

Small Business and Nonprofit Health Insurance Subsidy Program Workgroup

Session 3 – August 9, 2022

Agenda

1:00 - 1:10 | Welcome

Jon Frank and Rick Weldon- Co-chairs

1:15 - 1:30 | Target Population

Johanna Fabian-Marks, MHBE Director of Policy and Plan Management

1:30 - 1:45 | Survey Responses

Johanna Fabian-Marks, MHBE Director of Policy and Plan Management

1:45 - 2:15 | Subsidy Program Design Options

Mimi Hailegeberel, Small Business Programs Manager

2:15 - 2:30 | Duration of Subsidy Program

Mimi Hailegeberel, Small Business Programs Manager

2:30 - 3:00 | Public Comment

3:00 | Adjournment



Welcome

Members

| Member | Affiliation |
|-------------------|--|
| Glenn Arrington | Group Benefit Strategies |
| Neil Bergsman | MD Nonprofits |
| David Brock | Aetna |
| Dana Davenport | Association of Community Services of Howard County |
| Janet Ennis | Maryland Health Care Commission |
| Jon Frank | Insurance Advisor |
| Bruce Fulton | Neighbor Ride |
| Amber Hyde | All About Benefits, LLC |
| Stephanie Klapper | Maryland Citizens' Health Initiative |
| Mark Kleinschmidt | Anne Arundel County Chamber of Commerce |
| Jamal Lee | Breasia Productions |

| Member | Affiliation |
|----------------------|--------------------------------------|
| Lane Levine | A Friendly Bread |
| Allison Mangiaracino | Kaiser Permanente |
| Robert Morrow | UnitedHealthcare |
| Henry Nwokoma | Maryland Health Care Commission |
| Trina Palmore | Solomon's Financial Group |
| Deb Rivkin | CareFirst |
| Sandy Walters | Kelly Benefits |
| Rick Weldon | Frederick County Chamber of Commerce |

High-Level Agenda

| Session # | Date | Topic |
|-----------|-----------|---|
| 3 | August 9 | Refine Program design |
| 4 | August 23 | Program design; costs and financing |
| 5 | Sept 6 | Buffer: time for additional discussion, follow-up items |



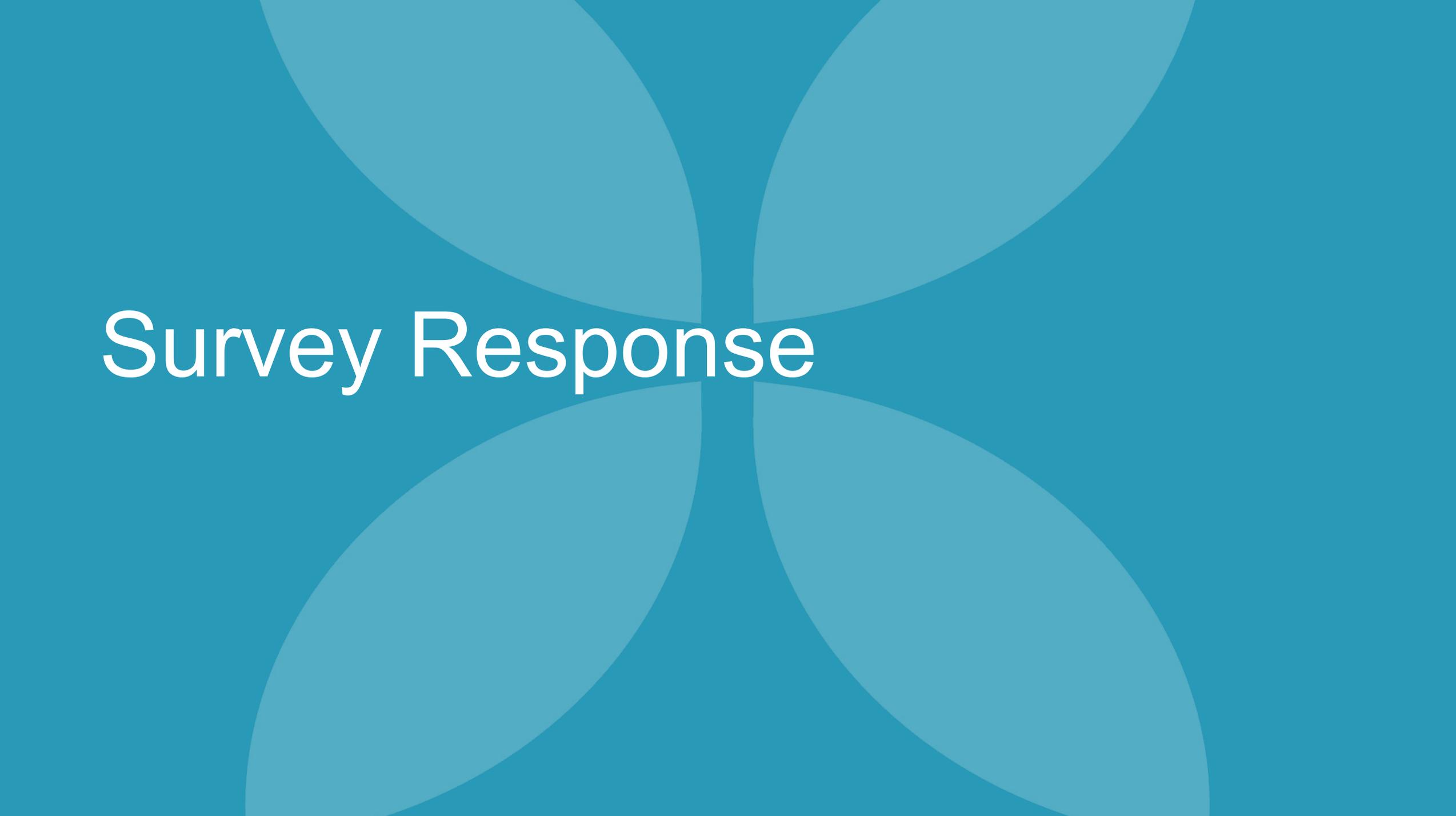
Target Population

Proposed Target Population

Goals: target subsidy at small employers most likely to have uninsured employees; help employers get through start-up period

1. Employers with:
 - a. 2-9 employees
 - b. No health insurance offered within the last 12 months
 - c. Less than 60 months in operation
 - d. Contribute minimum 50% towards premium
 - e. Revenue requirements (between \$ and \$)
 - f. Employee income requirements (less than 50,000)
 - g. Years in business (0-2yrs or 0-4yrs)

