

# MHBE SHOP – Interim Process

April 16, 2018

Presented by:  
Policy and Plan Management



## Session Topics

- I. February Board Session Recap**
- II. Background & Program Goals**
- III. Direct Enrollment Model**

## **Recap:**

1. Provide the MHBE Board with detail on the proposed interim Direct Enrollment process.
2. Provide the MHBE Board with an update on permanent SHOP solution research.

### **Goals:**

1. Fulfills agency charge to provide access to enrollment in affordable health coverage to Maryland's small employers.
2. Provide enrollment options to employers whose employees have experienced high rate increases in the individual marketplace.
3. Facilitate small group enrollment into SHOP QHPs through a streamlined process that reduces administrative burden and empowers employers.
4. Promote enrollment into SHOP QHPs to allow employers access to the Small Business Health Care Tax Credit.
5. Educate small group producers on the advantages of the SHOP and other options available to their clients.

**Presentation:** March 1, 2018 – Plan Management Stakeholder Committee

**Representation:** Issuers (4), Consumer Advocates (2), Producers (2), MCOs (1),

**Comment Period:** March 9 – March 24

**Comment Received:**

- CareFirst: Recommends that the Maryland Direct Enrollment process leverages the process established for Federally Facilitated Marketplace direct enrollment. “Looks forward to additional discussion regarding direct enrollment steps, policies, and procedures.”

**MHBE seeks alignment with the direct enrollment approach developed by the Federally Facilitated Marketplace differing only where necessary for Maryland’s needs.**



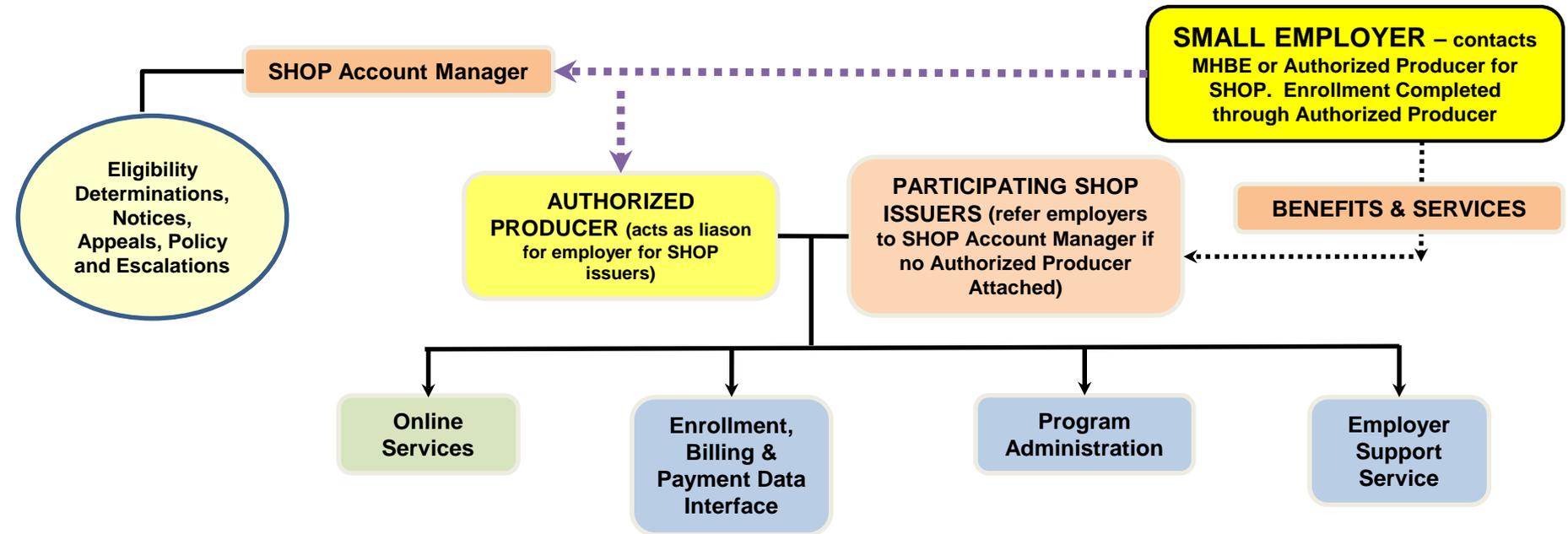
## MHBE SHOP – Interim Option

**Model:** Direct to Issuers Model

**Description:** Employer groups (with an Authorized SHOP Producer) enroll directly in SHOP QHPs with participating SHOP issuers. Paper work and group administration is manual. Eligibility for SHOP groups is manual. Enrollment is not performed through an electronic interface. Enrollment data passed through to MHBE via issuer reports.

Similar to the Direct Enrollment process utilized by MHBE in 2014.

# SHOP Interim Option: Direct to Issuers



## Model Benefits:

**COST SAVINGS** on current SHOP Administrator costs (Operational Costs \$30,000 per month, Administrative Services Costs (\$15 per employee/ per month, approximately \$7,000-\$8,000 monthly)

**ELIGIBILITY DETERMINATION** function centralized at MHBE.

**INCREASED CHOICE** for employers and producers when working with a third-party administrator.

## Model Impacts:

**EMPLOYEE CHOICE** – Without Premium Aggregation Services, an Employer would have to implement their plan, administer enrollments and pay separate premium invoices with each chosen insurance carrier.

**EMPLOYER CHOICE** – Without Premium Aggregation Services, an Employer would not be able to consolidate premium billing of all employee benefit plans.

**ADMINISTRATIVE BURDEN** – Without an integrated service model administrative burden increases on employers, brokers, and employees. Increased administrative burden is also shifted onto MHBE staff. It is predicted that existing staff can implement this interim solution.

**Direct Enrollment Process:**

1. An interim solution to administer minimally required SHOP services to Maryland small employers
2. Cost-effective but does not offer full suite of benefits to employers

**Permanent SHOP Solutions:**

1. MHBE SHOP on track to provide MHBE Board with permanent SHOP solution options before September 30, 2018 designated date.
2. MHBE SHOP projects that permanent solutions can be implemented by July 1, 2019 – pending Board approval.

**MHBE Staff Recommendations:**

*Direct MHBE SHOP to implement a Direct Enrollment process to administer the Maryland SHOP until a permanent solution is determined by the MHBE Board.*