

Your Bottom Line: What the Affordable Care Act Means for Your Small Business

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Small Business Majority

About Small Business Majority



- **Small business education and advocacy organization** – founded and run by small business owners. Been in business nine years.
- **National** – 14 offices in Washington, D.C., California, Colorado, Illinois, Maryland, Michigan, Missouri, New Jersey, New York, Ohio, Oregon, Virginia and Washington state
- **Focus on issues of top importance to small businesses** (<100 employees) and the self-employed, including access to capital, workforce, healthcare, retirement, taxes, technology and energy savings.
- Work supported by extensive **research**

Why reform was needed: Small businesses struggling with costs



- ❗ Soaring **cost** of health insurance – especially for small businesses – 54% of businesses <10 employees don't offer (*Kaiser study*)
- ❗ 28% **self-employed**: not covered
- ❗ Small firms have paid on average **18% more** than large businesses

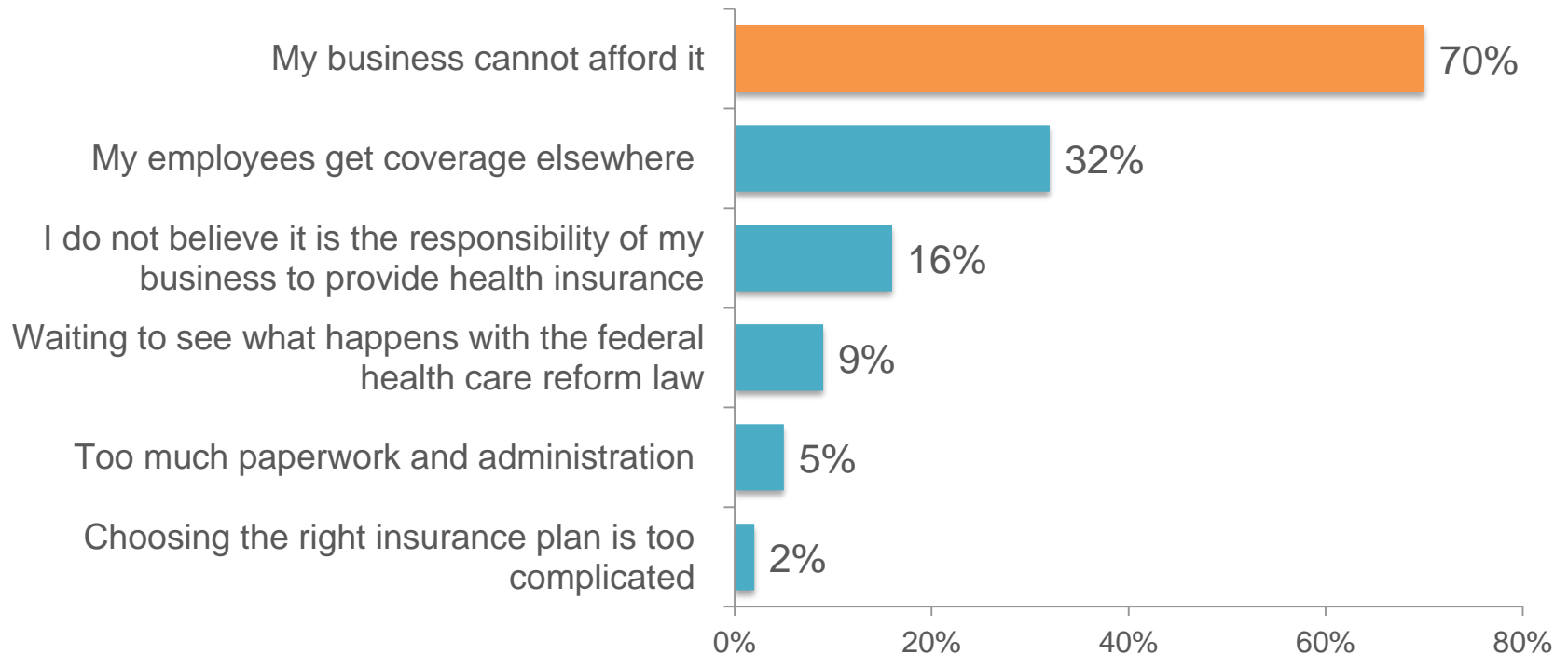
Our national study: Small business health costs would **more than double** by 2018 to **\$2.4 trillion** without healthcare reform

