



Massachusetts Businesses, National Health Reform, and the Health Connector

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Webinar Goals and What We Will Cover



- **Overview of the Massachusetts Health Connector:**

Educate small businesses about the Health Connector, the health insurance exchange/marketplace in Massachusetts, and what types of services and resources it provides to them and their workers

- **Overview of the Affordable Care Act and its impact on businesses:**

Help ensure that small businesses understand how the new national health reform law affects them – new opportunities, challenges, and other changes

The background features a large, white, stylized cross centered on a light green field. A large, white, curved shape, resembling a partial circle or a thick arc, sweeps across the left side of the image, partially overlapping the cross.

What is the Health Connector?

Your Health Insurance Marketplace: The Massachusetts Health Connector



- The Massachusetts Health Connector was created as part of the state's 2006 health reform law
 - Primary role: serve as a health insurance marketplace for individuals and small businesses
 - Also maintains policymaking and regulatory authority over major facets of Massachusetts health care reform (e.g., the individual mandate, etc.)



- Quasi-public agency with 11-member Board, chaired by the Secretary of Administration and Finance
- Staff of about 50 FTEs – mix of private health care industry, including licensed brokers and public sector employees
- Health insurance marketplaces are a key feature of the ACA

Who does the Health Connector serve?



- Individuals?
- Small businesses?
- The uninsured?
- Brokers?

ALL OF THE ABOVE!

Health Connector 2.0



- Make it easier than ever to compare, choose and enroll in innovative health and dental insurance products offered by Massachusetts' leading carriers
- Medical Carriers
 - Blue Cross Blue Shield of MA; BMC HealthNet Plan; Celticare; Harvard Pilgrim; Health New England; Fallon Community Health Plan; Neighborhood Health Plan; Network Health; Tufts Health Plan; Minuteman Health
- Dental Carriers
 - Altus; Guardian; Metlife; Delta; Blue Cross Blue Shield of MA
- Offer cutting-edge wellness programs encouraging wellness in the workplace
- Promote affordability and competition through transparency

New Employee Choice Options in 2014



- The Health Connector currently offers a sole source product for small businesses – “Business Express”
- Starting in 2014, the Health Connector will be offering an “Employee Choice” option on its shelf
 - Employer selects a “benchmark plan” and sets contribution
 - Employees can enroll in “benchmark plan”, OR purchase another health insurance plan and pay the difference in price
- Starting in 2014, the Health Connector will also offer “Dual/Triple” option plans
 - This allows employees to choose a “High” or “Low” option

More options for Employers and Employees

Broad Choice of Health and Dental Insurance Plans in 2014



- The Health Connector is a “one-stop shop” for health and dental insurance plans for small businesses and brokers:
 - Standardized Plans, grouped by Metallic Tier (Platinum, Gold, Silver, Bronze) to facilitate “apples-to-apples” comparisons
 - Non-Standardized Plans that are particularly popular among small groups in the market
 - Broad, narrow and tiered (in 2014) network plans
 - Over 100 plans for 2014
- Small businesses will have the option to also purchase dental coverage through the Health Connector in 2014
 - New dental entrants include: Altus, BCBSMA, Delta, MetLife, Guardian

The Health Connector has recently developed and will continue to enhance tools to help small businesses, brokers and individuals to navigate their plan choices and options

Small Business Tax Credits

- Federal small business health care tax credits, set to increase to up to 50% in 2014, will only be available through Marketplaces in states operating their own exchange (*i.e.*, the Massachusetts Health Connector)
 - Save up to 50% on the employer's share of eligible premiums (up to 35% for non-profit employers)
- To be eligible, employers must:
 - Cover at least 50 percent of the cost of single (not family) health care coverage for each of your employees; and
 - Have fewer than 25 full-time equivalent employees (FTEs) and those employees must have average wages of less than \$50,000 a year

Wellness Program and Rebates

- The Health Connector offers a free wellness program to small businesses enrolled through the Health Connector
- Online website that provides small businesses and their employees with a suite of tools, such as health and nutrition trackers and exercise videos, to promote a healthier work environment
- Eligible employers providing health insurance for up to 25 employees may qualify for a 15% wellness rebate on their group's health insurance premium contribution for coverage purchased through the Health Connector



The Health Connector and Brokers



- Small businesses that use brokers are welcome and encouraged to keep using their brokers to purchase small group coverage at the Health Connector
- The Health Connector has worked to strengthen relationships with the broker community in recent years in a number of ways:
 - Quarterly Broker Advisory Council (BAC) meetings and Broker ACA Steering Committee
 - Licensed broker on our Board of Directors and several licensed brokers on staff
 - Regular communications with brokers
 - Work with market entities (SBA, MassAHU, NEEBC, NEHRA) to provide information and support to brokers and MA employers
 - Working to ensure that our Health Connector 2.0 “build” works in a way that is compatible with how brokers seek rates and opportunities for clients

Health Connector 2.0 – Value Proposition



- **SHOP** – Small Business Health Options Program including innovative products and exclusive discounts (wellness rebate, small business tax credits for businesses with 50 employees and under)
- **Individuals** – Advanced Premium Tax Credits available to those who qualify, decision support and wealth of options for individual shoppers
- **Shopping** - Unique, cutting edge shopping experience and tools to put employers, employees and brokers in the driver's seat
- **Information** – The Health Connector is a central source of information about state and federal health reform, which has information for employers of all sizes about their responsibilities and opportunities regarding health insurance for workers

We will be a destination point for all sized employers and brokers as well as for individuals and families seeking coverage and assistance paying for insurance



What Should Businesses Know about National Health Reform?

