



# Update on Health Connector for Business

CHAITRA SANDERS

Associate Director Health Connector for Business

ERIN RYAN

Chief of Staff

Board of Directors Meeting, June 8, 2023

# Overview and Agenda

**Today's presentation will provide an overview of the Health Connector for Business and the value and cost-savings it provides to Massachusetts small employers.**

- As background, the Health Connector relaunched its Health Connector for Business (HCB) platform in 2017
- Health Connector for Business offers new tools and shopping structures that have the ability to transform how small employers offer health insurance coverage to employees, addressing affordability by establishing known costs for employers, connecting employers with lower cost options they might not otherwise be aware of, and giving the power of choice to employees
- Today, staff will provide an overview and updates on the Health Connector for Business:
  - Review of the Health Connector for Business platform
  - Health Connector for Business and small group market challenges
  - Review of Health Connector for Business enrollments and trends
  - Looking forward



# **Overview of Health Connector for Business**

# Overview of Health Connector for Business

The Health Connector for Business is the Commonwealth's official health insurance Marketplace for small employers, providing employers with 50 or fewer full-time employees with access to health insurance coverage options.

- Businesses can offer small group coverage to their employees from all leading carriers in the state
- Employers are not required to select a single plan that meets all of their employees' needs, removing stress and enabling cost-savings
- Flexible choice models provide employees with the ability to make a selection that meets their own needs



# Benefits of Health Connector for Business

The Health Connector seeks to maximize access and affordability for small employers in Massachusetts. Health Connector for Business offers small employers in Massachusetts unprecedented flexibility, choice, and savings opportunities.

## ONE STOP SHOPPING SOLUTION

Only place where small groups can access every single leading health carrier in Massachusetts as well as Altus and Delta dental

## COMPETITIVE PREMIUMS

Small businesses save over 20 percent on average by comparison shopping, before any rebates. Easy online quoting tool allows employers to compare plans from the state's leading carriers side-

## WELLNESS REBATES

Employers may be eligible for a 15 percent rebate of their premium contributions if employees complete one of 30+ approved wellness activities

## FLEXIBLE EMPLOYEE CHOICE

Employers can allow employees to shop for different plans that fit their needs, all while keeping employer costs constant

## FREE CERTIFIED ASSISTANCE

Over 500 certified brokers are available to help employers decide which plan options are best for their businesses. No membership fee or dues

## SMALL BUSINESS TAX CREDIT

Certain Massachusetts small businesses and nonprofit organizations may be eligible for federal tax credits that will help offset some of the cost of offering health insurance to their employees

# Flexible Choice Models

ONE PLAN	ONE CARRIER	ONE LEVEL
<p><b>Employer Selects One Plan</b></p> <ul style="list-style-type: none"> <li>The employee is enrolled in the selected plan               <ul style="list-style-type: none"> <li>Composite billing method</li> <li>Bronze plans can only be offered through this model</li> </ul> </li> </ul>	<p><b>Employer Selects One Carrier</b></p> <ul style="list-style-type: none"> <li>The employee can choose any plan within the selected carrier               <ul style="list-style-type: none"> <li>List billing method</li> </ul> </li> <li>PPO options available (except for Tufts Direct, WellSense, and Fallon)</li> </ul> <div data-bbox="672 811 1219 1089" data-label="Diagram"> </div> <div data-bbox="653 1132 1238 1272" data-label="Text"> <p><i>Regardless of which plan the employee chooses, the employer only pays into the benchmark plan</i></p> </div>	<p><b>Employer Selects Metallic Tier</b></p> <ul style="list-style-type: none"> <li>The employee can choose any plan within the selected tier               <ul style="list-style-type: none"> <li>List billing method</li> </ul> </li> <li>Only a Silver or Gold tier can be offered through this model</li> <li>PPO options available at Silver level (except for Tufts Direct, WellSense, and Fallon)</li> </ul> <div data-bbox="1248 853 1895 1103" data-label="Diagram"> </div> <div data-bbox="1344 1122 1837 1289" data-label="Text"> <p><i>Regardless of which plan the employee chooses, the employer only pays into the benchmark plan</i></p> </div>

# Benefits of Using a Broker

The Health Connector for Business has worked closely with the broker community over the last several years, and now has over 500 certified brokers partnering with the program.