Small businesses struggling with costs



Our scientific opinion polling: Small employers who don't offer coverage say **lack of affordability** is the biggest reason (70%)

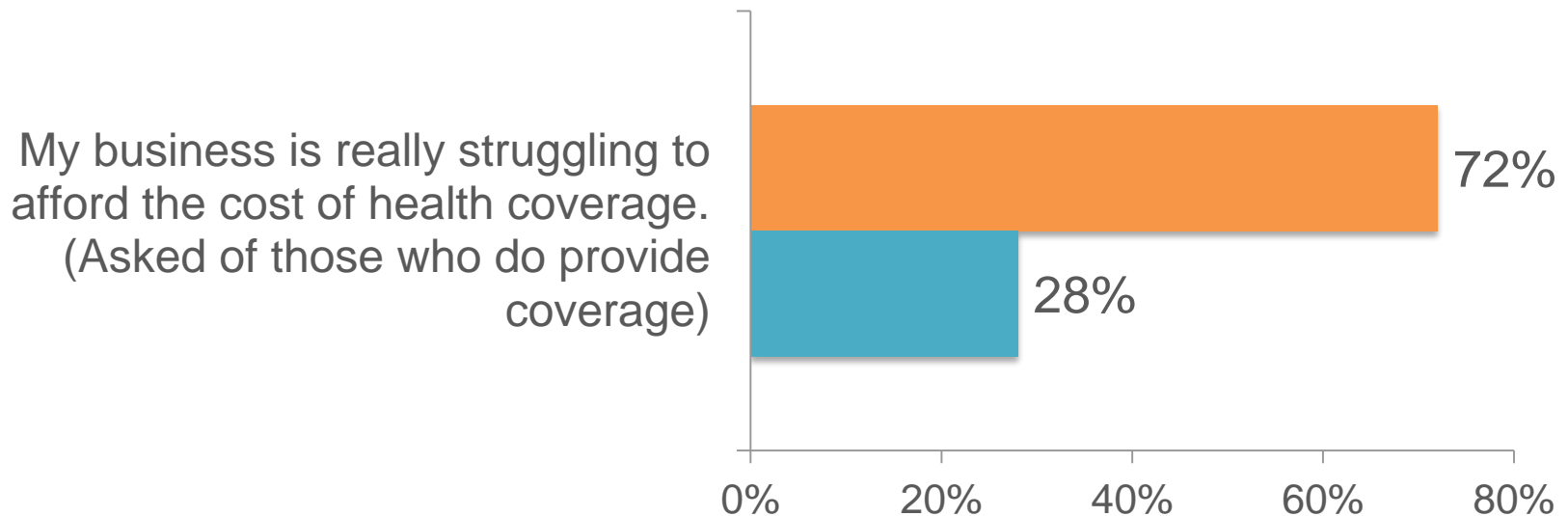
Which one or two of the following best describes the reasons you do not provide health benefits?



Small businesses struggling with costs



Another opinion poll of ours found: 72% of those who do offer say they are struggling to do so



Educating small businesses about the healthcare law



- New insurance regulations
- Cost containment provisions
- Employer responsibilities
- SHOP and individual marketplaces—what they are, financial assistance, and how to enroll
- Coverage options for the self-employed
- Options for small businesses—whether they do or do not offer coverage to their employees

Helping keep costs low: Individuals & self-employed



Most eligible for some financial assistance, if purchase through individual marketplace

