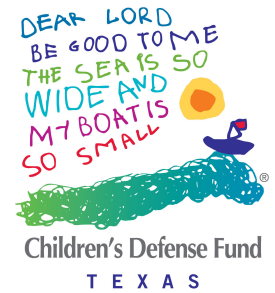


Ten things to know about: Small Businesses and Health Reform



The Affordable Care Act provides small businesses in Texas with easier and more cost effective ways of providing health insurance to retain and attract the best employees.

How the Affordable Care Act delivers for small businesses:

1. Beginning in 2014, health insurance plans will no longer be able to charge higher premiums based on employees' health status, the number of employees you have or the kind of work they do.
2. All new health plans will be required to cover a minimum set of services (called Essential Health Benefits) that will allow employees to receive the care they need beginning in 2014.
3. Health plans will no longer be allowed to exclude treatment to employees with pre-existing conditions beginning in 2014.
4. Health plans are now required to spend at least 80% of premiums on medical care and quality improvement. If the amount is less than 80%, whoever paid the premium will receive a rebate, starting in summer 2012.
5. Comparing plans will get easier in 2014. New plans will be labeled as bronze, silver, gold, and platinum "tiers". These represent the actuarial value of the plan (percentage of costs covered).
6. Small businesses will be able to easily compare and purchase plans through a new competitive market, called the Small business Health Options Program (or SHOP).
7. Small businesses with fewer than 50 FTEs can choose in 2014 whether or not to provide health benefits, and will face no penalties if they do not. Workers whose employers do not provide benefits will be able to get quality, affordable coverage from the new health insurance marketplace.
8. Small business with fewer than 25 FTEs that have average annual wages below \$50,000 may be eligible for tax credits today that offset up to 35% of the cost of health insurance. In 2014, the maximum tax credits for small businesses increase to 50%.
9. Small businesses (with fewer than 100 employees who work 25 or more hours per week on average) that *did not* have a workplace wellness program in effect at as of March 2010 are eligible for grants to start such programs.
10. When employees participate in a qualified wellness program, health plans may provide up to a 30% discount on the cost of coverage.

Texas should make the most of the Affordable Care Act. To get enrolled in health coverage starting October 1, 2013, call 1800.318.2596. To join us in ensuring Texans have more reliable and cost-effective health care, visit www.TexasWellandHealthy.org or follow us on Facebook @KidsWellTexas and Twitter @TxWellHealthy.

Information compiled June 2013 by Children's Defense Fund-Texas. You are authorized and encouraged to distribute this information for the purposes of informing and educating others.