

America's Small Businesses and the Affordable Care Act: Myth vs. Fact

- **Myth: All employers are required to buy health insurance for their employees under the Affordable Care Act.**
- **Fact:** The Affordable Care Act does **not** require businesses to provide health insurance to their employees.
 - Effective January 1, 2015, businesses with 100 or more full-time employees, including full-time equivalent (FTE) employees, that do not provide coverage to their full-time employees may be subject to an Employer Shared Responsibility payment. In 2016, this requirement applies to employers with at least 50 full-time employees, including FTEs.
 - 96 percent of America's firms are below 50 employees and therefore not subject to these rules.
- **Myth: Since my state hasn't set up its own health exchange, the health care law doesn't apply to me.**
- **Fact: Every state** has a health insurance Marketplace (also sometimes known as an Exchange).
 - Depending on where you live, the Marketplace is operated by either your state or the federal government, or through a partnership with the state and the federal government.
 - Regardless of location, insurance plans in the Marketplace are offered by private companies, and all plans offered will cover the same core set of benefits called Essential Health Benefits. No plan can turn you away or charge you more because you or your employees have an illness or medical condition.
 - For more information about the Marketplace for small employers, known as the Small Business Health Care Option Program (SHOP), call 1-800-706-7893 (TTY users: 1-800-706-7915), Monday through Friday, 9 a.m. to 7 p.m. EST.
- **Myth: The Affordable Care Act is causing health insurance rates to rise.**
- **Fact:** The Affordable Care Act contains a number of provisions that help to slow the growth of health care costs.
 - Since the law passed, we've seen the slowest health care price growth in 50 years.
 - Premiums for employer-based family coverage grew just 4 percent in 2014, and the last four years have seen four of the five slowest growth rates since the survey began in 1999.
 - The law also requires insurance companies to spend at least 80% of their premium dollars on providing quality health care, not administrative costs and salaries.
 - As a result, consumers have received more than \$2.4 billion in premium rebates from their insurance companies since 2011. For 2014 alone, more than 5.5 million consumers received nearly \$470 million in rebates, for an average of \$129 per family.