

ABC and Small Business

Senate Bill 1137 would help small businesses in several ways:

1) Rewards small low-wage businesses that *already* provide health care coverage by establishing \$42 million CARE grant program to make coverage more affordable

Employers are eligible if they have:

- at least 2 but not more than 50 employees
- an average annual wage not more than 300% of the federal poverty level (FPL)
- state tax liability in the year application is made
- provided health care coverage for employees for at least 12 consecutive months before applying for the CARE grant (excluding PA ABC)

Grant amounts:

- a maximum of 25% of costs paid to maintain coverage for employees, not to exceed the amount of taxes owed
- a maximum of 50% of taxes paid for coverage if coverage provided to employee and spouse and/or dependents

2) Provides help to low-income employees who can't take advantage of employer-sponsored health insurance because they can't afford the premium

Employees can get assistance paying the premium for their employer-sponsored health insurance if:

- they have been uninsured for 180 days
- they have income below 200% of the FPL

3) Offers small, low-wage businesses that can't provide health insurance coverage an affordable way to do so, through the PA Access to Better Care (ABC program)

Employers can participate if they have:

- at least 2 but not more than 50 employees working at least 20 hours per week
- an average annual wage not more than 300% of the federal poverty level
- not offered health insurance to employees for previous 180 days
- offer the opportunity to participate to all eligible employees, enroll at least half and allow pre-tax deduction of employee share

Costs and Benefits

- Expected premium is \$300 per month during the first year - \$150 paid by employer, remaining \$150 by participating employees
- Employees earning less than 200% of the FPL can apply for state subsidy; those with family income below 200% of the FPL will have no cost; those with income between 200% and 300% of the FPL will pay between \$40 and \$50 per month
- Employers may offer an HSA plan to employees with income above 200% of the FPL
- ABC will provide comprehensive benefits, including health assessment and chronic care management at a low cost, because of the large pool of participants