

## **HB 5487, AAC the Recommendations of the Small Business Healthcare Working Group and Claims Information Required to be Provided by Insurers**

### Summary of the bill:

This bill takes a number of steps to provide options for small employers seeking to purchase insurance. It would permit them to purchase insurance through the state employee plan; give associations access to premium quotes, rated as large groups; require insurers to notify small businesses currently providing insurance as to whether they will meet the minimum federal cost-sharing standards in 2014; and expand the current requirement that insurers annually provide de-identified claims information to municipal employers to include other employers.

### Changes contained in Substitute Language:

1. Deletes changes to adjusted community rating requirements. (Insurers will maintain their ability to adjust small groups based on age, gender, occupation and group size – some of this will change under federal health reform.)
2. Pushes back the date for small employers entering the pool by six months to “beginning on or after January 1, 2014”
3. Adds municipalities to the types of employers who can request that their de-identified claims data be reported directly to the Comptroller for the purpose of providing a premium quote for the state plan.

### Outline of HB 5487 as amended by substitute language:

#### Section # and description:

1. Adds definitions of small employer (including self-employed with 50 or less employees) and municipal related employers (municipal contractors including property managers, food service, school transportation and waste management/recycling authorities)
2. Requires Comptroller to offer coverage under partnership plan or plans beginning January 1, 2014 to small employers and municipal-related employers.
3. Enrollment process for active employees (same as current process for municipalities and nonprofits).
4. Enrollment process for retirees (same as current process for municipalities and nonprofits).
5. Enrollment process when employer applying to cover less than all retirees because they are declining insurance or enrolled in Medicare.
6. Termination of participation due to nonpayment of premiums: Comptroller may terminate participation upon giving the employer 10 days notice, if the premium is not paid.
7. Establishes of a private sector health care advisory committee to make recommendations to the HCCCC on coverage for small employers and municipal-related employers.

8. Deletes obsolete language in adjusted community rating statute and requires insurers to issue premium quotes to associations that meet the current statutory requirements for an exemption from community rating.
9. Conforming changes
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11. Requires insurers to offer large group policies (over 50 employees) on a guaranteed issue basis. This means an employer cannot be turned down by a health plan based on the health status or demographics of its employees. (The small group market is already guaranteed issue.)
12. Requires insurers to report the actuarial value of individual and small group plans to the purchasers of these plans within 60 days of the U.S. Department of Health and Human Services releasing the methodology for calculating actuarial value. Beginning in 2014, in order to fulfill the federal individual responsibility requirement, a health insurance policy must have at least 60% actuarial value, meaning it covers 60% of projected medical expenses. Employers need this information as soon as possible so that they can seek out affordable options for themselves and their employees if their current coverage does not meet this floor.
13. Expands the current requirement that insurers annually provide de-identified claims information to municipal employers to include other employers with 50+ employees on an annual basis in a standard format that the Comptroller prescribes.
14. Clarifies the definition of municipality in existing statutes that requires municipalities to report their health insurance rate increases annually to the Comptroller.