

CONNECTICUT HEALTH INSURANCE EXCHANGE PLANNING GRANT STAKEHOLDER MEETING SMALL EMPLOYERS

DATE: May 12, 2011

LOCATION: Office of Policy and Management, 450 Capitol Avenue

INVITED TO PARTICIPATE:

Connecticut Business and Industry Association
National Federation of Independent Businesses
Chamber of Commerce of Eastern Connecticut
Greater New Haven Chamber of Commerce
Northwest Connecticut Chamber of Commerce
Bridgeport Regional Business Council
Middlesex County Chamber of Commerce
Greater Danbury Chamber of Commerce
Central Connecticut Chambers of Commerce
MetroHartford Alliance
Greater Waterbury Regional Chamber of Commerce
The Business Council of Fairfield County
Spanish American Merchants Association
Greater Meriden Chamber of Commerce

MEETING ATTENDEES:

Joe Brennan, Senior Vice President, Public Policy (CBIA)
Stephen Glick, President, Administration (CIT)
Aaron Glick, Counsel (CIT)
Frank Alvarado, Director (SAMA)
Brian O'Connor, Director (MCCC)
Tanya Court, Director, Public Policy (The Business Council of Fairfield County)
Rick Willard, Past Chair (CT NFIB)
Andy Markowski, State Director (CT NFIB)
Michael Nicastro, President, CEO (Central CT Chambers of Commerce)

Background

The public engagement plan for Connecticut (the State) in planning for an Insurance Exchange consists of public forums held throughout the State as well as stakeholder meetings organized by professional group category. Over 85 organizations were invited to attend a stakeholder meeting to discuss Exchange topics such as structure, operations, market reforms, accountability, transparency, and sustainability. Questions were sent to each organization prior to their meeting. The feedback the State received from these questions was used as the framework for the discussion. Meetings were conducted by a neutral facilitator and recorded/transcribed. This document reflects an integration of initial written comments from the invited organizations listed above, as well as discussion from the meeting. It is intended as a summarized snapshot of the initial perspective(s) of the groups that participated. **It is not intended to represent final thoughts or positions.**

ESTABLISH A REPONSIVE AND EFFICIENT STRUCTURE	
Should Connecticut consider joining a multi-state Exchange?	
Worth looking into but use caution because could be very complex.	<ul style="list-style-type: none"> • Unique marketplace in CT – different laws than surrounding states increases complexity • Could increase cost and complexity; could cut cost • Factor to consider is that small business population is very mobile in New England • Worth exploring with surrounding states; would need to have discussion with insurance departments of other states • Could increase opportunity for more insurers in the marketplace; More participants creates more predictability and options • CIT benefit centers cross state borders so it is possible; it can work
Should CT administer the individual and small group markets separately or jointly?¹	
Need to carefully consider all implications.	<ul style="list-style-type: none"> • With the Exchange, it will really be one market anyway; there will be little difference • It is going to be a consumer-centric marketplace and there should be choice • Could create a more balanced pool together, or could be disruptive, depending on whether individuals are younger and healthier, or sicker, than the small group population; what the effect would be needs to be carefully considered • Weigh long-term benefits and costs and make a decision about how you want to balance, considering what your ultimate goals are • Stay aware of the levels of complexity; there are very different ways these markets can work
What employer size should Connecticut allow into the Exchange?	
Do it in stages; begin with one to 50 employees in 2014.	<ul style="list-style-type: none"> • Start small and increase once experience has been gained • There should be a mechanism to address changes in employer size that hover right at the 50 or 100 mark (there is in the ACA) • How do you count part-time employees? Allow participation if they work more than a certain number of hours. • Look at staffing requirements for the Exchange to see how this decision would affect administrative costs
ADDRESS ADVERSE SELECTION AND THE EXTERNAL MARKET	
Should CT allow a dual market, a hybrid market, or should it require that all individual insurance be sold through the Exchange?	
Dual market.	<ul style="list-style-type: none"> • Competition, choice, innovation, efficiencies • Make both markets attractive • The Exchange is an experiment and if it does not work out, the other market needs to still exist • Even though the small business tax credit is in the Exchange, there are not very many businesses that will be eligible

¹ Clarification requested. Comment made by Brian O’Connor of Middlesex County Chamber of Commerce: “I thought I had stated that the two markets should be separate due to the possibility of adverse selection. You appear to touch on this, but I would ask that this idea be more strongly stated as part of the discussion.”

