Small Business and Nonprofit Health Insurance Subsidy Program Workgroup

Session 5 – September 13, 2022

MARYLAND HEALTHBENEFIT EXCHANGE

Welcome

Agenda

1:00 - 1:10 | Welcome
Jon Frank and Rick Weldon, Co-chairs

1:10 - 1:50 | Education, Awareness & Marketing Presentation and Discussion
Betsy Plunkett, Director, Marketing & Web Strategies
Mimi Hailegeberel, Small Business Programs Manager

1:50 - 2:00: Program Effectiveness Measurement
Betsy Plunkett, Director, Marketing & Web Strategies
Mimi Hailegeberel, Small Business Programs Manager

2:00 - 2:50 | Final Report Discussion
Jon Frank and Rick Weldon, Co-chairs

2:50 - 3:00 | Public Comment

3:00 | Adjournment

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
6	Sept 27	Final report discussion and vote, workgroup closeout

Marketing & Outreach: Maryland Health Connection for Small Business

Options for Consideration

Effective and Efficient Outreach Plan

Elements to developing an effective and efficient outreach plan:

- Understanding the target audience: small businesses & non profit organizations
- Proactive
- Community partnerships
- Engage in-person
- Responsive to audience needs

Planning and Market Research

In addition to overall campaign support, and depending on internal MHBE staffing and capacity, we recommend working with a campaign partner to help steer:

- **Strategy development** to align on campaign goals that funnel down to tactics on subsequent slides, target audiences based on state and third-party data, key performance indicators to measure success, and messaging
- **Market research** with eligible businesses to inform messaging, materials development, and outreach strategies

Outreach

Through partners and other paid opportunities, we could reach small business owners through:

- **Events and conferences**, including booth space, sponsorship to raise awareness (e.g., as the named sponsor for the event Wi-Fi), advertising on-site, or communications to attendees
- **Direct mail** or similar distribution methods based on lists provided by partners or purchased from relevant organizations (e.g., employers with certain types of licenses)
- **Social media** to be posted by Maryland Health Connection or partners to promote relevant dates, educational information, etc., including a LinkedIn strategy
- **Earned media** through business- or trade-focused publications and media outlets

In addition, we recommend developing a **broker engagement plan** to ensure collaboration and consistency.

Partnerships

By working directly with organizations that serve the small business community, we can relay important information through trusted messengers with existing communications channels that reach our target audiences. We recommend considering a multi-pronged approach to outreach to engage 20-30 organizations across Maryland (some examples below):

Custom Partnerships with large-scale organizations

- Maryland Chamber of Commerce
- Maryland Hispanic Chamber of Commerce
- Maryland Nonprofits
- Capital Region Minority Supplier Development Council
- MD-based nonprofit orgs
- Maryland Association of Health Underwriters

Statewide Outreach with extensive contacts and/or communications channels

- State agencies with licensing or similar required connections
- Trade associations (restaurant, beauty, childcare, etc.)
- Latino Economic Development Center
- Social media influencers

Hyper-Local Outreach resources for brokers and navigators

- Local co-working spaces
- Direct outreach to small businesses
- Follow up with local Chambers (building of statewide relationship)

Advertising

Paid advertising allows you to more directly reach relevant audiences through third-party data. We recommend running advertising throughout the year or at least key flights when businesses tend to make benefits decisions (May-July, October-December). Options include:

- **Digital advertising** targeting employers, small business owners, entrepreneurs, etc. This would likely include:
  - Paid search (Google, Bing)
  - Facebook, Instagram, LinkedIn
  - Display and native advertising (i.e., an ad next to an article about small businesses)
  - Video
- **Business platforms**, such as Baltimore Business News, in print and digital
- **Maryland Nonprofit entities**

Educational Materials

New materials and collateral would support outreach efforts that speak directly to small business owners, nonprofits and their employees. Materials could be distributed at events and through targeted partnerships. Potential new pieces include:

- **Fact sheets**
- **Branded folders** filled with relevant materials (this was a top request from brokers during stakeholder interviews conducted in 2018)
- **Giveaways** to draw potential customers to event booths/tables (such as thumb drives, water bottles, etc.)

In addition, we recommend making **website content updates** to ensure that all MHBE-owned websites (MHBE, MHC, MHC for Small Business) are aligned and feature updated messaging and resources.

Video Content

In addition to print materials, video content can help customers better understand their options through Maryland Health Connection for Small Business. Videos can be posted to YouTube or social media by MHC or partners. With health literacy in mind, videos could explain:

- **What is MHC for Small Business?** (With an emphasis on why someone should use it)
- **About the Small Business Tax Credits**
- **How to get help** (promoting producer and navigator support)
- **Testimonial** from existing customer

We recommend the production of video content to help the small business owner explain health coverage options to employees. For example, if employees need to use a portal to select their plans, a “how to” video could benefit an employer who may not otherwise have the resources or knowledge to explain the process.

