

## While Judges Squabble over ACA, Small Business Owners are Saving Money on Group Health Insurance



If you've been a part of the American workforce in the past decade, you've heard of the Affordable Care Act (ACA). Whether it's being debated and discussed on the news, getting voted through the House and Senate, or once it was [signed into law in March of 2010](#), the ACA has been a hot topic of discussion since its inception. But how this has, and continues to impact the lives of Americans as employees and business owners in the time since is still unfolding.

### **What is the ACA?**

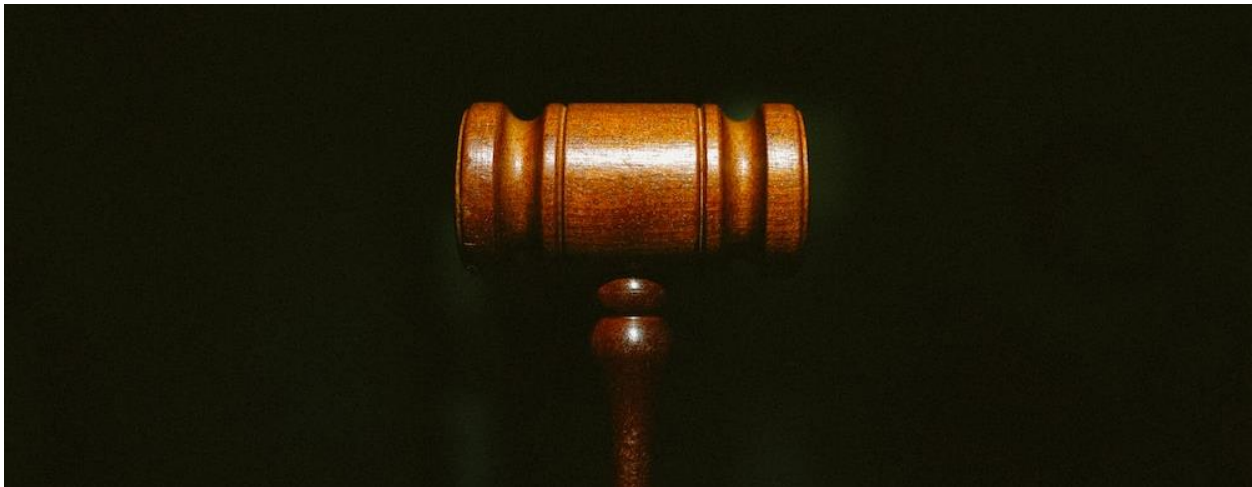


The Affordable Care Act, also known as "Obamacare" when it was first introduced in 2009, has been the cause of raging debate since its inception. While over time the circumstances in which the system was introduced have drastically changed, disagreements with the ACA have not.

The basic arguments both for and against the ACA come from those who believe the system goes too far, and those who think that it doesn't go far enough. The idea of the government encroaching on free enterprise of citizens looking to live their lives without interference butts up against the view of those

who see the government as a tool to mechanize the lives of an entire population to be better. While there certainly is the power to move into the betterment of people's lives, giving such power to the government has not historically been wielded judiciously for the betterment of every population. This battle wages on to this day in just about any direction the government may reach, leading to protests and arguments all the way.

Past the squabbles of government overreach, the camp who believes that the government hasn't moved far enough away from control by private insurance entities also has their concerns. When a system is entirely motivated by profit, the good of the people is commonly left behind. This leads to people who are doing well continuing to move upwards and onwards, while those left destitute are forgotten, or worse, managed as pawns to have resources moved away from those it may indeed help. With this goal comes another common issue: the lifting of the bottom of the ladder by means of making the lives of those who aren't having health issues pay higher premiums. As more people are expected to join the insurance pool, the risk tilts upwards for everyone. Where before people could be excluded from insurance premiums due to costly procedures or ongoing treatment, caring for that population moves people who have no such needs for expensive healthcare towards losing money regardless of their health and personal choices. Having to pay for the unfortunate circumstances (or worse, purposely poor choices) of others is seen as a major flaw in the way the ACA has been enacted. But personal views on how the ACA has impacted the country is just the beginning of its uphill battle to becoming a part of American life.



### **How Have Judges Fought the ACA?**

Since first being introduced to the American public in 2009, the Affordable Care Act has been the subject of legal scrutiny in the more than decade since. The benefits of a public with higher health outcomes up against a public looking to reduce healthcare costs has been the battleground for legal litigation all across the country. Four main contentions have so far found their way to the highest court in the land. They have argued:

1. **Contraception Cases** (2013, 2014, 2015, 2020) – Requiring organizations to provide contraception has been considered to be contentious by religious organizations specifically. Businesses such as [Hobby Lobby](#) and [religious non-profits](#) took issue with providing contraceptives to their employees, as they have religious reasons to see the practice as

encouraging coupling out of wedlock. This issue has resulted in the Supreme Court to rule that exemptions are permitted to organizations seeking to not provide contraceptives in varying degrees.

