



# **Update on Health Connector for Business and DC Health Benefit Exchange Authority Contract (VOTE)**

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Health Connector Board of Directors Meeting

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# **Background**

# HCB Background

**Health Connector for Business platform is intended to bring the Health Connector's competitive Exchange model to small employers by connecting employers to the full Massachusetts carrier marketplace and offering choice models**

- Under Chapter 58 (c. 176Q, s. 3), the Health Connector is directed to sell plans to small groups and Employee Choice is federally required
- In recent years, the number of covered lives in the overall Massachusetts small group market has dropped, with the shift dominated by declines for the smallest-sized small employers - those with fewer than 25 employees
  - The platform continues to attract the smallest of employers – especially "microgroups" with fewer than five employees
  - The choice models provide small employers a range of unique offerings that were traditionally only available to large employers
- Small employers in the Commonwealth continue to struggle with affordability concerns
  - Due to the choice and visibility of carriers available through the Health Connector, on average, small businesses save over 20 percent by shopping through Health Connector for Business compared to off-exchange



**Current Status**

# HCB 2019 Current Status: Highlights

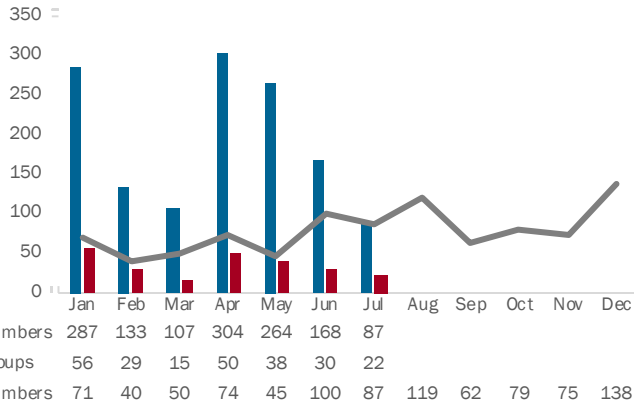
**Health Connector for Business is growing and experiencing significant market interest among an array of market segments, industries, and regions. Year to date new sales exceed 2018 sales through July by 883 members and 101 groups.**

- Most groups are electing the “choice models”, where an employer can offer a reference plan, but allow employees the option to shop from other carriers, or from other benefit levels from the same carrier
  - Fifty-eight percent of membership elected either “One Level” or “One Carrier”
- Membership continues to grow statewide, but the highest concentration of growth is in Middlesex County
- Forty-nine different industries are represented across new sales with the highest membership in construction and health services
- The broker community is highly engaged and interested in the HCB platform
  - Seventy-four percent of new sales membership are the result of a brokered sale

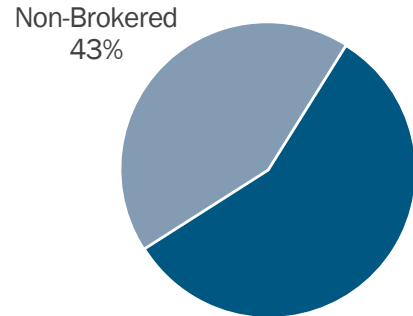
# YTD New Sales

Total YTD new sales for CY2019 reflect 240 groups and 1,350 members.

