



Health Connector for Business

The Massachusetts Health Connector Platform for Small Group Business

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Health Connector for Business: Summary of Progress



The Health Connector launched a one-stop shopping solution for Massachusetts small businesses with 1-50 employees to purchase health and dental insurance.

MARKET VALUE

- Health Connector for Business (HCB) brings a first-ever capability to the MA small group market: the ability for small employers to offer group coverage with “choice models”, along with traditional “sole source” offerings.
- Early sales results indicate that newly enrolling business are receptive to new choice models
- Small employers and their employees can shop from among the state’s leading medical insurance carriers, with the exception of Tufts Premier. (Altus Dental and Delta Dental will be available for January 2019 sales.)

OPERATIONAL SAVINGS

- The Health Connector is estimated to save approximately 50% in ongoing operations and maintenance costs on the new HCB platform, from \$4.2M to \$2.1M
- Remaining groups on the legacy platform will convert to the platform in July 2018

CRAFTING OUR GROWTH STRATEGY

- Broker sales are higher than anticipated
- We will continue work with brokers, and we aim to increase direct sales awareness
- Staff is developing a marketing campaign to increase brand awareness and drive direct business to the platform

Unique Value Proposition: Choice Models



	Employee Choice
One Plan	Traditional offering. Employer chooses a plan and company contribution amount. All employees can enroll in that plan.
One Level	Employee choice offering. Employer chooses a benefit level and company contribution amount. Employees can choose among plans offered by a range of carriers at that level.
One Carrier	Employee choice offering. Employer chooses an insurance carrier and company contribution amount. Employees can choose a plan from that carrier at any benefit level.

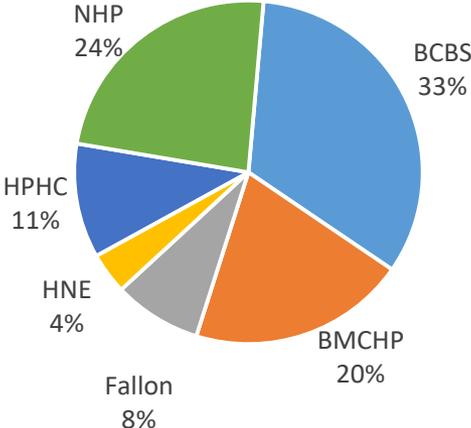
- Market research findings have long indicated that small employers in Massachusetts want new opportunities to access affordable group coverage and to be able to offer greater choice to employees
- Choice models (both vertical and horizontal) on the Health Connector for Business platform effectively break the historical dynamic in which small groups have not been able to offer choice models (which larger groups can)
- Choice models for employers leverage the Health Connector’s decade of experience helping individuals purchase coverage from an array of plan options and providing support and tools to find the plan that’s right for them.

2018 New Sales

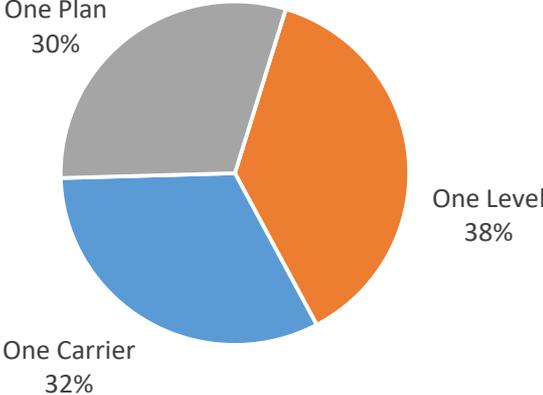


Of the 74 new groups enrolled, sales are evenly split among models.

