

Employer Participation Workgroup

Updated Primer Questions – 1/15/2013

A. Small Business Participation

1. **Should there be participation requirements for employer groups in the exchange?**
2. **What services can an exchange offer that would be of the most value to small businesses?**
 - Simplicity – Administration should be simplified for the employer
 - Affordability – if it isn't more affordable, it will not be worth doing
 - Education – If the exchange can help to educate employees, it will reduce the burden on small employers
3. **Should the definition of small business be increased to 100 employees in 2014, or should the state wait until 2016 when federal law mandates it?**

Advantages of going to 100 early:

- Larger Risk Pool for SHOP Exchange
- Tax Penalties will motivate employers with over 50 employees to purchase insurance, and it is better to have more options (ie, the Exchange)
- Additional plan portability

Disadvantages of going to 100 early:

- Additional complexity to an already complex process
- More groups will be affected by the untested system
- Possible difficulty in passing legislation

4. **How can adverse selection in the exchange be minimized?**
5. **Should insurers be required to offer the same plans in both the Individual and SHOP Exchange?**

Yes. This is crucial for plan portability.

B. Defined Contribution

1. **Would implementing a defined contribution model attract employers who currently do not offer insurance?**

Yes. Would offer budget and administration simplicity, increased choice and portability.
2. **If so, is there sufficient demand to achieve the critical mass necessary for plan portability?**
3. **Is there value in premium aggregation for small employers in the state?**
4. **How should Actuarial Value and Plan Choice work with Defined Contribution? (New)**