



Connecticut's Health Insurance Marketplace

SHOP (Small Business Health
Options Program)

Advisory Committee Meeting

June 27, 2013

Carrier Update in Access Health CT

- Carriers that have provided non-binding letters to participate in the Connecticut Marketplace:

Individual

Aetna

Anthem Blue Cross

Connecticare

HealthyCT

SHOP

Anthem Blue Cross

Connecticare

HealthyCT

United Healthcare

Carrier Update in Access Health CT continued

- Carriers have provided their plan and rate filings to the Department of Insurance.
- Access Health CT anticipates that the Carrier's plans and rates will be known in the Marketplace by the end of July 2013. (subject to the CT. Department of Insurance review. The Department of Insurance has final approval authority for all Carrier plan and rate filings in the State of Connecticut).

How Will the Marketplace Affect Small Businesses?

- Starting in 2014, a SHOP will be available in the State.
- Starting October 1, plans will be available for review and enrollment for coverage starting as soon as January 1, 2014.
 - Rolling monthly enrollments for employers after January 1
- Once a group is enrolled, its rate is guaranteed for 12 months.

How Will the Marketplace Impact Small Businesses? (cont'd.)

- To enroll, employer must:
 - Have its principal place of business or an employee worksite in a SHOP's service area.
 - Have less than 50 Full Time Equivalent /Employees.
 - Have at least 1 eligible employee:
 - Sole proprietors without other employees may enroll through the individual market Marketplace.

Employer Eligibility and Enrollment Process for SHOPs



Customer Support Services



1) An easy and simple web portal for small businesses and brokers to shop and compare for health insurance



2) Call center for eligibility, selection, and enrollment assistance



3) Brokers still available for customer information and enrollment support

The SHOP - Update #1

- The SHOP will be administered by HealthPass.
- Access Health CT will have multiple carriers and multiple health plan options, including bronze, silver and gold plans.
- Small Businesses Owners can decide to have their employees purchase vertically, horizontally or use a single choice.
- Small businesses will have consolidated billing.

The SHOP - Update #2

- Employers can decide how much to contribute toward premium costs.
- Employers can collect employee share of premiums through payroll deduction.
- Premium contributions can be made with **pre-tax dollars**.
- No Membership Fee will be charged to participate in the SHOP.
- Tax Credits for Small Businesses can only be obtained through the Connecticut Health Insurance Marketplace.

Notice To Employees Of Marketplace Coverage Options

- Employers must provide the applicable Marketplace Notices to Employees of Coverage Options.
- Notices must go to all employees, regardless of their plan enrollment status or whether they are part-time or full-time by October 1, 2013.
- Model Notices are provided by the DOL.
- More information can be obtained at <http://www.dol.gov/ebsa/newsroom/tr13-02.html>

Calculating the Small Business Tax Credit

- **Firm Size (FTEs) = Total Full Time Employees + (Total Annual Part Time Hours/2080)**
 - Owners are excluded from FTE count and employer cannot receive tax credit for owner's insurance
 - All employee hours counted and based on 40 hour week
- **Wages = Total Wages Paid/ FTEs**
 - Owner and family member wages are excluded from total wages
- **Maximum Small Business Tax Credit**
 - Up to 50% of a small business' premium costs in 2014 for two years
 - Up to 35% for tax-exempt employers (refundable via payroll tax) for two years

Qualifying for the Small Business Tax Credit

- **Contribution to health care coverage**
 - Do you cover at least 50% of the cost of health care coverage for your workers based on the single rate?
- **Firm size**
 - Do you have fewer than 25 Full Time Equivalents (FTEs)
- **Average annual wage**
 - Do you pay average annual wages below \$50,000?
- *Both taxable (for-profit) and tax-exempt organizations qualify*

How to Determine Tax Credit (2014)

- Credit is reduced on a sliding scale:
 - As average wages increase from \$25,000 to \$50,000
 - As FTEs increase from 10 to 25
- Connecticut Health Insurance Marketplace will make a tax credit calculator available
- National Tax Credit Calculators are publicly available:
 - <http://www.smallbusinessmajority.org/tax-credit-calculator/>
 - <http://www.nfib.com/advocacy/healthcare/credit-calculator>

Four Inputs needed for Small Business Tax Credit Analysis

- **Input Information Required:**
 1. Full Time Employees
 2. Part Time Employee Total Hours
 3. Total Wages
 4. Employer Portion of Total Premiums

Small Business Tax Credit : Illustration

Main Street Auto Mechanics

Input	Output
Full Time Employees: 10	FTEs = 10 + [10,400 /2,080] = 15
Part Time Hours: 10,400	Wages = \$450,000 /15 = \$30,000
Total Wages: \$450,000	Percentage Credit = ?
Employer Premiums : \$20,000	Tax Credit = ?