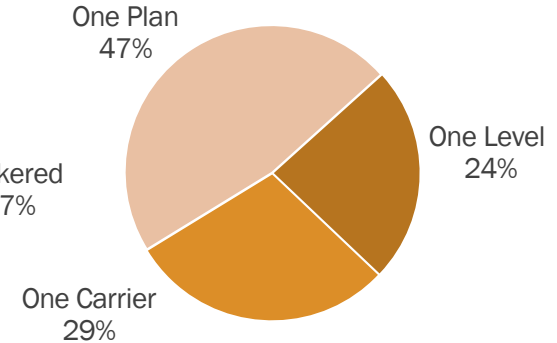
CY2019 YTD New Sales



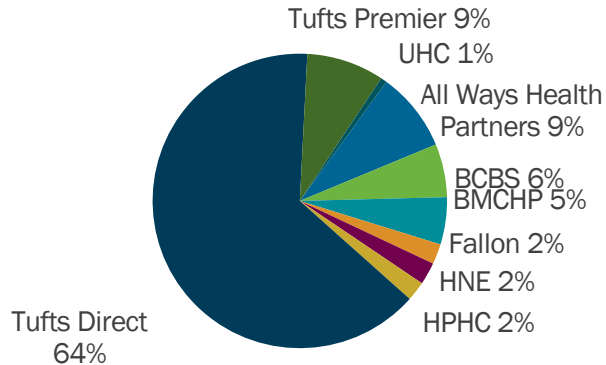
Groups by Broker Status



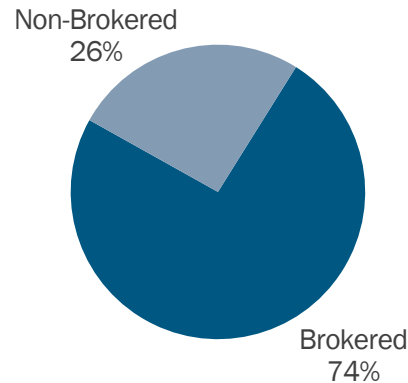
Groups by Plan Offering



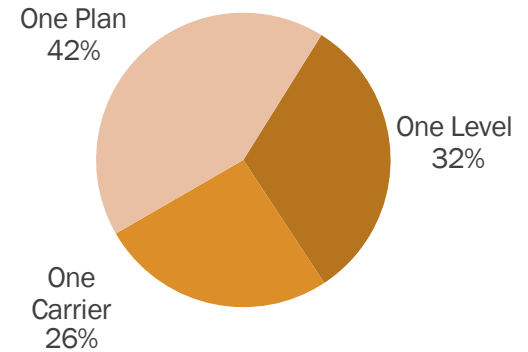
Members by Carrier



Members by Broker Status



Members by Plan Offering

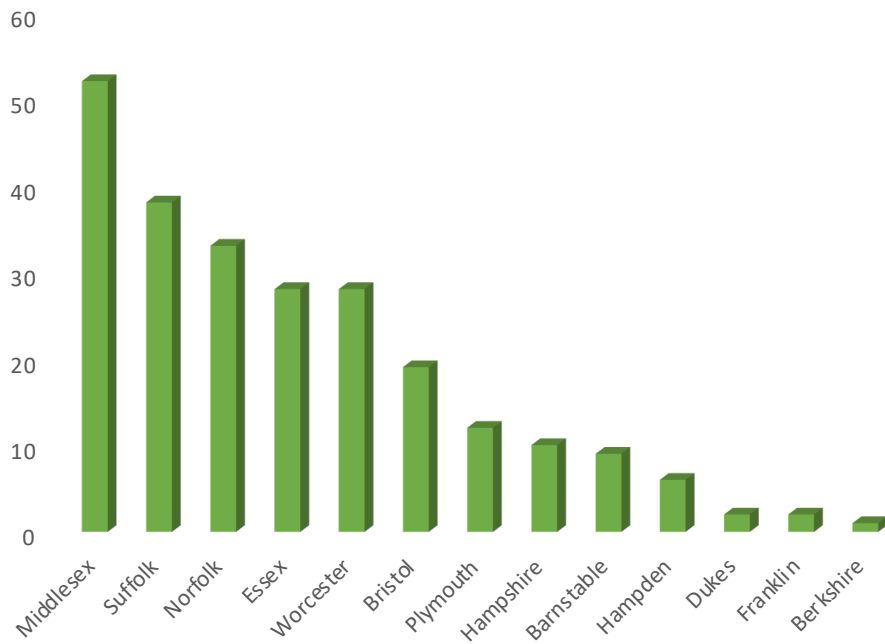


Notes:

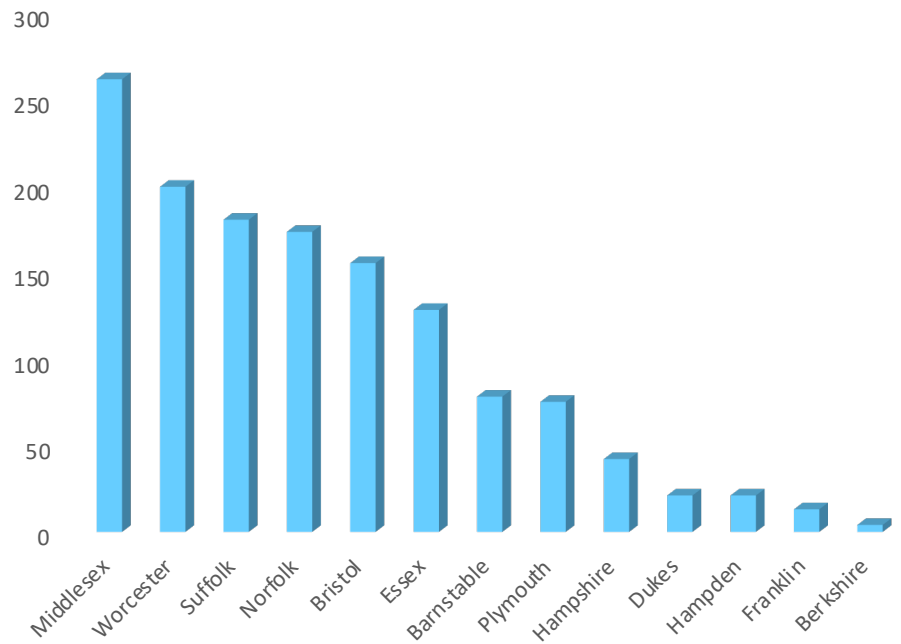
- Data sources: HBX Employer Extract 07/02/19, HBX Enrollment Extract 07/02/19, HBX Delinquency Report 07/02/19