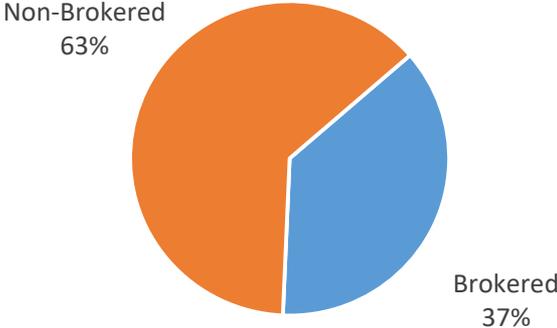
New Group Members by Carrier



New Group Members by Plan Offering



New Groups by Broker Status

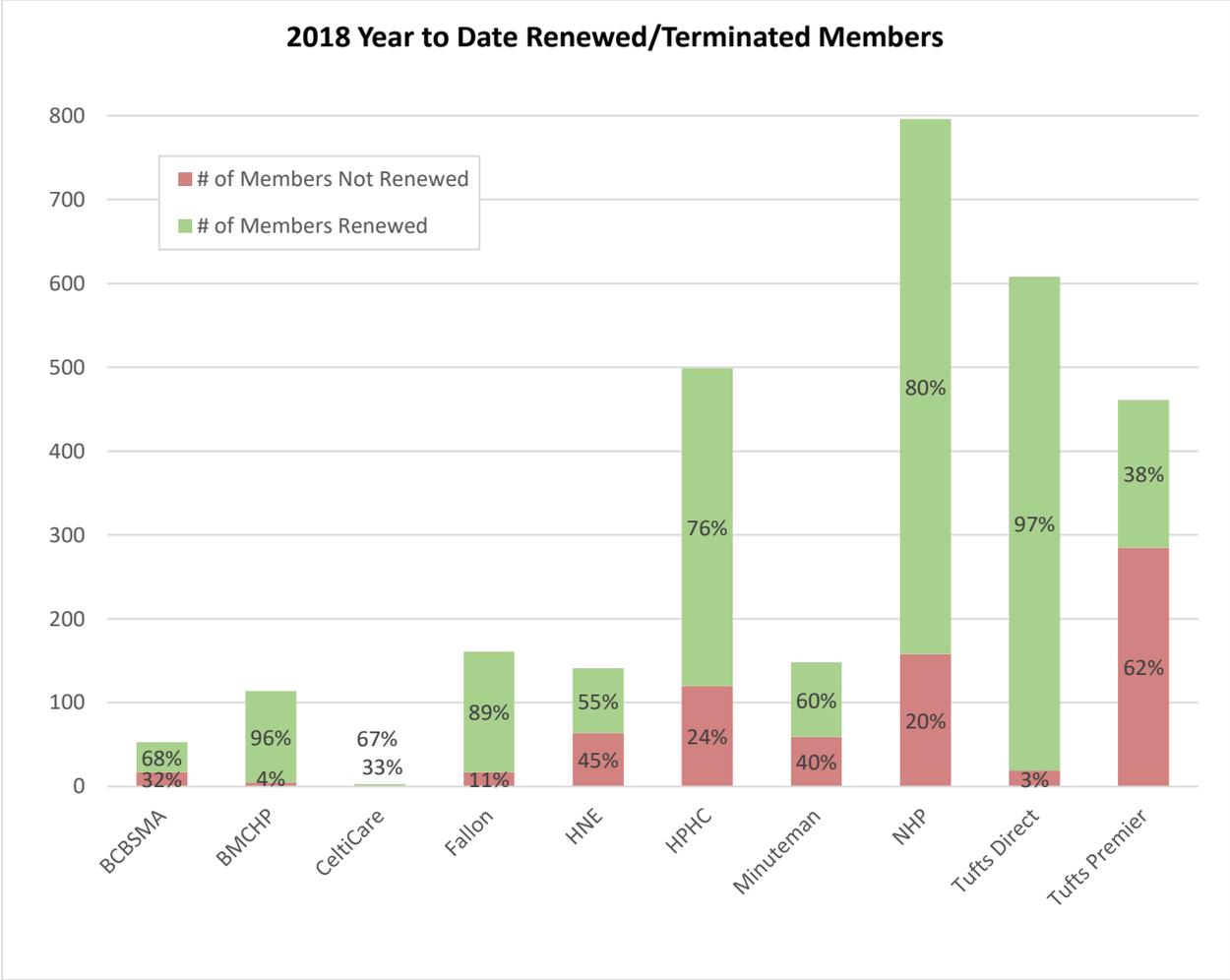


Notes:
• Includes all 2018 new sales on the HCB platform (1/1/18 - 4/1/18 plan year starts)
• New sales data sources: HCB Employer Extract 4/24/18, HCB Enrollment Extract 4/24/18

