Sample Broker Letter to Small Group Client

Dear Client,

Beginning in 2018, the ACA creates new age bands and rate formulas for individuals under 21 years old with small group and individual coverage. Currently there is only one age band and one rate for those under 21. In 2018, there will be seven age bands: 0-14, 15, 16, 17, 18, 19, and 20 and new formulas used to set rates for these ages. The new formulas are 20% to 53% higher than the current formulas. Due to this ACA mandated change, rates for enrollees under 21 (including dependents) may be subject to moderate to significant rate increases in 2018.

This change may affect each of your covered employees and their families differently, because rates are based on the age of each enrollee. Your cost, as an employer, may also increase if your employees are under 21 or if their dependents are under 21 and you contribute towards dependent coverage.

The change will take effect at your contract renewal in 2018. Prior to your renewal, we will discuss how this impacts your group and to explore options that may help mitigate the impact of this change on your benefits and your employees.

Best regards,