# New Health Connector for Business Sales (YTD): Participation and Counties

Group Count by County

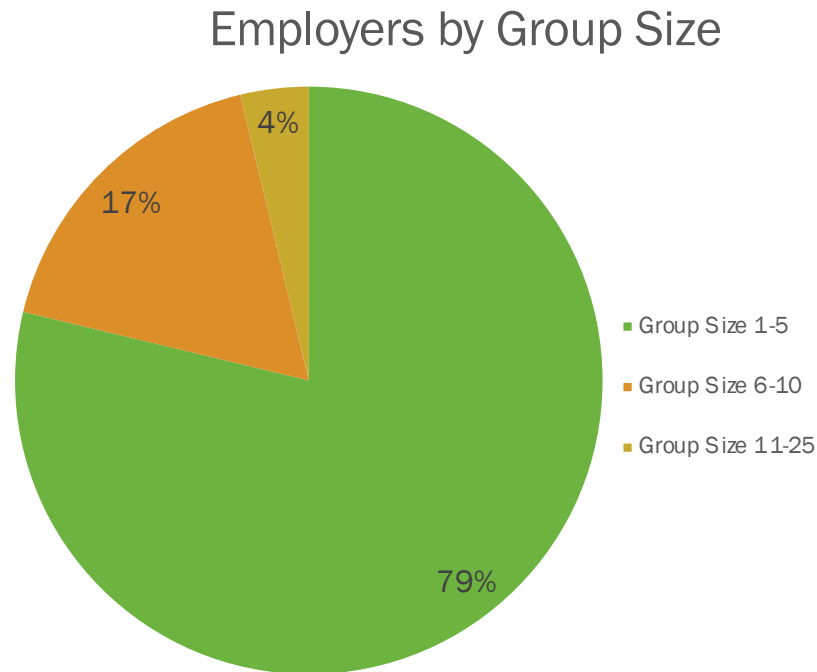


Member Count by County



# New Health Connector for Business Sales (YTD): Employers by Group Size

Most new HCB sales this year are from “microgroups” with between 1-5 employees, the segment of the small group market historically least likely to offer coverage.





# New Health Connector for Business Sales (YTD): Choice Models and Industry

**HCB has gained new sales from across 49 industries so far this year.**

- The top 5 industries with new group participation in HCB include:
  1. Business Services (27)
  2. Construction/Special Trade Contractors (23)
  3. Health Services (21)
  4. Engineering, Accounting, Research, and Management Services (17)
  5. Social Services (14)
- The top 5 industries with new members covered through HCB include:
  1. Construction/Special Trade Contractors (266)
  2. Health Services (122)
  3. Business Services (119)
  4. Agricultural Services (81)
  5. Eating and Drinking Places (72)

# DC Health Benefit Exchange Authority Contract: FY 2020 Budget Vote

The Health Connector requires a board vote to approve the fiscal year 2020 budget with the DC Health Benefit Exchange Authority (DCHBX). The FY budget includes total ongoing operational costs and non-recurring IT customizations costs.

Fiscal Year 2020 Budget: DC Health Benefit Exchange Authority (DCHBX)	
September 19 - June 2020	\$3,642,266
Total FY 2020	\$4,402,885

- The vote is needed for an agreement covering the last 10 months of the FY 2020 - September 2019 through June 2020.

# Board Vote

**The Health Connector asks that the Board authorize the Health Connector to enter into an amendment with DC Health Benefit Exchange Authority (DCHBX) to support the Health Connector for Business platform for the remainder of fiscal year 2020 for an estimated amount of \$3,642,266, as described herein.**