

SMALL BUSINESSES = BIG WINNERS IN HEALTH REFORM

Small businesses have paid the price of a broken health care system for decades, paying more for less and enduring the worst abuses in the small group and individual insurance markets. Starting September 23, these worst abuses are against the law. But that's not all that makes small businesses big winners in health reform...

SEPTEMBER 23: PATIENT'S BILL OF RIGHTS

The Patient's Bill of Rights provisions taking effect on September 23 will end the worst insurance industry abuses and ensure that small business owners, their employees, and their families get real value and security when it comes to health care. Provisions that phase in starting on September 23 include:

- ✓ **ENSURING VALUE FOR SMALL BUSINESS PREMIUM DOLLARS:**
 - ✓ An end to lifetime limits on coverage, and new restrictions on annual limits that will phase out annual limits completely by 2014.
 - ✓ No co-pays, deductibles, or cost-sharing for recommended preventive care (like mammograms, colonoscopies, immunizations, and pre-natal care).
- ✓ **EXTENDING COVERAGE FOR BUSINESS OWNERS' AND EMPLOYEES' CHILDREN:**
 - ✓ Ending the practice of denying coverage to children with pre-existing conditions.
 - ✓ A requirement that insurance companies continue offering coverage for young adult dependents on their parents' plan up to their 26th birthday.
- ✓ **BANNING BAD PRACTICES AND GUARANTEEING THE RIGHT TO A THIRD PARTY APPEAL:**
 - ✓ A prohibition on retroactive cancellations of coverage after an enrollee becomes sick.
 - ✓ A guaranteed right to appeal decisions of your insurance company to an independent third party.

THE AFFORDABLE CARE ACT: THE BIG PICTURE FOR SMALL BUSINESS

Health reform includes many benefits to small businesses beyond those taking effect on September 23. In addition to the benefits outlined above, the Affordable Care Act also:

- ✓ **ALLOWS SMALL BUSINESSES TO BAND TOGETHER TO SHOP FOR COVERAGE, MAXIMIZING CHOICE AND BARGAINING POWER.** According to *Establishing State Health Insurance Exchanges*, a new technical report from the RAND Corporation, a microsimulation predicts that the new law and its state insurance exchanges will result in insurance coverage rising from 53 to 77 percent for businesses with 10 or fewer workers, 71 to 90 percent for businesses with 11 to 25 workers, and 90 to almost 100 percent for businesses with 26 to 100 workers. (see http://www.rand.org/pubs/technical_reports/TR825/ for full report)
- ✓ **GIVES STATES MORE TOOLS AND RESOURCES TO REVIEW PREMIUM RATE INCREASE PROPOSALS AND STOP UNJUSTIFIED RATE HIKES.** Already, 46 states have received a first installment of additional resources to beef up their rate review activities and force insurance companies to justify their rate increases.
- ✓ **PROVIDES PREMIUM TAX CREDITS TO BUSINESSES TO HELP THEM AFFORD HEALTH COVERAGE.** Small businesses that pay 50 percent or more of premiums may be eligible for a sliding scale credit of up to 35 percent of the employer's contribution to health care in 2010-2013 and up to 50 percent for two years starting in 2014.
- ✓ **CUTS THE "HIDDEN TAX" BY REDUCING COST-SHIFTING FROM THE UNINSURED AND UNDER-INSURED.** Small businesses with insurance currently pay a "hidden tax" (estimated at over \$1,000 per insured family and over \$350 per insured individual in 2008) resulting from the shifting of uncompensated care costs. Reform will cut the hidden tax steeply by getting tens of millions more people covered.