Should CT implement any additional mechanisms to mitigate adverse selection?	
Consistency in and out of the exchange.	<ul style="list-style-type: none"> • Rules the same in and out of the Exchange; consistency between plans in and out; premiums the same in and out. • Insurers should have to play in and out. • Only essential benefits, no additional mandates.

SIMPLIFY HEALTH INSURANCE PURCHASE

What issues should Connecticut consider in establishing a Navigator program?

Navigators should be experienced, and without conflicts of interest.	<ul style="list-style-type: none"> • Consider the expertise of agents and brokers. • Consider the difference between Navigator and broker; the broker is receiving a commission, the Navigator is supposed to be completely objective • Use Chambers of Commerce for education and outreach; they already do this with small business • Make sure health literacy exists • Must be knowledgeable and professional • Require certification and access to E&O insurance • Address language barrier • Convey importance of education and role in providing information
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What should Connecticut consider regarding the role of insurance brokers and agents?

The value of their expertise.	<ul style="list-style-type: none"> • Agents and brokers play a critical role in assisting individuals and small groups with understanding, selecting and enrolling in the insurance plan best suited for them, and providing continuous support • Agents and brokers understand the market better than most • A new focus for agents and brokers could also be a larger more robust individual market. Individuals will require assistance whether they are purchasing inside or outside the market. And if small business or individuals feel they can purchase on their own with an agent, then they should be allowed to do that as well
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INCREASE ACCESS TO AND PORTABILITY OF HIGH QUALITY HEALTH INSURANCE

Should CT allow any plan that meets Qualified Health Plan standards to be available in the Exchange, or should CT establish additional requirements? If additional requirements, what would you recommend? What would be impact of those requirements?

	<ul style="list-style-type: none"> • Additional requirements could cause instability or could help with stability • Use third party rating services (there was a disagreement about this, whether to add extra protections or to continue to let the DOI handle it)
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Should CT consider establishing the Basic Health Program? What would the BHP offer as a tool to facilitate continuity of coverage and care?

Unsure.	<ul style="list-style-type: none"> • Caution regarding costs • Keep in mind that whatever we structure has to be affordable for taxpayers, even down the line if federal funds should go away • May cause volatility • This is not an issue the small businesses have a lot of insight/experience with – the population targeted with the BHP • Consider the impact that differences in provider reimbursement might have – could result in cost shifting
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How can CT structure its Exchanges to maximize continuity of coverage and seamless transition between public and private coverage? (E.g. as a person moves from Medicaid, subsidized and non-subsidized markets)

Look to private market for experience	<ul style="list-style-type: none"> • Utilize experience from private marketplace (such as CBIA exchange). The private market has found great efficiencies in exploiting the benefits of
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<p>and innovation with technology.</p>	<p>technology and best practices to streamline processes such as this</p> <ul style="list-style-type: none"> • Consider that the carriers have a lot of experience with technology; they already invest a great deal – maximize the methods that have already been established • Prevent individuals from jumping in and out of Medicaid and private coverage eligibility month-to-month
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ENSURE GREATER ACCOUNTABILITY AND TRANSPARENCY

What information should CT include for outreach to most effectively engage consumers? How should the information be presented?

<p>Focus on transparency and quality of information.</p>	<ul style="list-style-type: none"> • Important to be culturally competent including considerations for demographic, racial, ethnic, and geographical differences • Various mediums must be utilized as population crosses a wide spectrum of access to technology and other source • Information needs to be precise, transparent, and simple • Information should be designed by outsiders/experts to ensure quality • Transparency about the products you are buying: quality information, satisfaction information, etc. • Perhaps a comparison with the private market would be particularly helpful, i.e. think Medicare supplement brochure – looking at one program to the next, or perhaps a spreadsheet approach • Really ask the constituents in the marketplace what they want • Identify what the requirements are presently and whether that is easily accessible, and decide how to improve it • Use all available means of reaching out: the broker community, Chambers of Commerce, employers, organizations that specialize in particular segments of the business community and have trusted relationships to give impartial information
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How should Connecticut ensure ongoing feedback and input about accountability, operational issues, and suggested improvements?

