



You are a small business – Read this to save money on your office health insurance.

I am trying to save you money! So give me a few moments to explain something that is not easy to understand.

To save yourself money on health insurance premiums for you and your office, you need to understand what “Age-Banding” is. Age-Banding is not an old person’s musical group. It is an insurance term used to refer to the fact that older patients use more health services than younger patients. States can ensure that coverage remains affordable for everyone by using age “rating bands” that spread premium costs. Here is a common example: In a state with 5:1 band, the ratio limits the amount an older person will pay to no more than 5 times a younger person.

In 2013 42 states had 5:1 banding. Beginning in 2014, the ACA limits banding to 3:1. Continuing with the same example: In a state with 3:1 banding, the ratio limits the amount an older person will pay to no more than 3 times a younger person. Therefore, in order pay for an older person’s health care at only three times the rate of a younger individual, rates for younger people are raised. This will likely mean that younger people will tend to wait until they are sick before purchasing insurance, thus driving up costs for everyone! If you are still with me, you are asking...Reed, how does this affect me?

Age-Rating Compression: Higher Premiums for Younger Individuals in 42 States



The ACA limits the age band to 3:1, which will increase costs for younger individuals in the 42 states that currently allow health insurance rates to vary by age by 5:1 or more

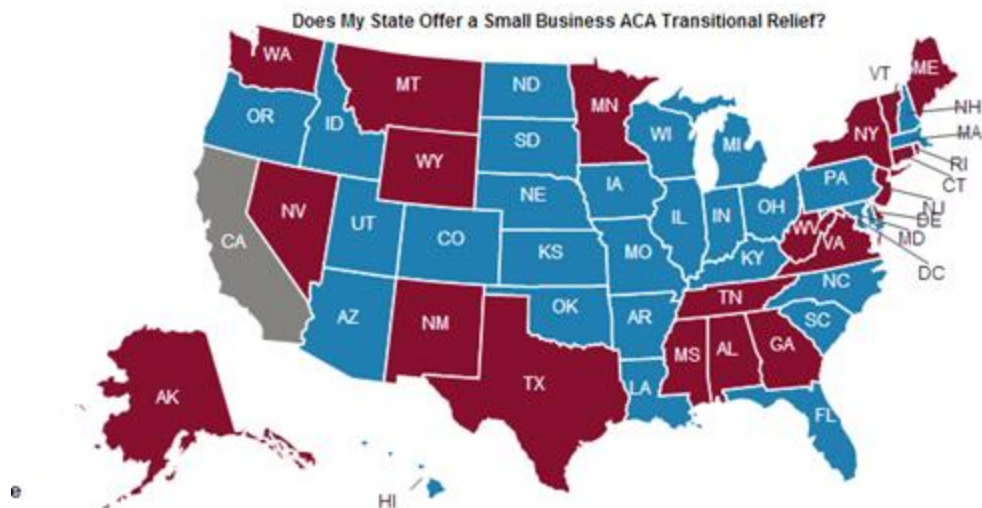
Here is the answer: Healthcare reform was not supposed to be applicable to small businesses, but several mandates have resulted in new pricing by insurance companies who offer policies to small businesses. Small businesses mean you (less than 50 employees). All businesses, according to the ACA, are supposed to switch from community based rates to the new Age Banding 3:1 rates. This will dramatically increase the rates you pay for you and your employees. But for some of us there is a temporary way out that could save all of us significant cash!

WE NEED YOU TO ACT NOW!



It's necessary to act as soon as possible by considering your options as you renew your healthcare policies for 2015. If you don't plan ahead, increases mentioned above in premiums maybe devastating.

Keep with me here...In late 2013, HHS announced a **new policy**. Small businesses with health insurance in effect on **Oct 1, 2013** could opt out of renewing in 2014 based on the age-banded rating above and other mandates. Instead, small businesses could ask carriers to use the older, less expensive model. To do this your plan must have been in existence **October 2013** and renew prior to **October 2014**. But there is a catch. The decision regarding whether small business could be offered the "ACA transitional relief" by insurance companies was placed in the hands of the each state's insurance commission. Uh oh, by early 2014 only a handful of states adopted transitional relief.



Red = NO ACA Transitional Relief

Blue = ACA Transitional Relief may be offered by your Health Insurance Carrier

Grey = Pending ACA Transitional Relief

In March, HHS offered additional transitional relief until October 2016. As you can see in the diagram above, California’s decision is pending. If you are outside California, check out the map for your state. The measure for “ACA transitional relief” passed the California Senate 35-0 just a few days ago on 5/29 and is headed to the assembly with bipartisan support. The bill has an urgency clause and will go into effect immediately if signed by the governor.

So make sure to ask your carrier for a policy based on the community rating system. If by chance we are not offered relief here in California or you are in a state not offering relief, I can refer you to some articles to evaluate. Just let me know.

