

Small Versus Larger Groups

For small employers, the Affordable Care Act (ACA) is going to be very interesting. First of all, small employers, or groups with fewer than 50 employees, do not have to pay or play. A lot of the law does not even apply to them. The great news is that there is a whole new group of choices that is going to be available to the smaller employer. Those choices are the emergence of the shop exchange, **individual health insurance plans** that will be available to them and their traditional commercial options as well. The small employer does not have to worry about paying penalties. They only have to consider what deal is the best in the marketplace, and that is a very favorable place to be.

Large sponsors, or groups with more than 50 employees, are subject to the full brunt of the ACA law. There are some significant things about which large employers should be concerned. There may also be some good opportunities for an employer with more than 50 employees. It really depends on where employers are sitting. It depends on their business and the demographic makeup of their group to determine whether the ACA law is positive or negative. It depends on what their organization does, what their demographics are, where they are located, what their labor market is and other similar types of things. Employers are going to have to comply with the minimum requirements of paying for the coverage of employees who work on a full time basis. Paying for their coverage is very important. Plans need to be in compliance from a regulatory point of view, so there are things to which employers really have to pay some attention. Documentation and how employers are offering the plans as well as how they communicate those plans to employees are also important. There will be additional opportunities for large employers too, in terms of new markets to consider. Instead of only having traditional health insurance companies available to employees, there are going to be some new players coming out of the woodwork in all markets. Those players are going to be the providers themselves. In northern California, we have some very large provider groups that are going to be rolling out their own plans, and that is going to be really interesting. I think the rug is being pulled. There are people who are going to be providing coverage to companies that we have never heard of or seen before, so it is a grand experiment, and I think that it will be a positive thing for some people for sure.