

# Small Business Programs Advisory Committee (SBPAC)

Meeting 6: August 30, 2023

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

# Agenda

**1:00 - 1:10**

**Welcome & Agenda**

*Jon Frank & Lane Levine, Co-chairs*

**1:10 - 1:30**

**Follow-Up Items**

*Jon Frank & Lane Levine, Co-chairs*

**1:30 - 2:15**

**MHC for Small Biz Enrollment Platform**

*Mimi Hailegeberel, Small Business Programs Manager*

**2:15 - 2:50**

**Discussion**

**2:50 - 3:00**

**Public Comment**



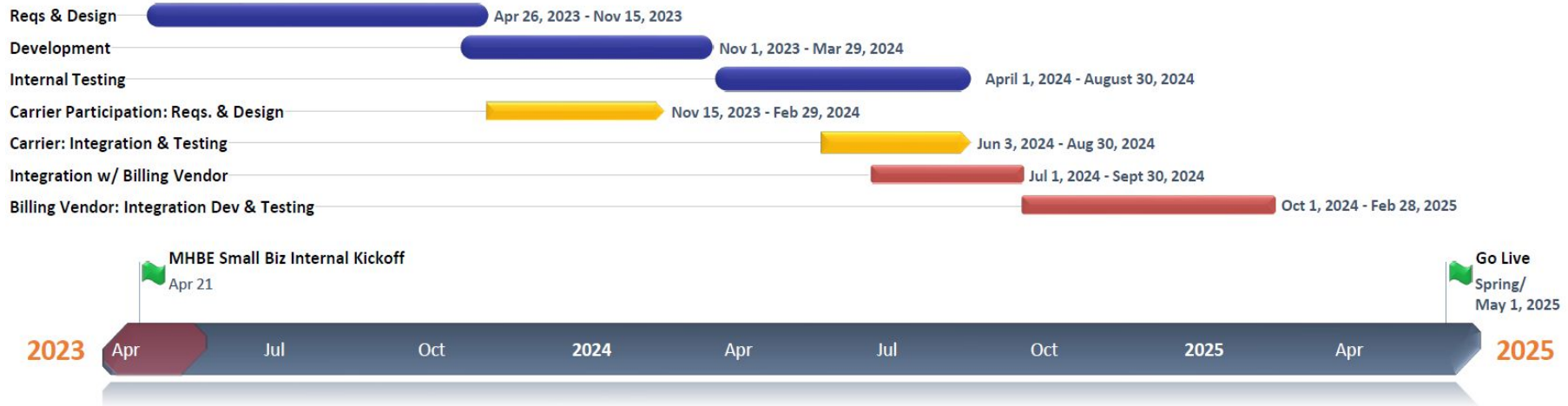
# Follow-Up Items

# Follow-Up

- June's Meeting minutes were emailed to members on July 18, 2023.
- Small Business Outreach and Education Curriculum update.
- Open for new SBPAC members from Maryland's Small Business community.

