

Small Business Programs Advisory Committee (SBPAC)

Meeting 3: February 22, 2023

Maryland Open Meetings Act disclaimer: Meetings are recorded and posted on MHBE's website along with meeting minutes and presentation slides

Agenda

- | | |
|--------------------|--|
| 1:00 - 1:05 | Welcome
<i>Jon Frank & Lane Levine, Co-chairs</i> |
| 1:05 - 1:10 | Meeting Minutes Approval |
| 1:10 - 1:20 | Follow-up Items |
| 1:20 - 2:00 | Uninsured Marylanders Demographics
<i>Mimi Hailegeberel, Small Business Programs Manager</i> |
| 2:00 - 2:20 | Legislative Update
<i>Stephanie Klapper, Deputy Director-Maryland Health Care for All! Coalition</i> |
| 2:20 - 2:50 | Discussion |
| 2:50 - 3:00 | Public Comment |

Approve Meeting Minutes

January 25th Meeting Minutes

- Meeting minutes were emailed to members on February 7, 2023
- Member comments/feedback on meeting minutes document

Follow up Items

Member Recommendations

SBPAC Member comments:

- Recommendation for in-person SBPAC meeting or a meet & greet event
- Focus on action items on how to increase small business participation in discussed programs

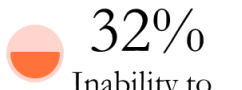
Uninsured Marylanders Data

Small Business Owners' Views on Health Coverage and Costs (National Perspective)

- In 2019, the Commonwealth Fund conducted a national survey of small employers to better understand their perspectives on rising health care costs and prices
- “Outside of costs, which one of the following do you consider the **biggest challenge** when it comes to providing health care coverage to your employees?”
(1st & 2nd choices combined)
- “Indicate [which] solution would be **helpful for you to reduce** health care **costs**.”
(Response of very or somewhat helpful)



Lack of
choices in
health care
plans



Inability to
get clear,
unbiased
information/
data to make
purchasing
decisions



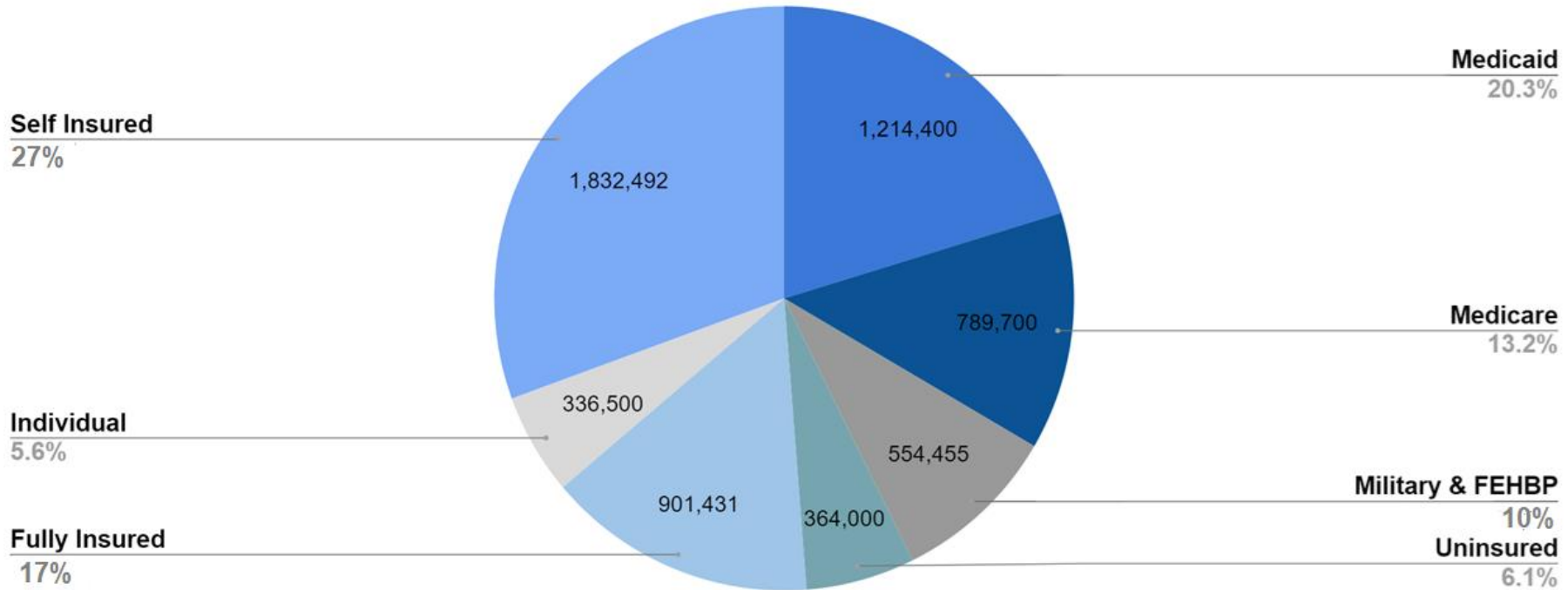
Time required
for
administration
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Provide
employers
unbiased
information

