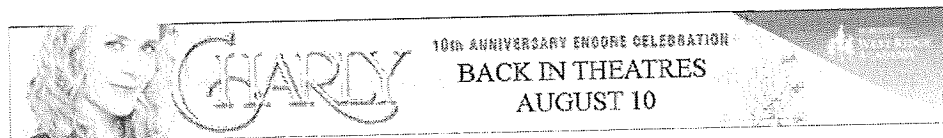


Deseret News



## Utah small business owners support high court health care ruling

By Jason Lee, Deseret News

Published: Thursday, June 28 2012 6:23 p.m. MDT

SALT LAKE CITY — A number of Utah small business owners are breathing a grateful sigh of relief in the wake of the U.S. Supreme Court's ruling upholding the provisions of the Patient Protection and Affordable Care Act.

The decision allows businesses — those with no more than 25 employees — to provide workers health insurance coverage and receive federal tax credits. Those eligible employees must be considered full-time making less than \$50,000 annually, according to Betsy Burton, owner of the King's English Bookshop in Salt Lake City.

She said the decision would help her provide affordable insurance coverage for her staff without threatening the solvency of her business.

"(The high cost of coverage) was killing us," she said.

Under the Affordable Care Act, her payroll costs fell from 30 percent of gross revenue down to 21 percent, "Which was huge!" she said. "Thirty percent of gross is not sustainable."

She said health care expenses had become so costly that she considered closing her business or dropping their insurance coverage. Now, she is glad that issue is no longer a consideration.

"Payroll costs are "what make or break you," Burton said. "We're doing better (financially) this year because of (the ACA)."

Burton said while there have been some campaigns launched by critics claiming that small business owners "hate" the ACA, that has not been her experience in conferring with fellow entrepreneurs.

"If you go from business to business and talk, it's just not true," she said. "There are lots of businesses that feel very strongly that this is a good thing."

Local health care advocates applauded the ruling as a step toward long-term health care affordability.

"Small businesses should be very pleased with today's ruling on the ACA, and here's why: The ACA is designed to stabilize the insurance market and bring down costs over time," said Judi Hilman, executive director of the Utah Health Policy Project. "Small businesses are given tax credits and other incentives to make it easier to offer and sustain coverage."

The ACA does not and will never force small businesses to offer insurance to their employees, she added.

According to the congressional Joint Committee on Taxation, noncompliance with the mandate is not subject to criminal or civil penalties under the tax code and interest does not accrue for failure to pay the penalty in a timely manner. For individuals who choose to not comply, the penalty is fairly mild at \$95 for 2014, \$325 for 2015 and \$695 in 2016.

After 2016, the \$695 amount will be indexed to the consumer price index. However, Congress specifically did not allow the use of liens and property seizures as methods of enforcing the penalty.

Nan Seymour, executive director of Utah First — a nonprofit organization that promotes support of locally owned businesses statewide — said she was very happy to see the ruling upheld.

"It feels like we might have a fighting chance to do the right thing for employees," Seymour said.

Prior to her position at Utah First, she was a local bakery owner for 17 years. Small businesses desire to do right by their employees, she said.

"The desire is very strong. It was always impossible for us to provide insurance," she said. "For the size of business we operated and the margins that we had, the burden of the expense was always something we very much wanted to do (but could not afford)."

John Arensmeyer, founder and chief executive officer of San Francisco-based Small Business Majority — a nonpartisan small business advocacy organization — praised the high court's decision as a benefit to small business.

"The U.S. Supreme Court's ruling today upholding the Affordable Care Act is a victory for small business owners who have struggled with the excessively high cost of health insurance for decades," he said.

The law will significantly rein in costs while providing more health coverage options for entrepreneurs, he said.

"Our opinion polling has found that small businesses support the law, believe health care reform is needed to fix the economy and they support key provisions, particularly the health care exchanges and tax credits," Arensmeyer said.

Contrary to popular belief, small business owners did not want the Affordable Care Act overturned, he claimed.

Polling released June 14 shows half of small business owners wanted the law upheld — either as it was or with minor changes — while only one-third wanted the Supreme Court to overturn it, he said.

"After learning more about the law, 56 percent want(ed) it kept intact with, at most, only minor changes," Arensmeyer said.

The Medicaid provision of the law is projected to add nearly 30 million more people to the insurance program for low-income Americans — but the court's decision left states free to opt out of the expansion if they choose.

Despite the opt out provision, Gov. Gary Herbert expressed extreme disappointment regarding the Supreme Court's decision.

"This law may be constitutional, but it's still bad policy," he said in a statement. "The Affordable Care Act imposes a one-size-fits-all plan on all states, effectively driving us to the lowest common denominator. It results in burdensome regulation, higher costs, and a massive, budget-busting Medicaid expansion."

*E-mail: [jlee@desnews.com](mailto:jlee@desnews.com)*

*Twitter: [JasenLee1](#)*

Copyright 2012, Deseret News Publishing Company