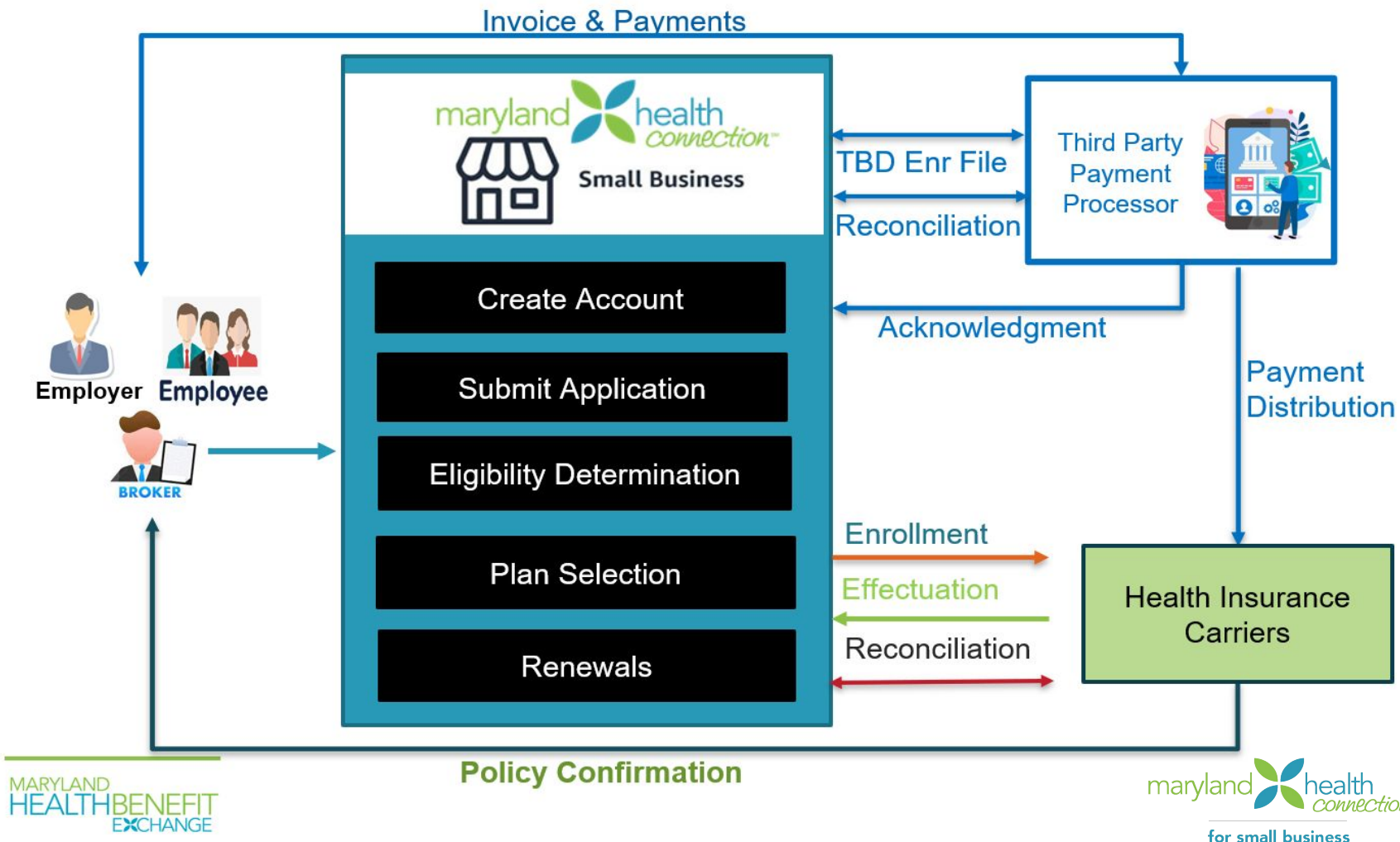
# **MHC for Small Biz Enrollment Platform**

