

Healthcare Op-ed

By Terri Denison

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For decades, America's small business owners have asked for more affordable health insurance coverage and more tax relief. The new health reform law – the Affordable Care Act – provides both.

First, it offers tax credits for small employers who pay at least half of their employees' health insurance premiums. Starting this year, businesses with less than 25 employees who make an average of \$50,000 or less may be eligible for a credit of up to 35 percent of the premiums they pay on their employee's behalf. For small nonprofits, it's up to 25 percent. In 2014, those credits will increase to up to 50 percent and 35 percent, respectively.

Also in 2014, health insurance "exchanges" for small businesses will open in every state. Currently, small businesses pay as much as 18 percent more than large firms for the same coverage. The exchanges will allow businesses with as many as 100 employees to pool their risk together, lower their administrative costs, and negotiate more effectively with insurance companies. According to the Congressional Budget Office, this could help drive down premiums by as much as 4 percent in the marketplace of small-business health plans.

The tax credits and the exchanges are just two of the new tools that will help small businesses get health insurance, some for the first time.

Even if a small business owner with 50 or fewer employees still decides not to buy health insurance with these incentives, there is no penalty. They're exempt from the employer responsibility provision of the new law. In this case, small business workers will be able to use *individual* tax credits to shop for insurance in the exchanges. And it's important to note that 96 percent of businesses with more than 50 employees already offer coverage.

The new law will go a long way toward supporting America's entrepreneurial spirit. For example, it will outlaw pre-existing conditions, giving more Americans the ability to break out of "job lock" and start their own companies. Prospective entrepreneurs should not be held back just because they fear losing their employer-sponsored coverage. The new law will also prohibit insurance companies from dramatically increasing premiums for a small business just because one worker gets sick.

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Overall, the Affordable Care Act is a critical tool that will help millions of small business owners provide health insurance to people who they often consider to be members of their extended family – their employees.

As a nation, we owe them nothing less as they work to grow, create jobs, and lead us toward full economic recovery.

[For more information about how the Affordable Care Act can help your small business, visit www.healthcare.gov.]

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