Find a broker at: <https://my.mahealthconnector.org/directory/categories/small-businesses>



## Free to Use

Brokers will create plan options and help employees enroll in coverage at no cost to the small business



## Easy Cost Estimates

Brokers can provide cost estimates for different plans without the need for the employer to create an account



## Understand Plan Options

Brokers can help employers compare available plans to understand which plan is best for their group



## Save Time

Brokers will help manage the enrollment process and plan creation so that employers can spend time on what's important for their businesses



# **Small Group Health Insurance Landscape**



# Small Business Challenges

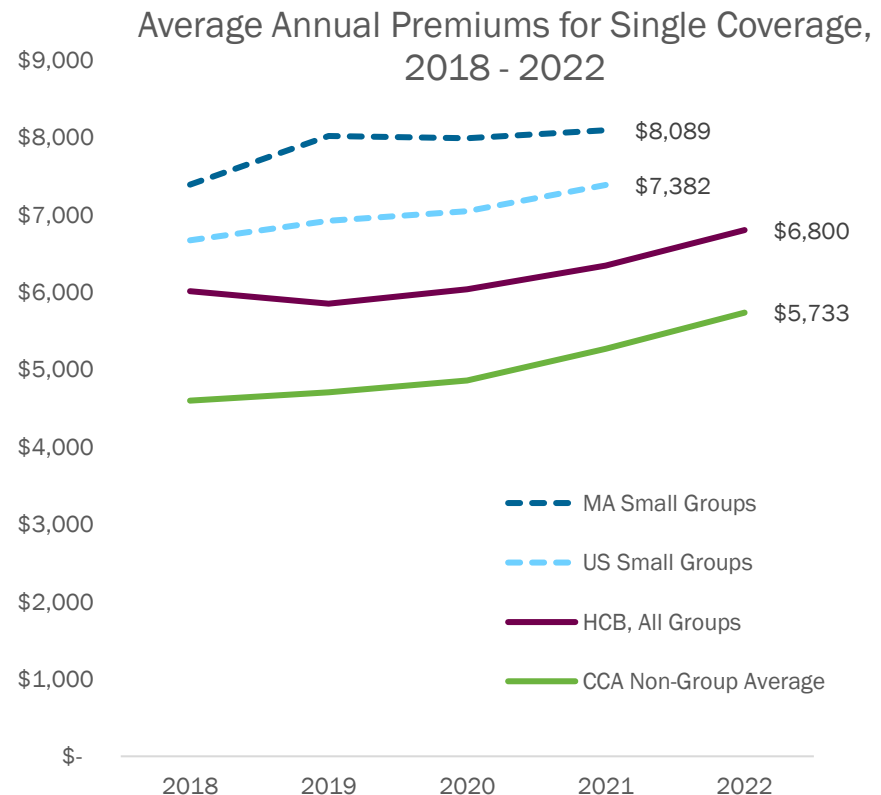
**Providing access to affordable and meaningful health insurance coverage remains a challenge for small employers across the Commonwealth. The Health Connector remains committed to working with small employers to find affordable and accessible coverage solutions.**

- From September 2020 to September 2022, enrollment in the small group market decreased 9.2 percent\*
- Despite continued cost challenges, employers of all sizes in Massachusetts remain more likely than employers nationwide to offer health insurance coverage to their employees\*\*
- Affordability remains the primary concern for employers when considering offering health insurance to employees

# Health Connector for Business Affordability Solutions

While the larger conversation surrounding affordability must continue, Health Connector for Business provides a real-time solution for employers seeking cost-savings through unique shopping approaches.

