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Vital Business Solutions Newsletter

Affordable Care Act

*Open Enrollment in the Health Insurance Marketplace Begins 10/1/2013
Action Required*

It's not too soon to start planning for more changes that are associated with Affordable Care Act. Small Business Health Options Program (SHOP) will be launched in 2014. SHOP will enable small businesses to locate and acquire health insurance for their employees in a more simplified manner.

Information will be provided in October 2013 but below is a summary of what employers should expect:

- **Coverage control** will allow employers to control the level of coverage they offer and how much to contribute toward the employee's coverage.
- **Access to Small Business Healthcare Tax Credit**, which can cover as much as 50% of the employer contribution toward premium costs for eligible employers who have low- to moderate-wage workers. In addition, When insurance is acquired through the SHOP, small businesses will be able to take advantage of other tax breaks, including the opportunity for employers and employees to make premium payments with pre-tax dollars.
- **New consumer protections** will include new limits on the higher premiums insurers can charge businesses with older employees; an employee with high health care costs will no longer increase the employers' group's premium; and new limits on the share of premiums going to insurers' profits and administrative costs.
- **Insurance plans in the SHOP will be run by private health insurance companies** similar to the way small group plans are run now. "All plans will offer the same benefits as a "typical" employer plan, including real protection against financial catastrophe." (Healthcare.gov) Plan information will be presented in a clear, concise format to make it easier for employers and employees to compare plans based on price, coverage, quality, and other important features.
- **Employers will have the option to shop for themselves or use an existing insurance broker.** For employers who choose to use the SHOP themselves, it will be easy to compare pricing and coverage, submit a single application, and choose the level of coverage that works for their budget, business, and employees.

Employers will be able to receive more information in October 2013. However, it is a good idea to begin to prepare a strategy and assign resources for open enrollment and develop a communication plan to inform employees of any changes.

We will keep you updated regarding State Health Insurance Exchanges once the information is released to the public.

Source:

(n.d. About the Health Insurance Marketplace - Small Businesses, retrieved 2013, May 24 from <http://www.healthcare.gov/marketplace/small-businesses/index.html>).

Also read: [7 things you can do to get ready now](#)

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