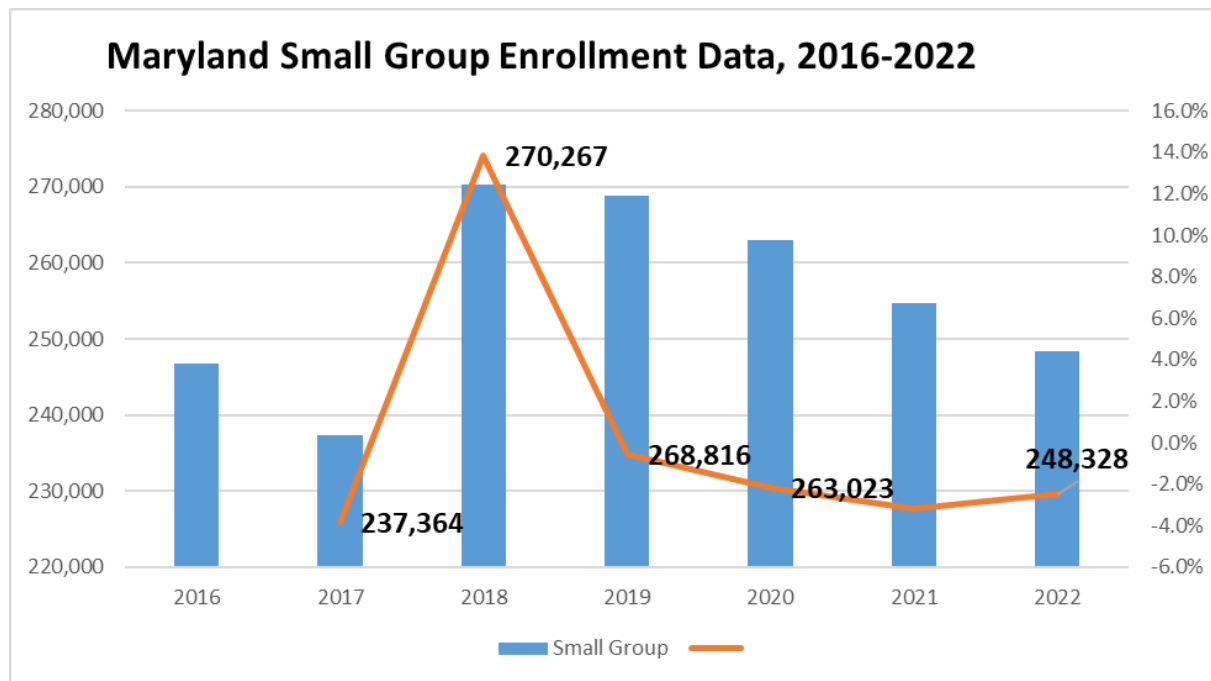
<https://www.commonwealthfund.org/publications/issue-briefs/2019/sep/small-business-owners-views-health-coverage-costs>

Maryland 2021 Health Insurance Landscape



Maryland Small Group Enrollment

- On and off Exchange traditional Small Group enrollment peaked in 2018 and has decreased by an average of 2% per year since 2019.



Maryland Small Group Enrollment

Date	Enrolled #	Enrolled %
3/31/2016	246,814	0
3/31/2017	237,364	-3.8%
6/30/2018	270,267	13.9%
7/31/2019	268,816	-0.5%
6/30/2020	263,023	-2.2%
6/30/2021	254,654	-3.2%
3/31/2022	248,328	-2.5%

Avg Approved Rate Changes

Date	Avg %
2016	-1.8%
2017	3.3%
2018	1.9%
2019	5.0%
2020	3.0%
2021	2.3%
2022	5.0%
2023	7.6%