Small Business Tax Credit : Illustration

Phase Out Table for 2014 Small Business Tax Credit

Firm size	Average wage					
	Up to \$25,000	\$30,000	\$35,000	\$40,000	\$45,000	\$50,000
Up to 10	50%	40%	30%	20%	10%	0%
11	47%	37%	27%	17%	7%	0%
12	43%	33%	23%	13%	3%	0%
13	40%	30%	20%	10%	0%	0%
14	37%	27%	17%	7%	0%	0%
15	33%	23%	13%	3%	0%	0%
16	30%	20%	10%	0%	0%	0%
17	27%	17%	7%	0%	0%	0%
18	23%	13%	3%	0%	0%	0%
19	20%	10%	0%	0%	0%	0%
20	17%	7%	0%	0%	0%	0%
21	13%	3%	0%	0%	0%	0%
22	10%	0%	0%	0%	0%	0%
23	7%	0%	0%	0%	0%	0%
24	3%	0%	0%	0%	0%	0%
25	0%	0%	0%	0%	0%	0%

Source: CRS analysis of PPACA (P.L. 111-148).

Small Business Tax Credit : Illustration

Main Street Auto Mechanics

Input	Output
Full Time Employees: 10	FTEs = 10 + [10,400 /2,080] = 15
Part Time Hours: 10,400	Wages = \$450,000 /15 = \$30,000
Wages: \$450,000	Percentage Credit = 23%
Employer Premiums = \$20,000	Tax Credit = \$20,000 * 23% = \$4,600

Example of IRS form for Small Employers

IRS Form 8941

<p>Form 8941</p> <p>Department of the Treasury Internal Revenue Service</p> <p>Name(s) shown on return</p>	<p>Credit for Small Employer Health Insurance Premiums</p> <p>► Attach to your tax return.</p> <p>► Information about Form 8941 and its separate instructions is at www.irs.gov/form8941.</p>	<p>OMB No. 1545-0047</p> <p>2012</p> <p>Attachment Sequence No. 63</p>
<p>1a Enter the number of individuals you employed during the tax year who are considered employees for purposes of this credit (see instructions)</p> <p>1b Enter the employer identification number (EIN) used to report employment taxes for individuals included on line 1a (see instructions)</p> <p>2 Enter the number of full-time equivalent employees you had for the tax year (see instructions). If you entered 25 or more, skip lines 3 through 11 and enter -0- on line 12</p> <p>3 Average annual wages you paid for the tax year (see instructions). If you entered \$50,000 or more, skip lines 4 through 11 and enter -0- on line 12</p> <p>4 Premiums you paid during the tax year for employees included on line 1a for health insurance coverage under a qualifying arrangement (see instructions)</p> <p>5 Premiums you would have entered on line 4 if the total premium for each employee equaled the average premium for the small group market in which you offered health insurance coverage (see instructions)</p> <p>6 Enter the smaller of line 4 or line 5</p> <p>7 Multiply line 6 by the applicable percentage: • Tax-exempt small employers, multiply line 6 by 25% (.25) • All other small employers, multiply line 6 by 35% (.35)</p> <p>8 If line 2 is 10 or less, enter the amount from line 7. Otherwise, see instructions</p> <p>9 If line 3 is \$25,000 or less, enter the amount from line 8. Otherwise, see instructions</p> <p>10 Enter the total amount of any state premium subsidies paid and any state tax credits available to you for premiums included on line 4 (see instructions)</p> <p>11 Subtract line 10 from line 4. If zero or less, enter -0-</p> <p>12 Enter the smaller of line 9 or line 11</p> <p>13 If line 12 is zero, skip lines 13 and 14 and go to line 15. Otherwise, enter the number of employees included on line 1a for whom you paid premiums during the tax year for health insurance coverage under a qualifying arrangement (see instructions)</p> <p>14 Enter the number of full-time equivalent employees you would have entered on line 2 if you only included employees included on line 13</p> <p>15 Credit for small employer health insurance premiums from partnerships, S corporations, cooperatives, estates, and trusts (see instructions)</p> <p>16 Add lines 12 and 15. Cooperatives, estates, and trusts, go to line 17. Tax-exempt small employers, skip lines 17 and 18 and go to line 19. Partnerships and S corporations, stop here and report this amount on Schedule K. All others, stop here and report this amount on Form 3800, line 4h</p> <p>17 Amount allocated to patrons of the cooperative or beneficiaries of the estate or trust (see instructions)</p> <p>18 Cooperatives, estates, and trusts, subtract line 17 from line 16. Stop here and report this amount on Form 3800, line 4h</p> <p>19 Enter the amount you paid in 2012 for taxes considered payroll taxes for purposes of this credit (see instructions)</p> <p>20 Tax-exempt small employers, enter the smaller of line 16 or line 19 here and on Form 990-T, line 44f</p>		<p>Identifying number</p> <p>1a</p> <p>1b</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p>
<p>For Paperwork Reduction Act Notice, see separate instructions.</p>		<p>Cal. No. 377575</p> <p>Form 8941 (2012)</p>