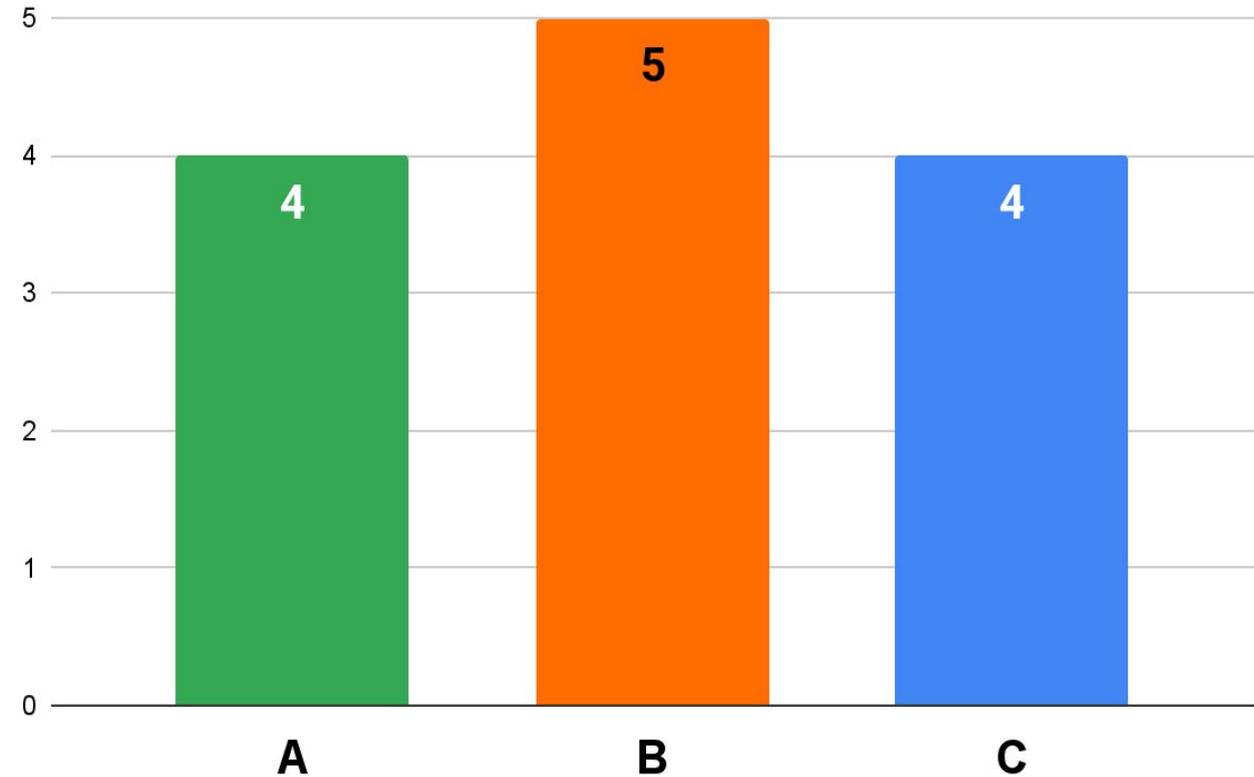
2. To be eligible, should the employer be required to pay 50% (or more) of the employee premium cost (mirroring federal small business health insurance tax credit eligibility)?



Survey Response

Q1: What should the goals of the program be?

- A. Reduce cost of offering insurance for interested businesses (even if they are already offering insurance)?**
- B. Reduce the number of uninsured individuals by increasing the number of small businesses that offer small group plans?**
- C. Reduce the number of uninsured individuals by increasing the number of small businesses that connect their employees to individual market coverage?**



Q1: Member Added Responses

1. Ensure that the subsidy is not structured in a way that will harm employees and small employers. Don't make low wage workers worse off by locking them into less affordable/less comprehensive coverage through small business than they would get through the individual marketplace (particularly those under 200% FPL who qualify for more substantial PTCs and robust CSR coverage). If the program is a pilot, do not erode employee trust in the employer for the program potentially being short-term. (1 vote)
2. Eliminate certain participation regulations (1 vote)
3. Increase the number of small businesses that offer health insurance and reduce the uninsured rate of small business employees. (1 vote)
4. Reducing the number of uninsured persons. Assist small employers in affording coverage for their employees (1 vote)

Q1: Additional feedback on program goals

“...Don’t make low wage workers worse off by locking them into less affordable/less comprehensive coverage through small business than they would get through the individual marketplace (particularly those under 200% FPL who qualify for more substantial PTCs and robust CSR coverage). If the program is a pilot, do not erode employee trust in the employer for the program potentially being short-term.”

“Two concurrent goals ; increase number of Employer sponsored plans and for those not inclined to sponsor a plan, distribute educational materials through Employer about getting individual coverage.”

“The small group market seems pretty limiting, however, a subsidy program that reserves certain funds for businesses and certain funds for individuals would reach an overall goal of reducing the number of people who are uninsured. The split of how much money goes to which aspect would likely need to be determined through actuarials.”