# Enrollment Functionality Project Timeline



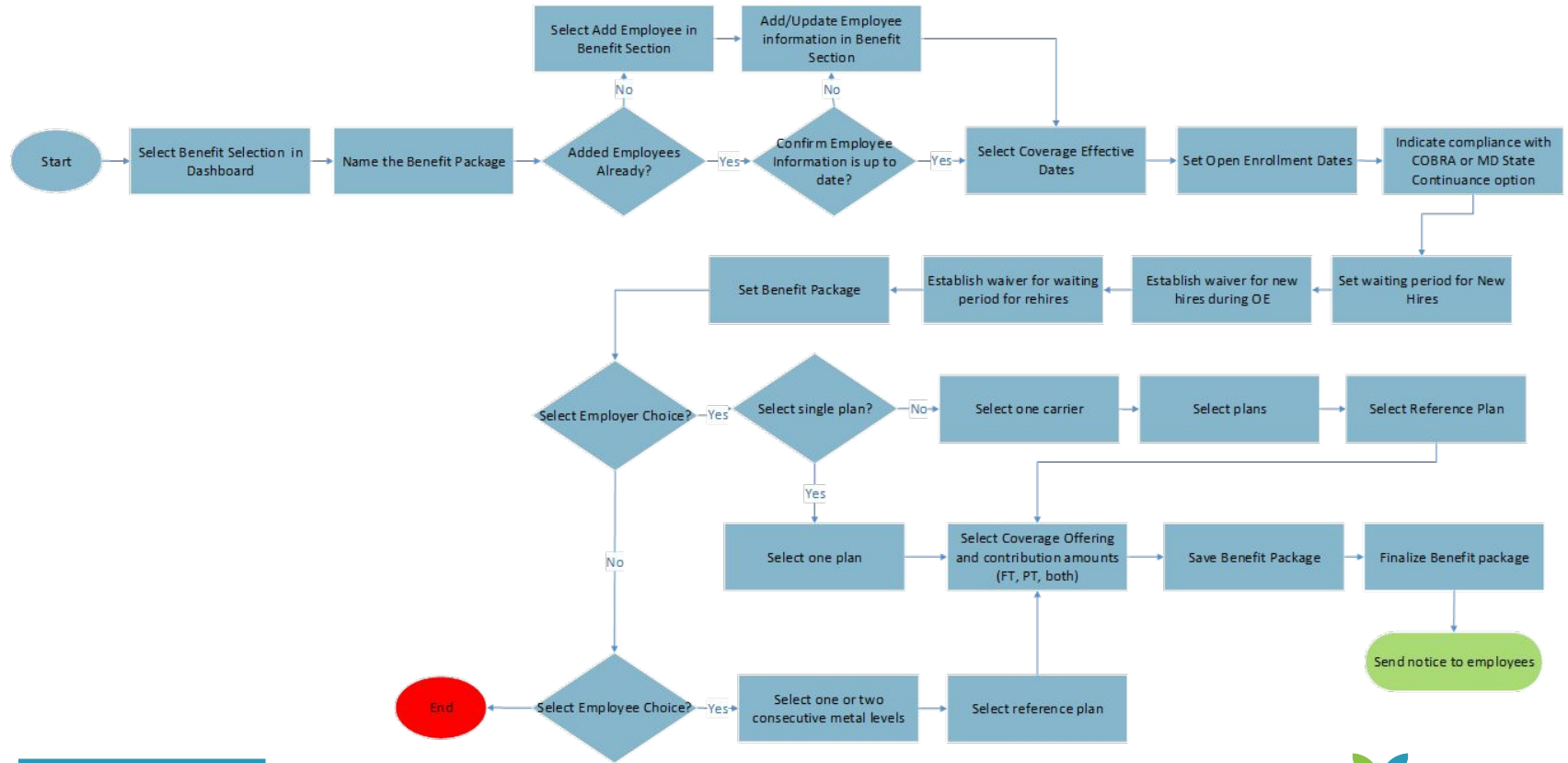
# Account Creation/Users

Employer	Broker	Employee	Employer Admin	MHBE Admin	MHBE Admin (Superuser)	TPA/GA
<ul style="list-style-type: none"> <li>▪ Create Account</li> <li>▪ Register Business</li> <li>▪ Add Employees</li> <li>▪ Get Quote</li> <li>▪ Find/Add/Change Broker</li> <li>▪ Add/Renew Plans</li> <li>▪ Enroll Employee &amp; Dependents into a plan</li> <li>▪ View and Pay Invoice through TPA</li> </ul>	<ul style="list-style-type: none"> <li>▪ Create Account</li> <li>▪ Find/Add/Cancel Employer</li> <li>▪ Add Employees to Employer Acct</li> <li>▪ Get Quote for Employer</li> <li>▪ Access &amp; Edit Employer &amp; Employee Account</li> <li>▪ Link to a TPA/GA</li> </ul>	<ul style="list-style-type: none"> <li>▪ Create Account</li> <li>▪ Add/Remove Employer</li> <li>▪ Compare Available Plans w/ cost info</li> <li>▪ Add Spouse/Dependents</li> <li>▪ Enroll/Renew available Plan/s</li> <li>▪ Apply for an SEP</li> <li>▪ Enroll in COBRA</li> </ul>	<ul style="list-style-type: none"> <li>▪ Have access to review all the Employee details</li> <li>▪ Access Employee Dashboard, Plan, View &amp; pay invoice</li> <li>▪ Password Reset</li> <li>• Update Email Address for Employer &amp; Employee users</li> <li>• Add/Remove Employer to Employee</li> </ul>	<ul style="list-style-type: none"> <li>▪ Have access to review all the Employee &amp; Employer details</li> <li>▪ Password Reset</li> <li>▪ Update Email Address for Employer &amp; Employee</li> </ul>	<ul style="list-style-type: none"> <li>▪ Have access to review all the Employer and Employee details</li> <li>▪ Add/update Employer and Employee data.</li> <li>▪ Add/Update Employer Roster</li> </ul>	<ul style="list-style-type: none"> <li>▪ Create MHC account</li> <li>▪ Download monthly broker and enrollment reports</li> <li>▪ Group's Invoice</li> </ul>

