



WE MEAN BUSINESS

Small Business Marketplace

Affordable Insurance Coming in 2014

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**Small Business
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NY State of Health: Plan Tiers



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- Qualified Health Plans available in tiers based on actuarial value:
 - Platinum (90%)
 - Gold (80%)
 - Silver (70%)
 - Bronze (60%)
 - Catastrophic (<30 years old)
- Amount of cost-sharing will depend on the tier.



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NY Individual and Small Business Marketplaces



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- Online marketplaces are like “Orbitz” with an interface like “Turbo Tax”

Individual Marketplace

- Sole proprietors (and individuals)
- Insurance subsidies

Small Business Marketplace

- Businesses with 2-50 employees
- Tax Credits for small businesses

- Open enrollment for both starts October 1, 2013
 - Coverage begins January 1, 2014
 - 450,000 small business employees may get covered in the Marketplace



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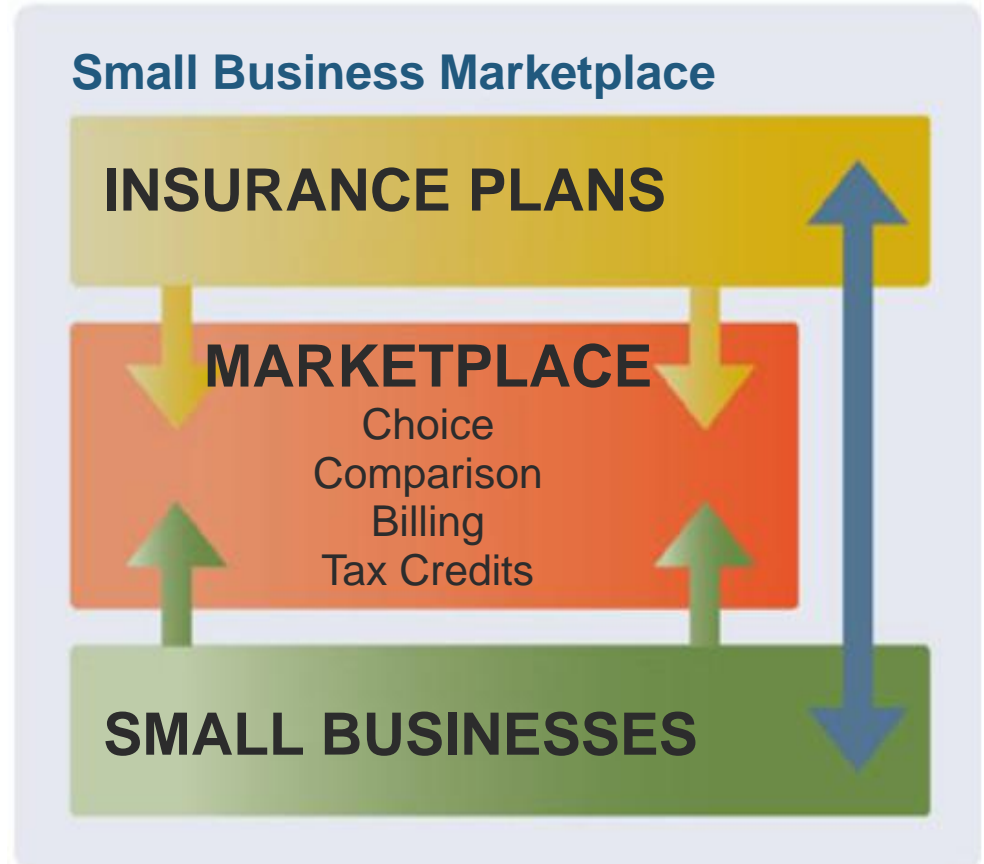
Small Business Marketplace

Basics

- One-stop **web portal**
- Picture **kayak.com**, but for health insurance
- **Lower costs** (5 - 22% lower in small group market)
- Tool to **compare** plans and calculate costs
- **Streamlined** billing
- Firms can still **choose** to bypass the Marketplace



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NY State of Health

Employer Coverage Options



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- Select among Qualified Health Plans offered by a specific carrier
- Select specific Qualified Health Plans offered by multiple carriers
- Select a metal tier of coverage
- Allow employees to select any Marketplace Qualified Health Plan



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Employer Contribution Options



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- Uncapped percentage
 - For example, employer pays 55% of premium
- Capped percentage
 - For example, employer pays 55% of premium, up to \$300
- Defined dollar amount
 - For example, employer pays \$300 per month



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Broker Information

- Same compensation (inside/outside Marketplace)
- Individual & Small Business Marketplace certification required
 - SBM Certification = 8 CE credits
 - Individual (pending)
- List of Marketplace certified Brokers will be available online and customer service center.
 - Broker affiliations will be listed
- Broker portal
 - Brokers will manage own accounts
 - SBM will issue one bill to employers (and pay carriers)



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Consumer Assistance



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You can get help enrolling in coverage:

- Online
 - Webchat for assistance
- In-Person
 - In-person Assistors/Navigators
 - Agents & Brokers
- Phone/Customer Service Center
 - Weekday & weekend hours
 - Assistance will be available in most languages

Employer Notice Requirement

Employers must inform employees about the Marketplace



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- **Here are some of the details:**
 - Employers subject to the Fair Labor Standards Act (FLSA)
 - To all employees (full-time and part-time)
 - Notice to current employees by October 1, 2013. For new employees, notice must be given within 14 days of start date
 - Notice must be in writing “in a manner calculated to be understood by the average employee.”



