

## The ACA and Our Communities

In my previous two articles I shared general Affordable Care Act (ACA) information and some of the basics of how the Marketplace (or Exchange) is designed to work for individuals and their families. However, the ACA will potentially impact our daily lives in other ways, as well. In today's article, I want to address the following question: How will the Affordable Care Act effect small businesses?

Small businesses, as defined in the ACA legislation, which are eligible to access the resources through the Marketplace are those business that have less than 100 FTE (full time equivalent employees) or fewer. They will have a specific program designed for small businesses called the Small Business Health Options Program (SHOP). The ACA enrollment window begins October 1 for SHOP participants just as it does for individuals and their families. An online application will be available and the application process will allow small businesses to explore and compare insurance plan prices, coverage, and quality. Once they have selected a plan, their employees will have use of that plan as early as January 1, 2014. SHOP gives small businesses another option of what they can do to provide health insurance benefits to their employees. This applies to non-profit organizations, as well. The health insurance coverage rights that are part of ACA apply to small business health insurance, as well. Small businesses can't be turned down for an insurance plan based on the health status of their employees or their families, even with pre-existing conditions. Additionally, as part of the ACA legislation, higher premiums cannot be applied for women or because of high medical expenses generated by employees. Unfortunately, these rights do not apply to grandfathered plans. (i.e. - a group health plan that was created—or an individual health insurance policy that was purchased—on or before March 23, 2010 when ACA was voted into law.)

Some advantages for small businesses who choose to use the SHOP services include 1) they can have more control of the coverage they can offer and how much it will cost the company for employee premiums; 2) access to multiple plans and their coverage from a single source in order to better compare health plans; and 3) may qualify for small business health care tax credit which could be worth up to 50% of the premium costs for the company. The tax credit is only available for plans purchased through SHOP.

Small businesses qualify for SHOP use if they have 50 or fewer FTE employees. Generally these are employees who are working an average of 30 hours or more per week. These businesses must also offer coverage to ALL their full time employees. It is important to that a required minimum percent of employees enrolled may apply, as well.

Tax credits for very small business firms, like those with less than 25 workers, are already available. Many farms fall under this distinction and could benefit from applying for tax credits. The tax credit is highest for companies with fewer than 10 employees who are paid an average of \$25,000 or less. The smaller the business, the bigger the credit. To qualify for the Small Business Health Care Tax Credit, small businesses must pay at least 50% of their full-time employees' premium costs. They don't need to offer coverage to their part-time employees or to dependents. More information about tax credits for small businesses can be found at [www.irs.gov/uac/Small-Business-Health-Care-Tax-Credit-for-Small-](http://www.irs.gov/uac/Small-Business-Health-Care-Tax-Credit-for-Small-)

[Employers](#). If you have specific questions about the SHOP Marketplace for small businesses, you can call 1-800-706-7893. (TTY users: 1-800-706-7915.)

Organizations and service providers throughout the Geary County and the State are working to put services in place that will help our residents be aware and informed about the Affordable Care Act and the insurance selection process that begins via the Marketplace on October 1, 2014. As we work to get these services in place, keep an eye out for the opportunity to visit with someone about the information you need to make informed and confident decisions regarding your health insurance coverage and your health care needs. Feel free to contact me at the Geary County K-State Research and Extension office 785-238-4161 with your ACA questions or go to [www.ksre.ksu.edu/issuesinhealthreform/](http://www.ksre.ksu.edu/issuesinhealthreform/) where Dr. Roberta Riportella, Extension Specialist in Community Health has posted several ACA fact sheets of which much of my article is based on.