Small Business <25 Engagement

- Concerns and Considerations:
 - For the small businesses that are <25 employees who don't have/won't have an agent/broker how do they get help/guidance?
 - Is this group of employers a bit disenfranchised when it comes to education & support?
 - As noted in the 2009 IRS report there are 53,900 businesses in the State of Connecticut that may be eligible for the Small Business Tax Credit.
 - Do we expect they will simply be guided by their accountants as their "play" is mostly about the tax credit



Connecticut's Health Insurance Marketplace

Access Health CT

Marketing Update

Campaign Goals

The primary mission of our campaign is to:

- ✓ Build awareness of AHCT
- ✓ Educate individuals and businesses how they can benefit from the AHCT
- ✓ Drive enrollment
- ✓ Deliver an exceptional customer experience
- ✓ Foster long term favorability of AHCT

To achieve these goals, our plan utilizes an integrated approach consisting of range of tactics from both broad media use to targeted individual engagement. It is designed to produce multiple touches that build on themselves over the next 10 months.

Strategy Development

In developing our marketing and outreach strategy, we analyzed and reviewed information in five key areas:

Strategic Consideration	Marketing Action
1. Market Segmentation: <ul style="list-style-type: none"> • Demographic • Geographic • Attitudinal/Psychographic 	Provides the under pinning for identifying and sizing key target groups, determining their location, and guiding message creation and program tactics to effectively reach and engage them
2. Distribution Channels: <ul style="list-style-type: none"> • Retail (e.g. IPA's, Navigators, Brokers) • Wholesale (e.g. Hospitals, Providers) • Direct (e.g. call center, web) 	Combining segment information above with distribution options available guides decisions surrounding channel use, channel needs and forecast development for channel specific enrollment
3. Messaging <ul style="list-style-type: none"> • Value proposition by segments • Defining unique market position for the organization 	Building on the segment research, value propositions which appeal to key groups, and underscore the unique position of the Exchange are developed: Change → Benefits → Enroll (all with call to action)
4. Influencers and Stakeholders	Full implementation requires a well coordinated effort among both Exchange and non-Exchange personnel. Segment understanding drives assessment and development of key partner needs.
5. Enrollment Goals	Organizational enrollment objectives and targets need to be in line with marketplace experience