2. **Individual Mandate Case on Condition of Medicaid Funding (2012)** – Requiring states to comply with the individual mandate or risk losing federal funding for Medicaid was seen as a unscrupulous means to force states to comply to new federal rules. When the case was brought in front of the Supreme Court, they found that the individual mandate was constitutional, but withholding federal funding for Medicaid based on unrelated conditions was not.
3. **Health Insurance Subsidies on State-Operated Exchanges (2015)** – The wording that insurance subsidies were available for health plans purchased through “an exchange established by the state” meant that states opting to use [HealthCare.gov](https://www.healthcare.gov) instead of their own exchanges would be left out of those subsidies. The Supreme Court saw it in the best interests of the commonwealth to rule that health insurance purchased through [HealthCare.gov](https://www.healthcare.gov) would be eligible for health insurance subsidies.
4. **Lack of Enforcement means Lack of ACA (2021)** – Once the punishment of not being covered by health insurance dropped to \$0 in 2017, several states alleged that this meant that the Affordable Care Act of individual mandates were unenforceable, and therefore unconstitutional. The Supreme Court ruled that it could find that no harm was done, and since harm could not be proven, there was no need to rule on the constitutionality of the ACA.

The point of this list is clear- the ACA has been under constant scrutiny since being codified into law, both in terms of what it does and does not cover.

### **How Does This Affect Small Business?**

While all those court cases have been decided and continue to toil on, America still prides itself on being the land of opportunity. Incentives are created to encourage small businesses to be established, both for the personal freedom it endeavors and for the potential for small businesses to become large businesses, granting the country benefits in the form of technological advancement and GDP improvements.

With these goals in mind, the government litigates insurance aimed at small businesses differently than fully funded insurance programs usually found in larger businesses. All the court cases and judge rulings mentioned above do not apply to self or level-funded insurance policies which are steadily moving into the small business side of the equation.

It's been a long-standing assumption that self-funded insurance isn't a good fit for small businesses. Many different concerns have successfully kept small businesses on fully funded plans, such as: fear about large spikes in cost from month to month, losing access to their current network of providers, and not knowing how to even begin to operate health insurance without resorting to one of the big insurance companies. But thanks to changes in the framework of how self-funded insurance plans are structured, coupled with the assurance of available stop loss insurance, small business owners are creeping into the oasis free of administrative costs and federal litigation known as self-funded health insurance. With these changing tides have brought new opportunities that small business owners can take advantage of.



### **Money Left on the Table**

Because of the difference in levels of litigation and requirements associated with them, small business owners have a choice to make.

Surveys have concluded that as many as [71% of Americans are satisfied with their current employer-sponsored health plan](#). That means that when people are scrutinizing a potential workplace, the health insurance they provide is a top item for consideration. Additional coverage, time off in case of emergency or childbirth, and preventative care are all options listed and regulated under a fully funded health insurance plan.

But weighed against those benefits are the financial considerations at stake when choosing a self or level-funded health insurance plan for your business. Choosing to weigh the risk of your workers and their needs specifically against coverage and premiums is entirely at your command.

For example, while some people may prefer to be covered for any possible scrapes and bruises that life may throw at them, letting your employees keep more money out of their paychecks and opting for less than total coverage in case of emergency may be more worth it to both you and your employees.

This is where the Goldilocks solution of level-funding can help small businesses. Level-funding provides the additional protection from unexpected health costs while avoiding the administrative costs included in fully funded healthcare plans.

### **Choosing the Best Insurance Solution for your Needs**

Level-funded healthcare plans may have been on your radar in the past, but seemed out of reach due various factors. For example, fears of the risk of large payments due to unforeseen health expenses or not knowing that level-funded health solutions are available for smaller businesses.

On the first count, level-funded health insurance plans are different than self-funded insurance in that they have more protection from unexpected costs. Both level and self-funded plans are exempt from the extra litigation discussed above, but have the added benefit of stop-loss

insurance in case of emergency medical costs in a particular year. This provides extra protection and peace of mind when it comes to funding a healthcare plan for your employees.

On the second count, you may have investigated level-funded insurance in the past, but found that level-funded insurance wasn't feasible or available for smaller businesses. This was true in the past, but with new advancements in how insurance is executed and designed, the doors have opened wider to accommodate more unique businesses and their employees.

Level-funded insurance is no longer a secret kept only to large businesses that dominate their niche. Small and medium sized businesses are the perfect place for level-funded insurance to blossom, providing all the benefits of avoiding paying middlemen while gaining protection from unexpected costs. With level-funded insurance being the smart choice, a time is approaching where you'll be kicking yourself for not choosing level-funded insurance sooner.

The Affordable Care Act has been a controversial change to health insurance, to say the least. Changes over the past decade have been decided at every level, but self and level-funded insurance plans have avoided those changes. Level-funded insurance provides the best of both worlds by giving protection and assurance to small and medium-sized businesses in recent years. With this information, small businesses owners can expertly navigate the muddy waters of insurance with confidence that they can make the best choice for their needs.