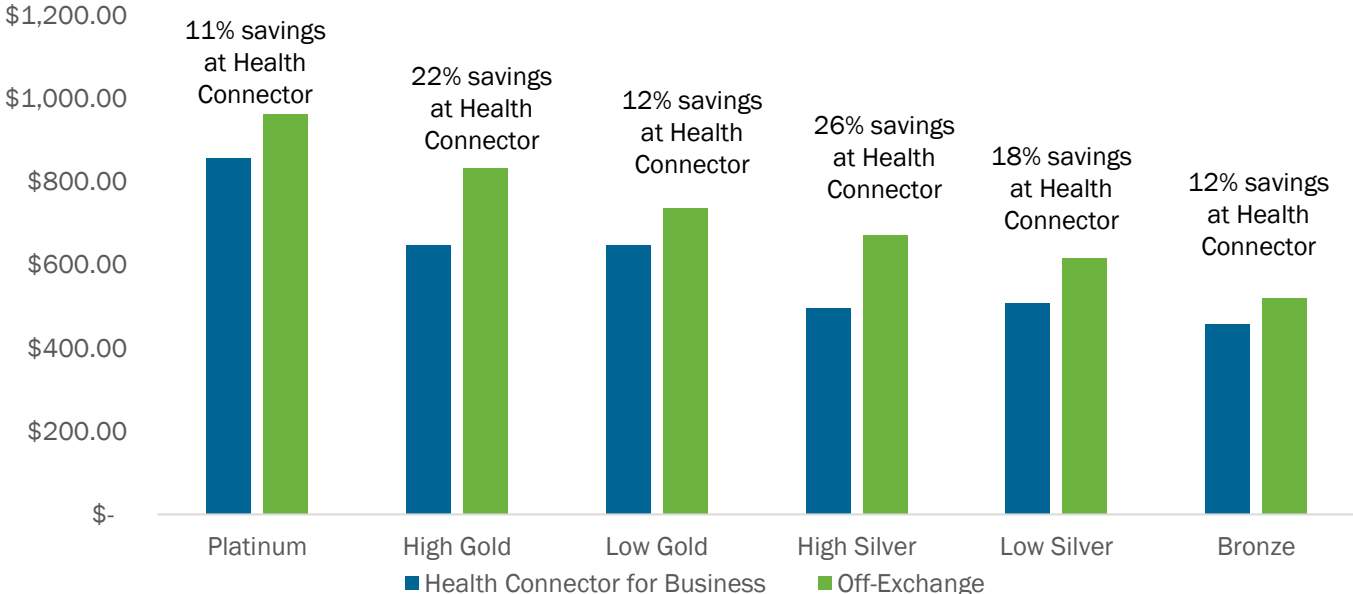
- Groups purchasing through HCB (purple line) have lower average premiums than the rest of the Massachusetts small group market broadly (dark blue dotted line)
- The lower average premiums among non-group CCA members choose (green line) show that there are even lower cost plans available in the merged market for small groups, including HCB groups, to purchase



# Health Connector for Business Affordability Solutions (Cont'd)

Small businesses save on premiums across all metal tiers by comparison shopping through Health Connector for Business, before any rebates.

Average 2023 Small Group Premium Differences: On-Exchange Products Compared to Off-Exchange Products by Metallic Tier



Analysis for illustrative, comparative purposes only. More specifically the exhibit shows the difference between the choices of carriers that are being made when employers shop on-exchange vs off-exchange and the average saving that is being achieved by selecting different carriers. Rates are for a group of two 42 year old employees with a single coverage in Boston. Rates represent a simple average of 1Q 23 rates for the products offered on-exchange by each carrier within a metallic tier. Reflects enrollment for all products in a given metallic tier, including the ones not offered On-Exchange for Off-Exchange enrollment. Includes all regions and renewal months.

