



HEALTH CARE REFORM OUR UPDATE & ADVICE

MORRIS & REYNOLDS INSURANCE PRESENTS ADVICE & ANSWERS ON AMERICA'S HEALTH CARE REFORM

FEBRUARY 2013

FLORIDA'S INSURANCE EXCHANGE FUTURE

MORRIS & REYNOLDS NEW MARKET OPTION FOR INDIVIDUALS & SMALL BUSINESSES TO *INITIALLY* BE FEDERAL SYSTEM

On February 16th, 2013 Republican governors of Florida, New Jersey, and Tennessee confirmed that their states "will not partner with the federal government to create the online insurance marketplaces required" under the Affordable Care Act (ACA). This ends months of speculation and starts a new chapter in the implementation of the law. The exchanges in those states - and others that have declined to set up their own exchanges or to partner with the federal government, will be run by **federal officials**, at least through 2014.

On Tuesday, February 19th, the Health & Human Services, the federal agency charged with implementing the ACA, announced that it will run insurance exchanges in 26 states. The other 24 states, along with the District of Columbia, will either run their own exchange or enter into a partnership with the Federal government. Enrollment is scheduled to begin on October 1st, 2012 and many question whether this monumental project can be completed by that date.

What this means here in Florida is that the online exchange marketplace available to agents for individuals and small businesses (costs of coverage, agent compensation and available plans all being the same whether bought directly or through an agent) will be the HHS (federal) system at least for 2014. Beyond 2014, the exchange may change and it's possible the federal system, a state system or a partnership between the two will be used.

Florida's Insurance Marketplace Future?

While it is clear that the federal exchange will be used in the first year of health care reform it is possible that a current, little known, state system could be adapted for Florida's future.

Florida legislators foresaw that the ever-changing health care environment created a need for small employers to be able to offer

health insurance options to their employees without the hassle of dealing with the "insurance buying process" or only providing a "one-size-fits-all" plan for their employees.



In May 2008, S.B. 2534 was signed into law, which created the **Florida Health Choices Corporation**. The Corporation was established with the goal of increasing access to affordable, quality health care by creating a competitive market for purchasing health insurance and health services. Insurers and other companies will be able to offer more flexible insurance options and other products geared toward businesses with 50 or fewer employees. The program is administered by a 15-member board made up of appointees chosen by the Governor, the Senate president, and the House speaker. **Morris & Reynolds has been one of a select number of Florida agencies to act as an advisor to the program, beta test their system and work to ensure that the system benefits consumers.**

In late 2012, Florida Health Choices began to roll out Florida's Insurance Marketplace in several phases. The Marketplace is a central web portal where small businesses and eligible individuals can choose from a variety of health plans and services. With a single point of access to compare multiple insurance products, consumers are able to enroll in the product that best meets their needs. With several phases planned over the next 18 months, Florida's Marketplace will evolve and grow to include more vendors, products and web-based functionality in each phase.

Florida Health Choices

Florida Health Choices was created in response to a vastly changing health care environment to initially help small business owners in Florida make sense of the complex health insurance system. Florida's Insurance Marketplace was designed as a "one-stop-shop". Users and their agents can compare multiple insurance products side-by-side, enroll in the one that best meets their needs, and access important health information—all in one portal. It is our view that the Florida Health Choices site can be updated to help all consumers and act as our state's exchange, perhaps as soon as 2015.

Over an 18 month period, Florida's Insurance Marketplace will be launched in three distinct phases – Quick Start, Mid-term Phase, and Long-Term Phase. As the program progresses over time, the Marketplace will evolve and grow to include more vendors, products and web-based functionality. Currently, the major components of the Marketplace include: (1) Web-based portals specifically designed for employers, employees and their agents; (2) Shop-and-compare to facilitate choice, (3) Online calculator to compute monthly costs and (4) an ability to find an agent.



Morris & Reynolds is deeply involved in America's health care reform and looks forward to delivering the coverage, solutions and advice that consumers need. This includes use of the forthcoming exchange(s) for individuals and small businesses. Please continue to count on our professional agents and underwriters to answer your questions as well as provide the solutions you, your family and businesses need for many years to come.



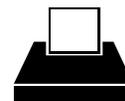
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