

Offer Your Employees a Private Exchange Option

By Tommy Eden

The Obama administration on Wednesday November 27 delayed online enrollment until November 2014 for small businesses using the Affordable Care Act's (ACA) federal marketplace. HEW officials had already pushed back acceptance of online applications in the Small Business Health Options Program, or SHOP, since the Oct. 1 launch of HealthCare.gov.

With this latest hiccup in the rollout of the ACA the problems for small business in Alabama mount to include:

- Small Employers (2-50 employees) are squeezed out of traditional group health insurance policies by ACA coverage mandates;
- Rising small group premium cost and unaffordable employee annual deductions and co-pays;
- SHOP exchange for small business delayed until November 2014;
- Public Exchange absolute disaster requiring an applicant to share highly confidential information to be placed into a US Government database;
- Small employer and individual policies canceled by the thousands nationwide; and
- Small employers need to offer some type of Insurance Benefit since it has always attracted and kept the best employees.

Common Sense Counsel: So what is a small Alabama employer to do? While the Obama Administration has wrung it hands the Private Insurance Exchanges are up and running. How a Private Insurance Exchanges works:

- Traditional health insurers across the nation have entered into State by State Private Exchange agreements with the federal government Department of HHS;
- Offers ACA compliant insurance policies on a Private Exchange with traditional telephone and insurance agent guidance and private information is not shared with the government;
- Private Exchanges have their own expanded network of physicians and health providers;
- Much like traditional group health insurance policies except they are individual and family health insurance policies;
- Typically purchased through a defined contribution plan established by employer that is IRS tax sheltered and deductible by employer;
- Private Exchange may be endorsed by an employer Association, Chamber or Commerce or other large membership organization which markets the Private Insurance Exchange to its members;
- Internet portal with telephone support established for endorsing Association where the policy choices are made by employees of the member employer;
- Typically multiple carriers and also multiple types of policies and options are available;
- Employee selects options that best fit their life needs such as health insurance, HSA Account, FSA Account, supplemental insurance, etc.

Who you gonna call? If this development interest you it is critical that you contact your employer Association or Chamber of Commerce and ask if they endorse a Private Insurance Exchange option for their members. If the answer is no, ask that they establish one.

For more information see webinar link on my blog.

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