

MNsure
Health Industry
Advisory Committee (HIAC)

SHOP Recommendation

The Health Insurance Advisory Committee (HIAC) and Consumer was established by the MNsure Board under authority of Minn. Stat. § 62V.04, subd. 13(a).

The HIAC “will provide appropriate and relevant advice and counsel on MNsure’s duties and operations and other related issues for the benefit of the Board.”

September 29, 2017

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HIAC Members

Jonathan Watson is the committee chair. He resides in the Twin Cities and is public policy director at the Minnesota Association of Community Health Centers.

Ghita Worcester is the committee vice chair. She resides in the Twin Cities and is the senior vice president for public affairs and the chief marketing officer at UCare.

Kenneth Bence resides in the Twin Cities and brings over 25 years of experience working in public and community health in Minnesota.

Kyle Bozentko resides in the Twin Cities and is the executive director of the Jefferson Center.

David Dziuk resides in the Twin Cities and is senior vice president and chief financial officer at HealthPartners, Inc.

Forrest Flint resides in the Twin Cities and is vice president of strategy and innovation at Delta Dental of Minnesota.

Carl Floren resides in the Twin Cities and is a retired software professional.

Thomas Hoffman resides in the Twin Cities and is a General Manager for Prime Therapeutics, a pharmacy benefit manager for Blue Cross Blue Shield Minnesota and other health plans across the country.

Hillary Hume resides in the Twin Cities and is a clinical operations director with KEPRO.

Harlan Johnson resides in Greater Minnesota and is an insurance broker at Harlan V. Johnson Agency, Inc. He is a small business owner and an employer. Harlan serves on the board of directors for the Minnesota Association of Health Underwriters.

Andy McCoy resides in the Twin Cities and is the vice president of revenue management for Fairview Health Services.

Heidi Michaels Mathson resides in the Twin Cities and is a health insurance broker at Dyste Williams.

Daniel Miesle resides in rural Minnesota and works as a health care facility consultant.

Reuben Moore resides in Greater Minnesota and is the vice chair of global solutions at Mayo Clinic.

Chris Rofidal resides in the Twin Cities and is a regional sales director with Health Information Designs.

Charles Sawyer resides in the Twin Cities and is a chiropractor as well as senior vice president at Northwestern Health Sciences University.

Bette Zerwas resides in rural Minnesota and is a policy consultant with MS Strategies. She is affiliated with the Minnesota Health Care Safety Net Coalition.

Executive Summary

The MNSure Health Industry Advisory Committee (HIAC) recommends that ***given there is no medical carrier participation in SHOP, MNSure should do the minimum necessary to not violate and satisfy federal regulations or align with the federally regulated open enrollment requirements for SHOP. Additionally, MNSure should redirect whatever SHOP resources to the individual market product support.***

The HIAC made this recommendation at our September 28, 2017 meeting.

Of the present members of the joint meeting, **the vote was unanimous**. Nine (9) members of the HIAC voted in favor, while eight (8) members were not present.

Issue Statement

In Minnesota, no medical carriers will offer products in the SHOP marketplace through MNSure. MNSure should respond to this development to maintain compliance with federal regulations, while re-allocating SHOP costs to other MNSure operations.

Background

The Small Business Health Options Program (SHOP) is an insurance exchange intended to help small businesses provide health care coverage to their employees. Created by the Affordable Care Act (ACA) law, the SHOP is open to employers with 50 or fewer full-time equivalent (FTE) employees.

Enrollment in the SHOP has been below original projections both in Minnesota and the United States. For example, MNSure projected that in 2014, Minnesota's SHOP would enroll 13,125 enrollees/individuals, however, the actual enrollment number was 731 in 2014.¹ Furthermore, in 2016 the SHOP projected enrollment was 155,000, while the actual was roughly 2,000.