Budget Estimates

Campaign Elements	Approximate Allocation
Planning and Market Research	$450,000
Outreach and Events	$350,000
Partnerships	$300,000
Advertising Creative Assets	$250,000
Media Buy	$1,000,000
Educational Materials, Including Printing	$500,000
Video Content	$200,000
Total	**$3,000,000**

Program Effectiveness Measurement

MHBE Marketing/Outreach Effectiveness

In today's environment, MHBE measures effectiveness by:

- New QHP enrollments, particularly among target audiences
- Website traffic (applications started/completed)
- Digital ad conversions
- Uninsured rate

Awareness, as determined by:

- Advertising reach
- Social media followers/engagement
- Statewide partnerships secured
- Research findings
- Resources created

Discussion

Workgroup Member Recommended Idea for discussion:

- Financial incentives for employers to help their employees sign up for individual coverage

Additional Discussion:

- Feedback on proposed approach?
- Any key education and outreach activities you would add to those described in this presentation?

Final Report Recommendations

Final Report Proposed Recommendations

1. The legislature should ensure MHBE has sufficient funding to significantly expand marketing and outreach to small employers and their employees to provide education regarding, and facilitate enrollment in, existing coverage options.

2. MHBE should re-engage stakeholders to discuss the possibility of a small business & nonprofit premium subsidy in the future, if it appears likely that the enhanced premium tax credits in the individual market will expire.

Final Report Discussion

1. Does the work group agree with the proposed recommendations?

2. Any feedback on the draft report?

Next Steps

Final Report

- If you have any suggested edits, or comments that you would like to be appended to the report (note if you would like comments attributed to you in the report), please send to Mimi and Becca by COB **Friday September 16th.**

- MHBE will send out an updated proposed final report by COB **Tuesday September 20th**

- The workgroup will be asked to vote to approve the final report at the final meeting on **Tuesday September 27th**.

Next & Final meeting: September 27, 2022

Public Comment

Appendix

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

[1] ACA §1421; 26 USC § 45R(d)(1); https://www.healthcare.gov/small-businesses/provide-shop-coverage/small-business-tax-credits/

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, 2022[5]

[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 2016[5]
  - Many states prioritized staff time and resources for the individual market over SHOP[6]
  - Many businesses were unaware of the tax credit or were deterred by:
    - The upper limit on salaries[7]
    - The limited (two year) availability of the tax credit
    - The paperwork burden[8]

[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 insurer[10]
  - Insurer participation (and, consequently, plan availability) has been limited
    - In over half of states, no insurers were offering SHOP plans as of plan year 2020[11]

[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

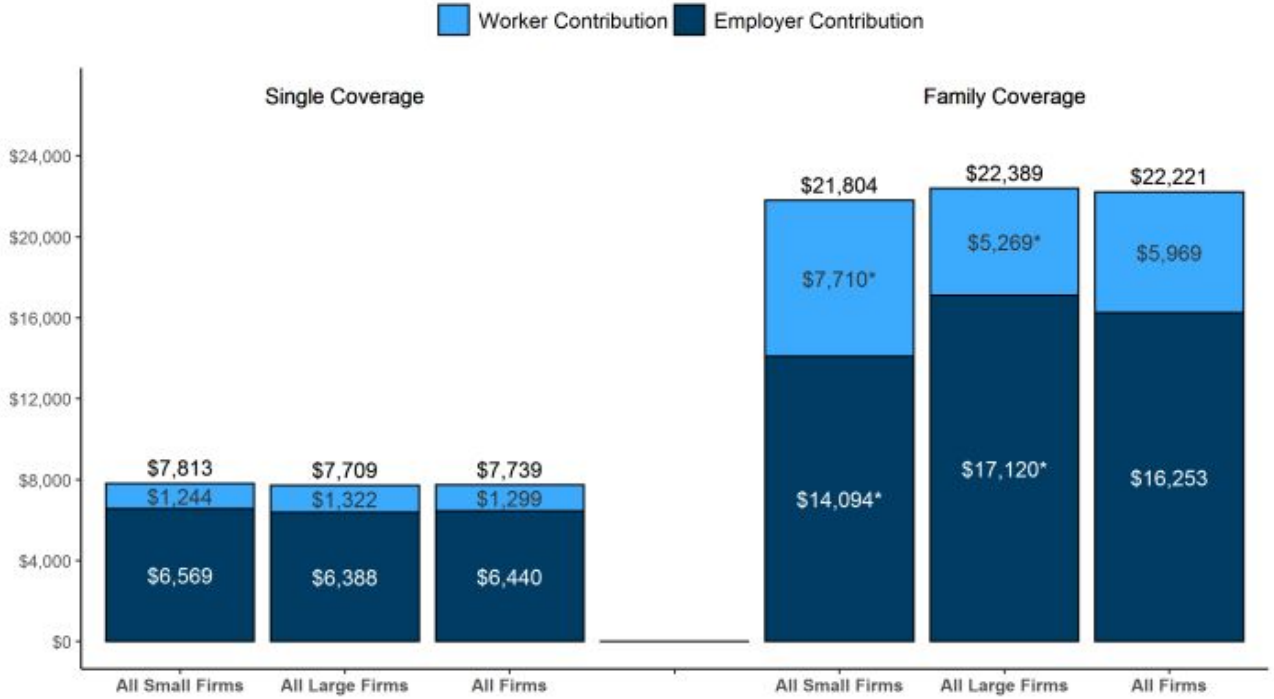
	2014	2015	2016	2017	2018	2019	2020	2021
Employers	43	88	113	107	148	152	156	121
Covered Lives	263	604	735	588	853	821	878	649

