

CARE Grants for Small Businesses

How does ABC help small businesses that already offer coverage?

ABC offers small employers grants to ensure they maintain their commitment to providing health care coverage.

- This plan provides \$42 million for CARE (Continuing Access with Relief for Employers) Grants for small employers that already provide health insurance to employees.
- CARE will provide up to 25% of the cost of each employee covered by a health insurance plan up to the amount of the employer's tax liability. Small employers who offer health insurance are eligible for a grant from the state to help defray up to 25% the cost of providing health care for those employees who are covered as individuals and 50 % of the cost of providing health care to the employee if coverage extends to his/her family. In order to receive the CARE grant as an eligible employer must have between and two and 50 employees and pay for health care insurance approved by the Insurance Department. The employer's package can be a traditional insurance package or some sort of H.S.A.
- Pennsylvania will be one of the first states in the nation to provide financial assistance to our small employers who are doing the "right thing" by providing insurance to their employees.

Pennsylvania's CARE grant will put Pennsylvania first in the nation for providing help to small employers who are doing the right thing and offering their employees health insurance.

Eligible employers who do not offer health benefits can sign up for ABC and finally offer their employees health care. By signing up for ABC the employer, the employee and the Commonwealth will share the cost of the insurance. An eligible employer is the same as an employer who is eligible for the CARE grant – two to 50 employees, with an average wage of \$31,000. The employer will be required to contribute at least 50% of the total monthly cost for each employee or not less than \$150 dollars, the employee will have a monthly premium of up to \$60 per month depending on their income and the application for subsidy.

What are Care Grants?

Continuing Access with Relief for Employer (CARE) credits are available to small low-wage employers (2-50 full time equivalent employees) who meet the following requirements:

- Has maintained coverage for at least 12 month prior to the effective date of the ABC legislation.
- Has incurred a health care expense in PA
- Has a tax liability for the year in which the application for the CARE grant is made.
- Applies for a grant providing all needed information

Those qualifying for grants will receive 25% of the employees' health care expense or 50% of the employees, spouse and and/or dependents health care expense. Grants cannot exceed the funds appropriated for the year and application cannot be carried over to future years.