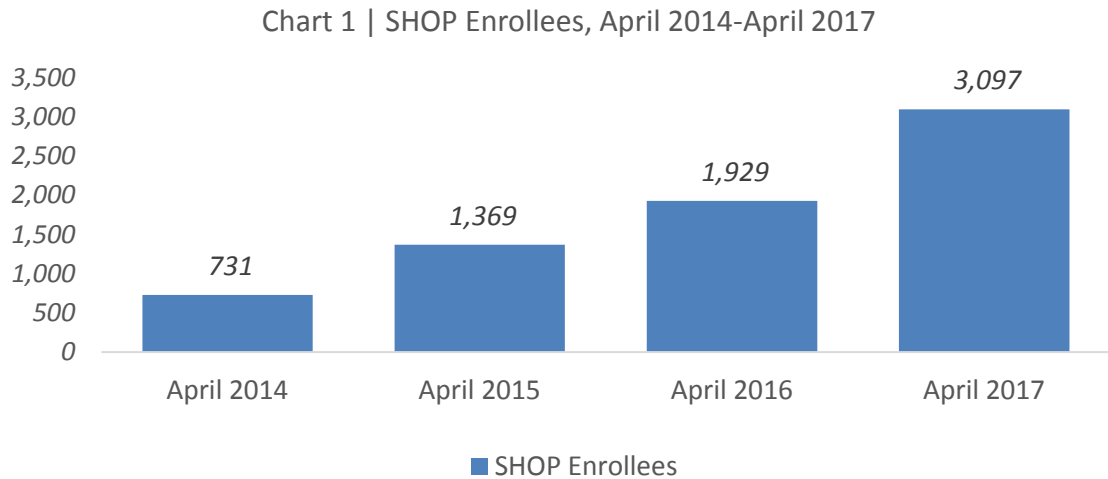
On the national level, the Congressional Budget Office (CBO) in 2014 had projected that 4 million people would be enrolled by 2017.² Currently, there are roughly 233,000 people covered via SHOP.³

¹ MNSure Board of Directors Metrics Dashboard, April 30, 2014 , Page 27
(https://www.mnsure.org/assets/bd-2014-04-30-dashboard_tcm34-185360.pdf)

² United States Government Accountability Office, "Small Business Health Insurance Exchanges," November 2014, (<http://www.gao.gov/assets/670/666873.pdf>)

³ <https://www.cms.gov/CCIIO/Resources/Data-Resources/Downloads/SHOP-Marketplace-Enrollment-Data.pdf>

Chart 1 presents the number of SHOP enrollees in April of every year in Minnesota.⁴



Interestingly, many state-based marketplaces (SBMs) have robust SHOP program. For example, as of January 2017, there were 38,749 SHOP enrollees in the 34 states that operate at federally-facilitated marketplace (FFM) or partnership marketplaces (PM). The total number of individuals enrolled in SHOP in state-based marketplaces (SBM) totaled 193,949. The state of Vermont and the District of Columbia individual SHOP enrollment exceeded the total enrollment of FFM/PM states with 46,099 and 64,805 enrollees respectively.⁵

Table 1 and Chart 2 summarize the SHOP enrollment in FFM/PM versus SBM states.

Table 1 | Comparing Employers & Covered Lives in Federally-Facilitated and State-Based SHOP States⁶

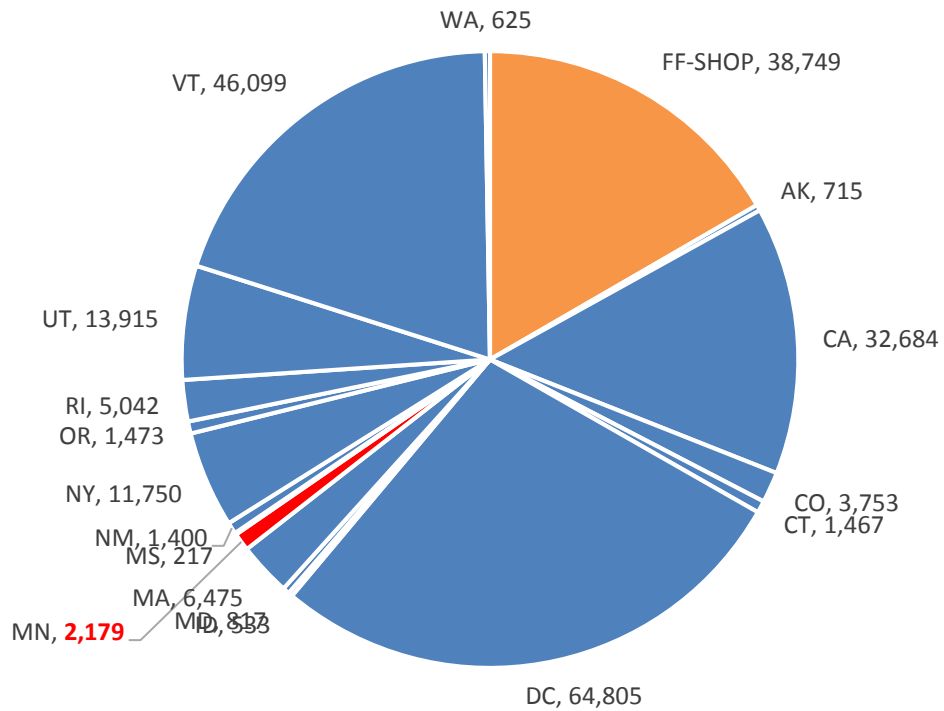
	Active Employers	% of Total in US	Covered Lives	% of Total in US
Federally-Facilitated SHOP States	7,554	27.8%	38,749	16.7%
State-Based SHOP States	19,651	72.2%	193,949	83.3%
TOTAL	27,205		232,698	

⁴ Data extracted from MNSure Metric Dashboards April meetings of 2014, 2015, 2016 and 2017.

