



Affordable Care Act Realities

Learn more at Dec. 6 forum in Scottsdale

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In 2014, many will experience profound changes to their health insurance. Beginning now and running through next year, navigation of the Affordable Care Act (ACA) will be a challenge. The Exchanges aka Marketplaces were not operational as of this writing. Employers will continue to face a complicated array of options. Alternatives for individuals and families are confusing.

Those most qualified to help—health insurance agents—have not been at the forefront of the rollout. Insurance company administration and service departments are overwhelmed with inquiries and work. The pace of change is testing the limits of sustainability. But here are some realities and opportunities for action.

Options for Employers

Employers with up to 50 employees will face difficult transitions, phasing in on their renewal dates. High among them is the implementation of age-banded rates, which will complicate bidding, employee contributions and payroll operations. Another profound change is elimination of low-cost plans with high deductibles and out-of-pocket limits. Premiums for these plans will increase dramatically. Here are some small-employer alternatives:

- Move to a December 2013 renewal date to continue benefits one year.
- Enroll to an ACA-compliant, group health insurance plan where rate loads such as medical conditions and gender no longer exist
- Move to a level funding policy, a modified self-funding with medical underwriting.
- Join industry-specific groups of employers in a level-funding pool.
- Discontinue offering group health insurance. Have employees enroll in individual or exchange policies, then replace the health insurance premium benefit with another tax-qualified benefit such as a

deposit to a health savings account.

Major large employers will manage just fine with their human resources staff, legal counsel and insurance consultants. Their current benefit programs are for the most part ACA compliant. Open enrollment periods are organized and held well in advance. If your benefits are through a major employer, you are fortunate. Large employers with low-paid workers that did not offer health insurance in the past or with non-compliant low-cost plans have until 2015 to implement an ACA program, pay penalties or take other action.

Individual and Family Alternatives

Most individuals and families will be impacted on the renewal of their current policies in 2014. Many—especially young healthy males—should consider immediately applying for a new policy effective in 2013. Others will benefit from ACA when rate loads for medical conditions are removed and medical underwriting is eliminated.

Dec. 15 is the deadline to enroll for a Jan. 1 effective date for an Affordable Care Act policy. The public Exchange is the federally run www.HealthCare.gov website in Arizona. Hopefully it operates now. If a person misses the December deadline, they have until the 15th of the following three months to have February, March or April effective dates. Then the open enrollment period closes, and a special event is needed until the next open enrollment in October 2014.

All health insurance companies are in the process of rolling out their new ACA-compliant individual family health insurance plans. There is a dizzying array of options that include limiting the provider network to reduce costs. Generally speaking, premiums are going up across the board.

3 Predictions

1. Affordable Care Act enrollment will take years; not just weeks and months.
2. ACA changes are irreversible, and the best solution is to improve and move forward.
3. Health insurance agents will ultimately drive the system and enroll the majority of employers and people into the new health insurance programs.

ACA Friday Forum on Dec. 6

On Dec. 6, you have the opportunity to attend a Friday Forum at the Scottsdale Area Chamber of Commerce offices from 11:30 a.m. to 1 p.m. There will be current information on the Affordable Care Act and on Exchange enrollment. The session seats 12 and will be geared toward enrollment, so bring your laptops. To register, sign up on the www.ScottsdaleChamber.com website. The forum is ideal for small employers and individuals.

Attend the forum or contact your health insurance agent for up-to-the-minute guidance and breaking news. The president's statement that current ACA-compliant plans will be allowed in 2014 may or may not impact Arizona. ■

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