

# CHANGE ISN'T **always** A bad thing.



with joe smith

**EVERY** time you turn on the television, open a magazine or news periodical these days you hear about Health Care Reform aka “Obamacare”. What you may not hear much about is - How is Obamacare affecting small businesses and their employees? This is a time of change; there is no question about that. Could this change be a good thing for many of us? We definitely believe this is a time like no other in history for small businesses. In this case, the change might actually be good!

**Most businesses** have historically provided health benefits to their employees to attract and retain the best employees. In the past, these employers have offered a choice between one or two medical plan options and contributed to the cost of the premiums. The average employee didn't study their plans very much or look at outside options. These days, employees seem to be more interested in their medical plan choices. Employees hear the discussion in the media and are wondering about their new options through the Marketplace. Many of these employees are visiting the Marketplace and realizing they might be eligible to receive a larger government subsidy than their current employer is able to contribute to their medical plan.

**For really the first time in our industry**, we see the average employee searching for health insurance coverage on their own instead of relying solely on their employer to provide this for them. New individual health insurance rules remove any limits on pre-existing conditions and require the cost of insurance to be based on only a few factors – age, location and tobacco use. People can receive rates on the individual market with very little effort. In many cases, these individuals are eligible to receive assistance from the government via premium subsidies and assistance with their out of pocket costs. Truly, a major problem small employers are facing affects their employee's ability to obtain this government assistance. If an employer provides a group plan that meets certain affordability requirements, it eliminates the employee's ability to receive that subsidy.

**All these changes to the health insurance industry are opening up new opportunities to employers** – most importantly, the opportunity to provide their employees with a well-rounded benefit package without breaking the bottom line! One new unique solution is allowing employers to do that with a little help from technology. This new solution is called a 'private exchange'. Under a private exchange, employers define a dollar contribution towards the medical insurance and then allow the employee to pick from any individual plan they choose. A few personal questions related to each person's prescription drug usage and medical care requirements will help narrow down the choices. Medical insurance is a very personal decision and each individual uses their benefits differently based upon their stage in life and health status. These private exchanges can also assist the employees that may be better off with coverage through the Marketplace with a premium subsidy. A local company, benefitbay, developed the technology and support to make these choices easier for both the employer and the employee. This company is a great solution for many small employers who are struggling with their benefit plans.

**Change is always a little scary.** But in many instances it can create opportunities and actually improve things.

For more information, please contact your trusted advisor at Swartzbaugh-Farber – ‘Client Centered – Client Advocates™’.

This material is intended for informational purposes only and should not be construed as legal or tax advice and is not intended to replace the advice of a qualified attorney, tax advisor or plan provider.

Securities and Investment Advisory Services offered through M Holdings Securities, Inc., a Registered Broker/Dealer and Investment Advisor, member FINRA/SIPC. Swartzbaugh-Farber & Associates, Inc. is independently owned and operated.