

Small Business Work Group
Wednesday, May 9th, Noon-1:30pm
Meeting Notes and Report

Present: Dan Schmidt, Manny Munson-Regala, Ed Oliver, Shirley Spraguer, Timothy Luy, Tina Armstrong, Dean Howard, William Colopoulos, Scott Keefer, Nate Hierlmaier, and Greg Datillo

Absent: John Pratt, Kathryn Helmke, Kathryn Frommer, Dennis Dahlman, Peter Obermeyer, Matthew Anderson, Mary Krinkie, Margo Brownwell, Susan Olsen, and Rick Varco

1. Review and approval of minutes- Minutes of April 18, 2012 meeting were reviewed and approved.
2. Update from other work groups- Manny Munson-Regala discussed the work of Outreach and Marketing, connection of today's discussion to the work of the Quality and Measurement workgroup
3. Review of Premium Calculator Requirements and Research- Manny reviewed the Consumers Union and PBGH articles.
4. Discussion re: Recommendations on Premium Calculator-

First discussion was on shared needs between individual consumers and employers in accessing cost information:

- Health literacy is a common need for both individuals and employers. For example, the experience in creating the summary of benefit coverages (SBC) reflects the need to include a disclaimer of the limits of the web tool.
- A need for a more accessible glossary was also identified (i.e. not just a link to the glossary).

Second discussion was what information should the calculator or HIX solution provide employers, if they make the plan selection?

- First observation was it may depend on the lifecycle of the employer. If this is the first purchase, likely will mirror consumer behavior; i.e. employer will be making decision on what meets his/her own personal needs.
- The calculator should be able to support decision making either from a total cost basis that yields a benefit result or alternatively can start with a benefit structure first that yields a total cost.

- If possible the calculator should show the relationship between network, benefit design and cost (for example, a silver plan with a tighter network may cost less than a bronze plan with a more expansive network).
- Could the calculator also allow the employer to prioritize the criteria that are most important to the purchaser?
- If possible plan selection and the cost calculator need to be interactive and integrated.
- Ideally in real time and as they make choices the outputs change (sliders, grouping).

Next discussion was what were the decisional or sorting criteria that either a plan finder or cost calculator should use (reflecting the TWG's assessment that the two need to be interactive and connected). Possible criteria included:

- Provider
- Cost to Employer
- Formularies
- Geographic Location
- Differences between single and family
- Cost to Employee
- Information about how similarly situated employers made selections (industry specific information if possible) (however, is this a rear-view mirror?)
- Hyperlink to DEED or to BLS market information
- Accreditation status of plans
- Availability of wellness or fitness discounts
- Ability to sub-prioritize within large priorities (e.g. if cost is a major criteria, could the calculator allow the purchaser to select subcategories of cost such as deductible or co-pay)
- Ability to compare to previous plans (based on employer input of information)
- multi-states or multi-location
- Effect of providing coverage to full vs. part-time

If the employer is offering defined contribution what information on cost would be helpful to employers?

- Baseline comparison comparing traditional or current state to defined contribution.
- Calculator should somehow reflect the legal constraints on employer contribution and impact of anti-discrimination rules and other employer benefit rules or alternatively display a disclaimer they need to consult with their benefits attorney.
- Employer should pick a benchmark plan to implement defined contribution to minimize compliance risk.

- Funding source (e.g. payroll deduction, cafeteria plan, HRAs).

TWG then turned to the discussion of what information may be relevant to employees in a calculator. Potential items included:

- Source of funding (payroll, contribution from spouse or other funding, bank account for EFT)
- Need the ability to compare cost of employer coverage versus cost associated with going into the individual exchange. Do we need to somehow capture tax consequences to the individual in that comparison?
- Calculator may also want to include scenarios reflect coverage from alternative sources (like the spouse's plan).
- Also see the discussion above of silver plan for bronze cost being reflective of network.

5. Other items- Nate provided information on the size and state of the self-insured marketplace. Based on survey data, percentage of self-insured in small group appears to be stable. Nate was asked to see if the stability may be masking impacts of erosion in ESI overall.

6. Next Meeting Preview- May 30th, likely on tax sheltered vehicles.

Additional potential issue to discuss: Should the TWG discuss the "definition of small group", particularly expanding beyond the statutory limit on 50 found in current Minnesota law. Current statutory definition 62L.02