*About 248,000 Marylanders are impacted by the approved small group rates

*The primary driver of 2023 increase is higher than anticipated trend levels

UNINSURED MARYLANDERS

6,165,129 
Total 2021 Population

5,869,237 
Lawfully Present Individuals

259,901 OR 4.4% 
Uninsured **4.4% uninsured among lawfully present individuals*

140,000 
Undocumented

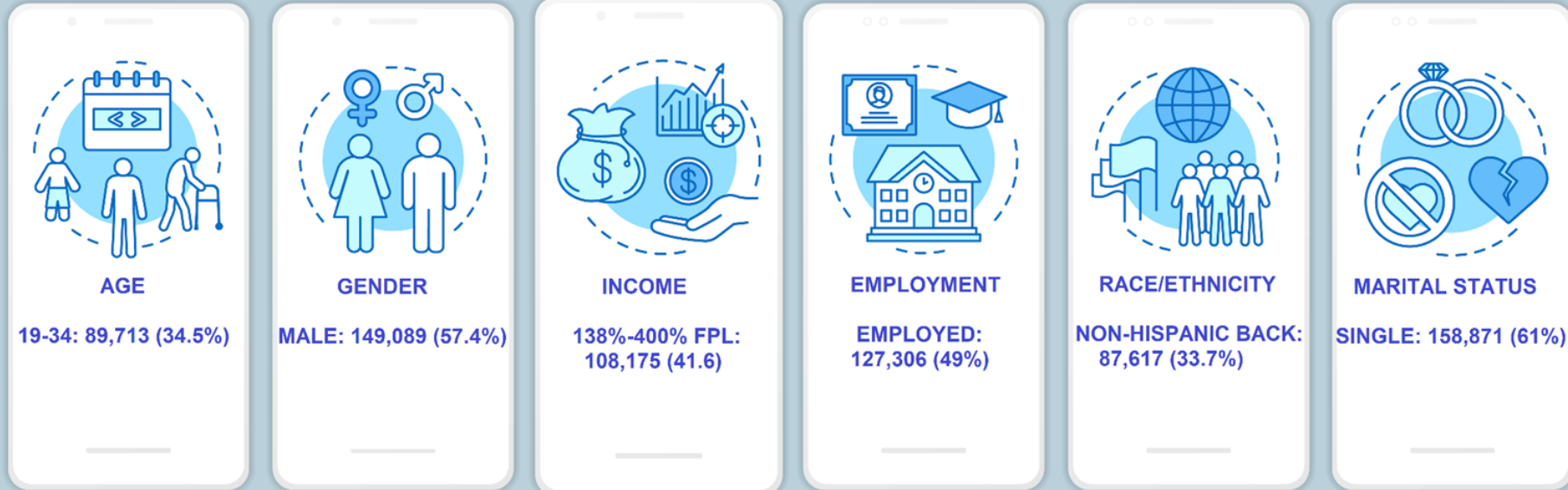
Characteristics of Lawfully Present Individuals without Health Insurance Coverage in Maryland

- The Hilltop Institute provided a sociodemographic characteristics of the **4.4%** uninsured, lawfully present individuals in Maryland without health insurance coverage
- 2021 American Community Survey (ACS) 1-year samples for the estimates.
- Applied MHBE's standard definition of lawfully present or documented individuals, and also present a 95% confidence interval for each estimate and proportion based on the survey design.

Caveats On Uninsured Data

- All figures and proportions are estimates from national surveys and should not be construed as exact counts or percentages.
- The CPS ASEC survey on firm size asked respondents about the number of employees at their workplace in the previous year.
- The CPS ASEC has a significantly smaller pool of respondents than the ACS.
- The survey is not adequately weighted for sub state-level category analyses.