National Health Reform: A Bird's Eye View



- The Affordable Care Act (ACA) was signed into law on March 23, 2010
- Sweeping health reform initiative that directly or indirectly affects most aspects of the health care delivery system
 - Broadly influenced by Massachusetts health reform, but policy details differ
- Key policy features of the law:
 - Individual mandate
 - Expansions of Medicaid and subsidies for low and middle income individuals
 - Insurance market reforms
 - Health insurance marketplaces (e.g., the Health Connector)
 - Incentives for employers to offer coverage
 - Investments in the health care delivery system and public health

Employers and Massachusetts Health Reform



- Massachusetts employers have a head-start on understanding and adapting to the Affordable Care Act (ACA) but important to understand differences between the laws
- Massachusetts employers have been key partners in the successful implementation of the Commonwealth's landmark health reform law (Chapter 58 of the Acts of 2006)
 - High levels of ESI coverage have been maintained (76% offer rate in MA vs. 69% nationally)
 - Helped educate workforce about individual mandate and health reform

The ACA and Employers

- **The ACA includes a number of provisions that will affect employers both directly and indirectly**
 - New “active” responsibilities for certain employers
 - New opportunities/advantages for certain employers
 - Changes to the health insurance market will have an impact on employer benefits
- **Important for businesses to understand how their size affects the components of the ACA that affect them**
 - Some changes only affect businesses with fewer than 50 workers, whereas others only affect those with more than 50 workers
 - Some changes only affect fully-insured businesses, whereas others only affect self-insured businesses

Active Responsibilities: Employer Assessment



- Starting in 2015, §1513 of the Affordable Care Act (ACA) assesses employers with 50 or more FTEs who have full-time workers* utilizing premium tax credits through an Exchange (the Health Connector)
 - For employers who don't offer coverage, assessments are \$2,000 per full-time worker, excluding the first 30 workers
 - For employers who offer coverage but it is either unaffordable (above 9.5% of a worker's household income) or provides insufficient coverage (less than 60% actuarial value), the employer must pay the lesser of:
 - \$3,000 annual assessment for each full-time employee who obtains government-subsidized coverage (APTC) through an exchange; or
 - \$2,000 per full-time employee obtaining an APTC through an exchange, excluding the first 30 workers
- Individuals that are eligible for APTCs are below 400% of the federal poverty level (FPL)

* The ACA defines a "full-time employee" as an employee who is employed on average at least 30 hours per week

Active Responsibilities (Cont'd)

By Oct. 1, 2013, employers must notify employees of Marketplaces, including:

The availability of the health insurance exchange to access insurance options and how the employee can contact the exchange for assistance

An employee's potential eligibility for federal assistance if the employer's health plan is "unaffordable" under the standards of the federal health reform law and/or if an employer offers a health plan valued at less than 60% of total costs

The risk of losing an employer contribution to health coverage if an employee purchases health insurance through the health insurance exchange

Check <http://bettermahealthconnector.org/marketplace-notice/> for a Massachusetts-specific version of this template.

Active Responsibilities (Cont'd)

Reasonable breaks and space for nursing mothers

- Employers must provide both time and private place for nursing mother to express milk
- Applies to all employers regardless of size
- Was effective upon passage of ACA

Automatic enrollment

- Applies to employers with 200+ FT employees
- Effective upon DOL release of guidance

W2 Reporting

- Employers must report aggregated value of employer-sponsored health benefits
- Effective in 2012 for large employers, in 2013 for all

New Opportunities

Small business tax credit

- For tax years 2010 to 2013, the maximum credit is 35 percent of premiums paid by eligible small business employers (25 percent for non-profits). Increases to 50% (up to 35% for non-profits) in 2014 - only available through the Marketplace

Grants for small employer wellness programs

- \$200 million in grants for fiscal years 2011 through 2015

Simple Cafeteria Plans

- ACA provides small employers with the option of a “simple cafeteria plan” – this removes the obstacle of nondiscrimination requirements favoring highly compensated and key employees which disqualify many small businesses.

SHOP

- Small business shopping options on the Marketplace (the Health Connector) that allow small businesses a variety of ways to shop for coverage

ACA Changes: Non-Benefits Eligible Workers



- Medicaid (MassHealth) expansion in 2014
- The Health Connector is the only place where employees who...
 - Are not offered ESI (e.g., part-timers, contractors, etc.), or
 - Don't enroll in ESI (but only if it is not affordable or does not meet minimum value requirements)

...can obtain tax credits towards the purchase of health insurance
- Employees that lose their insurance coverage during periods of unemployment will have coverage options through the Health Connector (with subsidies for lower income individuals)

Changes in State-Level Employer Responsibility Policy

What Will Stay and What Will Go?

- State-level employer policies have been streamlined in light of the passage and implementation of the ACA
- ACA passage allowed the Commonwealth to take a fresh look at its own employer-related policies

Fair Share Contribution	• Repealed
Employee HIRD	• Repealed
Employer HIRD	• Administration pursuing repeal
Section 125/Free Rider Surcharge	• Administration pursuing repeal
Medical UI Contribution	• Lowered
Federal Rules and MCC	• Streamlined

Continuous Engagement of Massachusetts Employers



- The Health Connector will be continuing to engage with Massachusetts employers over the coming year and beyond to ensure that the Commonwealth's business community is informed and supported as we all prepare for ACA implementation in MA
- Visit: <https://bettermahealthconnector.org/getting-better/resources/> for educational materials about health reform and employers
- Stay tuned to **MAhealthconnector.org** for information on events, educational materials, and other resources and get in touch with any questions and/or feedback:
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Questions?

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