



Connect for Health Colorado Small Employer Health Option Program

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Board of Directors Meeting- October 13, 2014

Small Employers and the Marketplace

Topics to Cover

- SHOP Value Proposition
- Challenges, Interim Enhances (Board Input)
- Market Infiltration and Potential (Board Input)
- SHOP Results and Targets (Board Input)
- SHOP 2.0 Features and Demo (Board Input)
- Board Guidance /Considerations on Overall Strategy

Small Employers and the Marketplace

Features of SHOP at Launch

- Employers were able to set a benefit budget (Defined Contribution)
- Employers provided greater choice to workers (**exclusive**)
- Employees can use benefit allowance to shop for health plans, increasing consumerism /removing the owner from important family decisions
- Small business tax credits (up to 50% of premium) for employers with <25 employees, earning avg. \$50,000 or less (**exclusive**)
- Expert assistance by Brokers, Service Center, Assistance Sites
- Payment aggregation, management tools

Small Employers and the Marketplace

#1 Value Proposition-*The Power of Choice*

- Enhanced, multi-plan, multi-carrier **CHOICE** empowers employees to elect health plans that better serve their medical and financial needs
- When given the option, many employees will elect plans that reduce their premiums and often their employer's premiums, as well
- 44 % of SHOP employers have chosen more than a one Carriers and 68% have chosen more than one plan design

Small Employers and the Marketplace

Board of Directors' Policy on Employer Choice

- One Plan, One Carrier
- One Carrier, All Plans
- One Metal Tier, All Carriers
- Two Adjacent Metal Tiers, All Carriers

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2015 Participating Carriers- SHOP

176 Health Plans



Humana

16 Dental Plans



*Preliminary as of August 2014 – will be updated

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#2 Value Proposition-*Tax Credit Availability*

- The Small Business Health Care Tax Credit can make costs for group insurance more affordable
- Up to 50% credit for the businesses share of premiums
- Available for businesses with fewer than 25 employees with average employee income of less than \$50,000

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Additional Value Propositions

Expert Assistance

- 1480 Certified Brokers.. and growing
- 185 SHOP Certified Health Coverage Guides (30 active)
- 8 Tier III Licensed Service Reps (min 3 years exp.)

Administrative and Financial Assistance

- Aggregated Invoicing

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Opening Day Challenges - Last Year's SHOP System

- The system was not intuitive or easy to navigate
- Excessive amount of information needed to generate a quote (30+ data elements per family member)
- Functionality was limited – e.g., no reference plans or ability to report a change online
- Time between submitting a SHOP app/ getting initial enrollment complete exceeded 2-week limit
- Invoices generated manually and not always delivered in a timely fashion
- Some employees offered Kaiser plans not able to enroll due to differences in plans across service areas
- Employees sometimes did not receive their participation codes

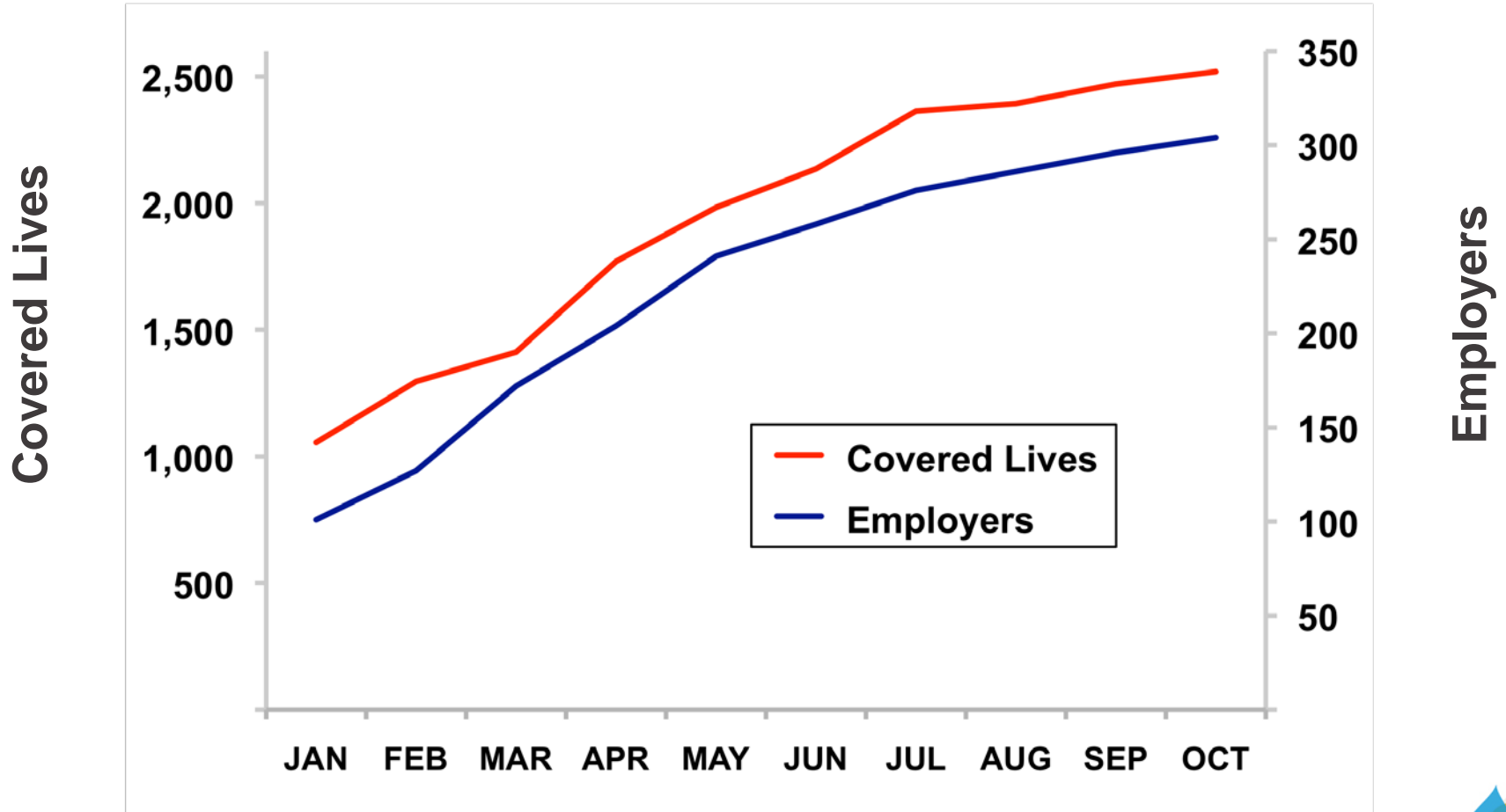
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Interim Releases and Improvements