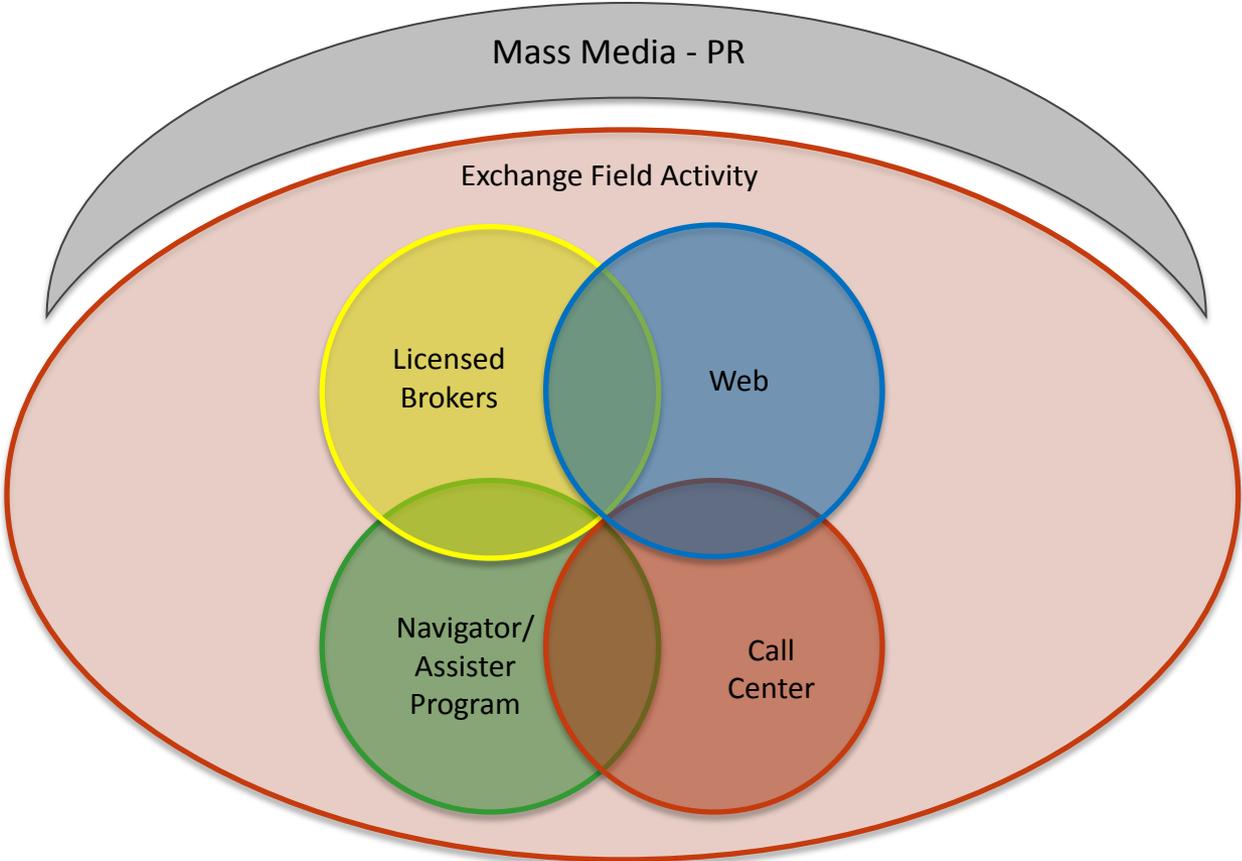
Tactical Development

A deep understanding of our target consumers based research among more than 2,000 individuals and businesses in past year, guides the choice of tactics to use in our plan.

Research finding	Marketing Implication
1. CT's uninsured and underinsured residents are clustered in a handful of communities, with 80% or more of the uninsured in each county contained in 20 zip codes	Our plan will have a heavy focus on local level, grass roots community engagement in key urban areas, rather than traditional broad tactics
2. Available data sources provide robust information on key Exchange populations, allowing for precise targeting and meaningful segmentation development	We will reach out directly to our primary targets (e.g. mail, phone, canvassing, events, etc.) to build awareness and spur action, rather than utilizing more passive channels
3. Individuals have little to no understanding of how to enroll and purchase health insurance	We will offer substantial in-person enrollment support opportunities for individuals to get help rather than focusing on self service models (e.g. unassisted enrollment)
4. Skepticism and confusion abound, fostering inaction and aversion to potential messaging	More in-depth, sustained conversations need to occur to overcome these substantial obstacles, and come from trusted resources.
4. A portion of targeted individuals do not utilize and interact with traditional sales and marketing channels	CT's diverse cultural and ethnic populations will need to be reached through civic, faith based, and service organizations who have established trust in these communities and are seen as valuable and credible resources

Core Tactics Utilized

Campaign goals will be achieved through activity in 7 major tactical groups, as seen below. Interplay and overlap between them will be substantial, with an estimated 5 “touches” on average occurring for each individual who enrolls.