⁵ <https://www.cms.gov/CCIIO/Resources/Data-Resources/Downloads/SHOP-Marketplace-Enrollment-Data.pdf>

⁶ Ibid

Chart 2 | SHOP Enrollment, FF vs SBM



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In July of 2017, the last carrier participating in the SHOP program in Minnesota announced that they would no longer offer a product in the SHOP marketplace in 2018. The carrier, Blue Cross and Blue Shield of Minnesota cited a combination of low enrollment and high administrative costs to participate in the SHOP.

It is important to note that nine carriers in Minnesota filed rates to provide coverage on the small group market⁸, however, the offering is “off the marketplace/MNsure.” (I.e., small group coverage is purchased directly from the carrier, not through MNsure.)

While there are no medical SHOP carriers participating on MNsure, there are certain federal obligations and requirements to maintain the functionality if carriers decide to participate in the future. Consequently, MNsure should maintain this commitment, yet re-allocate funding from the SHOP budget to other areas of MNsure such as the customer call center, broker call center or general functionality of the web-site.

According to the three-year budget approved by MNsure at the July 26, 2017 meeting,⁹

⁷ Ibid

⁸ <https://mn.gov/commerce/consumers/your-insurance/health-insurance/rates/rate-filings/2018/>

⁹ https://www.mnsure.org/assets/bd-2017-07-26-DRAFT-MNsure-FY18-budget_tcm34-304415.pdf

there is an increase in funding to support the SHOP operations in FY18 and FY19. (From 352,000 in FY2017 to \$370,000 in FY2018 and \$380,000 in FY2019.)

	FY2017	FY2018	FY2019
EXPENDITURES / USES			
Administration	6,848,000	7,450,000	7,720,000
Executive	945,000	1,160,000	1,180,000
Support Services	3,805,000	3,970,000	4,190,000
Legal & Compliance	2,098,000	2,320,000	2,350,000
Regulatory	200,000	200,000	200,000
MDH	200,000	200,000	200,000
Communications	2,917,000	2,780,000	2,710,000
Communication & Marketing	2,917,000	2,780,000	2,710,000
Customer Service	23,407,000	21,750,000	21,930,000
Plan Mgmt & Reporting	370,000	1,010,000	1,040,000
Eligibility & Enrollment	960,000	1,400,000	1,420,000
PMO Office	3,773,000	890,000	830,000
SHOP Program	352,000	370,000	380,000
Navigator Program	500,000	810,000	830,000
QHP Enrollment Fee Grants	750,000	750,000	750,000
Community Outreach Grants	4,105,000	4,120,000	4,100,000
Contact Center	11,357,000	11,520,000	11,680,000
Assister Resource Center	725,000	880,000	900,000
CCIIO Reconciliation	515,000	0	0
METS IT System	10,990,000	10,000,000	7,000,000
Operations	3,000,000	3,000,000	3,000,000
Development	7,990,000	7,000,000	4,000,000
TOTAL EXPENDITURES / USES	44,362,000	42,180,000	39,560,000



Recommendation

- **The HIAC recommends to the MNSure Board that *Given there is no MEDICAL carrier participation in SHOP, MNSure do the minimum necessary to not violate and satisfy federal regulations or align with the federally regulated open enrollment requirements for SHOP.***
- **The HIAC recommends to the MNSure Board they *should redirect whatever SHOP resources to the individual market product support.***
- HIAC Members voting for the recommendations (9 members): David Dziuk, Carl Floren, Thomas Hoffman, Hillary Hume, Rueben Moore, Heidi Michaels Mathson, Daniel Miesle, Jonathan Watson (Chair), and Bette Zerwas.
- HIAC Members Not Present (8 members): Kenneth Bence, Kyle Bozentko, Forrest Flint, Harlan Johnson, Andy McCoy, Chris Rofidal, Charles Sawyer, and Ghita Worcester (Vice-Chair)