Maryland Uninsured Demographic



Uninsured Population: Additional Information

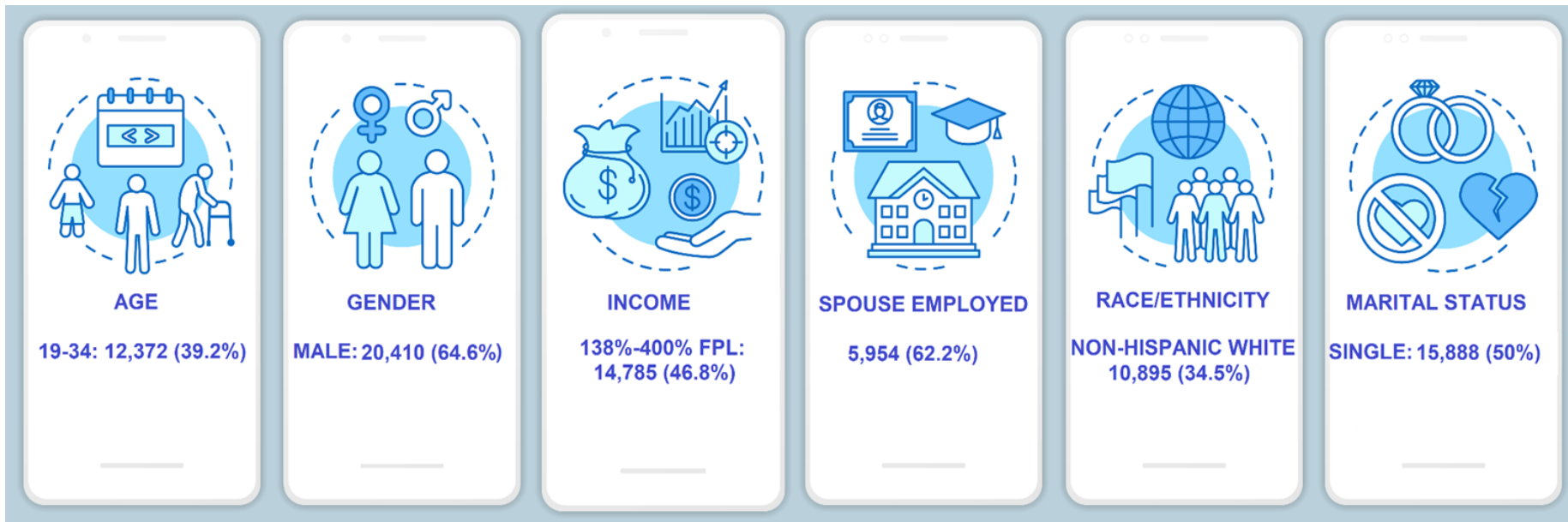
Uninsured individuals:

- Speak some English or speak English fairly well
- They're likely to not be military veterans
- Not likely to have a cognitive, ambulatory, self-care, vision or hearing difficulty

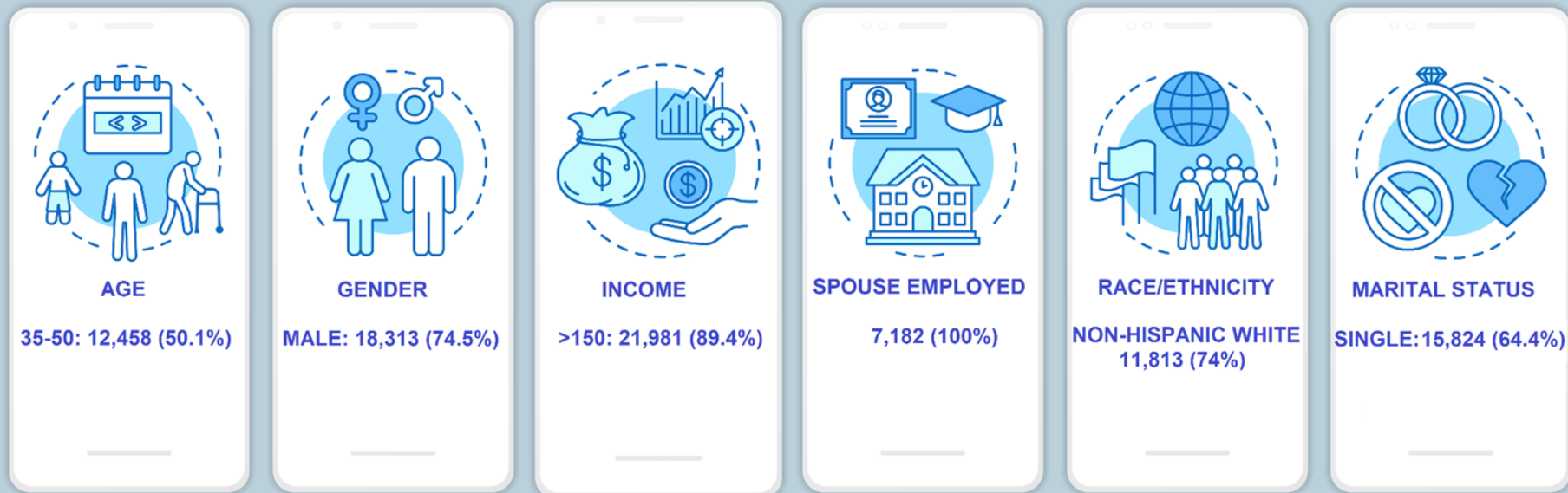
Gig-Economy Workers Nationally

- Almost a quarter of gig workers say they do not have health insurance.
- Among uninsured workers, nearly six in 10 said lack of affordability is the main reason they decided not to enroll in a health plan this year.
- Gig workers who identify as Hispanic or Latino are more likely to be uninsured (31%), compared to those who identify as Black or African American (24%), or White (22%).
- A survey of more than 4,000 gig workers, from insurance broker Stride Health, also found that almost half of those with coverage did not pay a premium for their plans this year.
- The insurance broker for companies including Uber, DoorDash, Instacart, Amazon, GrubHub and Etsy said more than 50 million independent and gig workers do not have coverage through an employer-sponsored plan.