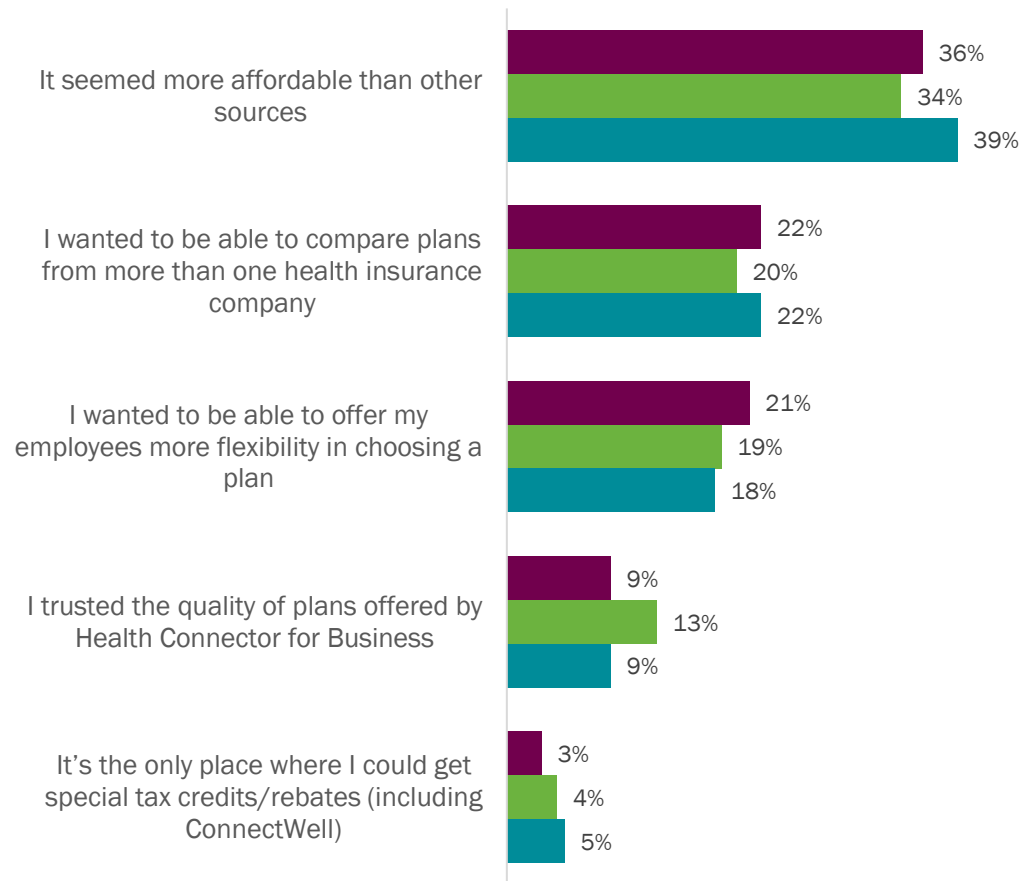
# Health Connector for Business Solutions

**Affordability was the top reason for choosing HCB, according to 2022 member survey respondents, followed by plan comparison and offering employees greater flexibility.**

- Over one-third (36 percent) of customers say their primary reason for choosing the Health Connector was because it seems more affordable than other sources
- The ability to compare plans (45 percent) and the perceived quality of the plans (35 percent) are other important reasons businesses choose HCB

“[Health Connector for Business] allowed our small business an affordable option, a way to compare multiple plans and companies in one place; I trusted the quality of plans and wanted to make the process easy for my employees.”

What was your primary reason for choosing HCB?



# Health Connector for Business Solutions (Cont'd)

Employers primarily offered a Choice Model because their employees have distinct needs and subsequently want different health plan options.