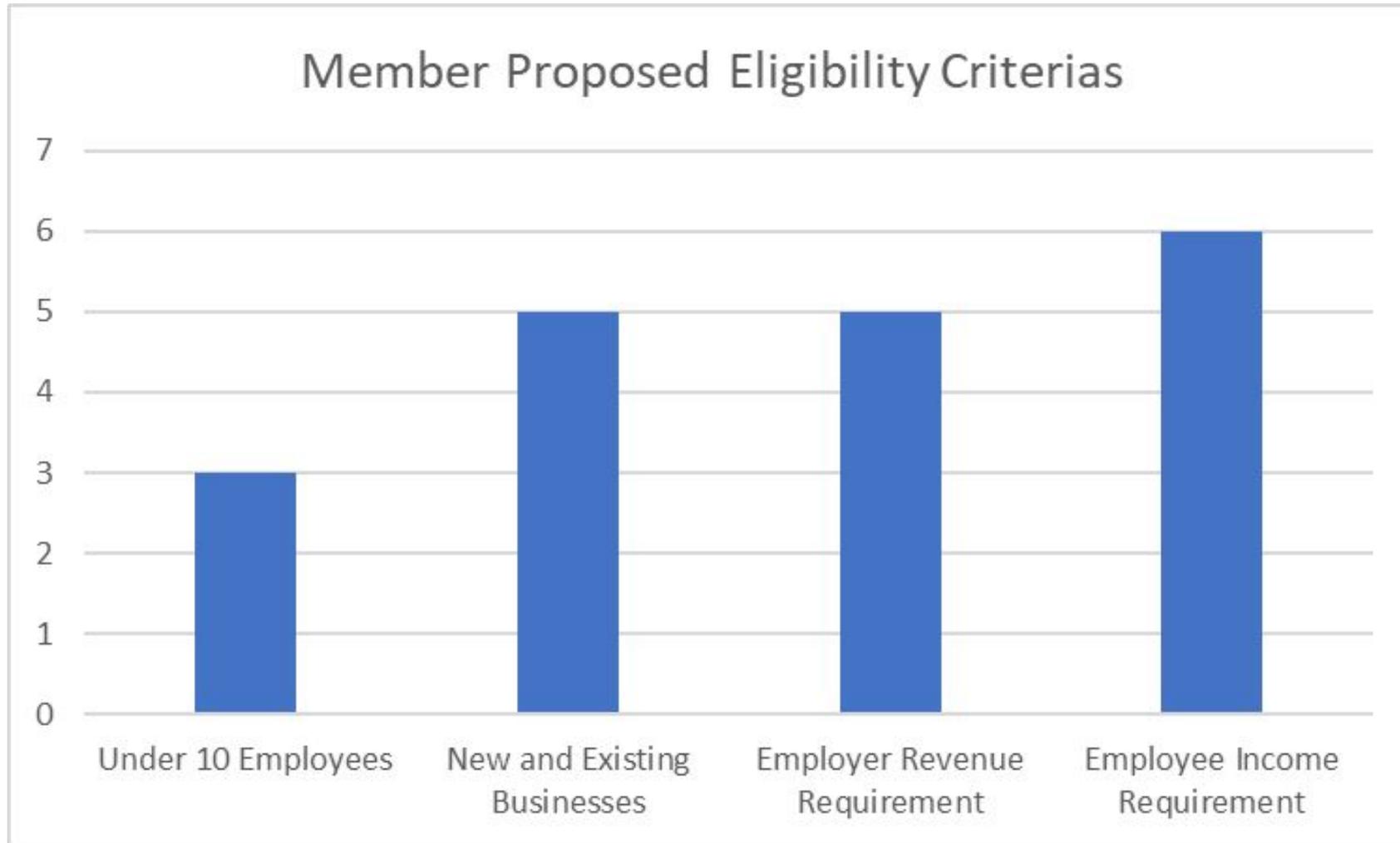
*“The intent of SB 632 was to **strengthen Maryland small businesses** by improving their ability to attract talent via health insurance benefits. Our program goals should address both the benefit to small businesses and the goal of reducing the uninsured rate. Small businesses were hit hard by the pandemic, have lost employees, and continue to face challenges in hiring. A health insurance **subsidy program would support talent acquisition and sustainability** for businesses that are an important economic engine in Maryland.”*

*“Speaking for non-profits - I would like to see non-profit accessible to anyone who chooses to pursue it. For that reason I support anything that helps **non-profits connect staff with affordable health coverage regardless if through small group plans or individual market**. Big picture I would like to see # of uninsured individuals reduced.”*

Q1:Additional feedback on program goals, cont...

*“The reason I picked both is that I think there are small groups that **would offer a small group plan if they were provided subsidy on and off the exchange** if they qualified with similar income scales if used in the group set up and installation process to qualify. However, I feel very strongly that it should NOT be only for NEW groups because how is it fair to current small groups that are offering insurance already and have changed their budget and profitability to accommodate this into the business plan. I also feel to prevent disruption in current policies and current carriers and TPA's administering the plans that they **MUST** be offering the subsidies ON and OFF the exchange. But that **would allow the most uninsured to decide to pay for the benefit that are uninsured**. We have groups that meet the 60% -75% participation but they still have some employees that just don't want it period and don't qualify for Medicaid. They just **DON'T** want to pay for it no matter how inexpensive it is being offered at minimum premium.”*

Q2: Who should be eligible?



Q2: Who should be eligible?

- 1. Answer will depend on the actuarial estimates. I would target based on number of employees, with 10 and under receiving the most generous eligibility. There could be a reduced benefit for larger small employers.*
- 2. Cap at employers with 1-10 FTEs, minority & women owned, new business- Subsidy could increase as number of criteria met increase.*
- 3. Small business & Nonprofits (labeled as Employers henceforth); Employers with 2-9 employees not offering a plan within the last 12 months; As part of qualification, the Employer must agree to pay 50% or higher of the employee premium cost.*
- 4. For the business subsidy, I would say that employer size is the best criteria. Perhaps, operating budget size would be helpful so that organizations get larger subsidies when they have smaller operating budgets (noting that for nonprofits, an organization can have a sizeable budget but that budget can be largely restricted to program costs with little going to operating expenses).*
- 5. For the individual subsidy, I think they need to demonstrate that their employer does not offer health insurance in a way that is not overly burdensome (e.g., employer letter, Medicaid ID number) and share their income so people earning the least amount of money get a greater subsidy.*

Q2: Who should be eligible cont...

6. *Speaking for non profits and the making them accessible employers to all who want to do the work - all should be eligible up to a certain revenue size above which they should have the resources to provide insurance.*
7. *Small businesses with at least 2 eligible employees (sole proprietors excluded) but fewer than 25 eligible employees; hasn't offered insurance in the last 12 months; subsidy based on group's average wage*
8. *In general it may be possible to have more generous eligibility criteria if referring employees to the individual market than if increasing the number of small businesses that offer small group plans. The same amount of state money could go further combined with general federal APTC's which is only doable if connecting employees to individual market coverage.*

It could make sense to target employers with fewer than 10 employees given the small number that offer coverage to employees. A cap on average wages may be a good idea, but what if there is a firm with some highly compensated employees and other low wage workers (like a law firm with partners and admin staff)? Do they need help buying coverage even if their average wage is higher?

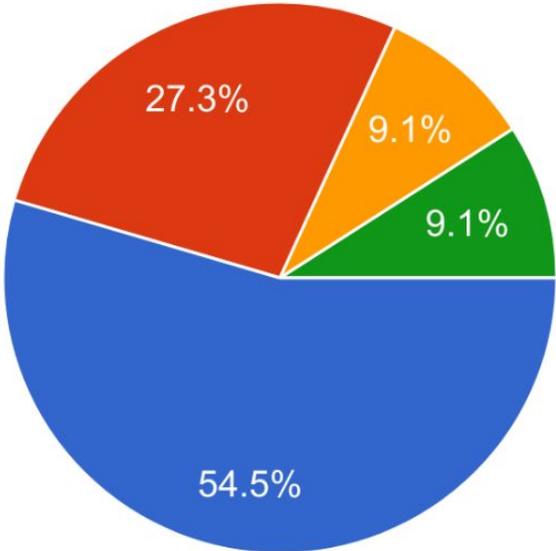
Q2: Who should be eligible cont...

