

Small Business Programs Advisory Committee (SBPAC)

Meeting 8: October 25, 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 - 1:10

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

New Concept: SEP for Individual Coverage

2:15 - 2:50

Discussion

2:50 - 3:00

Public Comment

Meeting Minutes & New Members

- September meeting minutes were emailed to members on October 23, 2023.
- Welcome new member: Kathy Sweely from Aetna.



Follow-Up Items

Updated Enrollment Tracks

	Ultra-Fast Track	Fast Track	Longest Track
Employer Select ER or EE Model, Reference Plan & Contributions	Days 2	Days 1 - 7	Days 30
Group Open Enrollment Period	Days 2 - 3	Days 10	Days 30
Binder Payment	Days 1	Days 3	Days 12
Carrier Administration		Days 18	
Total	23 days (minimum)	32 days (minimum)	90 days (maximum)
Example January 1, 2024 coverage	Begin by: December 8, 2023	Begin by: Nov 30, 2023	Begin by: October 1, 2023
Example January 1, 2024 coverage	Final Deadline: December 14, 2023	Final Deadline: December 14, 2023	Final Deadline: December 14, 2023

Massachusetts Health Connector

- **Currently MA Health Connector for Business has, by group:**
 - 1,087 (48%) one plan
 - 575 (25%) one carrier
 - 595 (26%) one level
 - Total covered lives= apx 12,000
- **From August 2022 to September 2023-** 2,263 new members entered coverage through Health Connector for Business, from 456 new business groups.
- **What's worked for the Health Connector:**
 - Restarted paid marketing of small group coverage;
 - Focused on the choice options which are unique to small businesses;
 - Promoted wellness rebate program, which delivers a 15 percent annual rebate to businesses;
 - Build relationships with the state's broker community.

The background features a solid teal color with a pattern of overlapping circles in a lighter shade of teal, creating a stylized floral or mandala-like effect.

New Concept: SEP for Individual Coverage

Refresher

Outreach & Education Program:

- In 2022, legislation was introduced to create a new Special Enrollment Period (SEP) for newly hired employees of small businesses who do not receive coverage from their employers, enhancing their access to individual plans.
- The newly proposed SEP would have enabled employers to connect their employees with brokers to facilitate access to individual exchange plans with federal subsidies.
- It was decided to prioritize securing outreach and education funding for the small business program, which was also included in the bill. The sponsors withdrew the SEP language from the bill, which did not ultimately pass.

Bill	Summary	Status
<u>SB59 / HB107</u>	<ul style="list-style-type: none"> Allocated \$5M/year to MHBE for FY 2025 - 2029 for marketing, outreach, and programs for small businesses and nonprofits. Recommendation of the 2022 Small Business and Nonprofit Health Insurance Subsidies Program Workgroup. As originally proposed, established an on-exchange individual market special enrollment period for small businesses' new hires. 	Did not move forward

Bill Presented to legislature:

“Special Enrollment Period and Marketing for the purpose of requiring the Maryland Health Benefit Exchange to open a special enrollment period for individuals who become employed by a small employer that does not offer employer-sponsored health benefit plans and the individuals’ dependents”

Pros & Cons

OPPORTUNITIES

- Newly hired employees could enroll in individual plans when their employer doesn't offer coverage, without a gap until OE.
- Limits on adverse selection risk:
 - SEP is a result of the employer's decision not to offer coverage & hire outside of OE.
 - Individual is starting employment and therefore more likely to present lower risk
 - Risk is diminishing as the individual rates are only good until 12/31. A SEP later in the year has reduced claims exposure.

CHALLENGES

- Some stakeholders have expressed concern that a new SEP could cause adverse risk in the marketplace.

Plan of Action & SEP Parameters

- Setting the groundwork for our outreach and education program requires identifying areas of improvement in our existing programs.
- For discussion: SEP legislation to establish a new Special Enrollment Period (SEP) for newly hired small group employees to enroll in individual plans.

Potential Parameters:

- Individual must buy a MHC Private Health Plan.
- SEP available for 30 days from date of hire.
- Options to open SEP through MHC:
 - Option 1: Require individual to input their date of hire and attest that their employer is a small group employer.
 - Option 2: SEP may only be opened by a broker, who inputs date of hire attests that enrollee the employer is a small group that has declined to offer coverage.



Discussion

Questions

1. Do you support establishing a new on-exchange individual market Special Enrollment Period (SEP) for newly hired employees of small group employers that do not offer coverage in the upcoming legislative session?
2. Do you have recommendations for other parameters for the SEP under discussion?

Upcoming SBPAC Meetings

- Cancel the next 2 meetings and meet in 2024 when we have more information on Budget, Legislation, etc...



Public Comment



Appendix