



Senate Finance Committee
Markup Report September 22:

Today, the Senate Finance Committee began “marking up” its bill and Chair Baucus presented his modified version of the bill. A description of the bill with respect to small business issues is posted on the WIPP website’s healthcare policy page under [Overview of Baucus Bill](#). SHOP is defined as the small business pool administered through the states.

Small Business Modifications:

1) State wide Exchanges or “State Pool”:

Senators Snowe and Lincoln – Beginning in 2017, small businesses **up to 100** employees can purchase coverage through the SHOP health insurance exchange beginning in 2017.

The modification requires states to allow employers with **more than 100** employees into the state exchange beginning in 2017.

A modification offered by Senator Snowe that would allow small businesses that grow beyond the upper employee limit in the SHOP exchange to continue to purchase health insurance through the SHOP exchange.

2) What benefits are covered under small and individual market?

A modification offered by Senator Snowe that requires small employers to provide a plan with a deductible that does not exceed \$2,000 for individuals and \$4,000 for families, unless offering contributions which offset any increase in deductible above these limits.

3) Tax Credits:

A modification offered by Senators Kerry, Snowe, Schumer, Lincoln, Cantwell that will extend the small business tax credit to charitable organizations. However, the tax credit will be limited to 25% for Phase I credits and 35% for Phase II.

The small business tax credit is otherwise calculated in the same manner for tax exempt organizations that are qualified small employers as the tax credit is calculated for all other qualified small employers.

Charitable organizations will be eligible to apply the tax credit against the organization's liability as an employer for payroll taxes for the taxable year to the extent of the amount of income tax and hospital insurance tax withheld from its employees and the amount of

the hospital tax imposed on the organization. However, the charitable organization will not be eligible for a credit in excess of the amount of these payroll taxes.

4) Individual Mandate:

The bill requires all U.S. citizens to obtain qualifying health coverage.

However a modification offered by Senators Schumer and Snowe would decrease the yearly penalty year for families with income above 300% the Federal Poverty Level from \$3,800 to \$1,900, if coverage is not obtained.

5) Wellness and Prevention:

A modification offered by Senator Carper that adds a new section, Grants for Small Businesses to Provide Comprehensive Workplace Wellness Programs, to the bill.

This modification provides \$200 million to the Secretary of Health and Human Services for up to five years to make grants to small businesses with less than 100 employees (full and or part-time workers) to provide access to comprehensive, evidence-based workplace wellness programs. Qualifying programs will include the following components that have proven to be effective in helping employees make healthier choices: health awareness (such as health education, preventive screenings and health risk assessments), employee engagement (such as mechanisms to encourage employee participation), behavioral change (elements proven to help alter unhealthy lifestyles such as counseling, seminars, on-line programs, self help materials) and supportive environment (such as creating on-site policies that encourage health lifestyles, health eating, physical activity and mental health).

In order for a program to be a qualified wellness program, all employees would be required to be eligible to participate in the program. A qualified wellness program would be required to be consistent with evidence-based research and best practices, as determined by the Secretary, such as research and practices described in the Guide to Community Preventive Services and Guide to Clinical Preventive Services and the National Registry for Effective Programs. Grant money from this amendment would only be available for employers that are not providing qualified wellness programs upon enactment of this Act.

6) Access to Capital:

A modification offered by Senator Snowe that allows Small Business Development Centers (SBDCs) to receive health insurance consumer assistance grants to assist small businesses.

7) Costs of the bill and Financing of the Cost:

The bill will cost \$856 billion over 10 years. CBO has estimated that there will be no impact on the deficit.