9. *All small businesses.*
10. *Cap on average wages. If the business is a small law firm offering high wages, it should not be a priority business to target in this program.*
11. *All small business should be able to qualify just like the individual market exchange with income verification and scale that is similar to the individual market on the exchange. However, make sure the qualifying business is offer the eligibility ON and OFF the exchange*

Q3: On and Off Exchange?

Should subsidy be available to small business plans on- and off- exchange?

11 responses



- Both on- and off-exchange
- Only on-exchange
- don't know
- The program should be Employer focused and available regardless of market entry point (on or off Exchange).

Q4: How should the subsidy be designed?

“Prong 1 (individual subsidy) would mirror young adult subsidy. Prong 2 (employer subsidy) would be a flat dollar amount per covered.” / “it would have to be two-pronged for a two-part subsidy program” (2 respondents)

Fixed percentage reduction in small group premium (e.g., NM model of 10% off total premium)? (2 votes)

Directly administered individual market state subsidy (similar to young adult subsidy)? (1 vote)

“We suggest additional modeling to determine which design achieves the highest possible impact with the limited dollars available. If we assume the total program budget is \$6M-\$45M, MHBE could potentially model scenarios on how far the funds would stretch with a fixed percentage reduction, credit, sliding scale, etc. Additionally, we suggest only designing a subsidy for SHOP, not for ICHRAs or the individual market.” (1 response)

“For non profits - sliding subsidy based on revenue to all employees that can be used in small group or carried to individual market” (1 response)

Percentage reduction in small group premium with sliding scale cap based on specified criteria (e.g., MD Partnership model of 50% premium reduction up to a cap that was determined based on group's average wages) (1 vote)

Q4: Subsidy design cont...

State-funded or reimbursed ICHRA or QSEHRA accounts, to be used to purchase individual market coverage?

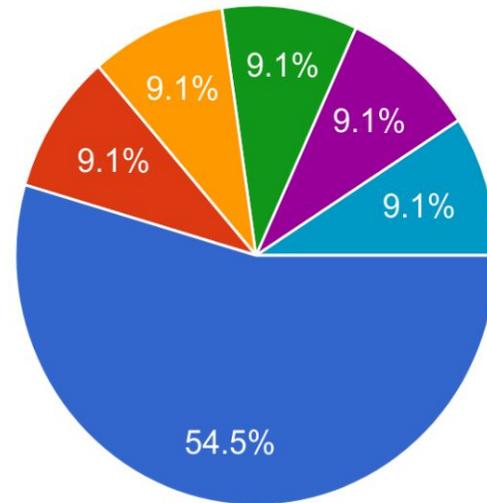
Specified credit for small group premium according to subscriber type (e.g., ME model of \$50 credit per adult and \$30 credit per child)

I like the fixed and percentage depending upon the ability to set up easily; Meaning fixed is easy but percentage is more complicated but if somehow plugging it into a system that predetermines

Q5: Employer Contribution Requirements

Should an employer contribution be required? (Note, this would not be feasible for a directly administered individual market state subsidy.)

11 responses



- Yes
- No
- 50% of premium for EE only
- Not sure. This wouldn't apply for an aspect focused on subsidies for individuals. What is the benefit of an e...
- Maybe. Would be interested in exploring the idea of a small employer match in...
- No, because MD Small Group doesn't require any contribution from employe...

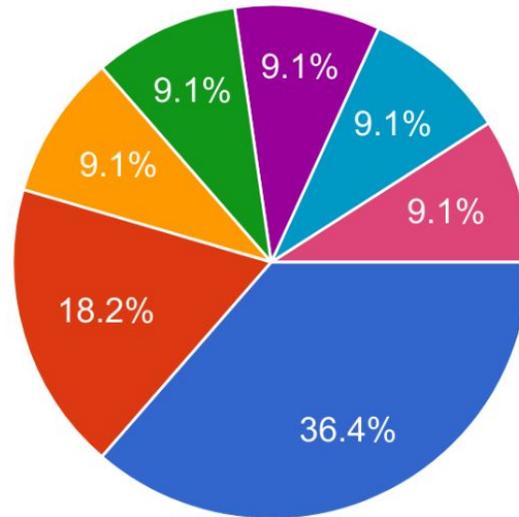
“Not sure. This wouldn't apply for an aspect focused on subsidies for individuals. What is the benefit of an employer contribution (beyond revenue)?”

“Maybe. Would be interested in exploring the idea of a small employer match in combination with the directly administered individual market state subsidy.”

Q6: Should savings be passed on to employees?

Should savings be required to be passed on to employees? (Not relevant for ICHRA/QSEHRA or directly administered individual market state subsidy options)

11 responses



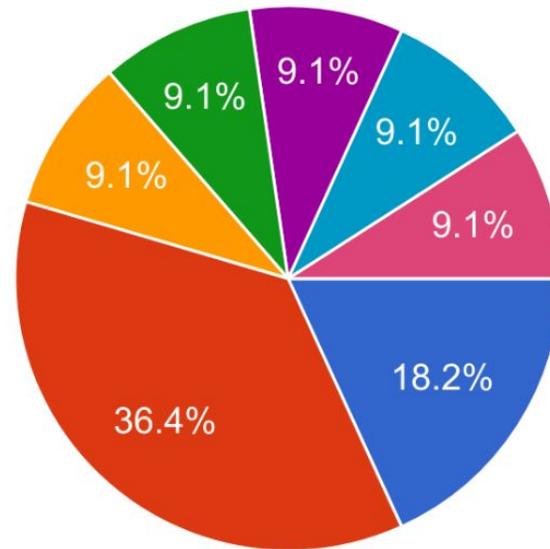
- Yes
- No
- No, 50% contribution requirement is adequate
- More employers may sign up if they can keep the savings for operations, but p...
- N/A for directly administered individual market state subsidy options
- Savings should go directly to the carrier.
- Yes, however this is difficult we have c...

“More employers may sign up if they can keep the savings for operations, but passing the savings to employees helps improve talent acquisition. Determining how a business uses the savings may be beyond the scope of a subsidy program.”

Q6: Minimum Participation Requirements

Should minimum employee participation be required?

11 responses



- Yes
- No
- Don't know
- I'll submit further comments
- Perhaps their can be a scale for subsidies based on participation? I do...
- Yes, but potentially lower than the current rate.
- Yes, just like the small group now the carriers requirements some 60% UHC...