- Nearly all (95 percent) participating businesses find the Employee Choice Option valuable, an increase of 5 percent from 2021
- Employers who are concerned about the cost of health insurance for their employees chose a Choice Model to provide potential savings
- For employers offering health insurance for the first time, the Health Connector for Business provides a space to access professional help, research and compare plans, and create an approach that works best for their business



**“With the Massachusetts Health Connector for Business, we can offer different plans across different carriers at different prices.”**

**GABI GUIMARAES**  
VP OF OPERATIONS, BRABO PAYROLL

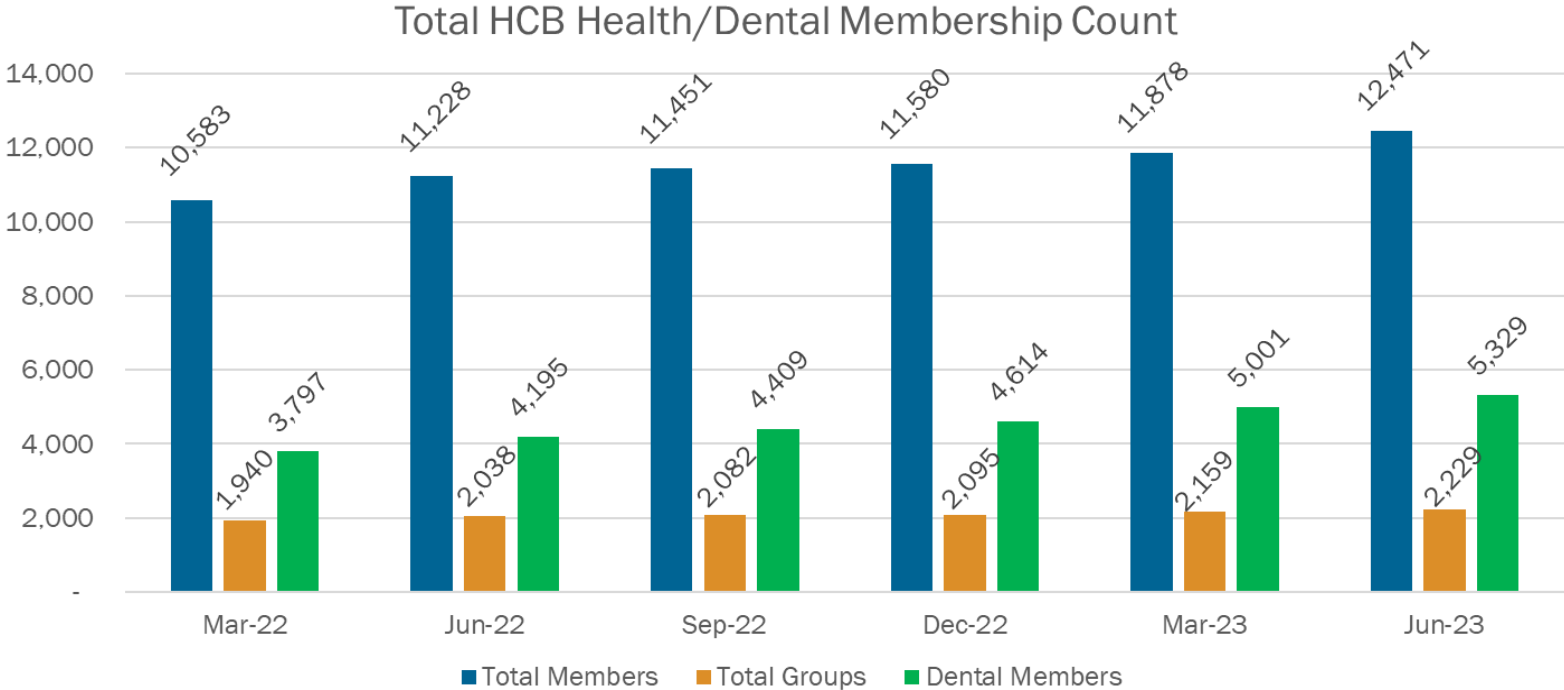
 **Easy affordable coverage** [LEARN MORE](#)



# **Enrollment Overview**

# Health Connector for Business Enrollment: Membership Growth During 2022 and 2023

The Health Connector recently cleared 12,000 enrollments in Health Connector for Business and continues to grow.



