Engaging Small Businesses and Brokers in State SHOPs

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS for MEDICARE & MEDICAID SERVICES
Center for Consumer Information and Insurance Oversight

Health Insurance Exchange System-Wide Meeting
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This session will cover:

- Current Small Group Market Landscape
- SHOP Opportunities for Small Businesses
- Final Regulation on Agents and Brokers
- SHOP Opportunities for Brokers
- Engaging Stakeholders
- Marketing and Outreach Efforts
- Lessons Learned in Brooklyn
- State Experiences Engaging Target Audiences
Current Small Group Market Landscape

• Unpredictable annual rate increases make it difficult for small businesses to begin offering health benefits to employees or maintain existing coverage.

• Limited employer choice exists today.
  – While numerous plans exist today and some markets have robust carrier participation, business owners are often forced to choose one plan from a single company.

• Single plans offered to employees may not address their individual needs, including desired provider network.

• Most small businesses rely on brokers for enrollment advice and ongoing customer service.
SHOP Opportunities for Small Businesses

• SHOP is a new transparent marketplace with better information about benefits, price, quality, and satisfaction.

• Businesses may continue to use their existing insurance broker to help guide them through the new marketplace.

• Obtaining health benefits for employees is simplified:
  – Business owners determine how much to contribute to coverage.
  – They no longer have to struggle to choose one or two plans/insurers and provider networks to meet the diverse needs of their employees.
SHOP Opportunities for Small Businesses

• SHOP can provide employees with expanded health plan options and give them tools to make smart choices.
  – Expanded employee choice is a way for businesses to compete to attract and retain key talent.

• Ongoing administration is also simplified.
  – Regardless of the number of plans and insurers chosen by employees, business owners will receive one invoice each month and make only one payment.

• Beginning in 2014, eligible small businesses may access new tax credits (up to 50% of employer contributions) exclusively through SHOPs.
• States are required to consult with certain groups when establishing Exchanges, including agents and brokers.
• States have the flexibility to use agents and brokers to enroll small businesses in SHOP QHPs.
• States will continue to license, credential, and oversee agent and broker activities.
• Exchanges may elect to provide information regarding agents and brokers on the SHOP website and through Navigators and the Exchange call center.
• Agents/brokers are responsible for establishing separate agreements with individual issuers offering QHPs in the SHOP.
• States need to consider whether a separate or complimentary registration and training process is required for agents/brokers participating in the SHOP.
• States should also consider how varying agent/broker compensation inside and outside the SHOP will affect enrollment.
SHOP Opportunities for Brokers

• States have the flexibility to tap an established distribution channel to drive enrollees to the SHOP on day one and provide ongoing customer service to employers.

• SHOPs provide brokers with access to exclusive new product offerings for their clients:
  – Expanded employee choice
  – Simplified administration
  – Access to new small business tax credits

• SHOP tools may improve broker efficiency, allowing them to serve more clients.
Lessons Learned in Brooklyn

- Enrollment gains possible by engaging brokers.
- Broker language capabilities were leveraged to reach diverse business communities.
- Direct mail to brokers and small businesses yielded the best marketing results.
- Employers view chambers of commerce and small business associations as trusted advisors.
- Many brokers preferred initiating and maintaining client contact and relationships.
- Identify your market competition and continually sell your value proposition to target audiences.
Communications and Outreach for SHOP in the FFE

Research with Small Businesses – Benefits
- Ability to offer more than one plan
- One bill for different insurers
- More control for employers and employees
- Plans meet minimum standards

Target Audiences
- Small business owners & employers including non-profits
- Small business trade associations
- Small business employees
- Insurance brokers, benefits advisors, accountants, tax advisors and their trade associations

Tactics
- New and traditional media
- Materials: tip sheets, tool kits, training
States Experiences Engaging Small Businesses and Brokers

- Massachusetts
- New York
- Utah