



MHBE

Small Business Programs Advisory Committee

October 30, 2024

1:00PM – 3:00PM

Online Via Google Meets

Members Present:

Rick Weldon, Co-Chair
Amber Hyde, Co-Chair
Glenn Arrington
Nikki Blake
Rob Cohen
Jon Frank
Ileana Gonzalez
Stephanie Klapper
Daniel Koroma
Sarah Mayhew
Susan McLean
Eugene Poole

Staff

Theresa Battaglia
Rita Dyer
Kimberly Edwards
Johanna Fabian-Marks
Dinesh Ganesan
Sachin Girde
Makeda (Mimi) Hailegeberel
Amelia Marcus

Members of the Public

Welcome and Meeting Minutes

Rick Weldon, Co-Chair, welcomed attendees to the meeting. He underlined the importance of the work done by groups like the Small Business Programs Advisory Committee (SBPAC) in developing and implementing policy in Maryland and thanked members for their efforts.

Amber Hyde, Co-Chair, shared the agenda for the meeting and asked for any discussion of the minutes of the Committee's August 28 meeting, or for a motion to approve them. Jon Frank moved to approve the minutes as presented, with a second from Glenn Arrington. The Committee voted unanimously to approve the minutes.

Pathways to Coverage

Mimi Hailegeberel, Small Business Programs Manager at the Maryland Health Benefit Exchange (MHBE), opened a discussion of the challenges facing small businesses around health coverage. She pointed to both inflation and member claim experience as factors driving the rising cost of insurance premiums. Combined with other frustrations such as opaque terminology and regulations, confusing requirements, and uninformed advisors, small businesses may struggle to simply and effectively provide health coverage, which many see as a necessity for attracting the best talent. She noted that brokers and businesses alike need an easy-to-use platform for insurance enrollment.

Mr. Frank noted that many of the brokers who work with the MHBE are focused on the individual market and are not familiar with the complexities of small business coverage, making a robust training effort for these brokers a priority.

Ms. Hyde explained that her experience as a broker has accustomed her, and likely many other brokers, to yearly increases in health coverage costs in the range of 10% to 12%, whereas such increases may come as a great shock to small businesses that are new to offering coverage to employees.

Ms. Hailegeberel continued by discussing the choices small businesses currently face when considering covering employees—they may offer coverage through one of three distinct access points. Many businesses continue to choose traditional group plans, while others opt for either offering an Individual Coverage Health Reimbursement Arrangement (ICHRA) plan (where the employer provides employees with pre-tax dollars to purchase individual plans) or supporting those employees in accessing the subsidies available in the individual market without employer contributions. She noted that the MHBE intends to develop a single resource for brokers and employers that addresses each of these access points.

Eugene Poole cautioned that there may be differences between the coverage available in the small group and individual markets that may drive access point decisions beyond the premiums. He provided the example of in-vitro fertilization (IVF), which is generally not available to those under age 50 in the small group market, while individual plans include these benefits.

Mr. Arrington shared his recent experience setting up an ICHRA for the first time, noting that the requirements are quite complex and likely unsuitable for some businesses. Despite the challenges, he pointed out that the use of ICHRAs continues to increase. He added that, depending on legal and regulatory developments, there may be two more access points to add to the roadmap: Professional Employer Organizations (PEOs) and partially self-funded plans.

Stephanie Klapper asked what other benefits might be covered differently in the individual and small group markets. Ms. Hyde replied that, while some differences exist for IVF coverage, they are not as simple as it being unavailable to small groups. Mr. Arrington agreed, noting that IVF can refer to both in-vitro and in-vivo fertilization, the more expensive of which is most likely to be unavailable to small groups. He added that traditional group plans often have more generous coverage for prescriptions than many individual plans and cautioned that businesses must evaluate their approach to Family Medical Leave Act (FMLA) coverage. Ms. Hailegeberel shared that wellness services and ancillary services are likely not available in individual plans, whereas they are often a major feature of small business plans.

Ms. Hailegeberel concluded her presentation by discussing the upcoming open enrollment period for the individual market. She shared a recent analysis by the U.S.

Department of the Treasury showing that 25% of Maryland Health Connection (MHC) enrollees during calendar year (CY) 2022 were self-employed or small business owners. The MHBE expects enrollment to continue growing through CY 2025 due to the combination of enhanced subsidies, lower premiums, and the increasing popularity of HRAs.

New SBPAC Member Introduction

Ms. Hailegeberel announced that Sarah Mayhew has joined the SBPAC, representing United Healthcare. Ms. Mayhew introduced herself and shared some details of her role as Director of Sales and Account Management in the organization's Small Business Sales division.

MHC-SB Enrollment Portal Updates

Sachin Girde updated the SBPAC on the development schedule for the MHC for Small Business (MHC-SB) enrollment portal. He noted that, due to factors including integration with the billing vendor, the development period has been extended to January 31, 2025, for internal development, and to April 30, 2025, for the integration work. Despite these changes, the go-live date for the portal remains September 1, 2025.

Dinesh Ganesan walked through the updated user flows developed for MHC-SB, beginning with the experience of employers renewing their plans. He demonstrated how an employer who chooses not to change plans would advance through the steps.