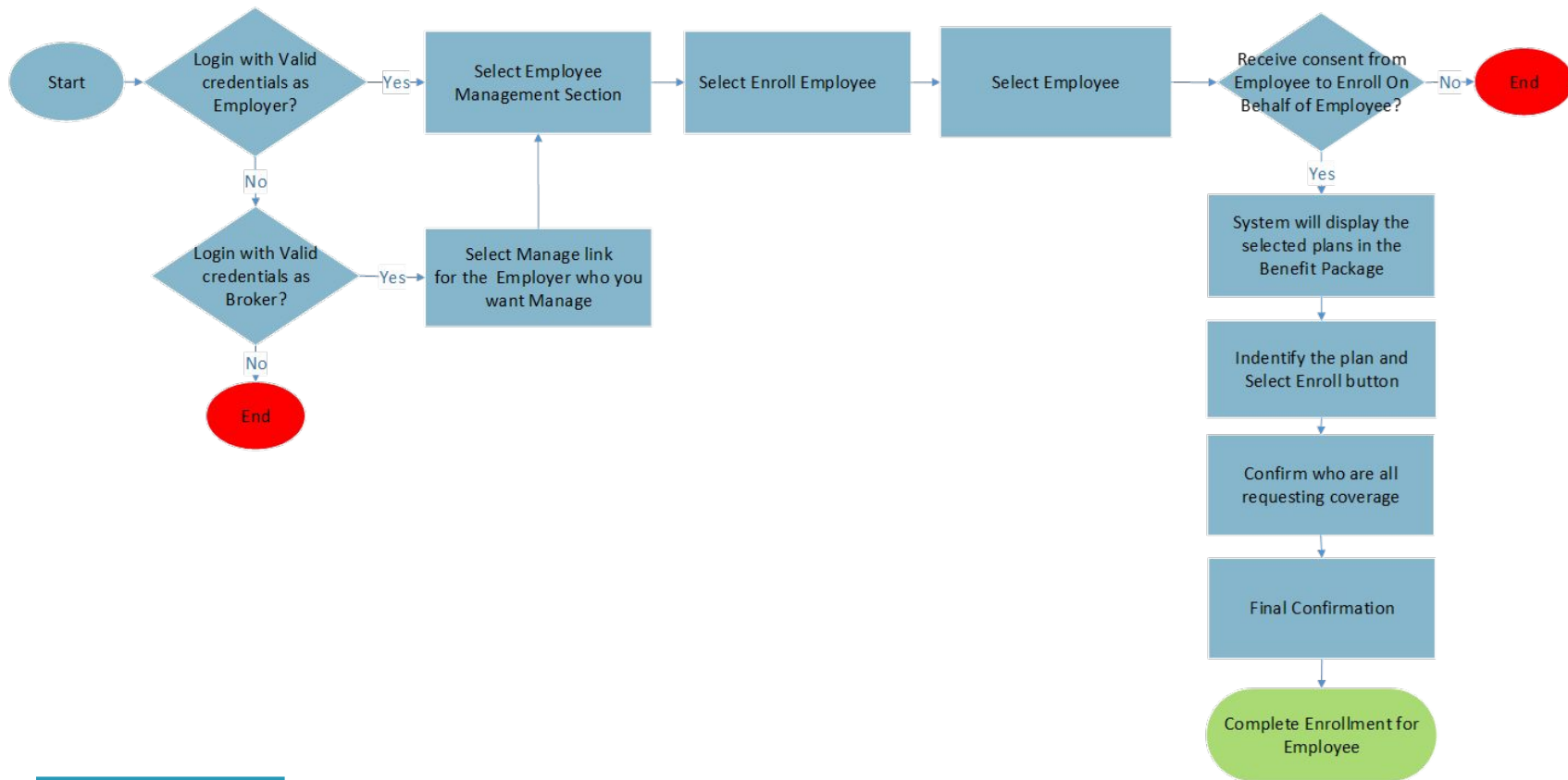




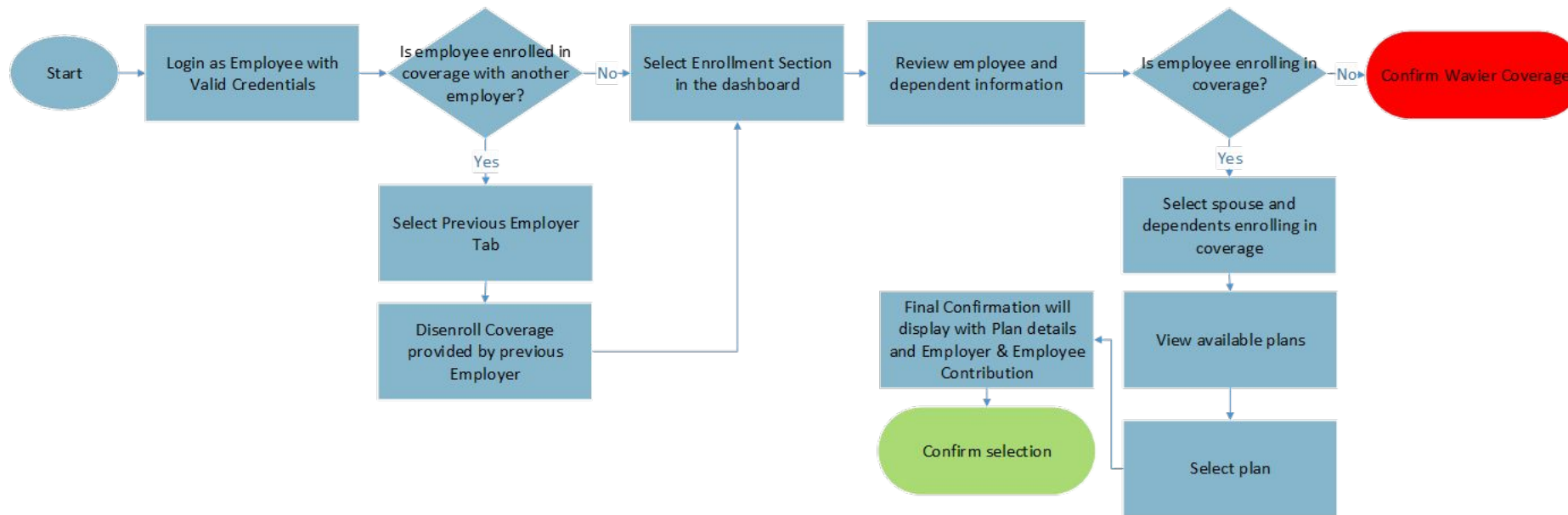
# Employer Benefit Selection



# Employer Enroll their Employee



# Employee Plan Shopping



# Employer Sets O/E Timeline

	Fast Track	Longest Track
Employer: Select Plans & Contributions	Days <b>1-7</b>	Days <b>30</b>
Employee: Open Enrollment	Days <b>14</b>	Days <b>30</b>
First Premium Payment	Days <b>1</b>	Days <b>12</b>
Carrier Administration	Days <b>18</b>	
Total	<b>34 days (minimum)</b>	<b>90 days (maximum)</b>
Example: Jan 1, 2014 Coverage	Begin by: <b>Nov 26, 2023</b>	Begin by: <b>Oct 1, 2023</b>