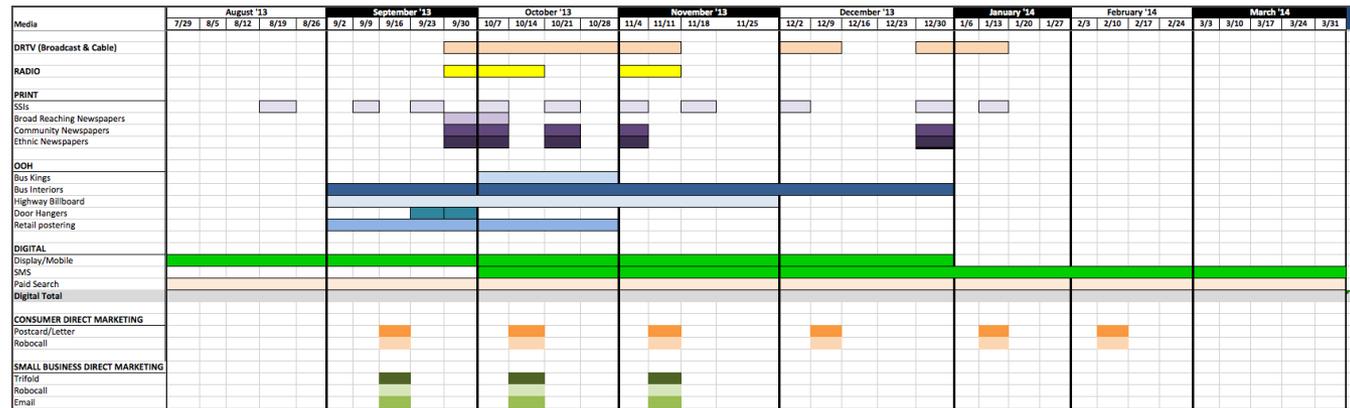


Media Program

In order to provide a robust level of media exposure to both build awareness of Access Health CT, as well as drive enrollment, an integrated media effort utilizing 7 categories of message delivery will be deployed.

<p><u>TV (broadcast and cable)</u></p> <p><u>Radio</u></p> <p><u>Print</u></p> <ul style="list-style-type: none"> • FSJ's • Community newspapers • Ethnic Newspapers • Major dailies/weeklies 	<p><u>Out of Home</u></p> <ul style="list-style-type: none"> • Bus interiors • Bus exteriors • Billboards • Door hangers • Retail posters 	<p><u>Digital Media</u></p> <ul style="list-style-type: none"> • Display/Mobile • SMS • Paid Search <p><u>Social Media</u></p> <ul style="list-style-type: none"> • Facebook • Twitter • YouTube • LinkedIn 	<p><u>Direct Marketing</u> <u>(Individual and Business)</u></p> <ul style="list-style-type: none"> • Mail • Letters • Postcards • Outbound calling
--	---	--	--

Scheduling being finalized to launch test activity in July and begin full media presence in August, as well as increase marketing presence in Q1.



