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HEALTH CARE REFORM & YOU **New Help for Small Businesses and Their Workers**

STATEWIDE – About 80 percent of American businesses employ fewer than 10 workers, and less than half of these firms offer health insurance. The new health care reform law helps small businesses provide health coverage for their employees – and gives new benefits and protections for workers.

“Like those who work for big businesses, nonprofits and government, small business employees want access to affordable health insurance and wellness programs,” says Deborah Banda, state director of AARP Massachusetts, which represents more than 800,000 members age 50 and older in the Bay State. “The new health reform law brings us closer to that reality by helping small businesses with the cost of health coverage through tax credits and government grants.”

This year, businesses with fewer than 25 full-time workers that earn an average salary of \$50,000 or less per year will get an immediate tax credit of up to 35 percent on the premiums they pay for employees’ health coverage. This credit rises to 50 percent in 2014. How much of the credit an individual business will receive depends on how many workers it employs and their average wage.

Further, starting in 2011, small businesses can get government grants for up to five years to establish wellness programs. They can also begin to offer “cafeteria” plans which allow employees to transfer before-tax earnings into accounts that can be used for medical expenses.

“While the new health care law brings some specific, new benefits to small businesses, other provisions of the law are already a reality in Massachusetts due to the state’s landmark reform initiative,” Banda explains. “For example, businesses already pay a penalty if they don’t provide health coverage, and they can purchase insurance for their employees through the commonwealth’s Health Connector, our version of a state exchange.

“For workers,” Banda continues, “if their employer doesn’t offer health insurance, they can currently purchase it through the Connector, and subsidies are available to those with low and moderate incomes.”

The new law brings additional benefits and protections to small business employees. In fact, those who have health insurance will receive the same new benefits as those who work for large employers with group health plans. Starting this September, all new health plans must provide preventative services and screenings for free, and insurance companies can no longer place lifetime limits on what they will pay for your care; annual limits will be eliminated in 2014. Insurance companies will also have to spend a large portion of the money you pay for coverage on medical care, as opposed to profits or overhead; this change goes into effect in January 2011.

Other benefits include:

- **If you have children:** Adult children can be covered until they turn 26, if your insurance offers a family plan (this benefit is already available in Massachusetts). Further, as of this fall, no child under age 19 can be denied coverage because of preexisting medical conditions.
- **If you want to insure for long-term care:** New long-term care insurance will be available to help you remain in your home if you become disabled or sick. For those with employers that take part in the long-term care insurance program, starting as soon as next year, employees can choose to pay monthly premiums through payroll deductions. Once you have paid the premiums for five years and have worked at least three of those years, you will be eligible for program benefits, including cash towards the cost of long-term care services, from home aides to wheelchair ramps, should you need them.

To learn more – or ask your own questions – please visit AARP’s web page that is devoted to providing information about the health care reform law: www.aarp.org/getthefacts. To receive a free informational brochure, “How the New Health Care Law Benefits You (D19272),” call AARP Massachusetts toll free at 1-866-448-3621.

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