



The Patient Protection and Affordable Care Act

Providing Affordable Choices for Small Businesses

The Patient Protection and Affordable Care Act will provide quality, affordable health care options for small businesses.

Increase Quality, Affordable Options for Small Businesses

- ✓ The Patient Protection and Affordable Care Act will provide small business with up to 100 employees access to state-based Small Business Health Options Program (SHOP) Exchanges. These Exchanges would include web portals that provide standardized, easy-to-understand information that make comparing and purchasing health care coverage easier for small business employees, and reduce the administrative hassle that small businesses currently face in offering plans.
- ✓ Small businesses growing beyond the upper employee limit in the SHOP Exchange will continue to purchase health insurance through the Exchange.
- ✓ Beginning in 2017, states could allow businesses with more than 100 employees to purchase coverage in the SHOP Exchange.
- ✓ The Patient Protection and Affordable Care Act will streamline health plans to keep premiums lower by instituting a premium rate review process and setting standards for how much insurance companies can spend on administrative costs.

Small Business Health Care Affordability Tax Credits

- ✓ The Patient Protection and Affordable Care Act will provide a sliding scale tax credit to small employers with fewer than 25 employees and average annual wages of less than \$40,000 that purchase health insurance for employees. The full credit will be available to employers with 10 or fewer employees and average annual wages of less than \$20,000. To be eligible for a tax credit, the employer must contribute at least 50 percent of the total premium cost.
 - For 2011 through 2013, eligible employers will receive a small business credit for up to 35 percent of their contribution toward the employee's health insurance premium. Tax-exempt small businesses meeting the above requirements are eligible for tax credits of up to 25 percent of their contribution.
 - In 2014 and later, eligible employers who purchase coverage through the Exchange can receive a tax credit for two years of up to 50 percent of their contribution. Tax-exempt small businesses meeting the above requirements are eligible for tax credits of up to 35 percent of their contribution.
- ✓ An estimated 3.6 million small businesses nationwide will qualify for the tax credit.

Security and Stability that Promotes Entrepreneurship

- ✓ The Patient Protection and Affordable Care Act will end the discriminatory insurance industry practices of jacking up premiums by up to 200 percent because an employee got sick or older, or because the business hired a woman.

Ensure Employer Responsibility Exempts Small Firms

- ✓ The Patient Protection and Affordable Care Act will exempt employers with 50 or fewer employees from any employer responsibility provision.