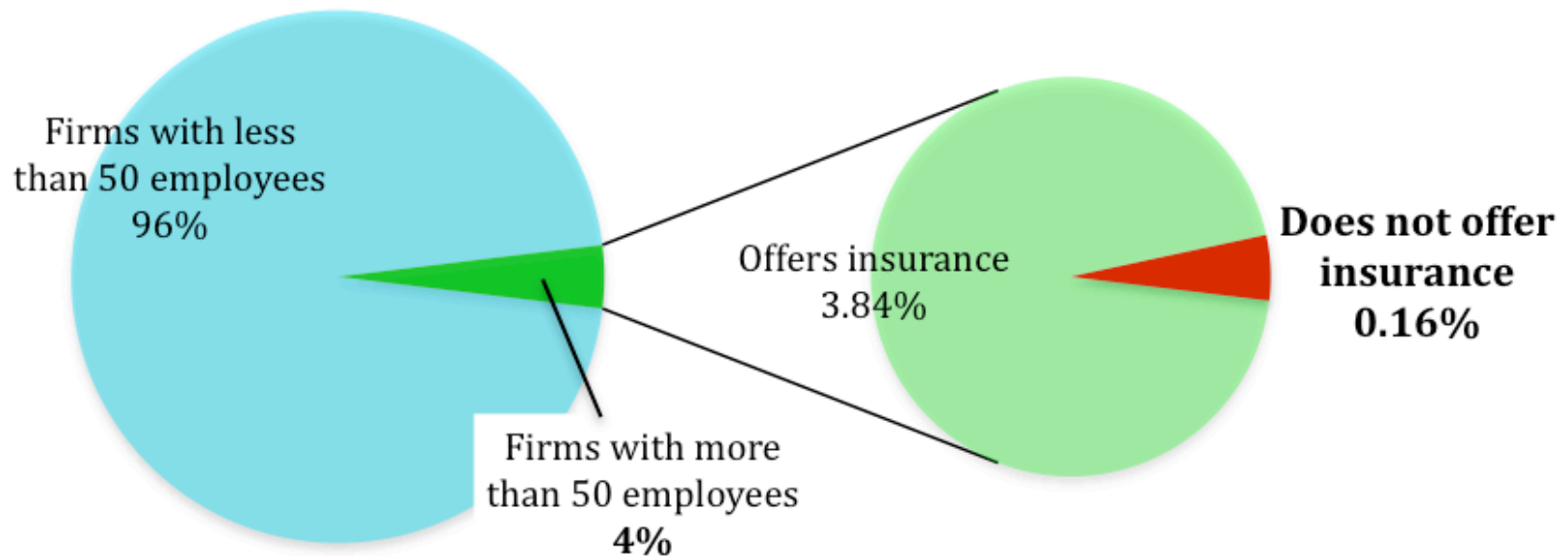
- Wellness programs starting on January 1, 2014
- Medical Loss Ratio – the “80/20 Rule”
- Rate Review by states



Employer shared responsibility For larger employers - 2015



- Businesses with **fewer than 50 full-time workers** – 96% of all businesses – are **exempt** from any requirement to offer insurance



Employee notifications



www.dol.gov/ebsa/healthreform

- Many employers are required by the Fair Labor Standards Act (FLSA) to notify employees of coverage options available through the Insurance Marketplace.
- Notifications to existing employees must be out by Oct 1, 2013 and all new employees beginning Oct 1 should receive this notice.



New Health Insurance Marketplace Coverage Options and Your Health Coverage

Form Approved
OMB No. 1210-0149
(expires 11-30-2013)

PART A: General Information

When key parts of the health care law take effect in 2014, there will be a new way to buy health insurance: the Health Insurance Marketplace. To assist you as you evaluate options for you and your family, this notice provides some basic information about the new Marketplace and employment-based health coverage offered by your employer.

What is the Health Insurance Marketplace?

The Marketplace is designed to help you find health insurance that meets your needs and fits your budget. The Marketplace offers "one-stop shopping" to find and compare private health insurance options. You may also be eligible for a new kind of tax credit that lowers your monthly premium right away. Open enrollment for health insurance coverage through the Marketplace begins in October 2013 for coverage starting as early as January 1, 2014.

Can I Save Money on my Health Insurance Premiums in the Marketplace?

You may qualify to save money and lower your monthly premium, but only if your employer does not offer coverage, or offers coverage that doesn't meet certain standards. The savings on your premium that you're eligible for depends on your household income.

Does Employer Health Coverage Affect Eligibility for Premium Savings through the Marketplace?

Yes. If you have an offer of health coverage from your employer that meets certain standards, you will not be eligible

- Two notices available: one for employers who do offer coverage, one for employers who do not.

Resources for small businesses



- Objective website dedicated to small businesses and healthcare, run by SBM
- Provides step-by-step information on how to navigate healthcare market with ACA taking full effect Jan., 2014
- Includes FAQ about how the ACA impacts small businesses
- Tools such as calculator to estimate tax credits for small businesses



- Interactive website dedicated to the ACA, run by HHS
- State specific information on SHOP marketplaces
- Calculators for FTEs, types of coverage, compare your existing coverage
- Create a pre-enrollment checklist
- Oct. 1, 2013 and beyond: buy health insurance right here

Join our network



Contact

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Connect with us!



@SmIBizMajority



Small Business Majority

Ways to get involved:

- Receive a monthly newsletter
- Share your story for media requests
- Letters to the editor/Op-eds
- State events/Roundtables
- Fly-ins
- Webinars for business organizations