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**PROTECTING SMALL BUSINESS**  
**Statement of Kentucky Voices for Health**  
**on the First Anniversary of the Affordable Care Act**

March 23 marks the one-year anniversary of the Affordable Care Act being signed into law. Now that health reform is the law of the land, Kentucky Voices for Health believes it is time to move forward to protect small business.

Moving forward means giving small businesses the level playing field they deserve. Moving forward means giving small businesses the choice and the freedom to come together to get the same rates as larger companies. It means that small business owners know that they can afford to offer their employees health care, with tax breaks helping to make that possible. It's time to move forward. Small businesses cannot afford to go back.

The Affordable Care Act contains a number of key provisions that will protect small businesses in Kentucky:

- **The Affordable Care Act lowers premiums for small businesses by providing tax breaks to make coverage more affordable.** The Affordable Care Act lowers health care costs for an estimated 51,500 small businesses in Kentucky by providing tax credits to help with the cost of health premiums. Businesses with up to 25 employees are now eligible for tax credits of up to 35% of the employer's portion of health premiums—the maximum credit will increase to 50% by 2014. Lower premiums mean small businesses have the opportunity to offer their employees coverage, and help businesses avoid having to choose between providing health coverage or hiring more workers.
- **The Affordable Care Act provides more choices for small businesses.** The Affordable Care Act also lowers health costs for small businesses by allowing them to band together in health exchanges that will be created in each state. This will provide small businesses with more choices and allow them to receive the same rates as large companies. Previously, insurance companies charged small businesses in the individual market an average 18% more for premiums than larger businesses.
- **The Affordable Care Act helps small businesses create jobs.** Before the Affordable Care Act was passed, a study from the Small Business Majority found health care costs were rising so much that it would cost 178,000 jobs by 2018. The law lowers health

costs to small businesses through tax credits and other cost containment measures, meaning businesses can invest those savings in job creation.

- **The Affordable Care Act provides flexibility to small businesses.** The vast majority of small businesses are exempt from requirements that require employers to provide health coverage. Under the law, large companies which do not provide affordable coverage to their workers must pay fee. However, 96% of all firms are exempt from this fee.
- **The Affordable Care Act ends discriminatory practices.** The new law ends some of the discriminatory practices that small businesses owners and their workers faced in the individual market. Under the law, insurance companies will no longer be able to deny coverage because of a pre-existing condition, drop coverage when someone gets sick or charge someone more because of his/her health status. Right now, insurance companies can no longer cap lifetime benefits are limited in the annual caps they can set until such caps are completely banned in 2014. Insurers in the small group market also must spend at least 80% of premium dollars on care, instead of on executive pay, profits and other administrative costs.

Detailed information about the Affordable Care Act and its impact on Kentucky is also available in *The New Health Reform Law: What It Means for Kentuckians*, an issue brief prepared by Kentucky Voices for Health that can be downloaded at <http://kyvoicesforhealth.com/reform.html>. The brief was produced to help Kentuckians understand the health reform law. It includes a basic timeline of what will happen when under the new law, frequently asked questions and resources for further information

Kentucky Voices for Health seeks to work with communities and organization partners to broaden awareness of health care issues. KVH maintains a speakers' bureau of coalition members available to attend meetings and events to provide information about KVH's priorities as well as the provisions of the Affordable Care Act. A speakers' bureau request form can be accessed from <http://kyvoicesforhealth.com/speakersbureau.html>.

Kentucky Voices for Health is a broad coalition of nearly 100 organizations working to improve Kentuckians' health and health care coverage. The coalition's leadership team is composed of representatives from AARP Kentucky, Advocacy Action Network, American Cancer Society, American Heart Association, American Lung Association, Catholic Conference of Kentucky, Covering Kentucky Kids and Families, Kentucky Council of Churches, Kentucky Equal Justice Center, the Kentucky Injury Prevention and Research Center, and Kentucky Youth Advocates. Kentucky Voices for Health receives grant funding from the Public Welfare Foundation through the Foundation for a Healthy Kentucky.

***Kentucky Voices for Health: Building a healthy Kentucky together.***

We're a coalition of concerned Kentuckians who believe that the best health care solutions are found when everyone works together to build them. Right now, families and businesses in every county are facing rising costs, and too many of us go without needed health care. Healthy families create healthy economies. And a healthy Kentucky economy is something we all want. So we're working step by step to build a healthier Kentucky for our families, our children and our grandchildren.