

# **VIRGINIA STATE BAR MEMBERS' INSURANCE CENTER**

an affiliate of Digital Benefit Advisors endorsed by the Virginia State Bar

## **Virginia State Bar Sole Proprietors or Groups of One to be Non-renewed by Anthem in 2014**

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prepared by

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For over a decade members of certain professional associations - the Virginia State Bar, Virginia Society of Certified Public Accountants, and the Medical Society of Virginia - have enjoyed a special sole proprietor provision from Anthem. Unlike other businesses, which are required to maintain two or more employees at all times, these professionals could enroll in a group health insurance product as a group of one.

Under the Affordable Care Act (ACA), or Health Care Reform, coverage provided to sole proprietors under these association programs will no longer be available as group coverage starting with renewals in 2014. Anthem will notify groups 90 days prior to their renewal date and will urge them to enroll in individual coverage through us, your agent/broker.

In addition to the Anthem announcement, we wanted to share several thoughts and strategies for you to consider:

- You can avoid this non-renewal by offering your current group coverage to all of your full-time employees. If at least one other employee enrolls, your group coverage will be renewed. Please note that in 2014, the ACA requires all individuals to have health insurance or pay a penalty.
- We anticipate that the rates for individual coverage will be comparable to group rates. However, regardless of this change, throughout the country many will see premiums fluctuate dramatically in 2014 as we move from a medically underwritten or medically rated environment to community rating.
- The individual policies in 2014 will be on the HealthKeepers network (82% physician participation) and not the KeyCare network (94 % physician participation).
- For those residing in the Anthem service area, we will pursue an Anthem individual product. For those in northern Virginia and residing East/North of Route 123, we will turn to CareFirst for an individual product. *In all situations, you will not pay a nickel extra by allowing us to be your agent/broker than if you had gone to the insurance company directly. We will continue to provide you with excellent service and advice throughout the year.*
- Those with 2014 renewal dates of August, September, October, November or December may want to wait until their normal renewal period before contacting us.
- Those with favorable underwriting and earlier renewal dates (January-July) may want to contact us in October or early November, 2013 to enroll early in an individual product with a December 1, 2013 effective date. Healthy people who enroll in an individual product early will receive lower, medically underwritten rates for most of 2014. This may be preferable to the 2014 rates which will be community rated. People who select individual insurance products effective December 1, 2013 will not move to community rating until December 1, 2014.
- Those who are older or currently have unfavorable underwriting and very high rates may want to transition to an individual product early in 2014 and begin to receive a community rated individual product sooner, rather than continuing to pay very high premiums until their 2014 renewal date.

As always, we are committed to serving your best interests, especially with this changing health insurance environment. I invite you to call me or one of my colleagues to discuss your health insurance strategy for 2014.