

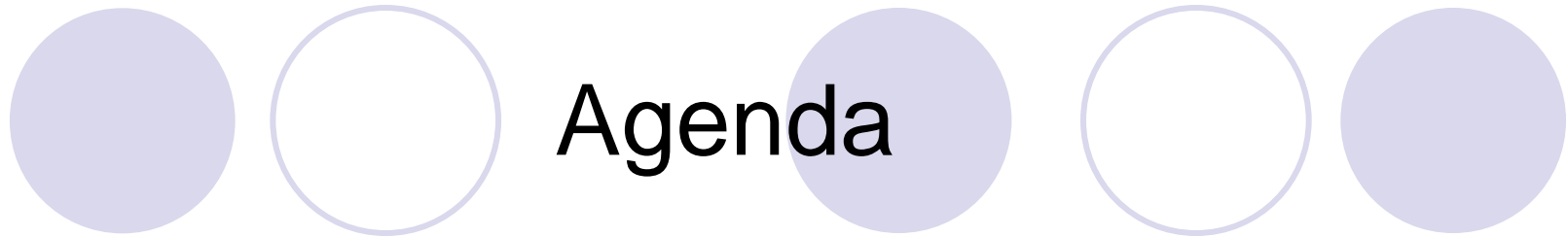


Small Business Health Insurance Reform: VirginiaShare

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Who are the uninsured?

- Nearly 70 percent of the uninsured live in households with at least one full-time worker
- The self-employed and those working in firms with fewer than 100 employees account for the majority of uninsured
- Nearly three-quarters of uninsured Virginians report they live in households where there is no offer of employer-sponsored health insurance
- Nineteen to 34 year olds have the highest rate of uninsured among non-elderly adults—nearly 27 percent do not have health insurance
- Uninsured rates are significantly higher for those living in poverty compared to those with incomes above 300 percent of the Federal Poverty Level (FPL)

Why Should We Care About the Uninsured?

- Uninsured people are:
 - More likely to have unmet health care needs
 - Less likely to have a usual source of care
 - Less likely to go to the doctor
- Contributing factors are affordability and/or no access to insurance
- There are economic development issues.
 - Studies that indicate higher rates of absenteeism in the uninsured population as well as a loss of productivity

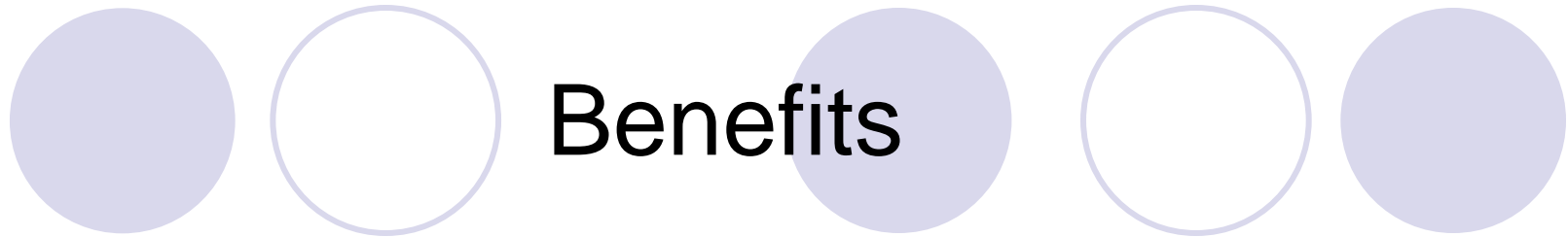
Virginia Share Program Goals

- Provide affordable and accessible health insurance coverage to approximately 15,000 low-income, working uninsured Virginians
- Provide affordable health insurance coverage options to over 6,000 small businesses
- Leverage existing private health insurance market
 - Public-private partnership
 - Three-share financing
- Create a predictable and affordable access program for the Commonwealth



Target Population

- Virginians who are:
 - Low-Income (< 200% FPL or \$20,420)
 - Working at Least 30 Hours Per Week
 - Work in Small Businesses with 2-50 Employees
 - Have not had health insurance in the last 6 months
- Small businesses with 2-50 employees
 - Who have not offered coverage in the last 6 months



- First dollar coverage up to \$50,000 each policy year
- Includes all state-mandated benefits
- Option to cover spouses
- Portable for individuals participating for at least 6 months
- “Creditable coverage” towards full-benefit health insurance policies
- Maternity coverage through Medicaid and FAMIS Moms program
- Children’s coverage through FAMIS

Three-Share Financing

- Low-income participants qualify for three-share financing:
 - Employee pays one-third of monthly premium
 - Employer pays one-third of monthly premium
 - Virginia pays one-third of premium up to set dollar amount (e.g. \$75)

	Earning <200% FPL	Earning >200% FPL
Individual	\$60	\$120
Employer	\$60	\$60
Commonwealth	\$60	\$0



RiversideShare

- Privately funded program established to subsidize the cost of group insurance for low-income workers in the Commonwealth of Virginia
 - Funded by a two year commitment of \$500,000 each year, or a total of \$1,000,000 from the Riverside Health System Foundation
- Eligible employees and their spouses receive \$100 per month in subsidy to pay for their group health plan.
 - Based on one-third of the average cost of Anthem's HealthKeepers 25 HMO policy
- Began in September 2008



Eligible Employers

- Must be located in Riverside's service area
 - cities of Gloucester, Hampton, Newport News, Poquoson, Richmond, Tappahannock, West Point, Williamsburg and Yorktown; Counties of Essex, Gloucester, Isle of Wight, James City, King and Queen, King William, Lancaster, Mathews, Middlesex, New Kent, Northumberland, Richmond and Surry
- Must employ 2-50 employees during preceding calendar year that are eligible to enroll in Anthem's small business or community segment
- Must not have offered health insurance to any employees during six months prior
- Must offer an Anthem HMO Plan and meet underwriting guidelines (i.e. % participation)



Eligible Employees

- Must work for an Eligible Employer
- Must be a Legal VA resident
- $\leq 200\%$ FPL (household income)
- Employee and/or spouse only; children directed to FAMIS
- If married or a dependent, the employee may not have coverage through their spouse or drop coverage to obtain funds through this program
- Must not be eligible for medical assistance benefits
- Must work at least 30 hours per week for qualified small employer



Other Considerations

- While mandates are good for consumer protection, the group they are often intended to affect (large employers) are not affected because these employers are self-insured...meaning they are protected by ERISA
 - ERISA preempts all state laws
- Mandates typically affect small to medium sized employers
- 24 states have enacted mandate waiver laws
 - Statutes permit insurers to offer basic products, absent some or all state benefit and provider coverage mandates
- Providing “mandate-lite” or mandate free products that target small employers would be a way to help programs like VirginiaShare and RiversideShare
 - These products are not a solution for the uninsured; however, there types of products are one step toward making coverage more affordable for small businesses