

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, 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 companies 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 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.
 - Under the Affordable Care Act, insurance companies must publicly disclose and justify premium rate hikes of 10% or more.
 - Tough rules also require that insurers spend at least 80% of premiums on actual medical care or refund the difference. As a result, small employers have saved more than \$2.5 billion in lower upfront premiums and rebates from their insurance companies from 2011 to 2013.
 - 3 million Americans who work for small employers got an average rebate of over \$100 per family per year.
 - And the period since enactment of the ACA has seen the slowest health care price growth in almost 50 years. Employer premiums grew just 3 percent in 2014, tied for the lowest rate since the survey began in 1999.