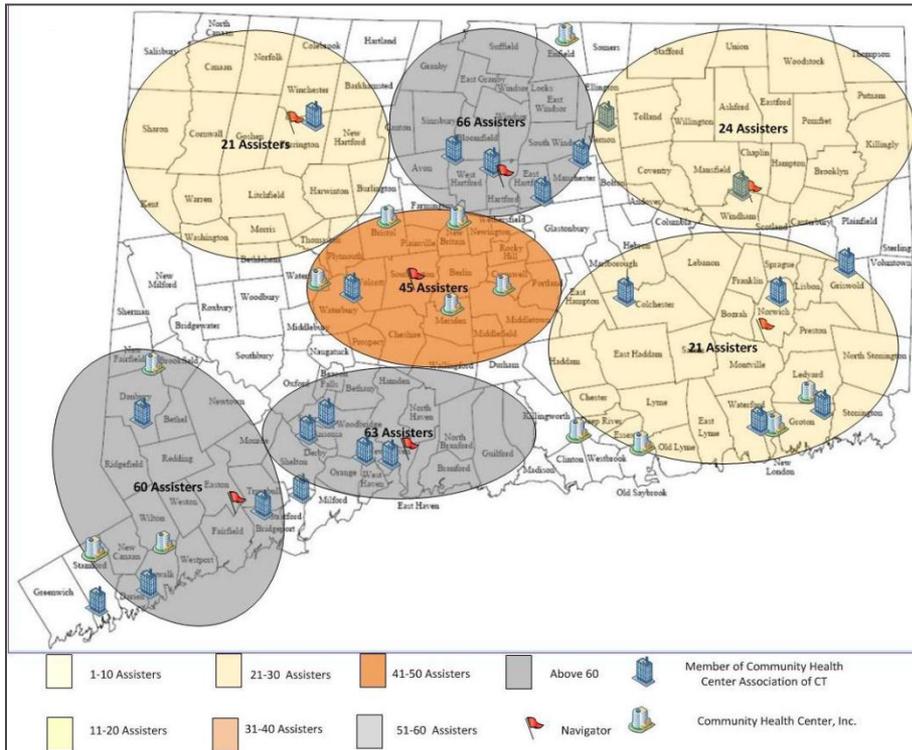
Field Activity Program

- In order to deliver key messages directly to our targeted populations and build awareness, generate qualified leads, and drive enrollment, AHCT will be deploying a number of high-touch, in person tactics
- Field activities will be focused on 10 key categories of activity beginning this summer
- Leads generated will be directed to use one of the 4 main enrollment channels

Activity Areas	Activity Areas
<p>1) Street Fairs and Festivals: Attendance at 46 festivals across CT during June to January time frame</p>	<p>6) Health Fairs: Presence at 20 Health Fairs to distribute information, but also have enrollment capabilities on site</p>
<p>2) Canvassing: Door to door canvassing to 120,000 households in key zip codes and dense uninsured prospect groups</p>	<p>7) Storefronts: Branded retail presence in 6 major metros to provide a space for both independent consumer enrollment, as well as enrollment programs for brokers, navigators and outreach workers</p>
<p>3) Retail Intercepts: Prospect engagement outside high traffic, targeted locations to distribute information and capture leads.</p>	<p>8) Tele-Town Halls: Telephone based town hall meetings promoted by local leadership, with ability to connect at any time to a customer service agent to begin shopping and enrollment process</p>
<p>4) Seasonal outreach: Access Health presence at CT shoreline beaches and key fall locations</p>	<p>9) Partnerships: Ongoing Access Health presence at key community partner locations such as community colleges, hospitals and libraries as well as commercial endeavors.</p>
<p>5) “Healthy Chat” and “Get Covered” events: Enrollment focused events occurring in community locations and coordinated with state and local leaders, as well as general advertising and promotion</p>	<p>10) Business Visibility: Field staff outreach to local community businesses to facilitate the placement of signs, posters, lead cards, brochures in these locations.</p>

Navigator and Assister Program

- The Exchange has partnered with the Office of the Healthcare Advocate (OHA) to execute its Navigator and In-Person Assister Program.
- This program will look to leverage and empower current community based resources to reach the uninsured, and offer trusted and familiar ways to get help enrolling in coverage.



- Hub and spoke system set up for Navigators and IPA's
- Approximately 300 IPA's will receive \$5-6k grants
- Approximately 5-7 Navigator groups receiving \$25-50k grants

Broker Program

- The Exchange has fostered strong relationships with the broker sales and distribution channel in Connecticut.
- The Exchange will be partnering with brokers to execute a full broker lead and sales program containing 3 major components as detailed below. This will be in addition to providing sales support collateral for use with existing clients or to accompany their own independent efforts.
- 250 active brokers will be recruited to enroll in this program across the state, and will need to take an Exchange specific training and certification program to participate.

1

Listing in Public Exchange Approved Broker Database

- Participating brokers will be listed on searchable database available on our web site, as well as utilized by our call center for broker referrals

2

Participation in Broker Lead Program

- Qualified leads generated during both pre-open enrollment and open enrollment events will be distributed to brokers via a trackable lead management system.

