



Connecticut Health Insurance Exchange
SHOP Advisory Committee
Special Meeting

Connecticut Historical Society
Dangremond Meeting Room
1 Elizabeth Street, Hartford

Tuesday, June 11, 2019
Meeting Minutes

Members Present:

Grant Ritter (Chair); Shelly Sweatt; Kevin Galvin; Pamela Russek; Timothy Pusch

Members on the phone: Matthew Katz; Christopher McKiernan

Other Participants:

Access Health CT (AHCT) Staff: James Michel; Anthony Crowe; Alexandra Dowe; Susan Rich-Bye; John Carbone;

Business Partners: Amanda Garner; Kara Mitchell (Mintz + Hoke); Frederick McKinney (BJM Solutions)

The Meeting of the SHOP Advisory Committee was called to order at 4:00 p.m.

I. Welcome and Introductions

Chair Grant Ritter called the meeting to order at 4:00 p.m.

II. Public Comment

No public comment

III. Vote

Chair Grant Ritter requested a motion to approve the May 7, 2019 SHOP Advisory Committee Special Meeting Minutes. Motion was made by Kevin Galvin and seconded by Shelly Sweatt.
Motion passed unanimously.

IV. State-based SHOP Visits

Christopher McKiernan joined by phone at 4:02 p.m.

John Carbone, SHOP Sales Manager, provided a summary of the Power Up event in Washington, DC. The Washington, DC Exchange sponsored the event. The majority of the event took place at the Ronald Reagan Convention Center and was geared to small businesses. Mr. Carbone noted that brokers were in attendance. Dr. Ritter inquired whether there was any value in attending it. James Michel pointed out that this was more for the benefit of customers, and the most interesting part of this event was the speed networking. A wide array of businesses were present. Mr. Carbone added that a few brokers were present there as well. Timothy Pusch asked whether, in Washington, D.C., people can use a broker or enroll in another way. Mr. Carbone indicated that businesses in DC can use a broker.

Anthony Crowe provided information on the Massachusetts Health Connector visit. The AHCT SHOP delegation visited the Massachusetts Health Connector. They have contracted with DC Health Link for their SHOP program, and the DC Health Link., will be performing most of the IT-related functions for the Massachusetts Connector's SHOP business. The outreach and marketing for SHOP is handled mostly by the Massachusetts Connector. It is a combination of services that the DC Health Link provides to the Massachusetts SHOP program.

Paul Lombardo arrived at 4:11 p.m.

The Massachusetts Connector has approximately 6,000 members in SHOP. Mr. Crowe noted that their enrollment may have stalled, but currently there are 200 members per month joining. Mr. Pusch inquired whether plans that are offered on-Exchange differ significantly from those offered off-Exchange.

Alexandra Dowe commented that the markets both on the exchange and off of the exchange are merged, which means the plan options are the same. Paul Lombardo remarked that he is under the impression that, if an insurance company has 5,000 or more members, they have to participate. Brokers in Massachusetts work in group plans only.

Kevin Galvin provided information regarding a recent visit to Boston, and shared information on Connecticut contractors who do not currently have healthcare.

V. Strategic Development update

Mr. Crowe introduced Frederick McKinney, a business partner from BJM Solutions, who summarized primary findings and recommendations on the SHOP strategy. His work is still in progress.

Mr. McKinney noted that it is possible to grow SHOP from the current membership level to over 1,000 groups in a relatively short time, but this would require proper staffing,

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messaging, and commitments. The Affordable Care Act (ACA) small employer tax credits are not increasing the demand for SHOP. Fewer than 20% of employers are taking advantage of the SHOP tax credit and may not know how to navigate this benefit. Mr. McKinney emphasized that with the current growth rate in the SHOP business, it would take about 40 years to have 1000 groups in the small business market. Mr. McKinney added that retaining and recruiting talent is important for growing SHOP.

Pamela Russek asked whether the 20% of employers claiming the tax credit would change if SHOP grows to 1,000. Mr. McKinney believes that this is possible. There are thousands of small companies eligible for the credit. Ms. Russek stated that the accounting services companies are not inclined to spend the necessary time on the credit. Mr. Carbone stated that every quote explains the tax credit, with links for the forms that are required to present to Certified Public Accountants (CPAs). Mr. Pusch asked if it is advisable to market to the accounting community, and Ms. Russek believes in her personal experience that it does make sense. Mr. McKinney indicated that small and financially- challenged businesses are not inclined to go to a CPA and are not getting top quality advice on how to take advantage of this credit. Mr. McKinney added that “professional services” on average are higher wage businesses, and may have the accounting services that understand this, but are not eligible for the credits.