Existing Group Business Retention



- Overall YTD retention remains strong at 75% despite unique challenges
- Tufts Premier, which accounts for approximately 20%* of membership, does not participate on Health Connector for Business platform in 2018



Notes:
 • * Tufts Premier membership as of January 2018
 • Data sources: SBSB/BCBS Monthly Renewal Data, HBX Employer Extract 4/24/18, HBX Enrollment Extract 4/24/18, NFP Paid Through Report 5/4/18

Distribution Channel Efforts

Brokers

- 37% of new sales to date are through a broker, up from 13% in prior year
- Multiple in person and online trainings conducted
 - 237 brokers have attended the online trainings
 - 170+ brokers have registered
- New Broker Quoting Tool went live in January, affording true shop and compare capabilities

Strategic Partnerships

- Partnership with NEBA (New England Business Association) established
 - Co-branded marketing relationship and new distribution channel
 - 7- 15 events planned over next 6 months to drive awareness
 - NEBA coordinates with local Chambers of Commerce
- Additional partnership opportunities are being actively explored

Community Outreach

- Strategic event participation
 - Woostapreneur
 - MassAHU Benefest
 - Small Business Expo – Boston
 - Haitian American Business Expo
 - Worcester Women's Leadership Conference
- Business Collaboration
 - Small Business Summit Forum - City of Cambridge/Google
 - Greentown Labs
 - Main Streets
 - MA Business Development

Marketing Update



A mix of paid media and press endeavors has created new awareness and growing brand visibility. Activities are statewide, with a focus on four areas: Essex, Middlesex, Norfolk and Worcester counties.

Paid Marketing	Driven by a targeted digital campaign, positions HCB directly with business owners <ul style="list-style-type: none">• Digital display and video have generated more than 30M impressions and 320,000 clicks• Paid content stories and videos, featuring business owners• Content delivered to brokers through Employer Benefits Advisor and LinkedIn mail
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Earned Media	Identifying opportunities to generate media coverage of the new platform <ul style="list-style-type: none">• Press releases and media outreach surrounded the launch and other key deadlines• November launch was supported by a week-long tour in Eastern Massachusetts, generating TV, radio and print stories• A February-March “radio tour” led to more than 12 interviews on stations across the state
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- CCA is leveraging early learnings from the market and outreach activities to create an expanded campaign for FY19 that focuses on direct business and increasing awareness among small employers least likely to be offering group coverage and who may be under-served in current group coverage landscape

Looking to the future...



- Health Connector for Business platform and its choice models are new to the small group market
- Our objectives in the near-term are to:
 - Increase access to employer sponsored insurance for Massachusetts small businesses who (1) do not currently offer insurance or (2) face difficulty navigating the small group market
 - Ensure that small businesses have access to a wide array of commercial medical and dental carriers on one platform (one stop shop/one front door to entire market)
 - Increase awareness among small MA employers that the Health Connector is a doorway to high-value, comprehensive coverage that employers and their employees can count on, that is compliant with state and ACA requirements and is trustworthy given that it has the State's Seal of Approval
 - Incorporate the learnings and tools from the Health Connector's decade of experience supporting comparison shopping in the non-group market (*i.e.*, helping create "smart shoppers" making informed choices, driving value and savings)
 - Operate with predictable and stable operating costs

We expect growth to be gradual over the next 2 years as we work to increase brand awareness and highlight the value proposition of the new platform

- As we embark on this effort, we wish to work with our Board to evaluate our goals and criteria for success