

Small Business Marketplace

James L. Sugden, CLU

Small Business Marketplace Manager

Today's Agenda

- What is the **Small Business Marketplace**?
- How do businesses **qualify**?
- What is our **Value Proposition**?
- How will employers **access** the Small Business Marketplace?
- Expanding Connect for Health Colorado's **appeal** to small employers
- **Agents and Brokers** and **Assistance Network**

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Small Business Marketplace

- Provided for in PPACA as the Small Business Health Options Program (**SHOP**)
- Rebranded as **Small Business Marketplace**
- Opening **- October 1st 2013**

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What is the Small Business Marketplace?

An open, **competitive marketplace** for small businesses and nonprofits to:

- **Compare** information regarding cost and quality of health plans
- **Shop** health plan features containing the same base benefits
- **Determine** eligibility for and **access** Small Employer Health Care Tax Credit
- **Offer** an increased level of **choice** to employees not previously available
- **Enroll** in a health plan, including electronic open enrollment for employees
- Obtain **expert assistance** through Agents/Brokers, Health Coverage Guides or Customer Service staff.

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How do Businesses Qualify?

- Have a Colorado location
- 2 – 50* combined full-time and full time equivalent employees
  - Our Board chose to define our small group market in 2014-2015 as 50 or fewer employees
  - Will increase to 100 or fewer employees in 2016
- Offer coverage to all full-time employees

* Business Groups of One will shop in the Individual Marketplace

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How do Businesses Qualify?

- Counting Employees

  - Based on a monthly totals for previous calendar year

  - Add *monthly* full time employees to *full time equivalent* part-timers
    - Determine part-time hours for each month (but not more than 120 per employee, then divide by 120
    - An employer may select any 6 month period to determine average for previous calendar year

  - Once an employer is Marketplace qualified they may remain regardless of changes in employee count

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Value Proposition

- The Small Business Marketplace offers two major advantages to employers:
  - Access to the **Small Employer Health Care Tax Credit**
  - A **multi-carrier / multi-plan menu** for employees

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Tax Credit Availability

The Small Business Health Care Tax Credit can make your costs for health group insurance more affordable.

Beginning 1/1/2014, this credit is only available for products purchased through the Small Business Marketplace

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Small Employer Health Care Tax Credit

Who qualifies?

- Employers with fewer than 25 employees for the tax-year
  - Full-time employees
  - Add part-time hours and divide by 2080 to obtain full-time equivalent

- Average employee income of less than $50,000
  - (not counting owners of family members)

- Employer must pay premiums under a “qualifying arrangement” with nondiscriminatory contributions of not less than 50% of employee cost

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Small Employer Health Care Tax Credit

Amount of Credit:

For tax years beginning 1/1/2014…

- Up to **50% (35% for nonprofits)** of contributions made for non-owner employees and their dependents
- Nonprofits may take the credit against their payroll taxes
- Credit can be claimed for only two years beginning in 2014
- Amount of credit is determined on a sliding scale based on the number of employees and employee average income

Estimate the credit at: www.connectforhealthco.com

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The Power of Choice

Enhanced, multi-plan, multi-carrier CHOICE can empower 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.

CHOICE can drive affordability!

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Value Proposition

Plans sold in the Exchange will be organized in tiers:

Platinum: Plan covers 90% of average medical costs; consumer pays 10%

Gold: 80% -- 20%

Silver: 70% -- 30%

Bronze: 60% -- 40%

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Employer/Employee Choice Options

- One Carrier / One Plan
- One Carrier / All Plans
- One Metal Level / All Carriers
- Two Adjacent Metal Levels / All Carriers
  - Example: Bronze and Silver

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Value Proposition

Prior to SHOP participation:

Group of 4 insured with a $500 deductible **PPO Plan** based on the owner's medical needs

Census	Coverage	Monthly Cost
Age 24	EE Only	$ 211.02
Age 28	EE w/Child(ren)	$ 553.85
Age 35	EE w/ Family	$1,180.52
Age 54	EE w/Spouse	$1,237.06

Total Monthly Cost **$3,182.45**

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Value Proposition

After SHOP participation: (an illustration)

Individuals select plans more suited to their needs and budget, 2 in $500 deductible **HMO** type plan, 2 remain in the **PPO** $500 deductible PPO

Monthly Cost	Savings	% Savings
$ 211.02 $	$ 0	0%
$ 493.36 $	$ 60.49	**11%**
$ 1,180.52	$ 0	0%
$ 811.47	$ 425.59	**34%**

Total Monthly Cost **$ 2,696.37** **-15%**

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How Will Employers Access the Marketplace?

- Employer or Agent/Broker – open an account
- Build a roster/census
- Review proposal options
- Decide on the right plan design at the right price
- Complete a preliminary application – contribution/waiting period
- Trigger Employee Open Enrollment
- Employee review their options menu and select plans or waive
- System reviews completed enrollment and waivers
- Open enrollment closes – participation is reviewed
- Final Invoice – Employer approval
- Release Employer Application and enrollments to carriers
- Carrier provide certificates and ID cards
- Small Business Marketplace provides employer billing and ongoing administration

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Value Proposition

Beginning October 1st you and your employees can access

- **Increased CHOICE**
- **Tax Credit Availability**
- **Guaranteed Coverage with Essential Health Benefits**
- **Streamlined Enrollment and Administration**

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Expanding Connect for Health Colorado's Service to Small Business

- Our focus groups show…
  - **80% - 85%** of employers who currently have coverage want to retain it
  - **80% - 85%** of employer who do not have coverage don't plan to purchase it
  - 75% of employers without coverage are willing to provide educational opportunities for their employees

Take advantage of these **educational opportunities** to introduce employees to the Individual Marketplace.

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Agents/Brokers and the Assistance Network

- Currently, Agents and Brokers are deeply involved in the small group marketplace.
    - (**90%+** of small businesses with group plans are working with a broker)

- Only about **35%** of small businesses offer health insurance

- Connect for Health Colorado will certify approximately **1,200 agents and brokers**.

- Our **assistance network partners** will focus on educating the 60,000 +/- Colorado employers that do not offer coverage

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Assistance Network Partners

- Baca County Public Health Agency
- Chaffee County Public Health: Partner Lake County
- Colorado Motor Carrier Association
- Teller County–Community Partnership Family Resource Center
- Eagle County Health & Human Services
    - Partners: Garfield County, Pitkin County, Mountain Family Health Ctrs
- Health District of Northern Larimer County
- High Plains Community Health Center
- Hilltop Community Resources
- Kit Carson County Health and Human Services
- Mountain Resource Center
- Mt. San Rafael Hospital
- North Colorado Alliance
- Northwest Community Health Partnership
- San Luis Valley Regional Medical Center
- Servicios de la Raza
- Small Business Development Centers
- Small Business Majority
- Stapleton Foundation
- Tri-County Health Network
- Valley-Wide Health Systems

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Contact

- Website: www.ConnectforHealthCO.com
- Questions: Info@ConnectforHealthCO.com
- Small Business Questions: pmeyer@connectforhealthco.com
- Social Media:

@C4HCO (consumers) @COHBE (stakeholders)

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