But it is very important to remember. No matter what your state and what your ACA transitional relief status is, the problem is not going away. If you accept relief, you are temporarily solving your problem and it will eventually turn into a whole new problem because...

80 to 90 percent of employer-provided insurance, the mainstay of American health coverage for decades, will disappear as Obamacare takes hold

Republican, Democrat or Independent, analysts of all stripes are saying that 80-90% of employer provided insurance will vanish. S&P IQ predicts less than 10% who get insurance at work will have employer sponsored coverage in 10 years. The reason, as usual is...money. How can you justify spending increasing dollars in corporate plans when the alternative is subsidized by the government. Think about it. For a worker making \$15/hour, typical employer coverage costs about \$15-16,000 a year. That's more than 1/2 the annual wage. Who are the losers? The only losers in all this will be the federal deficit and taxpayers. Yep, that's you again. You work, and you work hard. The government will need to pay for the subsidies so either you will pay soon, or your children will pay as deficits rise.

Proof is in the numbers

According to the Aflac WorkForces Report, in order to make up for rising costs, more than half of companies offering employer sponsored insurance have increased the employee's share of health care premiums or co-payments for visits. Employees are very worried about covering their medical costs. About half of employees have less than \$1000 for out of pocket medical expenses and half would borrow from their 401(k) s or credit cards to cover costs. But as Obamacare costs rise, companies are trying to save money by offering higher deductible plans and using other strategies such as hiring independent contractors, eliminating raises, cutting back on benefits and changing workers to part-time all in hopes of trying to stay in business. All this puts the onus on the individual.

While healthcare premiums increase, your practice's bottom line dwindles, so let us help!

At PPD we are trying to help you with your bottom line

Let me be blunt. Private practice Doctors is there for you. We already work on a shoe-string budget, but we can't do it all! There is so much more to be done! I frequently get emails saying thanks for the information, but what are you actively doing? Currently we help your practice via:

- **Information bulleting** – these educate you in ways to help your practice and save money!

- **Legislative action**- we are attempting to preserve your ability to practice in ways that are under daily assault.
- **Group purchase**-through group buying and the power of numbers we allow you the best prices on medical and non-medical supplies.
- **Networking events**- the best way to increase your volume is to increase your visibility. Let other doctors know you and what you do.
- **Banking services and merchant accounts**- we save you real dollars on every transaction.
- **Advertising** -we can spread your name recognition and word of your services, check out below.

So I have told you what we do for you, now I ask you to do something for yourself and for all private physicians. Join PPD today. Write me at reed.wilson@privatepracticedoctors.com .

Networking, Networking

Our last networking event was a resounding success. Many of you have asked when the next one is. Here is the key information:

Place: Newsroom Café

Date: Tuesday June 24

Time: 6:00 PM

Sponsor: No one, just you and me, no drug companies, no sales pitches. Costs are on each of us.

Interested: Email rgordon@keyway.net

Spread the Word

Are you someone who reads this newsletter and finds it helpful? We have an active mailing list of over 700 healthcare professionals. If you care about private practice and find these newsletters helpful, let's expand the list. Do you have a young associate, friend, referring doctor or healthcare wise person you think would appreciate this information? Do you ever forward these newsletters to others? We would greatly appreciate the email addresses of these individuals so that we can expand our message. Currently we reach many states around

the country, help us grow. Numbers matter. Send us an email address of those you think would appreciate the words of advice we publish.

Let the world know

I want all of you to know about Executive ER (Exer). I personally utilize this service for my patients. As you can see below they are opening a new location for our patients. They give great care and my patients love it! Give it a try!

OPEN JUNE 7, 2014!

 **Exer** MORE THAN URGENT CARE

opens its new location in Beverly Hills this Saturday, June 7, 2014. Exer offers you and your patients:

- **Easy access to board-certified ER doctors** when your patients need further intervention.
- **Walk-in visits 9am-9pm seven days a week**, providing after-hours and weekend care for your patients when your office is closed.
- **A great alternative to sending your patients to the hospital ER** for any non-life-threatening issues, helping better allocate health care resources.
- **Increased patient satisfaction** with lower costs, shorter wait times, and faster follow-up.

To arrange a tour with Dr. Johnson or Dr. Lunsford, please call or email clinic manager, Dana Johnson (**310-360-0960**, dana.johnson@exerurgentcare.com) so we can show you the clinic and discuss how we can work together to get patients the best care.



 **Exer** MORE THAN URGENT CARE

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Remember: We have a mailing list of over 700 in the medical field and the numbers are growing. If you have something happening at your office that is important to mention, let us help you spread the word. It is yet another service that we provide.

As usual, thank for your support and thank for listening!

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Reed S. Wilson, MD

Managing Director

Private Practice Doctors, LLC

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