

Leading Kansas City Companies Address Health Care Reform for Small Businesses

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Blue Cross and Blue Shield of Kansas City and H&R Block Calculate Financial Impact of Health Care Law on Businesses

KANSAS CITY, MO, Aug 24, 2010 (MARKETWIRE via COMTEX) -- The nation's 1,990-page health care reform legislation is bound to cause confusion among business owners. Two leading local companies, H&R Block (NYSE: HRB) and Blue Cross and Blue Shield of Kansas City, have joined forces to provide a convenient, comprehensive tool to help small business owners understand the financial impact of health care reform.

The small business tax credit calculator is available through Blue Cross and Blue Shield of Kansas City and can be accessed by visiting www.BlueKCTaxcredit.com. The calculator and tax content were developed by The Tax Institute at H&R Block and also may be viewed by visiting www.thetaxinstitute.com.

The calculator will help users understand the following elements of reform as they become effective:

- The small business health care premium credit for qualified employers with 25 or fewer employees and average annual wages under \$50,000 (2010)
- Requirements to provide employee coverage for full-time employees who work for businesses with 50 or more employees (2014)
- Employer penalties for not providing coverage when at least one full-time employee is enrolled in an individual subsidized health care plan (2014)
- The excise tax on high-cost health plans, which applies to plans that cost more than \$10,200 for an individual and \$27,500 for a family (2018).

"This tool, in combination with our BlueChoice(R) defined contribution product, provides a strong incentive for small businesses to continue to provide insurance. A small employer's tax credit can be combined with our BlueChoice plan to help employers control what they spend on employee health insurance for even greater savings. We began promoting the small business tax credit in April, right after the reform bill passed. Our advertising campaign around the small business tax credit and calculator contributed to an additional 5,000 new members covered in 227 new employer groups -- of which 28 percent were previously uninsured," said Tom Bowser, president and CEO of Blue Cross and Blue Shield of Kansas City and chairman of the national Blue Cross and Blue Shield Association board of directors.

"Taxes are no longer something we just think about in April," said Amy McAnarney, H&R Block's president for the Central United States. "Taxes are at the intersection of people's daily lives with paychecks, investments, buying a home and now, health care. This tool helps small businesses budget and forecast for the resulting tax implications."

To use the tax calculator, small business owners answer questions about their employees and insurance coverage, including the number of employees, payroll and wages, and the insurance premiums the company expects to pay. The calculator then generates an overview of the company's health care costs and whether, beginning in 2014, the company will be required to offer health insurance to employees. In addition, the calculator provides information regarding employer penalties for not providing coverage, along with details on the excise tax that could be assessed on high-cost health plans beginning in 2018.

"The tax credit website and tax calculator, developed by Blue Cross and Blue Shield of Kansas City and H&R Block, provide a simple, convenient way for small businesses to determine if they are eligible to receive a tax credit to help offset health insurance costs," said Mike Bukaty, president of Bukaty Companies, a Leawood, Kan., employee benefits and insurance consulting firm. "We have introduced these resources to our small business clients, and the response has been very favorable."

BlueChoice is a defined contribution product that allows small business owners to choose how much they want to contribute to employees' health insurance premium costs and employees get to put that money toward the health plan offered that best meets their needs. BlueChoice lets employees choose between five to six different plans for themselves and their families.

About BlueKC Blue Cross and Blue Shield of Kansas City, the largest not-for-profit health insurer in Missouri and the only not-for-profit health insurer in Kansas City, has been part of the Kansas City community since 1938. BCBSKC provides health coverage and wellness related products and services to one million residents in the greater Kansas City area and Northwest Missouri. Blue Cross and Blue Shield of Kansas City is an independent licensee of the Blue Cross and Blue Shield Association. Our mission: To use our role as the leading health insurer to improve the health in the communities we serve. For more information on the company, visit our Web site at www.BlueKC.com.

About The Tax Institute at H&R Block The Tax Institute at H&R Block is the go-to source for objective insights on federal and state tax laws affecting the individual. It provides nonpartisan information and analysis on the real world implications of tax policies and proposals to policymakers, journalists, experts and tax preparers. The Institute's experts include CPAs, Enrolled Agents, attorneys and former IRS agents who draw from years of experience and H&R Block's extensive network of resources. For more information visit our press center at <http://thetaxinstitute.com>.

About H&R Block H&R Block Inc. (NYSE: HRB) is one of the world's largest tax services providers, having prepared more than 550 million tax returns worldwide since 1955. In fiscal 2010, H&R Block had annual revenues of \$3.9 billion and prepared more than 23 million tax returns worldwide, utilizing more than 100,000 highly trained tax professionals. The Company provides tax return preparation services in person, through H&R Block At Home(TM) online and desktop software products, and through other channels. The Company is also one of the leading providers of business services through RSM McGladrey. For more information, visit our Online Press Center.

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