

# Virginia State Bar “Groups of One” May Be Eligible for Anthem Group Health Insurance

**April 21, 2014**

prepared by

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# VIRGINIA STATE BAR MEMBERS' INSURANCE CENTER

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In October of 2013 we communicated that sole proprietors, or those having “group of one” coverage at the time, would be non-renewed by Anthem in 2014 at their monthly renewal date. We have been transitioning these people to an individual health insurance product. This has been the practice thus far in 2014 and will continue throughout this year.

However, upon clarification of the Affordable Care Act, under certain conditions people will be able to re-enroll in a group product, a “group of one” product, rather than selecting an individual policy.

A one life group is an employer with at least one “common law employee” who works 30+ hours per week and that has only one person eligible for coverage after all valid waivers are applied. This “group of one” is eligible for group coverage.

A common law employee is any non-owner employee other than the spouse of the owner. Children of owners are considered to be common law employees, regardless of their age. It is the existence of a “common law employee” or absence thereof that determines group eligibility. A sole proprietor is defined by the ACA as an employer with no common law employees. Therefore, they are not eligible for group coverage.

Again, Anthem will continue to non-renew sole proprietors. Some of the current sole proprietor groups are actually retirees, surviving spouses, or simply those having no employees. If there is a sole proprietor who has at least one “common law employee”, then that group may be eligible for Anthem group coverage. Anthem requires that this group be rewritten and submit all of the appropriate tax documentation. Generally, this means submitting a VEC (Virginia Employment Commission) report or other documentation to support the existence of a “common law employee”. Even if that common law employee waives coverage, and only one person enrolls, they could still be eligible as a “group of one.”

For some it will make little or no difference if they enroll in an Anthem individual product or an Anthem group product. After all, starting in 2014 health insurance rating for 1-50 is essentially community rated and is based on age, residence and smoker status for both individual and group products. However, if available, the group product may offer several advantages. First, all of the Anthem individual products are on the HealthKeepers or HMO platform, whereas group products are available on both the HealthKeepers (HMO) and KeyCare (PPO) platforms. Second, there is a wider selection of group products available. Finally, the formulary, or allowable prescription list is slightly broader with group products.

My colleagues and I are prepared to assist you in evaluating health insurance products. So whether your renewal is later in 2014, or if you have already transitioned to an individual product, please call us toll-free at 877-214-5239 at your convenience.

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