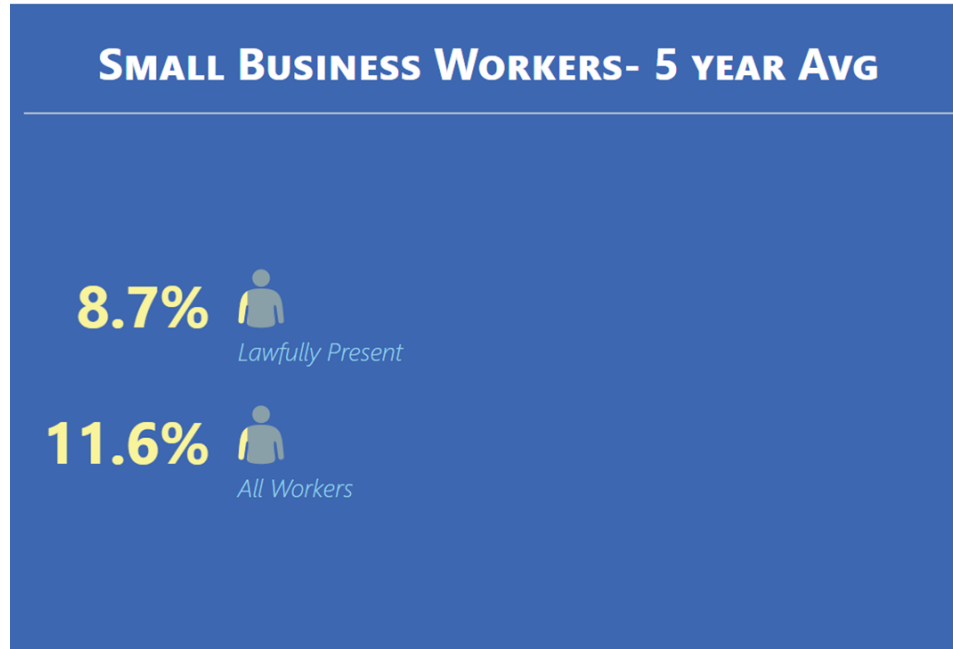
Maryland Gig-Economy Worker Demographic



Highest Uninsured in Small Business by Category



Small Business Workers Data Summary



Special note: Due to the small size of survey respondents, data is averaged for the overall 5-year span.

Legislative Update

Legislative Updates

- **SB59/HB107 Outreach for small employers about health coverage.** Senator Katie Fry Hester and Delegate Robbyn Lewis are sponsoring legislation to appropriate \$5 million per year for five years to the Maryland Health Benefit Exchange to do outreach to help small businesses get their employees enrolled in health care plans.
- **Health care subsidies for young adults.** In 2021 Senator Brian Feldman and Delegate Ken Kerr sponsored a subsidies law which invested \$20 million per year for two years to help lower-income young adults ages 18-34 purchase health coverage. In 2023 they will take the lead to continue those subsidies.

Legislative Updates, Cont...

- **SB365/HB588 Access to Care Act.** Senator Clarence Lam and Delegate Bonnie Cullison have introduced legislation to allow people to purchase private health coverage from the Maryland Health Benefit Exchange regardless of immigration status
- **HB363 Study.** Delegate Cullison has introduced legislation to study options for making health coverage affordable to Marylanders regardless of immigration status through Medicaid, CHIP, and private health coverage through the Maryland Health Benefit Exchange.
- **SB26/HB111 Enroll SNAP recipients into Medicaid.** Senator Malcolm Augustine and Delegate Lorig Charkoudian put in legislation to automatically enroll recipients of SNAP into Medicaid who are eligible but not yet enrolled.



Discussion

MHBE Small Business Program by Fall 2024

	Full Service Small Business Enrollment Platform	Outreach Marketing and Preferred Producer Program	Integrate ICHRAs/ QSEHRAs into Maryland Health Connection
Description	Build an in-house portal that is a one stop shop: end-to-end shopping, tax credit eligibility, enrollment, support and billing aggregation system	Respond to Small Business & Nonprofit Health Insurance Subsidy Workgroup recommendations to offer marketing and outreach resources, support and incentives for businesses.	Partner with ICHRA administrator(s) and build ICHRA/QSEHRA integration into MHC/MHC for Small Business

Discussion

Given what we now know about the socio demographics of the uninsured in Maryland:

- What considerations can we add into the demographics?
- How can MHBE assist small employers in Maryland to get uninsured employees covered?
- How do we reduce barriers to access and affordability for the uninsured?



