

# Small Group Market Roundtable

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**Discussion during the Health Care Cabinet  
Business Plan Work Group**

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# Discussion Topics Agenda

- Overview of the small group market in CT.
- Similarities and differences with small group markets in comparable places
- Perspectives of agents and brokers on reform in CT.
- Thoughts on the future role of the Exchange Navigator and the broker

# Overview of the small group market in Connecticut

# Some quick “stats” -Federal

- In 2008 the US Small Business Administration's Statistics Bureau provided the following numbers for Connecticut:
  - Number of firms - total for the state: 75,842
  - Number of firms with fewer than 500 ees: 73,779
  - Number of firms with fewer than 20 ees: 64,616

# Some quick “stats” - Connecticut

- In 2008 the OLR Research Report provided the following numbers for businesses in Connecticut:
- Private employers offering health coverage : 65%
- Businesses with 50 or more offering health coverage: 98%
- Business with fewer than 50 employees offering health coverage: 55%
- These rates of private insurance offerings are above the national average.

# Overview of the Small Group Market in Connecticut

- Small Group marketplace is defined as groups of 2-50 employees (with some legislative changes recently to include 1 person groups). (CGS 38a-364)
- For Carriers they generally break out the Small Group Markets as follows:
  - 1-2 lives
  - 3-9 lives
  - 10-50 lives
  - 51+ lives becomes “large group”

# Overview of the Small Group Market in Connecticut

- Brokers play an integral part of the small group marketplace in Connecticut.
- According to the Carriers, the majority of health insurance policies that are implemented in businesses comes through brokers.
- There are thousands of licensed life & health brokers.
- But only a few hundred focus on the health insurance specifically as their primary business.

# What do Brokers Do for Businesses

- “Front Line” actions:
  - Research health insurance options (there are approximately 400 options from 4 carriers and 1 private exchange for groups 2-50).
  - Brokers also obtain information on dental, life, disability and long term care for many businesses.
  - Work with the “decision maker” to determine many factors in choosing a health plan for their business. These factors include such things as budget, providers, and illness issues.