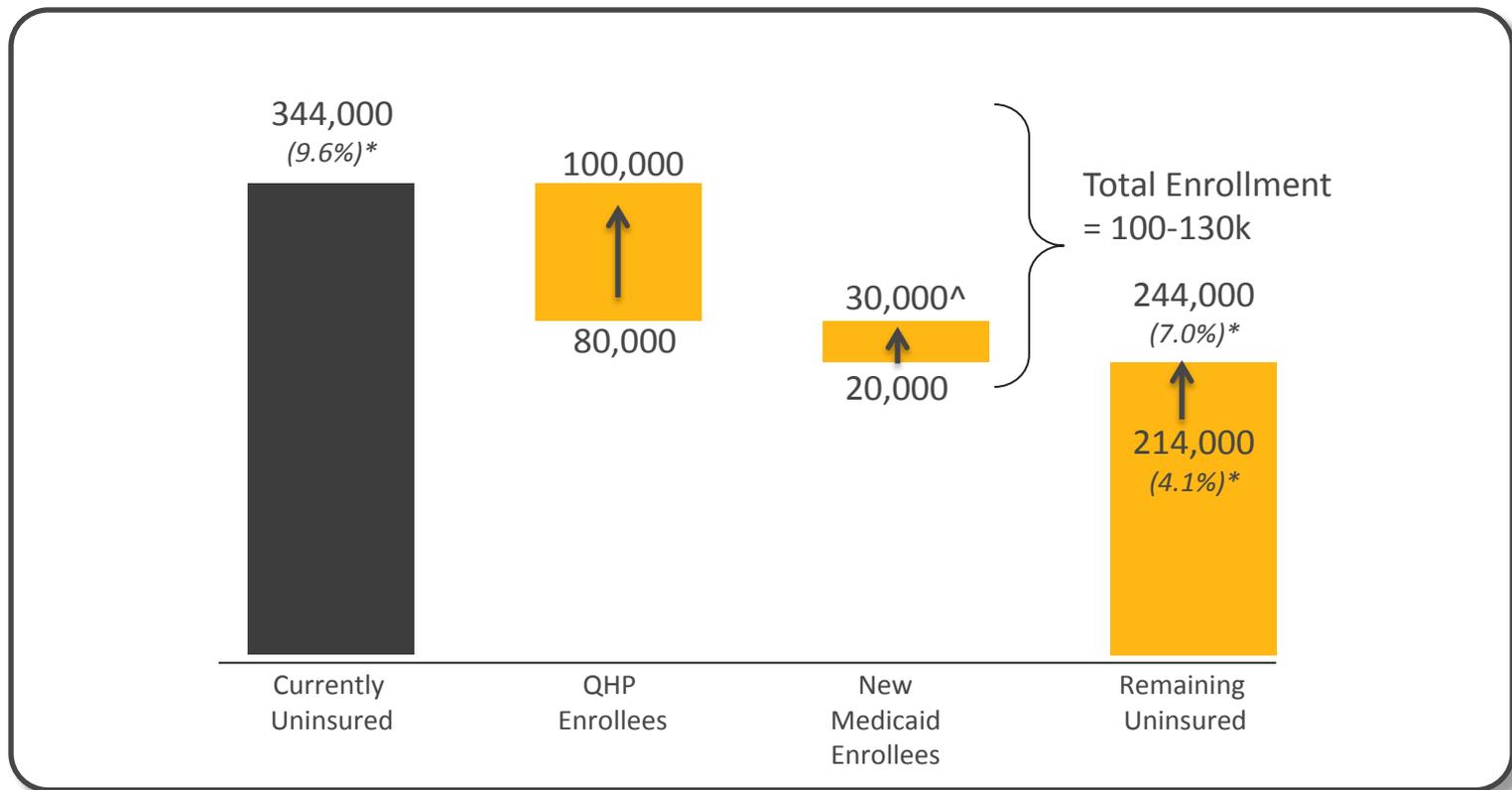
3

Access and Participation at Exchange Facilitated Enrollment Events

- Brokers will be given access to Exchange executed events (enrollment fairs, store front activity, business expo's) to engage and enroll clients.

Enrollment Targets

The current uninsured rate in CT is approximately 9.6%. Our marketing plan is targeted to generate 100-130k net new enrollments over the course of open enrollment.



* Among a total state population of 3.5 million

^ Newly eligible Medicaid enrollee's only. This does not include current beneficiaries who may use the system.

QHP Enrollments by Channel

- Enrollment estimates are projected for each of the 4 major enrollment channels.
- Campaign performance and ROI will be evaluated overall, as well as by channel
- The forthcoming CRM database will be the means to conduct this analysis

