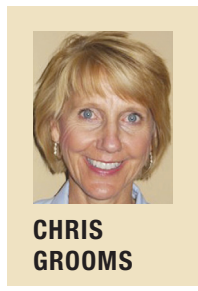


## Impact of full implementation of ACA

Additional provisions of the Patient Protection and Affordable Care Act will take place Jan. 1, 2014. We will answer questions that have been presented to us. An interview with Chris Grooms, Registered Health Underwriter, Vice President at Grooms Insurance Associates, an Independent Insurance Agency, located in Lake Zurich since 1986.

**Q:** Under the ACA, will underwriting guidelines change?

**A:** Yes, guarantee issue will be in effect. Premiums can only vary by Geography, Family Size, Tobacco and Age. Currently, premiums for older individuals are approx. 6 times that of a younger person. The rating changes



**CHRIS GROOMS**

to 3 times under ACA. Estimates of community rating are that rates will become compressed, meaning that younger people will pay more and older people will pay less.

**Q:** I do not have access to an employer policy, and have been declined in the past. Will I be able to obtain coverage in 2014?

**A:** Yes, per the ACA, no one can be declined for health insurance. Open enrollment in Illinois is set to begin October 1, 2013 with effective dates of Jan. 1, 2014.

**Q:** What is the penalty if I do not obtain health insurance?

**A:** 2014: \$95/adult, \$47.50/child up to a family max. of \$285 or 1% of family income

2015: \$325/adult, \$162.50/child up to a family max of \$975, or 2%

of family income.

2016: \$695/adult, \$347.50/child up to a family max. of \$2085 or 2.5% of family income. In each case, whichever is greater.

**Q:** Will the carriers offer new policies in 2014?

**A:** Yes, you will be able to purchase insurance through the Illinois marketplace or through a broker. Policies will be named Platinum, Gold, Silver and Bronze and based on "actuarial value."

**Q:** Will there be any financial assistance available?

**A:** Yes, those with household incomes of less than 400% of Federal Poverty level may be eligible to receive tax credits and subsidies.

**Q:** I am an employer with less than 50 full time employees. Must I offer health insurance?

**A:** No, only employers with 50 or more full time equivalents during the preceding calendar year, must offer a group policy or pay a fine of \$2000 per employee, not counting the first 30 employees.

**Q:** As a small employer, are there any options I should consider?

**A:** Some employers may benefit from a self-funded group approach. You have greater transparency as to where each plan dollar is spent, including detailed claims reporting. This includes integration of wellness and chronic disease management so that overall claims can be minimized. In the past, only large employers would consider this option, but the smaller employer may see savings.

For employers who do not wish to offer group coverage, a defined con-



tribution approach may be beneficial. Employers give their employees a monthly flat dollar amount and employees choose the coverage that is best for them and their family. The underlying health plan can be an individual plan under a Premium Reimbursement Account.



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