Mr. Frank asked whether these renewal screens will show the employer the amount of their rate increase, as opposed to simply displaying the new price. Mr. Ganesan replied that the portal will only show the price differential if the employer selects a new plan. Ms. Hailegeberel added that the employer will have already received notices from both the MHBE and their carrier regarding their renewal before they can access the renewal screens.

Mr. Arrington asked whether the system will display age-banded rates at renewal. Mr. Ganesan answered in the affirmative.

Ms. Hyde asked whether brokers will be notified of renewals in advance of the businesses to adequately prepare to help their clients. Ms. Hailegeberel replied that the notices from the MHBE will be issued far earlier than traditional carrier notices of renewal, leaving ample time for brokers to prepare.

Next, Mr. Ganesan demonstrated how an employer would change plans during renewal.

Ms. Hyde asked whether the employer renewal screens include the ability to use both common methods of calculating the employer contribution to employee premiums—either a percentage of the employee's premium or a fixed dollar amount calculated as a percentage of what the employee's premium would be for a particular base plan which would offset the cost of their chosen plan. Ms. Hailegeberel answered in the affirmative.

Mr. Arrington suggested that the plan selection display include a side-by-side comparison including rates.

Mr. Poole asked that the portal include the ability to download plan details into an Excel format to more easily fit into existing business practices. Ms. Hailegeberel replied that this feature will be added as an enhancement after launch.

Mr. Ganesan then demonstrated an employer cancelling their plans at renewal, the employee renewal screens, and the employee waiver of coverage.

Ms. Hyde asked whether the employee selection and waiver screens are available only after the employer and broker have done their renewal work. Mr. Ganesan answered in the affirmative.

Discussion

Ms. Hailegeberel opened the discussion section of the meeting with two questions. She asked what steps the MHBE can take to assist small businesses in obtaining affordable health insurance for employees, noting that carrier rebates based on medical loss ratio requirements may help to reduce overall costs to both employers and employees. She also asked whether carriers offer composite rates for small groups on the non-MHBE market—a potential problem impacting how complex and difficult the back-end administration can be. She then opened the floor to SBPAC members.

Ms. Hyde asked whether politicians and/or policymakers could be invited to the SBPAC's meetings to learn the details of these issues. Ms. Hailegeberel replied that she will investigate the question, adding that the MHBE Board of Trustees has its intensive retreat next month, including four members of the SBPAC, making it a great opportunity to begin this process.

Mr. Poole pointed out that any small employers who are government contractors are able to offset most of the cost of offering coverage to employees using the fringe rate in their contracts.

Ms. Hailegeberel then asked the SBPAC members representing carriers about composite rating in their small groups.

Nikki Blake of CareFirst replied that, outside of the MHBE, her organization offers composite rates in circumstances where the employer only offers a single plan to their employees.

Ms. Mayhew stated that United Healthcare offers some composite rates as well, both for single-plan and three-plan businesses. She added that her understanding was that composite rating is a state mandate in Maryland.

Mr. Arrington, noting that he is a Kaiser Permanente representative in the small group market, shared that the carrier would similarly offer composite rates and agreed with Ms. Mayhew that it has to do with compliance with state mandates. He cautioned that composite rating becomes complicated and may be ill-received by employers due to the frequency at which their premium can be adjusted.

Ms. Mayhew noted that composite rating is the standard in most of the U.S. apart from a few states, including Maryland, New York, and California.

Ms. Blake asked whether the introduction of composite rates would take place in 2025. Ms. Hailegeberel replied in the negative, adding that the discussion is for a potential future enhancement.

Announcements

Ms. Hailegeberel shared highlights of the new policies taking effect November 1, 2024, including a lower minimum participation rate requirement of 60% and a reduction in the waiting period for new employee enrollment from 90 to 60 days.

Mr. Frank asked whether having individual coverage is still a valid reason to waive employer-sponsored coverage. Ms. Hailegeberel answered in the affirmative. Ms. Hyde asked whether the individual coverage upon which the waiver is based must be through the MHBE. Ms. Hailegeberel answered in the negative—any individual coverage is permitted as a waiver reason.

Public Comment

None offered.

Adjournment

The meeting adjourned at 2:35 PM.

Chat Log

00:26:58

Johanna Fabian-Marks -MHBE-:

<https://insurance.maryland.gov/Consumer/Documents/publicnew/essentialbenefitschart.pdf>

00:27:16

Johanna Fabian-Marks -MHBE-: ^ A chart of MD state health mandates in individual vs small group

00:29:10

Stephanie Klapper: Thank you Amber, Glenn and Johanna!

00:30:13

Rob Cohen: Please send the meeting link to my email: therobcohen@me.com

00:49:48

Glenn Arrington: These are good points

00:55:53

Makeda Hailegeberel -MHBE-: That's how the reference plan works

01:04:18

Glenn Arrington: That would be a good idea for sure

01:07:58

Glenn Arrington: All good points

01:15:23

Glenn Arrington: correct

01:16:35

Glenn Arrington: How can you be a guest speaker on the Maryland Chamber if a broker makes it educational

01:18:21

Rick Weldon: Glenn- It's harder at the state Chamber level, just because of the distributed nature of our broker community. It's easier at the County and local level. I can speak to Mary Kane at the MD Chamber, though

01:21:11

Glenn Arrington: Thanks

01:33:32

Nikki Blake - CareFirst: nikki.blake@carefirst.com