

A benefit of health-care law

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After more than a year of intense debate followed by the passage of the national health-care reform bill in March, many people are anxious to see the landmark law's promised benefits.

Fortunately, the wait is over for Alabama's small businesses. At a time when the communities around this state sorely need an economic boost, thousands of Alabama's small businesses are eligible for significant benefits.

For 2010, more than 50,000 Alabama small businesses with fewer than 25 employees are eligible for a tax credit to help pay the cost of providing employee health coverage, and nearly 16,000 of the state's smallest businesses, those with fewer than 10 workers, qualify for the maximum 35 percent credit. The maximum credit for non-profit small businesses, which already receive tax benefits due to their status, is 25 percent.

In all, approximately 88 percent of Alabama's small businesses with fewer than 25 employees are eligible for the credit. These figures are from a report recently released by the consumer health organization Families USA and the small business advocacy group Small Business Majority. Additionally, beginning in 2014, the maximum tax credit will rise to 50 percent for traditional small businesses and 35 percent for small non-profits, further buoying those businesses providing health coverage for their employees.

In Alabama and throughout the country, small businesses are a vital part of local economies, and they face a more difficult time than larger businesses in providing health-insurance benefits for their employees. According to Ron Pollack, executive director of Families USA, the smallest of these businesses — those with fewer than 10 workers — paid almost \$350 more per employee in health-insurance premiums in 2008 than businesses with 50 or more workers. Thanks to this tax credit provision of the new health-care law, small businesses will now encounter a more level playing field in the health-insurance marketplace.

The benefits to small businesses do not stop there, however. As of July 1, Alabama small business owners, as well as individuals, may review all health-coverage options available to them online at healthcare.gov, a user-friendly website established by the U.S. Department of Health and Human Services. Also beginning this year, the new law establishes a process for reviewing health-plan premiums by insurance companies and requires them to justify any increases.

Additionally, in 2011, grants will be available to employers to assist them in providing their

employees with access to comprehensive workplace wellness programs. Then, by the start of 2014 when Alabama's health-insurance exchange is in place, small businesses will be easily able to compare an array of competing health-insurance plans all meeting minimum coverage requirements and purchase coverage for their employees at lower rates.

In short, the new health-care law is a tremendous help to Alabama small businesses and their employees. Because of the critical role these businesses play in the communities around our state and their importance to our overall economy, what is good for them will benefit us all.

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