“Perhaps their can be a scale for subsidies based on participation? I don't think a minimum should be applied because when people have family plans or plans with a spouse, they typically go with the more cost effective, so not everyone in a company may join.”



Subsidy Program Design Options

Option 1- Subsidize Traditional Small Group Employer-Sponsored Plans: Potential Design

1. Subsidy set at [TBD] percent of premium for employee (could include employee's family)
2. Employer determined eligible through an application established and by MHBE and administered by MHBE or Third Party Administrator
3. Upon determination of eligibility, employer sets up employer sponsored plan/s
4. Claim subsidy for 12 or 24 consecutive months
 - a. Upfront on a monthly/quarterly basis- directly applied to invoice
 - b. Employers pass along credit amount in the same proportion as the premium contributions made by employer and employee; employer can choose to pass a larger share of the credit on to their employees
 - c. Consider small business tax abatement as an avenue for claiming subsidy

Option 1 cont...

5. Possibly increase subsidy as criterias met increase (or the smaller the business the bigger the credit)
6. Potentially keep same requirements as SHOP tax credit and make subsidy available off-exchange.
7. Employer can apply during Open Enrollment season (Nov 15 to Dec 15) to waive participation rules or any month (existing small business guidelines)

Option 1- Subsidize Traditional Small Group Employer Sponsored Plans: Considerations



Advantages

- Employer can offer Employer/Employee Choice plans which include multiple plan designs or a single plan design
- Employer's share eligible for tax deductible business expense
- Value-add to small businesses from carriers (wellness program incentives)
- Provides employers competitive advantage for top talent
- Network availability
- Broader plan selection available compared to individual plans
- Discounts on add-on ancillary benefits such as dental, vision, life/disability
- Workers' Compensation premiums decrease
- Carrier provides administrative support although frequently provided by the Producer (enrollment communications, contracting, payroll deductions help)
- Employers able to claim SHOP tax-credit

Disadvantages

- Employees are usually subject to the Employer's selection of benefits (usually 1 or 2 plan designs, 1 carrier)
- Higher cost of premium compared to individual plans
- Eligibility guidelines/requirements cumbersome for employers (participation, waivers, etc.)
- Employees lose APTC if they have an offer of affordable employer coverage



Option 2-Subsidized ICHRA Offered by Small Businesses: Potential Design

1. Subsidy set at dollar amount or percentage of employee's premium (could include employee's family)
2. Employer determined eligible through an application established and administered by MHBE or Third Party Administrator (TPA)
3. Upon determination of eligibility, employer sets up employer-sponsored HRAs

Option 2 Cont...

4. Claim subsidy for 12 or 24 consecutive months
 - a. Upfront on a monthly/quarterly basis- directly applied to invoice
 - b. Employers pass along credit amount in the same proportion as the premium contributions made by employer and employee; employer can choose to pass a larger share of the credit on to their employees
 - c. Consider small business tax abatement as an avenue for claiming subsidy
5. Subsidy could increase as criterias met increase (or the smaller the business the bigger the credit)
6. Employer can set up a plan during Open Enrollment season (Nov 15 to Dec 15) or any month of the year (existing small business guidelines)

Option 2- Subsidized ICHRA Offered by Small Businesses



Advantages

- Employer contribution amounts can vary by different classes of employees (FT/PT, age and family size)
- Typical Small Group requirements do not apply such as minimum participation rates
- Typically, less expensive than small group rates
- Flexible for Employers, greater budget control
- Employees gain control over plan selection
- Provides employers competitive advantage for top talent

Disadvantages

- Requires more education and marketing efforts for consumers and businesses
- Not available for self-employed individuals
- Limited provider networks/ out of area coverage
- Carrier timeline for implementation may be longer than other options
- Employees lose APTC if they have an offer of affordable employer coverage via the HRA
- Employer cannot claim SHOP tax-credit



Option 3-Additional State Premium Subsidy: Potential Design

1. Employer determined eligible through an application established and administered by MHBE
2. Upon determination of eligibility, employer/employees are given some way to identify themselves (e.g. unique code) as eligible for subsidy when enrolling through MHC
3. Employer educates employees on existing individual plans or connects them with a broker who can explain options
 - a. APTC qualified individual plans
 - b. APTC and additional subsidy based on income qualifications
4. Based on employee's income, broker/employer assists employee with selecting an individual insurance plan with APTC & additional subsidy
 - a. Upon applying through MHC, employee provides a unique employer code that's associated with the subsidy-eligible employer
5. Additional state subsidy may be taxable, so employee would need to reconcile when filing taxes

Option 3- Additional State Premium Subsidy



Advantages

- Employees gain additional subsidy to buy an individual plan
- No impact to APTC
- Employee can combine APTC with small employer subsidy which means fewer state dollars could:
 - cover more uninsured individuals
 - expand eligibility criteria so that more small employers can participate
- Plan selection options offered on exchange- not limited to employer's plan
- More affordable than traditional small group plans
- Potential longevity of subsidy program
- Efficiency of subsidy decreasing number of uninsured individuals
- Existing infrastructure simplifies implementation for small businesses and MHBE

Disadvantages

- Small Business owners have limited control over what plans are offered
- Small businesses do not gain direct financial benefit from the subsidy
- Additional subsidy could present tax implications for employee
- May be a less effective recruitment tool for small businesses compared to a traditional group plan
- Employee loses value-adds that currently exist with traditional group plans
- Not available outside of Open Enrollment and Special Enrollment Period
- Employer cannot claim SHOP tax-credit