Discussion



Public Comment



Appendix

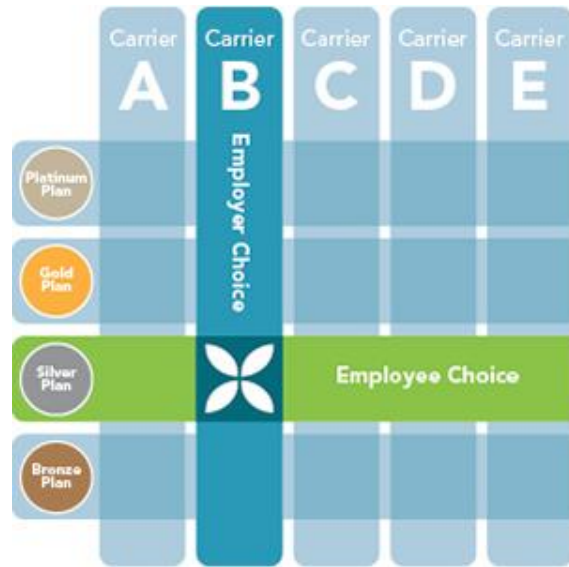
Members

Member	Affiliation	Member	Affiliation
Rob Cohen	Alliance Benefits, LLC	Vennard Wright	Wave Welcome
Rob Poli	BenefitMall	Kimberly Prescott	Prescott HR
Cynthia Hipwell	Aetna	Ainisa Broadway	Small Cakes Maryland, LLC
Alvin Helfenbein	Helfenbein Insurance Agency	Richard Huguen	Linshom Medical, Inc
Jon Frank	Small Business Insurance Advisor	Sandy Walters	Kelly Benefits
Glenn Arrington	Group Benefit Strategies, LLC	Cynthia Levitt	CareFirst BCBS
Mark Khatib	Employee Benefits Corporation of America (EBCA)	Ileana Gonzales	AP Benefits dba IMC
R. Nicole Sharp	Griffin Consulting Partners, LLC	Michael Rachesky	United Healthcare
Rick Weldon	Frederick County Chamber of Commerce	Neil Bergsman	Maryland Nonprofits
Lane Levine	A Friendly Bread	Daniel Koroma	Montgomery County Government Office of the County Executive
Brandon Burbage	Kaiser Permanente		

MHC Employer Choice & Employee Choice

Employer Choice: Select one insurance company that offers coverage; employers can offer any number of plans: one (1), multiple, or all.

Employee Choice: Select up to two consecutive metal levels of coverage; employees may choose any plan across all the insurance companies that offer plans at those metal levels.



Issuer	MHC Small Biz Medical QHPs
CareFirst BCBS	18
CareFirst GHSMI	3
United Healthcare	18
Optimum Choice	10
Aetna Health	6
Kaiser Permanente	13
Total	68

Federal Small Business Tax Credit

- ACA Federal SHOP (Small Business Health Options Program) Tax credit created to incentivize offering employees coverage
- Requirements to qualify:
 - Business must be located in Maryland
 - < 25 full-time equivalent employees (FTEs) for the taxable year
 - Pay average annual wages of < \$58,000 (adjusted for inflation FY 2022) per FTE employee
 - *Tax credit works on a sliding scale- credit reduced if FTEs >10 , Average wage >\$28,000*
 - Employer maintain a “qualifying arrangement” by paying a uniform percentage for all employees that’s equal to 50% of premium cost of employee only coverage (35% for tax exempt/nonprofit organizations)

Tax Credit (Continued)

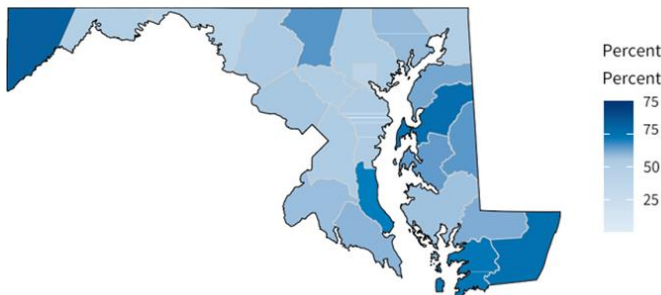
- Federal SHOP tax credit parameters:
 - The maximum credit is 50% of employer's premium payments (35% for tax-exempt organizations)
 - Available for 2 consecutive years
 - Small employers are required to purchase a Qualified Health Plan from a SHOP Marketplace to be eligible to claim the credit
 - Tax Credit can be carrier forward or backward by 2 years