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Employer Notice Requirement

Content of Notification



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- **Employers must notify employees of the following:**
 - Existence of NY's Marketplace, including a description of how the employee may contact the Marketplace for assistance.
 - If applicable, whether the health plan offered has minimum value (i.e., it pays 60% of the costs of benefits)
 - Employees may be eligible for a premium tax credit and cost-sharing reduction through the Marketplace.
 - Employee may lose the employer's contribution to health benefits offered by the employer if employee purchases insurance through the Marketplace.



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Small Business Tax Credits



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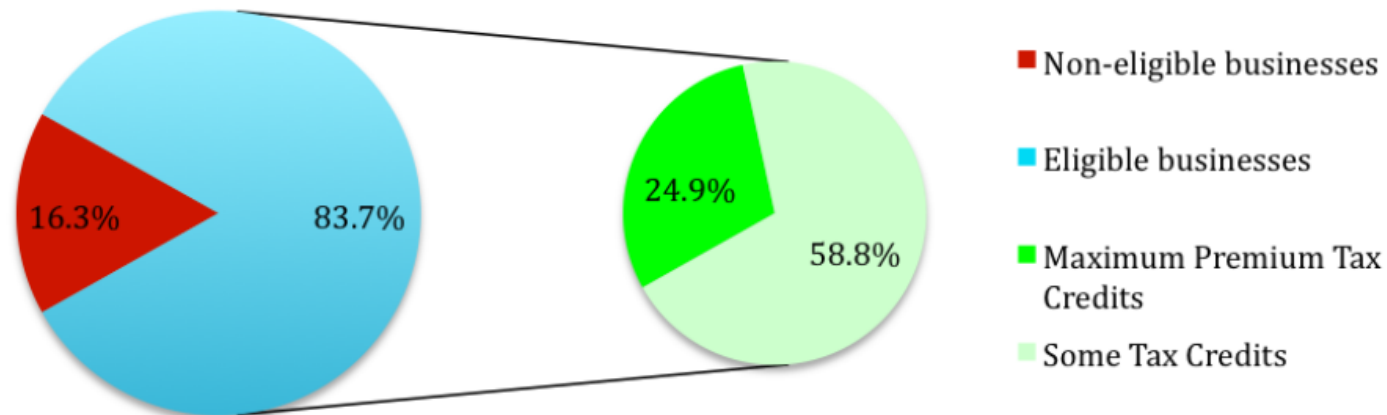
Tax Credits

Lots of businesses eligible



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- 81% of small businesses in New York State eligible (285,000 firms)
- Many eligible employers do not know about the credits, which has led to a slow start.



Source: Small Business Majority Survey

ACA Tax Credits have already benefited 360,000 small businesses in the U.S. covering 2 million workers.



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Tax Credits

What are we talking about?



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- Deductions vs. Credits
 - Deductions lower taxable income.
 - Tax credits directly reduce tax due (“dollar-for-dollar”).
- \$2,000 Credit vs. \$2,000 Deduction:

Tax Impact:	Deduction	Credit
Base taxable Income	\$10,000	\$10,000
Deduction	\$2,000	N/A
Taxable Income	\$8,000	\$10,000
Tax @ 30% Rate	\$2,400	\$3,000
Credit	N/A	\$2,000
Tax to be Paid	\$2,400	\$1,000
Savings	\$600	\$2,000



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Tax Credits

Which employers are eligible?



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- Fewer than **25** full-time (equivalent) employees (FTE)
 - Two half-time employees count like one full-time employee
- Average annual wages less than **\$50,000**
 - Not counting wages of the owner or her family
- Employer pays **at least 50%** of premium cost
- Non-profits also eligible

(Available NOW!)



Tax Credits

How to claim the credit



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- Claim credit using IRS Form 8941 available at www.irs.gov
- Credit can be reflected in determining estimated tax advances
- Credit applies towards income tax, not employment taxes
- Credit can be carried forward and backward

Talk to your accountant!



More Resources



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Employer Coverage Responsibilities

- www.healthcare.gov/using-insurance/employers/index.html

Tax Credits

- www.healthcare.gov/law/features/employers/small-employer-tax-credit/index.html
- www.irs.gov/newsroom/article/0,,id=223666,00.html
- www.irs.gov/pub/irs-pdf/i8941.pdf

Marketplaces

- www.nystateofhealth.ny.gov/
- **1-855-355-5777**
- www.healthcare.gov/law/features/choices/exchanges/index.html

Rate Review

- www.dfs.ny.gov/insurance/health/prior_app/prior_app.htm
- companyprofiles.healthcare.gov