



The America's Healthy Future Act
Making Quality Coverage Options More Affordable for Small Businesses and Employees

Most Americans today have access to health insurance through their employers and most are happy with that coverage. But rapidly rising health care costs have made it increasingly difficult for small business to provide quality affordable health insurance to their workers. In fact, the Kaiser Family Foundation reports that most uninsured workers today are self-employed or work for a small business that is unable to offer health benefits. Rising costs have forced more than half of America's small businesses to reduce or stop providing health benefits for their workers in the last two years, according to the Main Street Alliance, a national network of small business coalitions. The America's Healthy Future Act includes provisions to help small businesses provide quality, affordable coverage, including \$24 billion in tax credits.

- **Small Business Insurance Exchanges** – With insufficient competition in the insurance industry, coupled with rising costs related to administering employee plans, small businesses lack the buying power that larger companies have to negotiate affordable group rates. The America's Healthy Future Act creates insurance exchanges known as Small Business Health Options Programs or SHOP exchanges where small businesses can pool together to spread their financial risk, increase their leverage and enhance their choice and buying power.
 - Beginning in 2013, SHOP exchanges – like the individual market exchanges – would be state-based web portals where small businesses, with fewer than 100 employees, can shop for health insurance plans within their zip codes and determine their eligibility for tax credits to buy health insurance.
 - Small businesses that prosper and grow beyond 100 employees would be allowed to continue shopping in the exchanges.
 - Insurance plans sold in SHOP exchanges will be subject to the same transparency requirements and consumer protections as those in individual exchanges to help small businesses provide quality, affordable coverage for their workers.
- **Small Business tax credits** – In addition to lowering costs throughout the health care system, the America's Healthy Future Act includes \$24 billion in small business tax credits to help these businesses provide quality, affordable health insurance to their workers.
 - Starting in 2011, eligible small businesses can receive tax credits worth up to 35 percent of the small employer's contribution to employee health insurance plans.
 - Once SHOP exchanges are established in 2013, eligible small businesses can receive tax credits worth up to 50 percent of the small employer's contribution to employee health insurance plans purchased in SHOP exchanges.
 - Eligibility for tax credits will be calculated on a sliding scale based on a firm's number of employees and average taxable wages. To qualify, businesses must cover at least 50 percent of employee premium costs.
 - Businesses with 10 or fewer employees and average taxable wages of \$20,000 or less qualify for the full tax credit and a portion of it would be available to businesses with up to 25 employees and average taxable wages of \$40,000 or less.
 - Charitable organizations with 25 or fewer employees will also be eligible to receive tax credits if they meet the same requirements. These organizations would be eligible for a 25 percent credit from 2011-2013 and a 35 percent credit in 2013.

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- **Grants to Encourage Workplace Wellness Programs for Small Business Workers** - The America's Healthy Future Act provides \$200 million in grants to help small employers provide wellness programs that have been proven to help employees lead healthier lifestyles. With these grants, small employers can take steps to provide a supportive environment in which employees are permitted to take breaks to exercise and health-awareness activities like preventive screenings and employee engagement activities like counseling.
- **Ending Discriminatory Insurance Industry Practices** - The America's Healthy Future Act creates new insurance market reforms and consumer protections for individual and small business plans sold both inside and outside SHOP exchanges. These reforms will stop insurance companies from denying coverage based on pre-existing conditions or increasing premium rates based on health status, gender or industry. These new regulations are essential to helping small businesses keep health care costs predictable from year to year.

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