Dr. Ritter asked about partnerships and limited liability companies (LLCs). Mr. McKinney indicated that there is a desire to offer insurance to employees, but then they look at the cost, and are not able to provide coverage. There is a signal from smaller businesses, including the new entities. Mr. McKinney stressed that AHCT needs a team to grow the SHOP business. Ratios were reviewed with other states, and Connecticut is very productive in this area. Mr. McKinney emphasized that the Exchange needs to develop a strong marketing message that is supported by the SHOP team. He pointed out that credits should not be the focus of that campaign.

Mr. Lombardo asked whether the Exchange can assist small businesses with some of the accounting issues. Mr. McKinney replied that there are multiple sources of that information and described how the right technology can be leveraged. Mr. McKinney indicated that an enhanced website that addresses and anticipates what a small business owner is thinking and experiencing could be one of the approaches. This technology has to be supported by activities such as Power Up in DC. A combination of support through technology and human resources are key factors.

Mr. Galvin stated that the information should be interesting and important for the recipient to take time out of the day. Mr. McKinney added that he was in Hartford at a Minority Construction Council event with about 100 firms. Only one member of those present offered insurance, and it was a union shop. Nine companies were not aware of AHCT. There is a need for better marketing.

Mr. Michel acknowledged that AHCT has fallen short of SHOP responsibilities. Everything that is being done is intended to reverse that trend, in order to make SHOP as successful as the individual side. Mr. Michel agreed with the recommendations, but a strategy needs to be in place.

Shelley Sweatt added that as broker relationships are strengthened, brokers do not want to be tax experts. Mr. Katz added that doctors in Connecticut are hearing questions from patients about SHOP. Anyone who is seeing a patient needs to be educated.

Mr. McKinney continued with reviewing his primary findings and recommendations. Mr. McKinney stated that ConnectiCare and Anthem were interviewed concerning SHOP. They were not as motivated in SHOP, and there can be a lack of innovation. The markets are very small. The smaller companies are priced out of the small group market, and simply cannot afford it.

Mr. Pusch added that there are challenges to plan designs across the market. Mr. McKinney stated that this a significant challenge. This is a carrier and provider issue and is where the innovations are needed. Christopher McKiernan pointed out that there are more state mandates that add to the costs, along with other pressures. Mr. McKiernan stated that healthier groups are going to try self-funded products, and over time, the pool could be stripped of the healthier individuals. Promotion of tax credits should take place as a major differentiator between SHOP products and other competitors. Mr. McKiernan expressed his words of appreciation for John Carbone. Discussion ensued around the ways that carriers can incorporate innovation into their product offerings, and potential ways of motivating the carriers. Mr. Michel pointed out that the uninsured study, which is currently being conducted, will help answer many of the questions that have been posed at this meeting. The committee discussed the stop loss coverage, and varying views were expressed.

Timothy Pusch left at 5:12 p.m.

Mr. McKinney added that AHCT would help grow SHOP, since it would become a trusted advisor. In addition, diverse business owners are clearly underrepresented in the insured market, and overrepresented in the uninsured population. This would require a creative product.

Amanda Gardner, a business partner from Mintz and Hoke, presented the interim AHCT SHOP communications approach. Ms. Gardner stated that the main goal is to retain the customer base through current broker relationships and grow probable segments of AHCT SHOP business. Ms. Gardner added that strengthening existing broker relationships is very important. This could be done by focusing on existing brokers with clients who currently have AHCT SHOP plans, sharing work in progress, and providing updates on AHCT SHOP. Soliciting and collecting feedback from brokers and making them a more integral part of the process, should also be implemented. Ms. Gardner added that growing AHCT SHOP's 'sweet spot' of Small Businesses is equally important. This could be done by targeting specific small businesses in the professional services area, generating interest, building awareness around AHCT SHOP, and a direct selling approach with a call to action of 'call your broker'.

Mr. Galvin commented on the short-term marketing approach and asked whether there is a list of 20 items be promoted. The credit has been promoted improperly. Ms. Russek added that, from a value perspective, it is an easier conversation, and is more consumable by interested parties.

Mr. McKinney mentioned that there are 250,000 'businesses' in state that don't have employees. Some of those businesses will grow, but would not be eligible for SHOP, and there could be an effective message. Mr. McKinney added that it may make sense to market to them as if they were SHOP clients, sign them up individually, and treat them as SHOP clients. They could be the SHOP's future clients. Mr. Michel emphasized that this will be a part of the future strategy and its successful implementation.

VI. Next Steps

Mr. Crowe indicated that the final report will include recommendations for subsidiary products. Its delivery will be sometime in mid-July. The Committee decided to cancel its July meeting. The final report will be sent when it is available. The August meeting will go forward.

VII. Adjournment

Chair Grant Ritter requested a motion to adjourn. Motion was made by Shelly Sweatt and seconded by Pamela Russek. **Motion passed unanimously.** Meeting adjourned at 5:26 p.m.