

Discussion Questions for Carriers

1. What experience have you had in working with a health insurance exchange here in or in other states? What have you learned from that experience that you can share with us: positive and then negative?
2. Which purchasing model would (see Exhibit 1 attached) be most successful in your point of view?
3. How can the Exchange help to improve the ability of small business to offer health insurance through their business? Please comment on:
 - participation level requirements
 - contribution requirement
 - cost sharing
 - plan design
 - provider networks
 - other
4. How important do you think it will be to include some of the new delivery models, such as medical homes? Accountable care organizations? Limited networks? Gatekeeper plan designs, within the Exchange's approach to attract Employers and Employees?
5. What impact do you expect that the EHB will have on premiums?
6. If Charter Oak and the Connecticut HRA migrate to the individual marketplace, what is the anticipated impact?
7. How do you see the role of the broker and navigator within the exchange?
8. What incentives do you think will be key to achieve broker involvement?
9. What other concerns should we be aware of?

Exhibit 1: Employer and Employer Purchasing Models

The manner by which employers and employees purchase coverage through the SHOP Exchange will impact the extent to which the Exchange can effectively serve the group market. While there may be any number of purchasing models that one could develop, listed below are four options. These models are not necessarily mutually exclusive, in that Connecticut may choose to allow employers to select a purchasing option.

One Carrier, One Plan

Under this purchasing model, the employer selects a carrier and a health plan, and the employees are allowed to enroll in the plan. The SHOP Exchange could be used by the employer to compare health plans, assess premium contribution options, and select a carrier and health plan to offer to employees.

One Carrier, One Plan				
Monthly Premiums for Single Coverage (Example)				
Health Plan/Carrier	Carrier A	Carrier B	Carrier C	Carrier D
Platinum	\$540	\$531	\$518	\$554
Gold	\$480	\$472	\$460	\$492
Silver	\$420	\$413	\$403	\$431
Bronze	\$360	\$354	\$345	\$369

A composite rate could be developed for the group (i.e., monthly premiums for single coverage, employee plus one, family coverage), and the employer's and employees' share of the premiums would be set for the entire group.

One Carrier, Multiple Plans

Under this purchasing model, the employer would select a health carrier and allow employees to enroll in any of the health plans offered by that carrier through the SHOP Exchange. The table below illustrates how this might be structured. A slight modification to this model might restrict employees' choices to a sub-set of the health plans offered by a carrier.

One Carrier, Multiple Plans				
Monthly Premiums for Single Coverage (Example)				
Health Plan/Carrier	Carrier A	Carrier B	Carrier C	Carrier D
Platinum	\$540	\$531	\$518	\$554
Gold	\$480	\$472	\$460	\$492
Silver	\$420	\$413	\$403	\$431
Bronze	\$360	\$354	\$345	\$369

In the above example, the employer "selects" Carrier B and employees may choose from any of the health plans offered by that insurer. The employer could set its share of the premium as a percentage of the cost of a specific plan (e.g., 70% of the cost of Carrier B's Silver plan), as a percentage of all plans' premiums, or as a specific dollar amount.¹ In the example below, if the employee selects the Silver plan, the employee pays 30% of the cost.

¹ Under certain purchasing models, premiums could vary based on the age of the employee. Pursuant to the Age Discrimination in Employment Act (ADEA), an employer is not allowed to provide a defined contribution or flat dollar amount per employee if doing so results in older employees paying a larger percentage of a health plan's premium than the share paid by younger employees.

Because employees could select from a number of health plans offered by a carrier, it is likely that the group’s premiums would need to switch from composite rating to list bill rating. Under composite rating, premiums are set on a group basis, and the same rates apply to all employees that enroll in coverage. The group’s premiums are essentially determined by the average age of the group’s members. Under list bill rating, premiums are set for each employee that enrolls in coverage. Premiums are determined on an individual basis and vary based on the employee’s age.

All Carriers, One Plan Level

Under this purchasing model, the employer selects a plan level (i.e., Platinum, Gold, Silver, or Bronze) and employees can select from any of the health carriers within a given plan level. The table below illustrates how this might be structured.

All Carriers, One Plan Level				
Monthly Premiums for Single Coverage (Example)				
Health Plan/Carrier	Carrier A	Carrier B	Carrier C	Carrier D
Platinum	\$540	\$531	\$518	\$554
Gold	\$480	\$472	\$460	\$492
Silver	\$420	\$413	\$403	\$431
Bronze	\$360	\$354	\$345	\$369

In the above example, the employer “selects” the Silver Level plan and employees may choose from any of the health carriers that offer a Silver Level plan through the SHOP Exchange. The employer could set its premium contribution as a percentage of the cost of a specific plan (e.g., 70% of the cost of Carrier B’s Silver plan) so that the employer’s share of the cost is fixed, while the employee’s share varies depending on which carrier the employee selects.

Because employees may select from a number of health carriers within a plan level, premiums would likely be set on an individual (i.e., list bill) basis, as discussed above.

All Carriers, All Plans

Under this purchasing model, employees would be allowed to select from any of the health plans offered by the health carriers participating in the Exchange. The employer’s share of the premium could vary based on the percentage of the premium (e.g., 70% of any plan’s premium), could be set based on the premium of a particular plan offered by a specific carrier (e.g., 70% of the Silver Level Plan offered by Carrier B), or the employer could provide employees with a specific dollar amount and allow them to apply the employer’s contribution to any health plan offered through the SHOP Exchange.

All Carriers, All Plans				
Monthly Premiums for Single Coverage (Example)				
Health Plan/Carrier	Carrier A	Carrier B	Carrier C	Carrier D
Platinum	\$540	\$531	\$518	\$554
Gold	\$480	\$472	\$460	\$492
Silver	\$420	\$413	\$403	\$431
Bronze	\$360	\$354	\$345	\$369

As with the previous two purchasing models, because employees may select from any of the health carriers, premiums would likely need to be set on a list bill basis.