- Deployed a stand alone quick quote tool to Brokers (11/13)
- Modified process flow to decrease time between submission of application and completion of initial enrollment (3/14)
- Modified employee screens so that participation code is visible to employers, service center and brokers (4/14)
- Provided improved capability to support online change reporting (still not 100% automated but improving) (6/14)
- Fixed Kaiser plan selection issues (6/14)

The Small Business Marketplace

SHOP Market Results



Board Advice and Input on Market Results

Small Employer Market –Opportunity and Potential

Colorado Fully Insured Small Group Market

- Size- 245,024 Coloradans covered in Sm. Group(fully insured), DOI YE2013
- Premiums Derived - \$1.1 Bil

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SHOP Book of Business

- 304 employers and 2,519 covered lives; 8.5 lives/employer
 - Employees – 69%
 - Spouse/significant other – 11%
 - Children – 20%
- Brokers responsible for 65% of employers and 79% of covered lives
- Average monthly premium/life – \$364
- Average employer contribution – 67%
- Metal level distributed relatively evenly
 - Gold – 34%
 - Silver – 39%
 - Bronze – 27%
- 52% of employers offer dependent coverage

Board Advice and Input on Market Results

Small Employers and The Marketplace

- Year One Sales Target – 1,000 Employers/8,000 Covered Lives
- Year One Actual – 304 Employers/2,519 Covered Lives
- Year One Actual vs Target – achieved approx. 1/3rd
- Year Two Sales Target – 1,000 Employers/8,000 Covered Lives
- Regain Targeted Levels and Build for 2016
- 2016 – Sm. Employer Market = 100 Employees and Below

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Market Infiltration and Sales Efforts

- Broker and MGA recruitment..
- Engage Key Influencer and Trusted Resource
Organizations: Secretary of State, Small Business Association, SBDC, Trade Associations: AGC, Restaurant Assn, Chambers and Pinnacol
- Drive Grassroots Opportunities: speaking opportunities with small business community, plug into proven events
- Develop Out Bound Campaigns Specific to Sm Employers
- Engage NFIB
- Develop Marketing and Small Group/Employer Outreach and Sales Alignment

The Small Business Marketplace

Market Infiltration and Sales Efforts... More!

- Engage Property and Casualty Brokers
- Develop Intelligence on the Available Market of Small Employers
- Develop COBRA Sales Strategy
- Continuously Develop the Expertise of Tier III Reps
- Create Collateral Marketing Materials
- Develop API with Managing General Agents
- Develop 51-100 employees

Board Advice and Input on Market Infiltration and Sales Efforts

Small Employers and The Marketplace

SHOP 2.0 Features and Enhancements

- Many Use-ability Changes – tiles, more clarity, ability to see what needs to happen next, critical action buttons
- Life Change Events capability including COBRA coverage
- Integrated Quick Proposal System
- Dashboard for Brokers/employers to gauge where the group is for participation and costs (January)
- Ability to use a Reference Plan for Contributions
- Ability to limit available plan choices to make shopping and selection easier
- Training, Messages available from the portal, better overall admin. tool