



President Obama Announces Proposal for Comprehensive Overhaul of the Nation's Healthcare and Insurance System

The President has announced his proposal for comprehensive overhaul of the nation's healthcare and insurance system. With respect to small business, here are some of the changes the President is suggesting that differ from the House and Senate passed bills. A new idea that the President incorporated in his proposal is the establishment of a Health Insurance Rate Authority. The Authority would provide federal oversight over rates insurance companies can charge. This rate review would require health insurers to submit their proposed rate increases to the state and federal government for review. Here are some of the changes that would affect small businesses specifically:

- Increases the threshold for the excise tax on the most expensive health plans (often referred to as Cadillac plans) from \$23,000 for a family plan to \$27,500.
- \$40 billion in tax credits for small businesses to defray employer provided healthcare costs
- Exempts companies with fewer than 50 workers from any employer mandated coverage
- For companies with over 50 employees who **do not** offer health insurance - imposes an assessment/tax of \$2,000 per employee. This is lower than the House proposal, which imposes an assessment/tax of \$3200 per employee.
- Keeps state insurance exchanges
- Does not address the ability of nationwide pooling of insurance

[Click here](#) to read the President's complete Proposal.