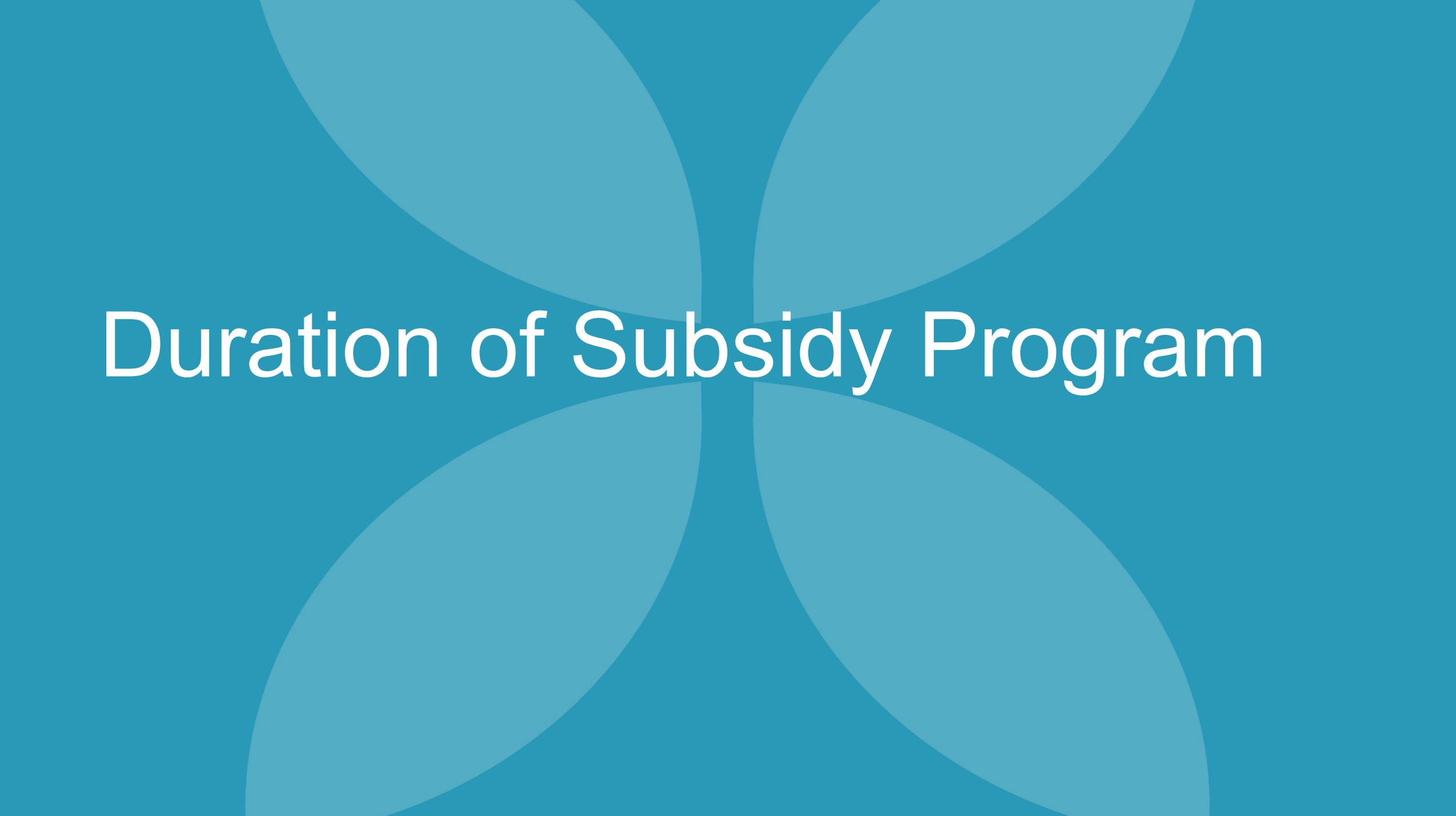


Options Comparison Summary

| | Traditional Small Business (Option 1) | ICHRA (Option 2) | Additional State Subsidy (Option 3) |
|-----------------------|--|---|--|
| Plan design | Group plan(s) chosen by employer with 50% contribution | Employees shop for individual plans using employer + subsidy contribution | Employees shop for individual plans with APTC and Additional State Subsidy |
| APTC | If plan is affordable, employee does not qualify for APTC | If plan is affordable, employee does not qualify for APTC | If they qualify, employees can keep APTC |
| Premium cost | Higher premiums than individual plans; more selection | Lower premiums than small group plans; limited selection | Lower premiums than small group plans; limited selection |
| Employer Contribution | State could set contribution requirement; SHOP tax credit requires 50% | State could set contribution requirement | No tax-advantaged way for employer to contribute |
| On/Off exchange | Both | ICHRA's are available on/off exchange | On exchange |

Options Summary Cont...

| | Traditional Small Business (Option 1) | ICHRA (Option 2) | Additional State Subsidy (Option 3) |
|---------------------|---|---------------------------------------|---|
| SHOP Tax-credit | If eligible, employer could claim subsidy & SHOP Tax credit | Tax credit not set up for ICHRA plans | Not available |
| Timeline | Estimated minimum 12-18 months | Estimated minimum 12-18 months | Education and marketing efforts Less implementation time than Options 1&2. |
| Plan year start | Anytime of the year. Especially beneficial 11/15-12/15 | Anytime of the year | Open Enrollment or SEP |
| Program Cost/Impact | TBD | TBD | TBD |



Duration of Subsidy Program

Subsidy Timeline Considerations

How long should subsidy be provided for businesses?

- a. 18-24 months
- b. Timeline suggested by available funding

Example of cost breakdown by time period:

| Time period | Annual Estimated Cost of Program | #of Businesses |
|-------------|----------------------------------|----------------|
| 12 months | 30 Million | 4,000 |
| 24 months | 60 Million | 8,000 |

Next Steps

- Potential modeling to determine if eligibility criteria should be applied in order to achieve the highest possible impact with dollars available.
- Detail scenarios on how far the funds would stretch with no criteria, limiting it to a specified employer size or average wages, etc.

