



Dear Small Business Owner:

California is home to 3 million small businesses now struggling to afford health insurance for themselves and their employees. Many of these businesses have seen double-digit increases for the last seven years and have been forced to reduce or drop their coverage because they simply can't afford it.

The nation's new health care law will finally level the playing field for small businesses so they can purchase health coverage without being declined, lowering costs, increasing coverage and improving wellness in the workforce.

While not perfect, the national health care reform law has thrown a lifeline to small businesses on several levels by using:

- **Tax credits** - California businesses with less than 25 employees and an average salary of less than \$50,000 a year are eligible for up to a 35 percent small business credit until 2014. After that, the credit increases to 50 percent. This makes health insurance more affordable and all small businesses, even if they are already providing coverage, are eligible if they meet the criteria.
- **Cost Controls** - The establishment of health care exchanges will give group purchasing power to small businesses, resulting in lower costs. The exchanges will act as a clearinghouse of information so small businesses will have access to information they can understand and use to bring down business costs. Wellness and preventive programs will bring down costs because fewer employees will be out sick. There will be pilot projects giving small businesses comparisons on the effectiveness of different health care providers in the areas of cost and quality.
- **Health Care Exchanges** - Small businesses now pay 18 percent more for health care than larger businesses and usually receive fewer comprehensive benefits. The exchange will allow small businesses to band together to purchase insurance giving them the type of clout that large businesses enjoy when negotiating for coverage.

Sincerely,



Scott Hauge, President
Small Business California

For more information go to www.smallbusinesscalifornia.org

A message from The California Endowment:

From a public health perspective, an expansion of health coverage to small business employees will result in millions more Californians with access to the primary and preventive care they need to stay healthy. Healthy workers mean less missed days and a more productive workforce—a win/win for California's small businesses.

This information was made possible by:



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