

# Small Business

fact sheet



Kentucky's Healthcare Connection

Quality Health Coverage. For Every Kentuckian.



## New options for health coverage are good for business.

As an employer, you want to do what is best for your employees and your business. You may have found a lack of health insurance options to meet the needs of your business. kynect can help.

kynect is a health insurance marketplace that gives small businesses access to a new range of health plan choices, including group plans that you might think are offered only to large companies. kynect makes it easier to compare a variety of qualified health plans from private insurance companies. As the employer, you decide the level of coverage provided to your employees. This is how much a health plan will cover of your employees' medical expenses. To help you make that decision, all health plans starting in 2014 will be classified into one of four metal categories:



As the metal level increases in value, so does the percentage of medical expenses that a plan will cover. This means that the platinum level plan will cover the highest portion of medical costs at time of care. It will also have the highest premium cost. You can choose a plan with a higher premium and pay a lower out-of-pocket cost. Or, you can choose a plan with a lower premium and pay a higher out-of-pocket cost.

## SHOP for lower insurance costs.

kynect will assist small group employers in enrolling their employees in health plans through the Small Business Health Options Program (SHOP). Small businesses can use kynect if they have 50 or fewer employees. Tax credits may be available for businesses with 25 or fewer employees. To qualify for tax credits through kynect, a business must meet three requirements:

1. Employ fewer than 25 full-time employees.
2. Pay at least 50% of the premium for employees.
3. Meet a group average annual wage of less than \$50,000.

### Example of A Small Business Receiving Tax Credits

	Beauty Shop with 10 Employees
Business	Main Street Hair
Employees	10 full-time employees
Wages	\$250,000 total or an average of \$25,000 per employee
Employee Health Insurance Cost	\$70,000
2013 Tax Credit	\$24,500 (35%)
2014 Tax Credit	\$35,000 (50%)

To learn more about tax credits, please consult the interactive calculator for Small Business Tax Credits at [healthbenefitexchange.ky.gov](http://healthbenefitexchange.ky.gov). Tax credit amounts may vary based on employee size and average annual wages.



[kynect.ky.gov](http://kynect.ky.gov)

## Simplified solutions, greater choice.

kynect will help you provide affordable insurance to your employees and make it easy to manage. You make the big decisions. We help with the details and billing.

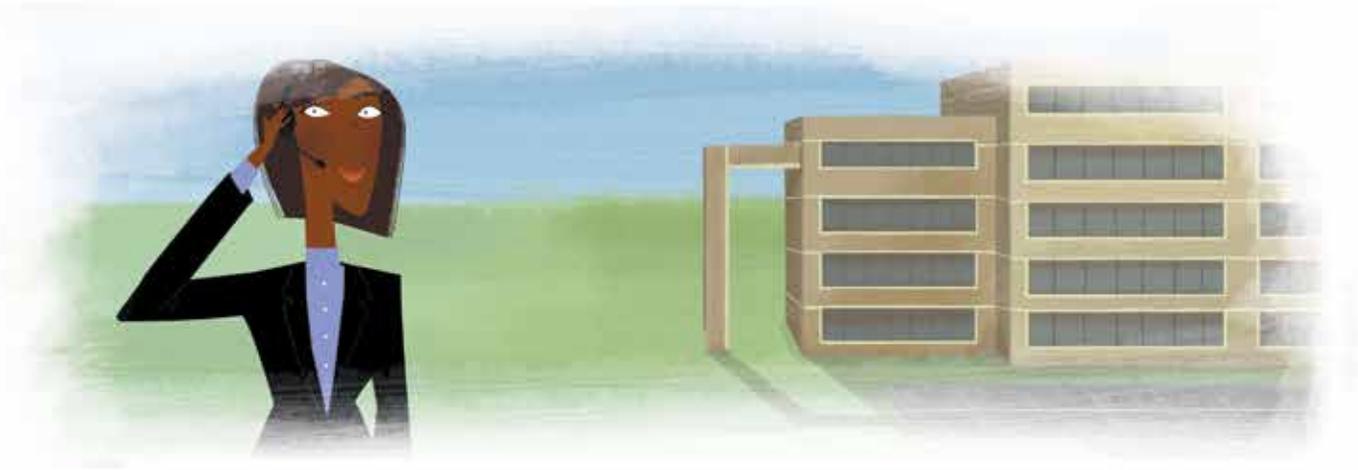
- **Easy comparisons.** kynect lets you easily compare a variety of health plans offered by private insurers. Plans on kynect follow a new set of consumer-friendly rules. Everything you need is available online, by phone or in person.
- **Employer choice.** You decide whether or when to participate in kynect. There is no designated open-enrollment period. After October 1, 2013, you can enroll according to your policy's renewal date or whenever you choose.
- **Employer control.** You choose the level of coverage, the amount of your contribution toward your employees' coverage and any amount you may want to contribute to family or dependent care. If you don't want to contribute to dependent coverage, you can encourage your employees to contact kynect to buy individual coverage for their family members.
- **Expanded choices.** kynect levels the playing field by giving you and your employees access to more plans.
- **No unexpected costs.** Your costs remain the same no matter which plans your employees choose because you control the amount of your contribution. This helps you control your budget.
- **Simple administration.** One monthly bill. Plus, you can keep working with your current insurance agent. If you aren't working with an insurance agent, kynect can help you find an insurance agent or provide other assistance at no cost to you.

## Coverage can begin as soon as January 2014.

Employer-sponsored health insurance is valuable for a number of reasons. People who are insured are protected against uncertain and high medical expenses. They are more likely to get healthcare. Health insurance also improves health outcomes and lowers mortality.

Employers with more than 50 full-time employees that do not offer affordable insurance or offer coverage that does not meet the minimum standards will be subject to penalties starting in January 2014. Businesses with 50 or fewer full-time employees that do not provide health coverage will not face a penalty.

Employees with health insurance are more likely to be productive workers. Offering health insurance can also help your business attract employees. It is a good business decision because of the favorable tax treatment to both the employer and the employee.



With almost half of all Americans receiving their health insurance from their employers, you – the business owner – play an important role. Many small businesses already offer health coverage. It helps them recruit and retain employees who are healthier, happier and more productive. kynect is good business for you and your employees.

To learn more about tax credits, please consult the interactive calculator for Small Business Tax Credits at [healthbenefitexchange.ky.gov](http://healthbenefitexchange.ky.gov).



[kynect.ky.gov](http://kynect.ky.gov)