



## HEALTH INSURANCE REFORM AT A GLANCE

# EMPLOYERS AND HEALTH REFORM

The health care reform legislation is good for business, good for jobs, and good for the economy. The legislation lowers health care costs to allow American businesses to focus on what they do best, and includes other provisions to directly create jobs and get our nation's economy moving again.

Health reform stands on the principle of shared responsibility among individuals, employers, and the government. The bill assists employers in providing coverage to their employees and provides access to markets that operate more transparently and fairly.

### SMALL EMPLOYERS

- Provides small businesses access to a state-based small business exchange, with web portals that provide standardized, easy-to-understand information that make comparing and purchasing health care coverage easier for small business employees. The Exchange will give small employers access to insurance rates normally enjoyed only by larger employers, lower administrative costs, greater transparency, and greater choice of plans to their employees.
- Reforms rating rules so that small employers will no longer pay higher premiums if they have employees with higher health costs due to age or sickness.
- Stabilizes skyrocketing health costs for small businesses.
- Provides an immediate sliding scale tax credit up to 35 percent to small employers with fewer than 25 employees and average annual wages of less than \$50,000 who offer health insurance coverage to their employees.
- In 2014 and later, provides eligible small employers who purchase coverage through the Exchange with a tax credit for two years of up to 50 percent of their contribution.
- Creates a new grant program to encourage small employers to develop employee wellness programs.
- Spurs entrepreneurship, productivity, and growth at small businesses, helping fuel a key engine of job creation by lowering costs through tax credits and pooled purchasing on competitive health insurance Exchanges.
- Exempts employers with 50 or fewer employees from the employer responsibility payments.

### LARGER EMPLOYERS

- Continues to allow large employers the flexibility to determine health coverage for their employees, such as benefit design, while adding insurance protections such as prohibitions on pre-existing conditions, annual, lifetime limits and rescissions, and allowing employees to keep their adult dependents on their plan up to age 26.
- Gives large employers the choice of providing affordable coverage to their workers or contributing if their workers can't afford coverage and receive tax credits in the exchange.
- Reduces premiums in the large group market which will improve the global competitiveness of American businesses and allow them to hire more workers to lower the unemployment rate.

## ALL EMPLOYERS

- Health care costs for the uninsured will no longer be shifted onto employers and those with insurance coverage, approximating a savings of \$1,000 for a family policy.
- Savings from delivery system reform and other cost-control measures will slow employers' skyrocketing health costs and increase employers' competitiveness.
- Reforms of the health care delivery system improvements will increase the quality of employers' health plans.
- Streamlines 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.
- Expands coverage to 32 million uninsured Americans, which will increase labor supply by reducing disability and absenteeism in the work place.
- Ends coverage limitations based on pre-existing conditions and expands portable coverage options, which will help to reduce "job lock," freeing workers to be more flexible, and increasing the flexibility and productivity of the economy.