Sample Timeline for January 1, 2025 Coverage Effective				
Item	Fast Track		Longest Track	
	Date	Days Prior to Coverage Effective Date	Date	Days Prior to Coverage Effective Date
Employer selects plan offerings, employer contributions, and employee eligibility.	Nov 26, 2024	36 days prior	Oct 1, 2024	90 days prior
Begin Employee Open Enrollment.	Nov 27, 2024	35 days prior	Nov 1, 2024	60 days prior
End Employee Open Enrollment.	Dec 10, 2024	10 <sup>th</sup> day of the prior month	Nov 30, 2024	31 days prior
1 <sup>st</sup> month's premium payment due.	Dec 12, 2024	12 <sup>th</sup> day of the prior month	Dec 12, 2024	30 days prior
Coverage effective.	January 1, 2025			

# Accessible Language Support

- Employers and Employees can receive support based on their language preference.
  - English
  - Spanish
  - Chinese
  - Amharic
  - French
  - Korean
  - Vietnamese
  - Russian
  - Urdu
- Customer Service Call Center can accommodate up to 200 languages

# Employee Waiting Period Regulations

- COMAR 14.35.18.04 Paragraph H:  
A small employer may implement a waiting period of no more than 90 days for any qualified employee.
- 45 C.F.R § 147.116, paragraph (a)):  
(a) General rule. A group health plan, and a health insurance issuer offering group health insurance coverage, must not apply any waiting period that exceeds 90 days, in accordance with the rules of this section.



# Employee Waiting Period Policy

Currently, newly hired employees are eligible to join the employer sponsored plan under the following options:

- **On the Date of Hire**
- 1st day of the month following date of hire
- 1st day of the month following 30 days after the date of hire
- 1st day of the month following 60 days after the date of hire
- **On the 90 day after the date of hire**
- Waive waiting period for rehires
- Waive waiting period for present employees



Proposed changes- Remove the options: **On the Date of Hire and coverage will begin on the 90th day after the date of hire.**

# Minimum Participation Requirements (MPR)

- For Employee choice: Group's minimum participation has to be 75% in order for the group to be eligible. The MPR for employee choice is calculated as follows:

$$\frac{[(\text{Number of Employees Enrolled into Small Business Coverage} + \text{Employees with valid waivers}) / \text{Total Number of Active Employees}] \times 100}{}$$

- Employer Choice: Carriers require participation rates as follows:



60%



60%



60%



75%

- Proposed Change: **Uniform MPR set to 60% for both Employer and Employee Choice Models.**

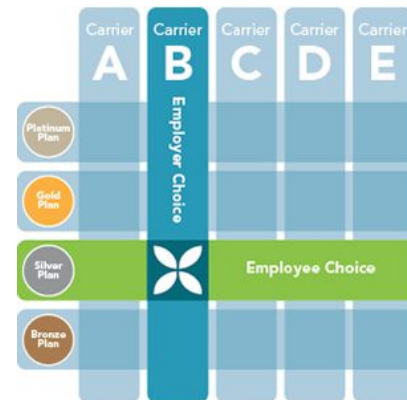


# Eligibility-Child Coverage

- Current MHC policy allows children to stay on a parent's plan until the end of the year (Dec 31st).
- Children are eligible as defined in plan documents in accordance with applicable state and federal laws, **up to the end of the month** when the dependent turns age 26, regardless of financial dependency, employment, eligibility of other coverage, student status, marital status, tax dependency or residency.
- This requirement applies to natural and adopted children, stepchildren, and children subject to legal guardianship.
- Employer choice to extend child coverage: **End of the month or end of the year.**

# Benefit Package Selection

- **Employer Choice/Plans Offered by One Company:** Choose a single plan or multiple plans from one an insurance company and set your contribution amount. Select a reference plan as the base for contribution levels. Your employees will be able to choose a plan from that carrier at any benefit level.
- **Employee Choice/Plans Offered Across All Companies:** Choose one or two consecutive benefit levels and your contribution amount. The employer would select one specific health insurance plan as the reference plan. The premiums and cost-sharing arrangements for other plans offered through the Employee Choice option would be adjusted based on the reference plan selected by the employer. Employees can then compare the different carriers and plans available.



