

## Will Health Care Reform Drive Earlier “Retirement”?

My dad worked in a very stressful management job, and while it paid well, it didn't provide him the satisfaction he was looking for. When he was 55, he had a heart attack. He survived, but the scare caused him to re-evaluate his priorities, and he decided to follow his dream of owning his own small business. In addition to researching business ideas and locations, he was also researching the options available to him for health insurance. What he found, though, was that his heart attack was a pre-existing condition and most health coverage wasn't available to him, and what was available was unaffordable. Luckily, my mom was still working (in HR believe it or not!) and was able to cover him under her employer's health plan. My dad was able to leave his stressful management job, and open the store of his dreams (or nightmares depending on the day!).

Unlike my dad, many people in a similar age bracket may not find themselves in the voluntary position of choosing a pre-retirement career. Older workers have a significantly more difficult time finding a new job following a loss in employment. Previously, those workers were in limbo – no longer covered under a group plan, unable to

purchase or afford individual coverage, and not yet 65 and eligible for Medicare.

In my dad's case, what if my mom wouldn't have had health coverage available? What if his employment and lifestyle options were limited because of a pre-existing condition and availability and affordability of health coverage? That is the world that currently exists until January 1, 2014. On January 1, 2014, the idea of pre-existing conditions in denying health coverage or premium rating disappears. Along with it, state Marketplaces (or Exchanges) open to offer individuals (and soon small businesses) health insurance options available for purchase (along with possible subsidy/tax credits).

Most states have adopted, or will likely adopt, the expanded Medicaid available with federal funding to start. In addition, new tax credits (really subsidies - available immediately instead of when filing taxes) will be available to people with income between two and four times the federal poverty level (\$47,100 and \$94,200 for a family of four under 2013 poverty guidelines). Will we see these older workers abandoning their search for employment, or at least full employment, and instead rely on expanded Medicaid or tax credits/subsidies available on the Health Insurance Exchange (Marketplace)?

My premise is not meant to be an advertisement for Health Care Reform. It is to pose the question; will “older” employees take advantage of the newfound flexibility and availability of affordable health coverage to follow their dreams? Will we see an exodus of “older” employees looking to become cake decorators, shade tree mechanics, volunteers, or small business owners? Does the availability of expanded Medicaid and/or federal subsidies diminish the drive for older, displaced workers to find new full employment? Was the availability of health coverage at their employer the primary reason they have maintained employment? Will we see a new pool of older workers eagerly (or not) willing to accept part-time work without benefits?

As an employer, examine your talent acquisition and talent management strategy to determine what your strategy is to keep and/or attract the employees you need to achieve your organization’s desired outcomes – whether that is the older workers leaving or the new employees to replace them.

In her book *UnRetirement*, Cathy Fyock states that many older workers return to the

workforce for not just the financial aspects, but for social reasons and to continue to feel challenged and valuable. Strategies for retaining older workers may include flexible work schedules, seasonal work, and eligibility for benefits for part-time workers.

Assuming those older workers do leave to follow their dreams like my dad did, what strategies are necessary to attract their replacements? Strategies might include available, affordable health coverage, an empowered culture, and career opportunities and succession planning.

In reality, employers will likely encounter a combination of both scenarios. Take stock of your current workforce, begin planning succession planning for all key positions (not just executives), and recognize the paradigm shift that Health Care Reform may have on people and the workplace.

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