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Approval of Healthcare Reform Bill a Win for California Small Businesses

Statement by John Arensmeyer, founder and CEO of Small Business Majority, regarding Gov. Brown's signing of AB 1083—legislation that will align state law with federal healthcare reform, save small businesses money:

Today, Gov. Jerry Brown signed legislation essential to helping California small business owners save money on their healthcare bills. AB 1083, sponsored by Small Business Majority and Health Access California, will conform state law to the federal healthcare law, the Affordable Care Act. Essentially, the new law will prevent small businesses from seeing spikes in insurance premiums based on the health status, age or gender of their workers.

According to our <u>opinion polling</u>, 71 percent of California small business owners who don't offer health insurance to their employees say it's because they can't afford it. Reforms in the Affordable Care Act aim to make health coverage more affordable, and AB 1083 helps do this by bringing California's small employer market into alignment with the federal law.

Specifically, this bill includes three major reforms that are essential to saving small businesses money:

- It will do away with the practice of basing small businesses' premiums on the health status and gender of their workers. No longer will small employers see their healthcare costs skyrocket when one of their employees gets sick.
- AB 1083 places new limits on how much more a small business can be charged for its older workers (3:1). With this new limit in place, businesses that have an older workforce will be able to be more competitive with businesses that hire young, healthy workers.
- It will open up the small group market to firms with up to 100 workers starting in 2016, ensuring even more employers and their employees have access to affordable coverage. While California law currently has many protections in place for small businesses, firms lose many of those protections once they grow to over 50 workers. Including firms with up to 100 workers will benefit these larger companies and their employees.

We're pleased the governor signed this important bill and that California is taking a lead role in implementing reforms in the Affordable Care Act. Our state's small businesses, and our economy as a whole, will be better off for it.

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Who is the Small Business Majority?

Small Business Majority is a national small business advocacy organization, founded and run by small business owners, to support America's 28 million small businesses. We conduct extensive opinion and economic research and work with our rapidly growing network of small business owners across the country to ensure their voices are an integral part of the public policy debate. Learn more about us on Wikipedia and follow us on Twitter and Facebook. We also host the Health Coverage Guide, an independent, unbiased source of information for small businesses about health insurance.