# Employer Contribution

An employer may choose from two options to contribute to the employees' premium. The employer may vary by employee class and coverage level. Contributions must be 50% or more to qualify for the federal Small Business Health Care Tax Credit.

- **Option 1: Reference Plan with Fixed Percent Contribution** — In this method, the employer covers a fixed percentage of employees' health insurance premium. This chosen percentage applies to the reference plan's cost for all eligible employees. When employees join the health insurance plan, their premiums are determined using the total reference plan premium. This ensures consistent employer contribution, regardless of the specific plan employees choose.
- **Option 2: Standard Fixed Percentage Contribution** — Similar to setting a fixed percentage contribution, this method will allow the employer to set a fixed percentage plan among all plans selected. Under the individual rating rules, that means that the dollar amount contributed by the employer for each employee and dependents may vary.

# Employer Billing

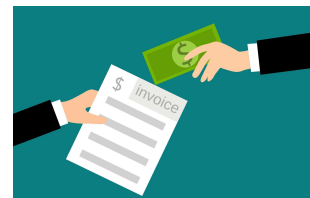
- **Premium Aggregation** – TPA calculates and collects individual premium payments employer and remits the total premium amount to the insurance provider on behalf of the employer.
- **Member Age Level Billing** – This method of determining health insurance premiums is based on the age of each individual member covered under a health insurance plan. Each covered member's premium is determined by their age.
- **Composite Premium Billing** – In a composite premium billing system, each enrollees' individual premium is calculated, totaled, and then a single average premium rate for each enrollee is calculated. This average premium is applied uniformly to all individuals within the group, simplifying the billing process and making it easier for employers or organizations to administer the insurance plan. Under this system, the employer and employee/s will have the same premium.

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*Note: Minimum of 2 enrolled employees is required for a group to select composite billing.*

# Strategic Collaboration for Premium Billing and Aggregation

In collaboration with a seasoned Third Party Administrator (TPA) provider, MHC for Small Business plans to introduce an advanced and comprehensive integrated premium billing and aggregation service.



## Premium Billing Simplified:

- **Employer Choice:** The TPA aggregates all enrolled premiums for each carrier, ensuring accuracy and precision. The TPA remits the accurate total premium to issuers on behalf of each individual employer and employee.
- **Employee Choice:** The TPA accurately calculates total premiums for each issuer within the employee choice model and efficiently remits premium payments to one or multiple issuer, ensuring a seamless financial ecosystem.

# COBRA (Consolidated Omnibus Budget Reconciliation Act)

- **COMAR 31.11.04.10 Group Health Insurance**—Continuation of Coverage for Terminated Employees
- **Eligibility:** Employees who experience a change in status, including termination of employment (whether voluntary or involuntary), are eligible for a COBRA plan.
- **Election Period:** The eligible employee must elect to continue coverage under the COBRA plan within 45 days after the applicable change in status (i.e., the date of termination).
- **Duration for Employees:** Up to 18 months of COBRA coverage. **Dependents:** Up to 18 months of COBRA coverage, with the possibility of an extension up to 36 months for specific qualifying events.

*Note: An extension can apply in situations such as the death of the covered employee, divorce or legal separation from the covered employee, loss of dependent status, or the covered employee becoming eligible for Medicare.*

# COBRA Cont...

- The MHC-SB system will be designed and configured in accordance with state and federal regulations, allowing employees up to 45 days to elect to continue their employer's COBRA coverage for up to 18 months. In certain cases where extension criteria are met, the coverage period may be extended beyond 18 months.
- The TPA will handle billing directly to the employee to facilitate their continuation in the COBRA plan.
- Eligible employees will be informed about the option to explore more affordable plans available on MHC for Individuals. They will be provided with a link to access [www.marylandhealthconnection.gov](http://www.marylandhealthconnection.gov) for further information on available plans and coverage options.

