



# The new health care law: What it means for Maine

*The new federal health care law, the Patient Protection and Affordable Care Act, will increase access to health insurance and provide greater options to Maine families and businesses to access health care. Benefits from the new law begin this year, with most benefits fully in place by 2014.*

## Health Care and Maine Small Businesses

### 2010

- **New tax credits for small employers** contributing at least 50% of the total premium
  - Full 35% credit of an employer contribution will be available to small businesses with fewer than 10 employees averaging less than \$25,000 annual wages. *(Nearly 80% of Maine businesses have fewer than 10 employees)*
- Sliding-scale up to 35% if fewer than 25 employees and average annual wages of less than \$50,000
- Insurers will no longer be able to drop coverage if you or an employee gets sick
- No lifetime caps on benefits

### 2011

- Grant money awarded to small businesses that establish employee wellness programs
- Long-term care insurance program to be financed by voluntary payroll deductions to provide benefits to adults who become functionally disabled

### 2014

- Tax credit will increase up to 50% of the employer premium contribution for previous 2 years
- Small business owners with fewer than 100 employees can shop for and compare plans through the new online marketplace called the Small Business Health Options Program (SHOP) exchange (Over 41,000 Maine businesses will have the ability to use large group buying power to access affordable health coverage)
  - Pool risk with other small businesses, gives same competitive advantage as large businesses, lowering costs and freeing up revenue to hire additional employees or give raises
  - More choices of health plans through the Exchange and allows one-stop comparison shopping for affordable plans
  - Employers select plan(s) (bronze, silver, gold, platinum) to offer, and let employees pick the plan that works best for them

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## Employer Insurance Coverage Requirements:

- 50 or fewer employees: **Exempt** from employer requirements to provide insurance
- 51 or more employees: **That don't offer coverage**, employer assessed \$2,000 per full-time employee (excluding the first 30 employees).
  - **In Maine 99.6% of businesses with more than 50 employees already offer coverage.** Only a small percentage of Maine businesses (less than half of 1%) would be subject to any health care assessment.
- 51 or more employees: **That offer coverage**, but 1 or more full-time employees receive a federal premium credit, employer pays the lesser of \$3,000 for each employee receiving a federal premium credit or \$2,000 for each full-time employee

## Other Provisions:

- Insurers banned from discriminating against health status (pre-existing conditions), so costs won't skyrocket if an employee gets sick
- Clear language required on insurance forms to make it easier to understand what benefits and doctors are covered through a given plan
- Annual limits on coverage prohibited
- Deductibles limited to \$2,000 for individuals and \$4,000 for families in small group market

## Useful websites:

**IRS and Small Business Tax Credits Info:** <http://www.irs.gov/newsroom/article/0,,id=220839,00.html>

**Information for Nonprofits:** <http://www.councilofnonprofits.org/public-policy/federal-policy-issues/health-care-reform/small-employer-credit>

**Tax credit calculator for small businesses:** <http://smallbusinessmajority.org/tax-credit-calculator/>

**Health care law and Maine Small businesses further info:** <http://www.maine cahc.org/othernews/100416WhatHCRMeansforMaineSmallBusinesses.htm>