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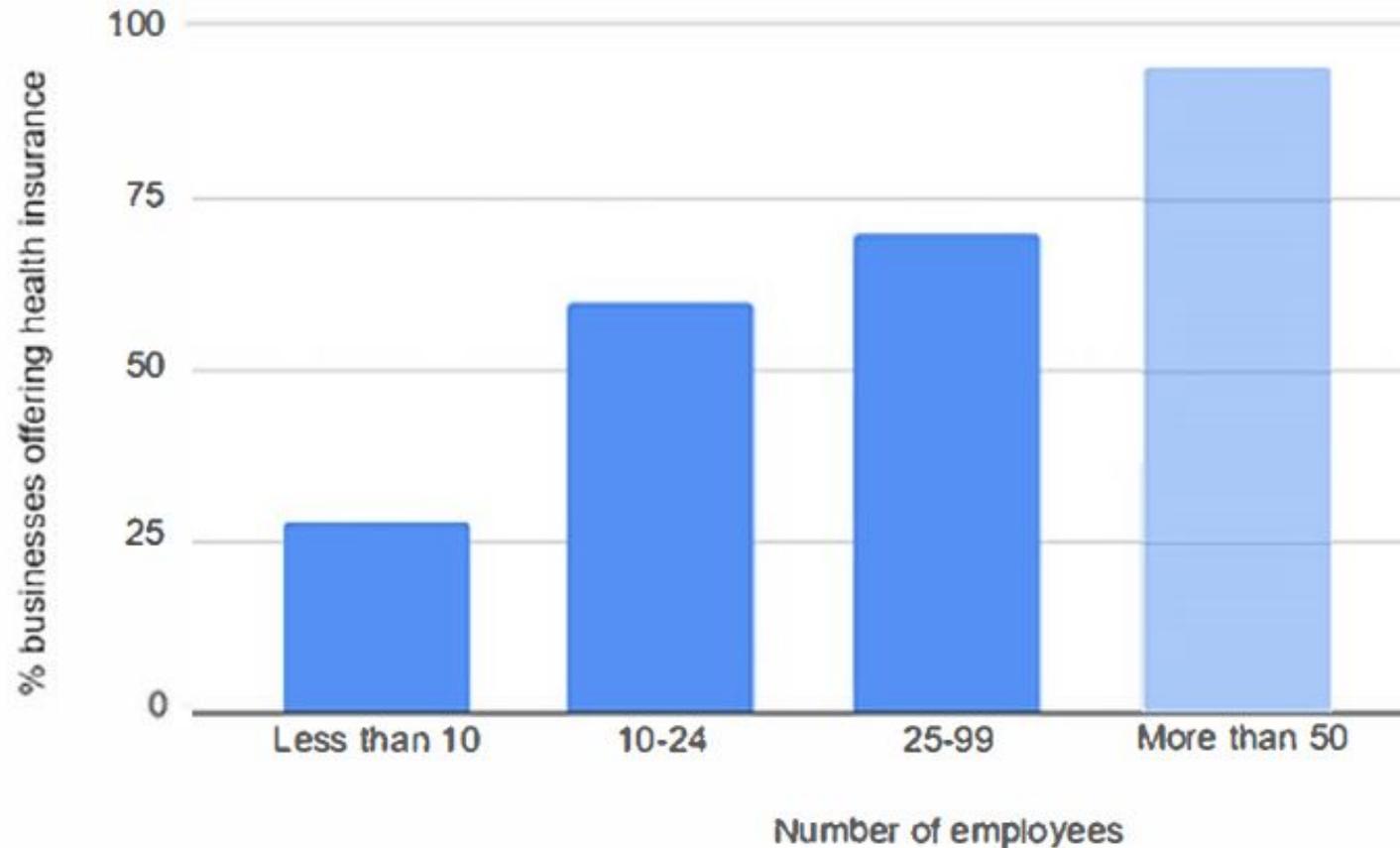
Public Comment

Next meeting: August 23, 2022

Appendix



Percent of Businesses Offering Health Insurance by Number of Employees



Agency for Healthcare Research and Quality. (2020). Center for Financing, Access and Cost Trends: 2020 Medical Expenditure Panel Survey - Insurance Component [tia2.pdf \(ahrq.gov\)](#)

Note: This dataset does not offer a breakdown for 26-50 employees or 51-99 employees. It only specifies the categories illustrated above.

MHBE 101 – Overview

- **MHBE is a state-based health insurance marketplace/exchange launched in 2014**
 - Operates the **Maryland Health Connection** enrollment platform (website, app, call center)
 - Serves most **Medicaid** enrollees (1.23M) and legally present people in the **individual market** (175,000 - no affordable employer coverage, ineligible for Medicaid/Medicare)
 - Only source of **financial assistance** for people in the individual market: federal subsidies to cap premiums at 0%-8.5% of income and reduce cost-sharing for low-income individuals, state premium assistance for young adults
- **MHBE authority/scope includes:**
 - Conducting **outreach and enrollment** activities, overseeing the Navigator program
 - **Enhancing MHC** to improve the enrollment experience
 - **Setting plan certification standards** for individual market plans sold through MHC. Plan certification standards encompass features such as plan design and information provided to consumers
 - Administering affordability programs (**reinsurance** and **young adult subsidy**)

MHBE 101 - Purposes of the Exchange

(c) Purpose. The purposes of the Exchange are to:

- (1) reduce the number of uninsured in the State;
- (2) facilitate the purchase and sale of qualified health plans in the individual market in the State by providing a transparent marketplace;
- (3) assist qualified employers in the State in facilitating the enrollment of their employees in qualified health plans in the small group market in the State and in accessing small business tax credits;**
- (4) assist individuals in accessing public programs, premium tax credits, and cost-sharing reductions; and**
- (5) supplement the individual and small group insurance markets outside of the Exchange.**

Insurance Article 31-102 Annotated Code of Maryland, *Maryland Health Benefit Exchange*

Employer Eligibility Criteria for SHOP Exchange

COMAR 14.35.18.03

(1) An employer is eligible to purchase insurance on the SHOP Exchange if it meets the following requirements as established by Insurance Article, §31-101(aa), Annotated Code of Maryland:

- (a) Has, on average, 50 or fewer employees during the preceding calendar year;
- (b) Has at least one full-time employee who is not the spouse or other dependent of the owner;
- (c) Has its principal place of business in Maryland;
- (d) Elects to offer, at a minimum, all full-time employees coverage in a qualified health plan through the SHOP Exchange; and
- (e) Either:
 - (i) Elects to provide coverage through the SHOP to all eligible employees, wherever employed; or
 - (ii) Elects to provide coverage through the SHOP to all of its eligible employees who are principally employed in Maryland.

SHOP Exchange enrollees are rated as part of the total small group risk pool.

Affordable Care Act (ACA) Small Business Health Options Program (SHOP) Tax Credit

- No ACA requirement for small businesses to offer health insurance coverage
 - Instead, SHOP tax credit created to incentivize offering coverage
- Requirements to qualify:¹
 - < 25 full-time equivalent employees (FTEs) for the taxable year
 - Pay average annual wages of < \$56,000 per FTE
 - Must maintain a “qualifying arrangement” where the employer contributes at least 50% of the premium cost for each enrollee who enrolls in a qualified health plan through the exchange

SHOP Tax Credit (Continued)

- SHOP tax credit parameters:²
 - The maximum credit is 50% of employer's premium payments (35% for tax-exempt organizations)
 - Available for 2 consecutive years
 - Tax credit reduced if:
 - FTEs >10
 - Average wage >\$25,000
- Low SHOP enrollment in Maryland and nationwide
 - 232,698 covered lives nationwide as of January 2017 compared to 4 million estimated^{3,4}
 - In Maryland, 121 active groups with 651 covered lives as of April 30, 2022⁵

² ACA §1421; 26 USC § 45R(b)

³ Congressional Research Service. (2021, February 16). Overview of Health Insurance Exchanges

⁴ CMS. (May 15, 2017). *The Future of SHOP*.