# Group Renewal

- **Default Auto-Renewal:** After initial benefit selection, auto-renewal is set as default if active enrollments exist.
- **No Active Enrollments:** If no active enrollments, plan terminates at the end of the benefit year.
- **Active Enrollments Reminder:** With active enrollments, employers reminded to renew or modify benefit package.
- **Employee Open Enrollment:** Employees get a minimum of 14 days for open enrollment and plan selections.
- **Opt-Out Option:** Employers can choose to opt-out of auto-renewal.
- **Opt-Out Consequence:** Opting out leads to termination of employer-sponsored coverage by renewal end date if no action is taken.



# Acceptable Waivers

- Employee covered under other private group health plans
- Employee covered under public health care programs, including Medicare, Medicaid and TRICARE.
- Employee under the age of 26 and covered under their parent's health benefit plan.
- Employee has coverage sold through the individual market, or other minimum essential coverage – with or without access to a Federal subsidy (due to minimum essential coverage or affordability provisions).
- COBRA enrollee or retiree.
- Employee has small business coverage through another State or Federal Marketplace.
- Non-employees such as the owner and spouse of the owner are not included in the participation calculation unless they are full-time employees.

# Help & Support

- Brokers-Have an insurance broker call you to discuss your private health plan options.
- Ask Flora- To get help with general questions or help with account issues. Virtual assistant and live chat with an agent
- Call Center Support- Dedicated 1800 number for small business employers and employees.



# Required Documentation

- Most recent Quarterly Wage & Tax Statement/  
Maryland Unemployment Insurance Quarterly Employment Report
  - W4 required for employees not listed on QWTS
- Full Time Equivalent (FTE) Form, if applicable
- Medicare Secondary Payer (MSP) Form, if applicable
- Composite Rate Form, if applicable
- Carriers may require Proof of Ownership (as applicable) per specific carrier guidelines – examples of proof of ownership documents are:
  - “C” Corporation – Form 1120
  - “S” Corporation – K1/Schedule 1120S
  - Partnership- Partnership Agreement or K1 (Schedule 1065)
  - Limited Liability Company – Signed LLC Agreement
  - Churches and Non-Profit Organization – Form 941 Farms – Schedule F
  - Common Ownership- Complete Common Ownership Form
  - Individual Contractor – Complete 1099 form according to guidelines



# Employer Data Validation

- EIN: The system will check the employer's EIN.
- **Attestation of Small Business Status:** Employers will need to submit a signed attestation or certification form confirming that they meet the small business eligibility criteria set by the exchange. This form may include information about the number of employees, average wages, and other relevant details.

Additional Options to consider:

- **Coordination with Government Agencies:** Collaborate with relevant government agencies, such as labor departments or tax authorities, to verify employer information and ensure compliance with eligibility criteria.
- **Electronic Data Interchange (EDI):** Electronic data interchange capabilities that allow direct access to certain information from government databases to verify employer details.



# Discussion

# Discussion

- Should the waiting period options "Date of Hire" and "90th day after the date of hire" be removed from the employer application?
- Is it a good idea to set the MPR (Minimum Premium Requirement) at 60% for both the Employer and Employee Choice Models to ensure consistency and uniformity?
- Should MHBE consider adding more acceptable waiver requirements?
- How can we improve benefit selection, COBRA management, and renewal processes for brokers, small business employers, and employees?
- Of the employer billing methods discussed, what suggestions do you have for improving billing/invoicing and collection of payment for employers?

A stylized background featuring a dark blue field with four large, overlapping, light blue petal-like shapes arranged in a cross pattern, meeting at the center. The text "Public Comment" is centered in white.

# Public Comment



# Appendix



# Special Enrollment Periods

MHBE must provide special enrollment periods consistent with section 45 CFR 155.726 and 45 CFR 155.420.

- Loss of other health coverage (e.g., loss of job-based coverage, aging off a parent's plan, MEC, Medicaid)
- Gaining other coverage
- Marriage or domestic partnership, divorce
- Exchange Error (Medicaid Determination Error, Material Contract Violation)
- Birth or adoption of a child
- Death
- Pregnancy
- Permanent move or relocation to an area with access to Private Health Plans
- Domestic Abuse/Spousal Abandonment [defined by 26 CFR 1.36B-2T]
- Changes in income or household size
- Change in Citizenship or Immigration Status
- Gaining Status as a Member of a Federally Recognized Tribe