	<ul style="list-style-type: none"> • Make sure the business community is involved throughout the design, implementation and operation • Conduct an annual stakeholder survey • Set requirement for formal comments • Consider the role of DOI. Should DOI audit and certify the program? (Many small businesses think the agency is doing something right, so they wonder what that role will be) • If there are operational issues, you will certainly hear from consumers • Ensure the customer service is quality, timely, and that service orientation is conducted • The more you reinvent the wheel the more it creates confusion because there is now another organization out there doing the same thing. • Must NOT include proprietary information that would put such stakeholders at a competitive disadvantage • Whatever criteria state has today should be sufficient. Why load it down with more requirements?
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SELF SUSTAINING FINANCING	
How might the State’s financing strategies encourage or discourage participation in the Exchange; Affect the reputation of the Exchange, and affect accountability, transparency and cost effectiveness?	
Keep it lean, efficient, and self-supporting.	<ul style="list-style-type: none"> • Should be self-supporting and not funded out of the Connecticut General Fund or other state funds • Be very cautious about taxing employer community – the Exchange was supposed to help small employers • Partly should be financed by purchasers • This question underscores the importance of having a lean and efficient Exchange • Per member per month assessment, and should be transparent
What issues should be considered regarding state requirements for additional benefits above the minimum essential benefits? What funding sources should be considered for the cost of additional benefits?	
Include only essential benefits.	<ul style="list-style-type: none"> • Any increases of benefits above the essential benefits must be paid for by the state. This will result in higher costs to all Connecticut taxpayers • There is no need to have more benefits on top of the federal requirements. Any consideration of this in the future should be done very slowly, factoring in the impact and losses • Minimum essential coverage is already too high and will be difficult for people to purchase without heavy subsidies • CT’s small businesses are at a disadvantage compared to other states because of the large number of state-mandated benefits

ADDITIONAL EXCHANGE FUNCTIONS

Beyond the Exchange’s minimum requirements, are there additional functions that should be considered for Connecticut’s Exchange? Why?

Are there advantages to limiting the number of plans offered in the Exchange, or is the Exchange a stronger marketplace if it permits “any willing provider” to sell coverage?	
Any willing provider.	<ul style="list-style-type: none"> • Competition is critical for success • Allow the market to decide • Better for marketplaces to be more similar inside and outside
Should CT consider setting any conditions for employer participation in the small group exchange (e.g. Minimum percent of employees participating, minimum employer contribution, limits in the range of product benefit values that may be selected by employees, etc)?	
No!	<ul style="list-style-type: none"> • Requirements for employer participation in the small group Exchange should be consistent with participation requirements for small group outside the Exchange • Too many rules will hinder job growth and hinder coverage offerings • Refrain from touching minimum employer contribution – this is a negotiable item/benefit between employers and employees
What are some of the initiatives that could maximize flexibility and offer a value for small business employers to utilize the Exchange?	
Keep it simple, inexpensive, and easy to use.	<ul style="list-style-type: none"> • Anything that lowers current costs • A competitive price is necessary – flexibility is only good if the employer can actually afford to offer coverage • Ease of entry • Clear administrative requirements and processes • Small businesses already have a huge paperwork/admin burden and often lack

	<p>the sophistication/personnel compared to larger companies in administering benefits, etc. Businesses cannot afford and should not have to hire another HR person</p> <ul style="list-style-type: none"> • Claims payments and handling need to be done with speed • Provide education to the small employer allowing them to understand what to do, what they can do, what the options are, benefits, and so on • To be successful you need to reduce the administrative burden because otherwise, participating in a state program is a disincentive because of all the regulation
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ADDITIONAL EXCHANGE FUNCTIONS	
What should be the role of the Exchange in premium collection and billing?	
<p>None.</p>	<ul style="list-style-type: none"> • Some businesses are skeptical and think it should only be handled by whoever the players in the market are • That may just increase the cost; allow those who are already performing these functions continue performing them
What are all the different data collection and reporting mechanisms that are necessary to operate a transparent and accountable Exchange?	
	<ul style="list-style-type: none"> • DPH and/or Exchange should provide quality information