Maryland Small Business Profile

Maryland 2022

634,622 Small businesses
99.5 percent of Maryland businesses

1.2 million Small Business employees
49.4 percent of Maryland employees



No Employees	527,410
1-19 Employees	92,785
20-499 Employees	14,427
Total	634,622

Small business count by size and industry

Industry	No employees	1-19 employees	20-499 employees	All small businesses
Professional, Scientific, and Technical Services	82,298	16,138	2,000	100,436
Transportation and Warehousing	66,788	2,448	422	69,658
Health Care and Social Assistance	52,753	10,468	1,879	65,100
Construction	49,360	12,406	1,602	63,368
Other Services (except Public Administration)	48,029	11,661	1,133	60,823
Real Estate and Rental and Leasing	53,320	4,346	383	58,049
Administrative, Support, and Waste Management	46,575	5,893	1,129	53,597
Retail Trade	33,624	9,380	987	43,991
Arts, Entertainment, and Recreation	31,004	1,615	340	32,959
Educational Services	21,644	1,561	446	23,651
Accommodation and Food Services	9,802	7,073	2,319	19,194
Finance and Insurance	11,638	3,350	393	15,381
Wholesale Trade	5,180	3,086	837	9,103
Information	6,940	977	236	8,153
Manufacturing	4,601	1,977	607	7,185
Agriculture, Forestry, Fishing and Hunting	3,438	179	5	3,622
Utilities	336	39	14	389
Management of Companies and Enterprises	*	66	254	320
Industries not classified	*	187	1	188
Mining, Quarrying, and Oil and Gas Extraction	80	17	12	109
Total	527,410	92,785	14,427	634,622

Small Businesses in Maryland

- Maryland defines a small business as having between 1 and 50 employees
- Sharp decline in small group enrollment in 2021
- Small Group Market size: In Maryland's Small Business Enrollment: 117 active groups with **645 covered lives** (MHBE data as of August 30, 2022)

MHC Small Business Enrollment									
Year	2014	2015	2016	2017	2018	2019	2020	2021	2022
Employers	43	88	113	107	148	152	156	121	117
Covered Lives	263	604	735	588	853	821	878	649	645

MHBE Small Business Program by Fall 2024

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Workgroup Final Recommendations

1. Allocating \$2 to \$4 million per year to MHBE to invest in training, marketing, and outreach to educate small employers and their employees on their health insurance options on- and off-Exchange for a minimum of three years.
1. 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.
1. Financial incentive for small employers and nonprofits hosting events to help their employees obtain coverage and MHBE providing special branding to employers who take advantage of the opportunity, noting that this could boost employee recruitment and retention while also reducing the number of uninsured Marylanders.

Challenges and Opportunities Facing Small Businesses

- “Affordable” Small Group plans impacting employees eligible for enhanced federal subsidies under ARPA
- Opportunity for MHBE to target outreach & education on all coverage options to groups within the top 5 specific industries likely to have employees within 100%-400% of FPL:
 - Professional, Scientific, Management, Administrative, & Waste Management Services
 - Educational Services, Health Care & Social Assistance
 - Construction
 - Wholesale & Retail trade Arts, Entertainment, & Recreation, & Accommodation & Food Services
- Outreach, education and marketing materials and collaboration with producer community to bring awareness to groups with in these industries to offer plans that meet the needs of all of their employees (ICHRA plans, Individual plans vs. Small Group).

Industry Category	Employer Size	FPL Category					
		Eligible (100-400% FPL)		Ineligible (<100 or >400% FPL)		Total	
		#	%	#	%	#	%
Professional, Scientific, Management, Administrative, & Waste Management Services	<10 employees	41,580	35.8%	74,537	64.2%	116,117	100%
	10-24 employees	17,830	23.8%	57,240	76.2%	75,070	100%
	25-99 employees	12,124	24.5%	37,392	75.5%	49,516	100%
	Total	71,534	29.7%	169,168	70.3%	240,702	100%
Educational Services, Health Care & Social Assistance	<10 employees	23,310	40.2%	34,698	59.8%	58,008	100%
	10-24 employees	19,911	36.7%	34,406	63.3%	54,317	100%
	25-99 employees	17,718	38.8%	27,916	61.2%	45,634	100%
	Total	60,939	38.6%	97,020	61.4%	157,959	100%

