



# Small Business Owners and Workers Win with the Health Care Law

## Small Business Tax Credits

New small business tax credits will help offset the amount small employers spend on their employees' health insurance premiums. More than four million small businesses qualify for tax credits on their 2010 federal tax returns. Beginning in 2010, businesses with fewer than 25 full-time employees and average annual wages below \$50,000 that contribute at least 50% of the total premium will be eligible for tax credits of up to 35% of the employer contribution.

## State Health Insurance Marketplaces

Often called "exchanges," these online marketplaces will allow small businesses to pool together to leverage their purchasing power. These will enable insurers to offer lower premiums and standardized benefit packages, so competition will be based on price and quality, not benefit design. The marketplaces will offer small firms and the self-employed access to stable, affordable coverage year after year.

***"I've worked hard to provide my employees with health insurance, but in recent years rising premiums made it really difficult.***

***This year will be different.***

***My business qualifies for a new small business health insurance tax credit."***

***"As a small business owner, I want my employees to get the health care they need.***

***Finally, thanks to the Affordable Care Act, my company can afford to offer health insurance.***

***It feels good to do right by my team."***

## Cost Containment

Provisions exist to bring down the rate of health care costs. The law cracks down on waste, fraud and abuse in Medicare and Medicaid programs. It also establishes an electronic medical records system to create efficiency and mitigate the paperwork burden that adds tremendous costs for patients, providers, and businesses.

## Wellness Programs

The law invests in prevention and wellness by requiring that prevention and screening services be offered at no charge to patients. It also offers federal grants of up to \$200 million for small business wellness initiatives.

*Supported by a grant from The Nathan Cummings Foundation*

## Preexisting Condition Insurance Plan (PCIP)

The self-employed are often unable to obtain coverage due to a preexisting condition. The new health law establishes a federally funded Preexisting Condition Insurance Plan (PCIP) to allow individuals who have been denied coverage due to a preexisting condition and who have been uninsured for at least six months to purchase affordable health coverage.

## Medical Loss Ratio (MLR)

The law requires that insurers spend at least 80% of small business health premiums on medical costs instead of CEO salaries, marketing expenses and other expenditures not directly related to providing care. This will lower administrative costs for small employer plans, and thereby reduce premiums.

## Keep Existing Coverage

Under the reform plan families will be able to keep their dependent children covered under their family health plan until age 26. Additionally, small employers can keep their current plan if they like it, as long as the plan existed before March 23, 2010 and makes no substantial changes in coverage.

## And don't forget...

The health care law requires members of Congress to get their health care coverage from the same plans as millions of Americans.

***Finally, we're all in this together.***

***"Thanks to the health law's tax credit for small businesses, I can now tell prospective employees: yes, we do offer health insurance."***

***What a great difference that will make for my business."***

Learn more about the health care law at

**[www.HealthCare.gov](http://www.HealthCare.gov)**

**[www.CuidadodeSalud.gov](http://www.CuidadodeSalud.gov)**

*Supported by a grant from The Nathan Cummings Foundation*