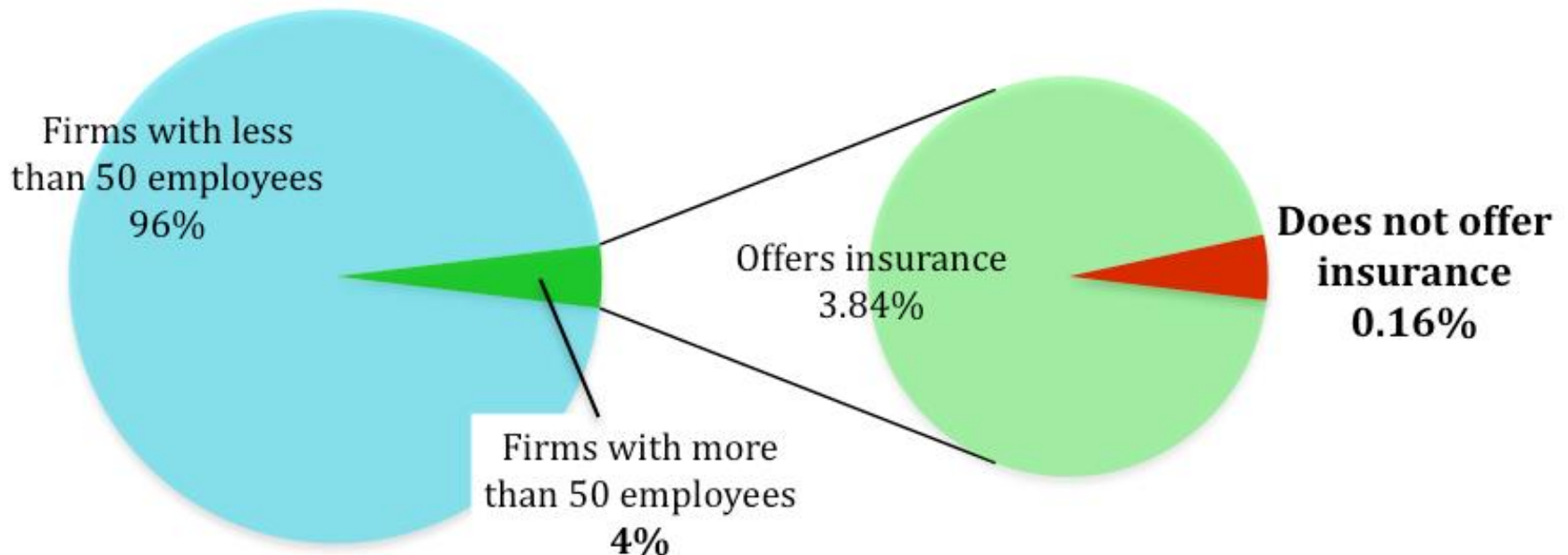
- Financial assistance on sliding scale (household income 100% to 400% of Federal Poverty Level)
- Some low-income families eligible for cost sharing reductions
- Marketplace will calculate eligibility and manage the premium adjustments
- Marketplace's streamlined application calculates eligibility for advance premium tax credits, Medicaid, Medicare or CHP+ during application process



Shared responsibility



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



For larger employers



- Requirements for employers with 100+ employees in 2015:
 - Failing to offer coverage- \$2,000 for each full-time employee per year, excluding the first 30 full-time employees
 - Failing to offer affordable coverage that provides minimum value- \$3,000 per year for each full-time employee receiving federal financial assistance in marketplace
- In 2016, 50-99 employer firms must offer coverage
- Affordability penalty cannot exceed that of failing to offer coverage. Business will pay lesser of the two

How we can help your members learn more about the ACA



- National webinar series
- In-person presentations
- Monthly newsletters
- Annual Small Business Leadership Summit in Washington, D.C.
- Online resources:
 - FAQs and fact sheets
 - Small business tax credit calculator
 - Health Coverage Guides in English and Spanish

Resources



- www.smallbusinessmajority.org
 - www.healthcoverageguide.org
 - www.espanol.healthcoverageguide.org/
- “What’s in Healthcare Reform for Small Businesses”
 - Detailed FAQ
 - Tax credit calculator



Questions?



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