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

https://www.kff.org/report-section/ehbs-2021-section-6-worker-and-employer-contributions-for-premiums/

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

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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

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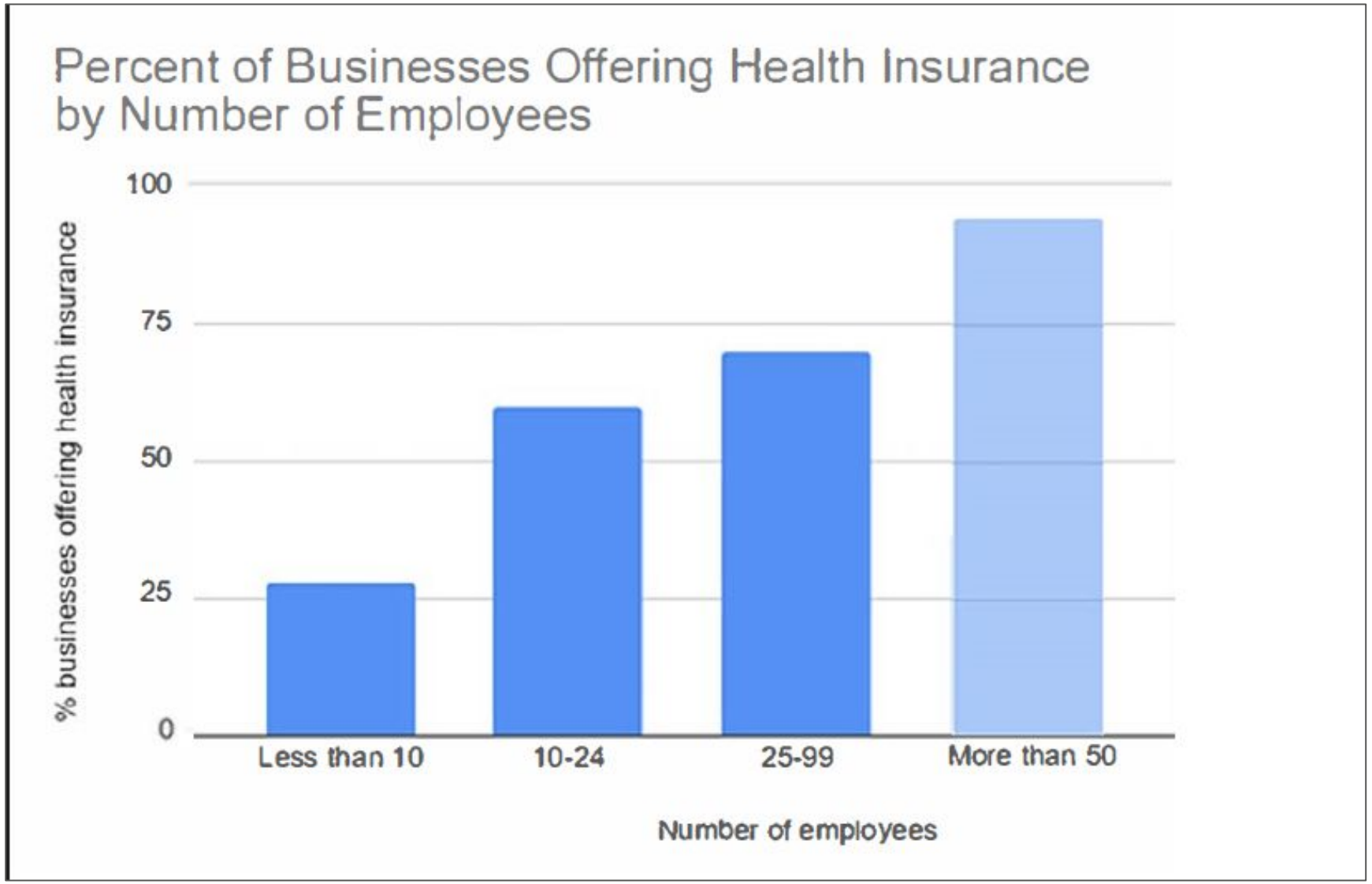

Agency for Healthcare Research and Quality. (2020). Center for Financing, Access and Cost Trends: 2020 Medical Expenditure Panel Survey - Insurance Component tiia2.pdf (ahrq.gov)

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