Industry Category	Employer Size	FPL Category					
		Eligible (100-400% FPL)		Ineligible (<100 or >400% FPL)		Total	
		#	%	#	%	#	%
Construction	<10 employees	31,755	44.6%	39,411	55.4%	71,166	100%
	10-24 employees	18,487	41.2%	26,433	58.8%	44,919	100%
	25-99 employees	8,206	44.1%	10,411	55.9%	18,616	100%
	Total	58,447	43.4%	76,254	56.6%	134,702	100%
Wholesale & Retail trade	<10 employees	22,137	36.4%	38,736	63.6%	60,873	100%
	10-24 employees	14,743	36.1%	26,049	63.9%	40,793	100%
	25-99 employees	4,457	29.1%	10,869	70.9%	15,326	100%
	Total	41,338	35.3%	75,654	64.7%	116,992	100%

Gender

- Men compose a higher proportion of the uninsured than women-making up 57.4% of the estimated uninsured Marylanders
- Other=140K account for undocumented residents

Note: since the figures Hilltop provided from the ACS are estimates, they should not be construed as exact counts

CY 2021		
Gender	Proportion [95% CI]	Estimate [95% CI]
Female	110,812	42.6%
Male	149,089	57.4%
Other	140,099	

Age Group

- 19-34 year olds make up highest percentage of uninsured Marylanders at 34%
- 34-50 year olds are second highest making up 36% of the uninsured Marylanders

CY 2021		
Age	Estimate [95% CI]	Proportion [95% CI]
<19 years	50,624	19.5%
19 - 34	89,713	34.5%
35 - 50	65,248	25.1%
51 - 66	48,604	18.7%
67+	5,712	2.2%

Race & Ethnicity

- African Americans form highest uninsured population, followed by non-hispanic whites
- Hispanics make up third highest with 21% of uninsured individuals
- All individuals reporting Hispanic origin are combined in the category Hispanic. All other race-ethnicity categories are limited to individuals who did not indicate Hispanic origin.

CY 2021		
Race/Ethnicity	Estimate [95% CI]	Proportion [95% CI]
Non-Hispanic White	84,915	32.7%
Non-Hispanic Black	87,617	33.7%
Hispanic	55,205	21.2%
American Indian or Alaska Native	477	0.2%
Asian-American or Pacific Islander	17,678	6.8%
Two major races	10,414	4.0%
Three or more major races	1,546	0.6%
Other	2,049	0.8%

Household Income as % FPL

- The highest number of uninsured individuals have incomes within the 138% - 400% of the FPL threshold

CY 2021		
FPL	Estimate [95% CI]	Proportion [95% CI]
<138% FPL	68,626	26.4%
138% - 400% FPL	108,175	41.6%
>400% FPL	83,100	32.0%

Marital Status

- The highest number of uninsured individuals are single or never married
- Close to 70% of spouses of those who are uninsured are employed

CY 2021		
Marital Status	Estimate [95% CI]	Proportion [95% CI]
Married	67,635	26.0%
Separated, divorced or widowed	33,395	12.8%
Never married or single	158,871	61.1%

Employment Status

- 49% of uninsured Marylanders are employed
- 26% are not in the labor force
- Spouses of uninsured workers are likely to be employed (70%)
- remaining 30% of spouses more likely to not be in the workforce

CY 2021		
Employment Status of Uninsured	Estimate [95% CI]	Proportion [95% CI]
N/A	39,335	15.1%
Employed	127,306	49.0%
Unemployed	23,849	9.2%
Not in Labor Force	69,411	26.7%
Employment Status of Spouse	Estimate [95% CI]	Proportion [95% CI]
Employed	41,505	69.6%
Unemployed	2,284	3.8%
Not in Labor Force	15,826	26.5%

Spouse Health Coverage

- Spouses of uninsured individuals have some form of health insurance coverage
- These counts are limited to lawfully present individuals without health insurance coverage who report being married, and whose spouse was present for the survey.

*Note that a spouse may report multiple sources of health insurance coverage.

CY 2021		
Spouse Health Coverage	Estimate [95% CI]	Proportion [95% CI]
Spouse has any health insurance coverage	31,750	53.3%
Spouse has no health insurance coverage	27,865	46.7%
Spouse has coverage through employer/union	15,546	26.1%
Spouse has private insurance coverage	19,706	33.1%
Spouse has public insurance coverage	14,472	24.3%

Uninsured Population: Additional Information

Uninsured individuals in Maryland:

- Speak some english or speak english fairly well
 - Not applicable to respondents under age 5
- They're likely to not be military veterans
 - Not applicable to respondents under age 17
- Not likely to have a cognitive, ambulatory, self-care, vision or hearing difficulty
 - Not applicable to respondents under age 5

CY 2021		
Additional Categories	Estimate [95% CI]	Proportion [95% CI]
Speak English Well	240,878	92.7%
Not Military veteran	211,861	81.5%
No cognitive, ambulatory or self-care difficulty	246,300	94.8%
No vision or hearing difficulty	252,869	97.3%