

# **Small Business Strategies for Anthem**

## **Insured Groups:**

**--Early Renewal ---December 1, 2013**

**--Re-Enrollment in Early 2014**

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# VIRGINIA STATE BAR MEMBERS' INSURANCE CENTER

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

Only after conceptual understanding of Community Rating, a significant Health Care Reform change effective 2014, should small groups consider a December 1, 2013 early health insurance renewal strategy or a re-enrollment strategy in early 2014. The objective is to pay lower health insurance premiums in 2014 than they would otherwise.

- Anthem will allow small groups that have renewal dates of January-March 2014, to renew early—effective December 1, 2013. At this writing it appears that Anthem will automatically send this option to us, your broker, but not to you. Therefore, today's groups with "favorable ratings" will want to strongly consider this offer and maintain "favorable rates" for most of 2014, or until December 1, 2014 when community rating will be applied. Please call us in October or early November 2013 to discuss. It will be too late if you wait until December.
- Small businesses having "favorable rates" with a renewal date of April 1, 2014 or later, may also want to consider renewing early on December 1, 2013, and maintaining "favorable rates" until December 2014 rather than beginning community rating and receiving higher rates in the middle of 2014. It is not expected that Anthem will send this option to us or to you; however, we will be able to generate these rates. Please call us in October or early November 2013 to discuss. It will be too late if you wait until December.
- Small businesses with an "unfavorable rating" from Anthem with a renewal date anytime in 2014, will not want to consider renewing early on December 1, 2013 and will not want to prolong their high premiums beyond the normal renewal date. Rather they will want to accept community rating at the normal renewal date or employ a re-enrollment strategy in early 2014 or switch insurance carriers. Rather than pay higher rates throughout much of 2014, groups may experience lower, community rated premiums sooner by re-enrolling or switching carriers. Call us to discuss in late 2013 as a re-enrollment strategy may require a several month lead time.

Before implementing either an early December 1, 2013 renewal strategy or a re-enrollment strategy it is imperative that a small business consider the strategy's impact on its plan deductible and out-of-pocket (OOP) maximums. Have employees and their dependents reached or about to reach them? Is it in the employees' best interests to renew early or re-enroll?

Finally, my colleagues and I are committed to tailoring a solution to every client's need. Please do not hesitate to contact us.