

America's Small Businesses and the Affordable Care Act: Strengthening Health Care for Small Business

A Broken System...

- Health care remains a top concern for small business owners.
- Historically, the health care market has been broken for small businesses. Small businesses faced premium increases for years, often because one worker got sick or their insurance company charged them excessive rates.
- In fact, small business rate hikes averaged 8 percent per year in the decade before the law passed, and they paid on average 18 percent more for the same health benefits as large businesses.

A Better Solution...

- The Affordable Care Act helps small businesses in two critical ways: by increasing access and offering affordable options.
- Since the Affordable Care Act 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. If they don't do this, small business owners and their employees get money back.
- 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.
- Many small employers are also eligible for tax credits if they offer health coverage, making it easier for small firms to realize the competitive advantages that come with offering coverage.
- And for the first time, small business owners now have the opportunity to leverage their buying power with other small businesses in the Small Business Health Options Program (SHOP) Marketplace.
- SHOP allows small business owners to get comprehensive information about benefits and quality, side-by-side with facts about price—leveling the playing field with their larger competitors by helping them benefit from insurance with lower administrative costs and allowing them to pool risk. Visit Healthcare.gov to learn more.