Health Connector for Business Announcement

FAQs

February 2017

**How is this new system an improvement for the Health Connector?**

The Health Connector’s current platform offers only a sole-source option, where employers select one plan for their employees (what will be known and “Employer Express” in the small-group scheme). The new platform from DC Health Link will offer users expanded options, particularly for employees who will be able to pick the plan that best meets the needs of their family. The new system will also offer convenient and easy-to-use tools for brokers, employers and employees. Importantly, in the long-term, operation and maintenance of the platform will cost the Health Connector less than the current system on an annual basis.

**What does this mean for Massachusetts small businesses? What is it about the DC platform that makes it appealing to the Health Connector?**

What this means for small businesses in Massachusetts – and their employees – are more opportunities for choice, and more opportunities to save on premium costs. Because the DC platform delivers Employee Choice, employers can now create a program that gives their workers the opportunity to select the right plan for their individual needs, taking into account costs, available providers and other factors. For brokers, employers and employees, the comparison opportunities through the Exchange can deliver significant savings. Businesses, with support from brokers, can find options with comparable benefit richness to the average small-group plan, but with options that can cost up to 30 percent less.

**When will brokers, businesses and employers start using the new system?**

For both renewing businesses and new businesses interested in the Health Connector’s offerings, shopping for coverage renewing or starting on October 1 will start in August. At that point, it is likely the new platform will include a subset of carriers (and perhaps product options). The full range of the new capabilities, including all plans and product options, will be available starting in November for coverage renewing or starting January 1, 2018.

**Massachusetts has spent so much on online insurance systems. How much does this one cost?**

This project will cost about $4 million and is supported by a federal grant, using existing grant dollars that had been allocated to Massachusetts for an upgrade of the existing small-business platform. This is not a new funding request from Massachusetts. The small-group platform is separate from the individual platform, and this new system will generate an easier experience from employers and brokers, and also deliver new choice for employees. In the long run, operating this system – with its improvements to users – will cost approximately half of the cost of operating the current system, so the Health Connector will save money in the long run.

**There are not really a lot of people who have used the Health Connector for their business’ health insurance. What makes you think this will work better?**

This new system will be easier for employers and brokers to use, with just a handful of screens on the online application to complete. The system includes simple calculators and tools for employers to determine how much premium the company wants to contribute, and makes it easy for employers to consider the options for coverage for their employees. For the first time, employees can pick their own plans if their company chooses the Employee Choice model. While employers will set a benchmark plan for consideration, employees can shop for a more- or less-costly plan, depending on their individual needs. This is a unique benefit to the exchange and gives employees more say in their health care. We are confident that an easy-to-use platform with unique comparison and cost opportunities will resonate with brokers, small businesses and their employees.

**Why is Massachusetts using a system from another Exchange?**

This is the result of three procurements, the first two not generating viable options for the Health Connector. In the third request for proposals, the Health Connector specifically focused on existing state-based platforms, and found the DC Exchange’s small-group functionality to offer the best mix of options for brokers, employers and employees, and cost-effectiveness.

**I keep hearing the Affordable Care Act is going away. What does that mean for the Health Connector and for this new system, and why are doing this now with the end in sight?**

Massachusetts is committed to making coverage available to everyone. This commitment started with state-based reform nearly 11 years ago, and includes creating available coverage for brokers, our business community and its employees. This is the culmination in a long process that included two early procurements that did not match our needs. This partnership with DC Health Link will not only deliver the kind of choice and easy use we want to deliver to brokers, small business and employees, but will do so cost-effectively for the Health Connector.

**What will the partnership entail? How will it operate? If there is an issue about the platform, who is responsible? Who gets the call, DC or MA?**

The Health Connector and DC Health Link are entering an agreement that is essentially an outsourcing deal by the Health Connector, contracting with DC Health Link for a set of services including website development and maintenance, and operation services including customer service. The website used by Massachusetts brokers, businesses and employees will look like a Health Connector-branded platform, and will include Health Connector plans, premiums and other information. Any issues with the system will be reported to the DC Exchange, and DC Health Link is responsible for any work to remediate or provide customer education to explain an issue.

**Can you explain more how the Employee Choice model will work? It seems confusing.**

So, at many businesses, employees don’t choose their health plan. Instead, the company does. Through Employee Choice, businesses can offer one of two ways for employees to pick a plan.

First, the employer decides how much it will pay toward the employee’s premium, and establishes a benchmark plan. From there, the employer selects a carrier-specific choice model or a metallic tier choice model.

Under the carrier-specific model, the employer offers to employees all the range of plans offered through the Health Connector for a specific carrier. The employee can select the model benchmark plan designated by the company, or can move up or down to another plan offered by the carrier. Employees can consider the differences in premium, co-pay and deductible, along with other costs and differences, when selecting a plan through the designated carrier.

In the metallic tier model, the employer offers all the range of plans offered through the Health Connector in a specific metallic tier. The employer will offer a benchmark plan through a carrier, but other carrier’s plans in that metallic tier will also be available to the employee. While the value and costs of plans in a specific metallic tier are typically quite similar, employees will be able to consider provider networks and other benefits when choosing the best plan for them and their family.