⁵ Source: MHBE

SHOP Tax Credit (Continued)

- Factors related to low SHOP enrollment nationally:
 - Non-ACA compliant small group market plans were allowed to continue until October 2016⁵
 - Many states prioritized staff time and resources for the individual market over SHOP⁶
 - Many businesses were unaware of the tax credit or were deterred by:
 - The upper limit on salaries⁷
 - The limited (two year) availability of the tax credit
 - The paperwork burden⁸

^{5, 6} Haase, L., Chase, D., and Gaudette, T. (2015). Lessons from the Small Business Health Options Program: The SHOP Experience in California and Colorado. *The Commonwealth Fund*

⁷ Haase, L., Chase, D., and Gaudette, T. (2017, July). Talking SHOP: Revisiting the Small-business Marketplaces in California and Colorado. *The Commonwealth Fund*

⁸ [Blumberg, L. and Rifkin, S. \(2014, August\). Early 2014 Stakeholder Experiences with Small-Business Marketplaces in Eight States. The Urban Institute](#)

SHOP Tax Credit (Continued)

(continued)

- In the 2019 Benefit and Payment Parameter rule, CMS effectively ended the federal SHOP exchange.⁹
 - Now, firms can browse and compare plan options on HealthCare.gov, but they must enroll through either a SHOP-registered agent or broker or directly with an insurer¹⁰
 - Insurer participation (and, consequently, plan availability) has been limited
 - In over half of states, no insurers were offering SHOP plans as of plan year 2020¹¹

⁹ HHS Notice of Benefit and Payment Parameters for 2019, 83 Fed. Reg. 16930 (April 17, 2018) (to be codified at 45 CFR parts 147, 153, 154, 155, 156, 157, 158)

¹⁰ CMS. (2021, October 25). Marketplace 2022 Open Enrollment Fact Sheet

¹¹ Congressional Research Service. (2021, February 16). Overview of Health Insurance Exchanges

MHBE's Small Business Responsibilities

- As a state-based marketplace, MHBE must assist qualified employers **in facilitating*** the enrollment of their employees in qualified health plans 45 CFR 155.700(a)(2)
- Program required functions:
 - QHP Certification 45 CFR 155.705(b)(5)
 - Determination and notice of Employer Eligibility to Purchase MHC for Small Business QHPs and QDPs 45 CFR 155.716 (a)(e)

* Changed from 'and facilitate' (1/1/2018)

What have we tried?

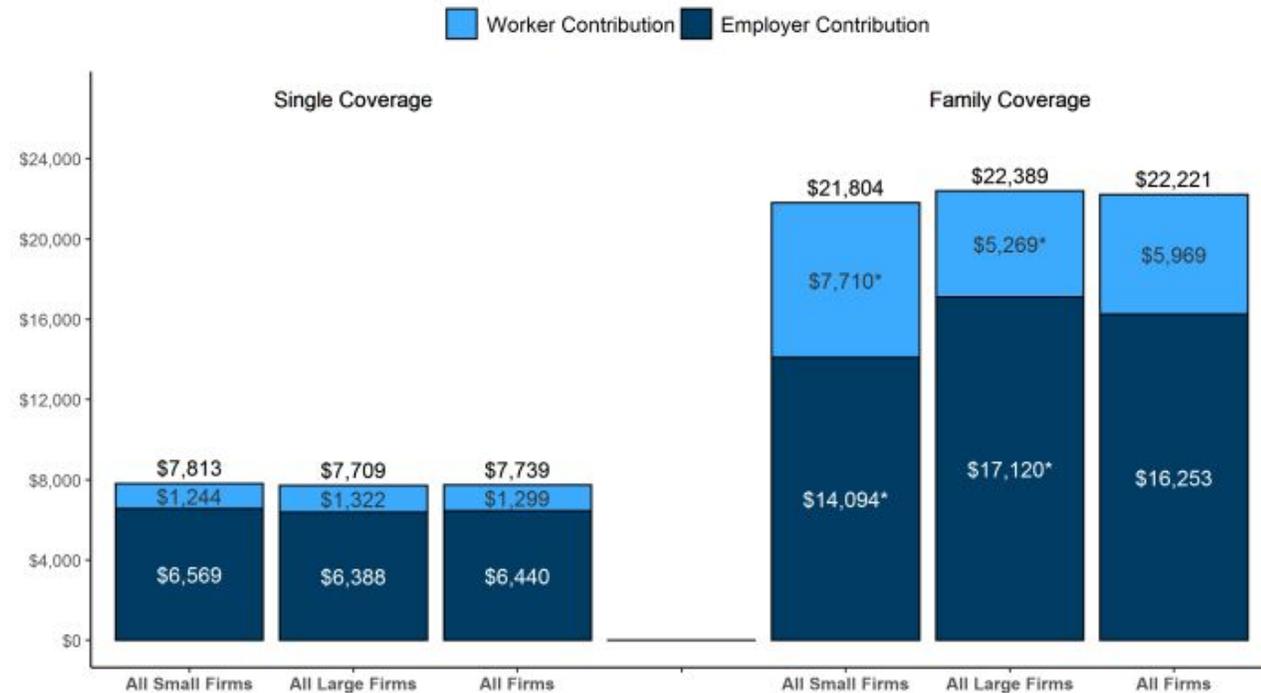
- **2014** “Direct enrollment” process • Employer choice model only • Exchange determined employer eligibility to participate in SHOP program • Exchange reported enrollment information to CMS and IRS • **Brokers** worked directly with carriers and/or third-party administrator to sell SHOP certified plans.
- **2015** “Direct enrollment” for Employer Choice model • Employee choice model available through **three** contracted third-party administrators
- **2016** Contracted with **one** third party administrator for Employer & Employee choice models
- **2019** Returned to direct enrollment process
- **2020** MHC for small business portal envisioned

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---------------|------|------|------|------|------|------|------|------|
| Employers | 43 | 88 | 113 | 107 | 148 | 152 | 156 | 121 |
| Covered Lives | 263 | 604 | 735 | 588 | 853 | 821 | 878 | 649 |

Average National Premiums and Employer Contributions for Firms of 3-199 Workers

- In 2021, the average annual premium for employer-sponsored health insurance in firms of 3-24 workers was about \$8,000 for single coverage and \$21,500 for family coverage.
- On average, employees in firms with 3-199 workers paid 17% (\$1,200) of the premium for single coverage and 37% (\$7,700) for family coverage. Employers paid an average of \$6,600 and \$14,000, respectively.

Figure 6.7
Average Annual Worker and Employer Premium Contributions and Total Premiums for Single and Family Coverage, by Firm Size, 2021



* Estimate is statistically different between All Small Firms and All Large Firms estimate ($p < .05$).

NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers.

SOURCE: KFF Employer Health Benefits Survey, 2021