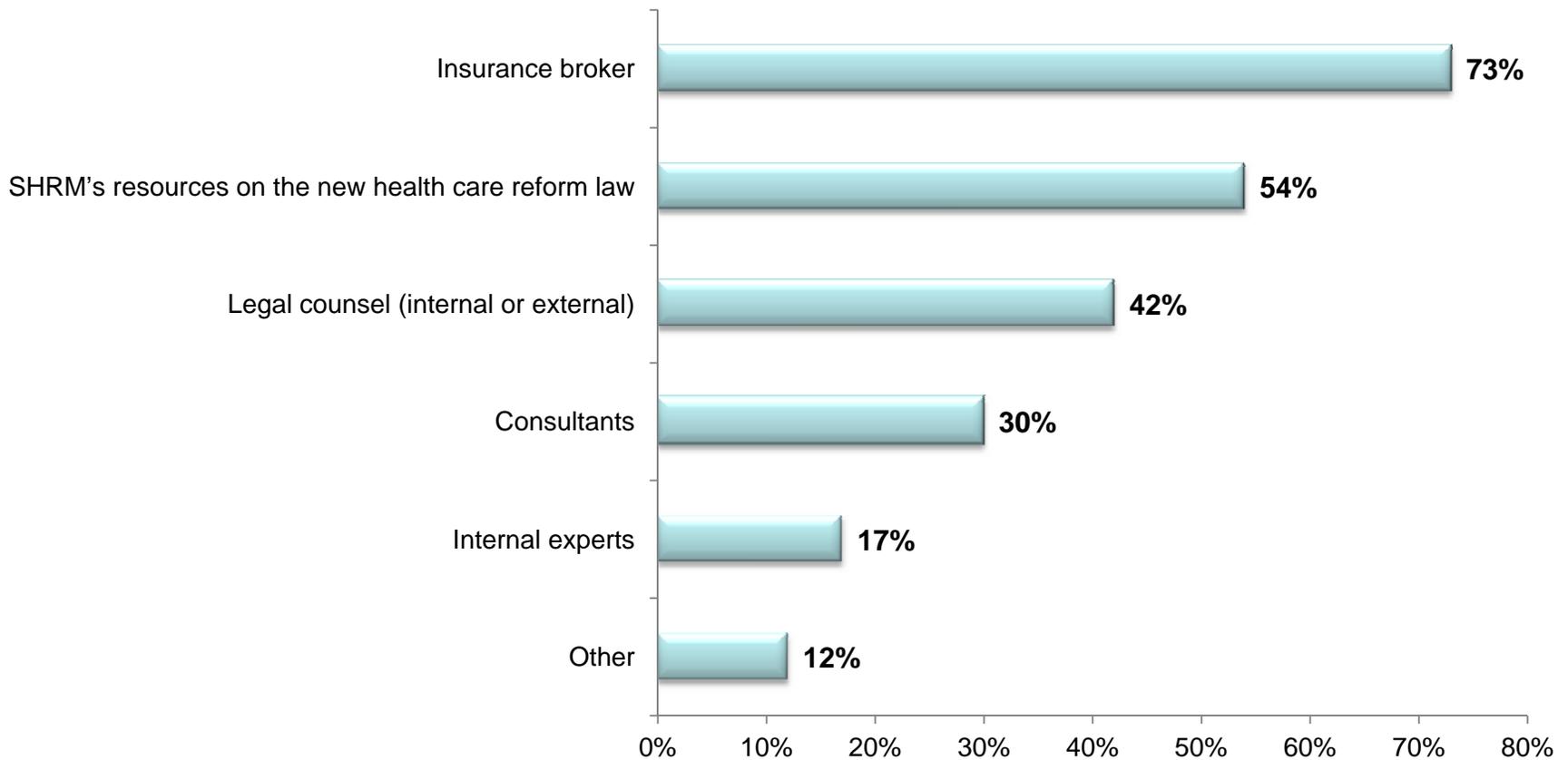
# What do Brokers Do for Businesses

- Brokers usually communicate to the employees the health insurance plan options and benefits.
- Brokers help employers and employees to solve complex claim and billing issues.

# What do Brokers Do for Businesses

- Brokers help employers to design benefit plans.
- Brokers help employers to design and implement cutting-edge health promotion and wellness programs.
- Brokers help employers to comply with state and federal laws like HIPPA, Cobra, Erisa, FMLA, and PPACA.

# What are the resources your organization is currently using in regard to the new health care reform law?



Note: n = 759. Percentages do not total 100% as multiple responses were allowed. Respondents were allowed to select their top two options.

Similarities and differences  
with small group markets in  
comparable places;

# Connecticut, New York and Massachusetts

- Similarities:
  - Small Group is defined as 2-50
  - Same general number of carriers.
  - Lots of options available.
  - Employer /Employee Contribution strategies are generally the same.
  - For those businesses who purchase health insurance the majority use brokers.

# Connecticut, New York and Massachusetts

- Differences
  - Massachusetts and New York have many more businesses.
  - Massachusetts and New York have community rating versus Connecticut's adjusted community rating.
  - Massachusetts carriers are not-for-profit.
  - Massachusetts and New York allow for different products/plan designs than Connecticut.

# Thoughts on the future role of the Exchange Navigator and the Broker

# CT. Exchange and Brokers

- Connecticut Benefit Brokers, a chapter of the National Association of Health Underwriters (CBB/NAHU) are committed to helping the State of Connecticut build our Exchange.
- CBB/NAHU members have participated with the Exchange Planning Grant Work Group.
- CBB/NAHU members participated in the Stakeholders meeting at which time we provide the State with information such as:
  - NAHU Policy Recommendations for Establishing a Health Insurance Exchange
  - NAHU/NAIFA Report Comparing Massachusetts and Maryland. This report was created by Robert Carey and Dr. Jonathan Gruber.

# CT. Exchange and Brokers

- The Connecticut Benefit Brokers are encouraged by recent comments recognizing the role of brokers in this process:
  - Steve Larsen, Director of the Center for Consumer Information and Insurance Oversight, stated “You (brokers) are critical in health care reform”
  - Glen Shor, Executive Director of the Massachusetts Health Connector, stated, “Brokers are an integral part of the distribution channel, and we look forward to working with them to provide more choice in an easy-to-understand format for their small business clients”
  - Patrick Holland, former CFO of the Massachusetts Health Connector, stated, “Insurance is a “high touch” product and small businesses need help from brokers”

# CT. Exchange and Navigators

- The Connecticut Benefit Brokers judge that there certainly appears to be a place and a need for Navigators in the Exchange process.
- As an organization we have some concerns about Navigators and they are as follows:
  - Brokers are licensed to sell, solicit and negotiate insurance. Will Navigators have the same requirements?
  - Who and what will be the educational and continuing education requirements for Navigators? (especially since they will be dealing with QHPs)
  - How will Navigators be held accountable for Errors and Omissions?
  - How will HIPAA and GLBA apply to Navigators?

# Conclusion

- Health Insurance is complicated.
- Small businesses, who decide to offer health insurance, use it as a way to provide benefits to their employees.
- Health Insurance Brokers are a part of the process of helping to educate, communicate and support businesses in obtaining health insurance.