

Let's Understand Healthcare
Reform Together



How Healthcare Reform Affects Small Businesses

In 2014, you'll see a lot of changes as a result of healthcare reform. We're here to help you understand what you need to know (and do) to make the most of those changes. You'll learn about available tax credits, how your Blue Cross & Blue Shield of Rhode Island (Blue Cross) plan will be affected, and other important information.

5 simple steps to get ready

The steps below explain how you can prepare for the upcoming healthcare reform changes. You can find additional information by visiting bcbsri.com/healthcarereform.

1. See if you are eligible for tax credits to help lower your health benefit costs.

Small businesses may be eligible for a tax credit to offset the cost of providing health insurance to employees. To qualify, small businesses must:

- Have 25 or fewer full-time equivalent employees.
- Pay at least 50 percent of employees' health insurance premiums.
- Pay annual average wages that are below \$50,000 per full-time employee.

2. Learn about the new levels of coverage.

To help you compare and buy plans, all plans will be categorized into one of four metallic levels: Platinum, Gold, Silver, and Bronze. Plans within each of these levels have the same actuarial value, which means that they provide a similar amount of coverage to the average member. The more healthcare costs your plan covers, the higher the plan's actuarial value.

As shown in the chart below, there is a higher premium for plans with higher actuarial values, but your employees pay less for healthcare expenses such as doctor visits and lab tests.

	Platinum Plan	Gold Plan	Silver Plan	Bronze Plan
Actuarial value What the plan pays, on <i>average</i> , for healthcare expenses	90% (Employees pay 10%.)	80% (Employees pay 20%.)	70% (Employees pay 30%.)	60% (Employees pay 40%.)
Premium cost	\$\$\$\$	\$\$\$	\$\$	\$
Cost when employees get care	\$	\$\$	\$\$\$	\$\$\$\$
When to choose it	If you want the richest plan for employees	If you want to save on premiums but also keep employees' costs for healthcare expenses low	If you want to strike a balance between premium costs and employees' costs for healthcare expenses	If you want the lowest premium

3. Review how your healthcare will change upon renewal.

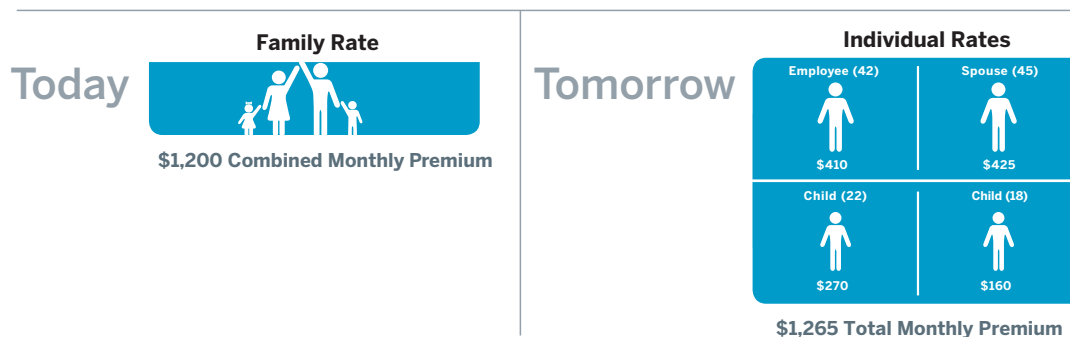
When you renew your plan in 2014, we'll ensure that you renew into a plan that offers compliant benefits. The Affordable Care Act provides new options and benefits to you and your employees.

2014 Changes to Small Employer Plans

Expanded benefits	Deductible limits	New limits on how much you pay
Health plans must cover 10 categories of essential health benefits without annual or lifetime dollar maximums. Many of these benefits were already included in your plan, such as hospital care and laboratory services. However, others are new, such as children's dental and vision coverage.	Deductibles cannot be more than:* <ul style="list-style-type: none"> • \$2,000 for individual coverage • \$4,000 for family coverage <p><i>* Certain exceptions may apply.</i></p>	In 2014, the out-of-pocket maximum cannot be more than: <ul style="list-style-type: none"> • \$6,350 for individual coverage • \$12,700 for family coverage <p>An out-of-pocket maximum is the maximum amount, per year, employees are required to pay out of their own pocket after paying any deductible and/or coinsurance requirements. Cost sharing on all essential health benefits will apply to the out-of-pocket maximum.</p>

4. Understand how your new premiums will be calculated.

When your plan renews, your 2014 health premiums will be based only on your employees' ages and the ages of their covered dependents. Contract type (for example, an individual-only plan or a family plan), gender, and health status are not used to determine premiums. The family premium will be calculated by adding up the individual monthly premium amount for all family members. Families will never pay for more than three dependent children under age 21.



5. Consider how you want to purchase your Blue Cross plan.

All your 2014 health plan options will include the changes required by healthcare reform (see #3 for details). You have two options:

- You can select a Blue Cross plan to offer your employees just like you do today, and purchase it directly through us or your broker.
- You can purchase Blue Cross plans through HealthSource RI, our state's health insurance marketplace (also called an exchange). You can select a plan to offer your employees or offer a choice of any plan available. Beginning in 2014, HealthSource RI is the only place where you can receive small business tax credits.

As it gets closer to your renewal date, you'll hear more from us about healthcare reform and your 2014 plan options. If you have any questions in the meantime, please contact your Blue Cross sales representative or broker.

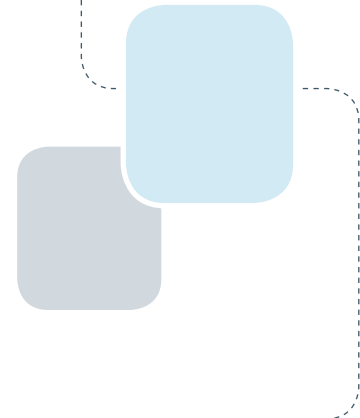
Are **small employers** required to offer coverage?

No. If you have fewer than 50 full-time employees or combination of full-time employees and full-time equivalent employees, you don't have to offer health insurance.

Under the Affordable Care Act:

- Employees who work an average of 30 or more hours per week are considered full-time.
- Full-time equivalent employees are determined by adding up all of the hours worked by part-time employees in a month and dividing by 120.

Large employers are required to offer coverage starting in 2015 or pay a penalty. Learn more by visiting bcbsri.com/healthcarereform.



New! Learn more online

On the new bcbsri.com/healthcarereform, you'll find:

- More information on the small business tax credit
- An explanation of HealthSource RI
- A timeline, FAQs, glossary and more!