# Choice Models: Health Connector for Business Enrollment 2022/2023

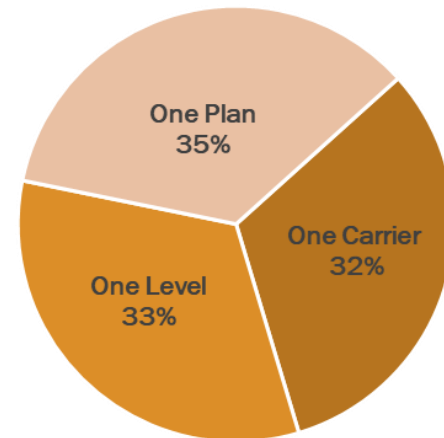
Choice Models continue to be a key value proposition of on-exchange coverage for small employers since it allows for unprecedented flexibility for small employers and their employees, unavailable elsewhere in the market.

- 65 percent of new groups are offering a Choice Model, with 68 percent of new membership in a Choice Model

## 2022/2023 New Sales– Top 5 Industries

- Construction-Special Trade Contractors
- Health Services
- Engineering, Accounting, Research and Management Services
- Business Services
- Agricultural Services

## Groups by Plan Offering







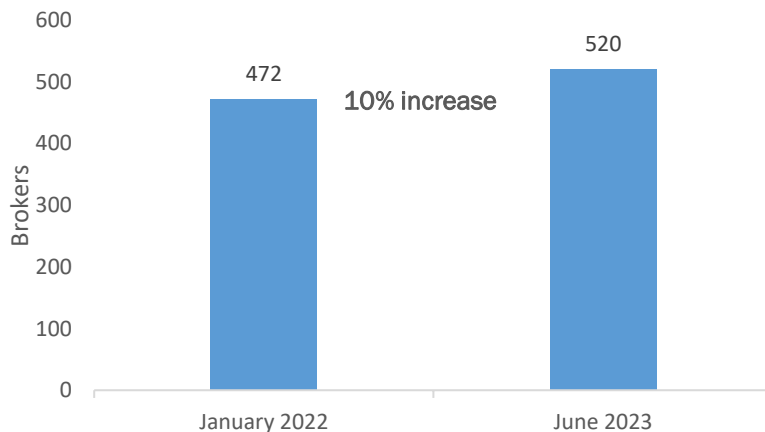
# **Broker Engagement**

# Broker Engagement

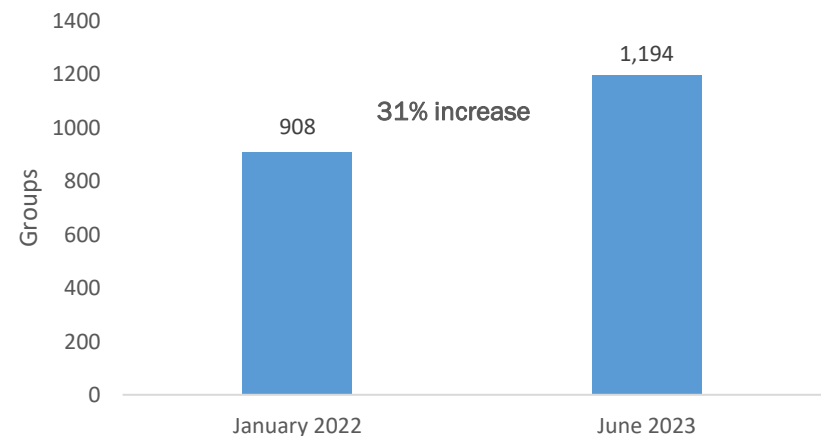
## Brokers continue to be a leading partner in driving new membership in Health Connector for Business.

- Broker certifications and sales steadily increased through 2022 and 2023
- Overall, 54 percent of employer groups utilizing Health Connector for Business was a result of a brokered sale
- Based on employer surveys over the last three years, brokers surpassed the HCB website and HCB customer service as the top source for getting help, when asked how they got help choosing their businesses' policy. Among those who relied on assistance from a broker, 91 percent were satisfied

Certified Brokers 2022/2023



Total Brokered Groups 2022/2023





# **Employer Engagement**

# Distribution Channel Efforts

Presentations	Strategic Partnerships	Community Outreach	Paid Media and Marketing
<ul style="list-style-type: none"> <li>Quarterly Health Connector hosted webinars are held providing an overview of options available for small businesses, entrepreneurs and sole-proprietors</li> <li>Multiple in person and online Health Connector for Business Information sessions conducted with Chambers, brokers and other business resources</li> </ul>	<ul style="list-style-type: none"> <li>Partnerships with Massachusetts Restaurant Association and the Massachusetts Supreme Judicial Court Standing Committee on Lawyer Well-Being established</li> <li>Additional partnership opportunities are in place and others are being actively explored</li> </ul>	<ul style="list-style-type: none"> <li>Strategic events and Collaborations with               <ul style="list-style-type: none"> <li>Massachusetts Nonprofit Network</li> <li>Small Business Expo – Boston</li> <li>Black Economic Council of Massachusetts</li> <li>Merrimack Valley Chamber of Commerce</li> <li>Supplier Diversity Office</li> <li>Massachusetts Small Business Development Center</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Radio, streaming TV and digital advertising</li> <li>Paid Search</li> <li>Testimonial pieces focused on both small business and brokers</li> <li>Boston Globe package in June 2023 includes online ads, space in business newsletters and native content</li> </ul>




[GET STARTED](#)
[LEARN](#)
[ABOUT](#)
[CREATE ACCOUNT](#)
[Sign In](#)

**Health Connector for Business & The Massachusetts Restaurant Association**

[SIGN UP TODAY](#)

[CREATE AN EMPLOYER ACCOUNT](#)

Already have an employer account? [Sign in](#)



**Looking Forward**

# Next Steps for Health Connector for Business

Health Connector for Business (HCB) continues to support small businesses in Massachusetts seeking affordable and flexible coverage options, and continues to see enrollment growth and market interest among small employers and brokers.

- As Health Connector for Business continues to grow, we will be revisiting our business model to prepare for continued growth and costs savings, including:
  - Review areas of success and efficiencies to maximize upon, while also identifying opportunities for improvements
    - Identifying and leveraging what makes Health Connector for Business “stand out” in reference to other options off-exchange
  - Utilize feedback from current/former brokers and employers to respond to and provide the support needed for the small business community while meeting the needs of our increasing membership
- The Health Connector welcomes the opportunity to strategize with the Board on how to further promote the cost-saving values of Health Connector for Business among small employers



“ With the Massachusetts Health Connector for Business, people can choose whatever plan is best for them and their families, because they’re all different. ”

MARIO CAMPOS  
OWNER, BLUE FIELD SERVICES

 Easy affordable coverage [LEARN MORE](#)



# Appendix

# Other States' Marketplaces' Approaches to SHOP

**State marketplaces have different approaches to how they support small groups in accessing health coverage and tailor their strategy to fit the needs of their state's small groups and health care landscape.**

- For example, small businesses offering coverage in D.C. are required to do so through the state's small business exchange
- Of 15 states with a state based marketplace there are nine where small employers go direct to carrier to enroll and are still able to receive federal small business tax credits, if eligible (permitted after SHOP regulation changes proposed in 2017)
  - In states with a federally facilitated marketplaces, employers can compare plans using HealthCare.gov but then work with a broker, or enroll directly with a carrier
- In addition, some states, like NY and CA allow larger small groups with up to 100 employees into their small group market (instead of 50)
- Massachusetts has continued to refine how its SHOP caters to small groups in the Commonwealth and offers a robust solution to the affordability challenges small groups face while maintaining access to a variety of options through Choice Models and strong broker relations to assist small groups in understanding their options
- HCB will continue to assess the ways in which it can provide value to small businesses across the Commonwealth