

Draft Resolution for the Small Group Health Insurance Market Working Group.

Prepared by:

Business Trade Association Representatives and
Small Employer Representatives

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Topic: Expanding Small Group Purchasing Protection to +50 Employers

Mid size Minnesota employers with more than 50 employees are significantly disadvantaged purchasers in the health insurance market, and desire to have options that are predictable and more affordable. By law, smaller employers are guaranteed access to group health coverage and receive premium rate protections against high claims. Because of their size, large employers can rely on better predictability of their costs. Employers with 51 to 100 employees do **not** have reasonably predictable health insurance costs, and both the employer and their employees suffer dramatically should a member of their group have an expensive illness, or are on expensive maintenance drugs (i.e. for diabetes, heart disease, etc.).

Further, Federal regulation will require employers up to 100 to be pooled by 2014, requiring Minnesota to take action and determine how to create private pooling mechanisms that protect and encourage a competitive marketplace. Minnesota has been known as a leader in the healthcare industry, and we should continue this by adopting the 2-100 pool now, and immediately provide support to our mid size employers and their employees.

Further, 50 plus employers are being forced into difficult choices, many of whom are deciding to no longer offer group health insurance to their employees. Delaying market reform to 2014 will seriously damage vulnerable 50 plus employers and their employees, causing more plans to be terminated and employees to be either shifted to the ranks of the uninsured, to expensive public programs, or to the individual and MCHA markets. This simply shifts the responsibility of health insurance from the employer to the state of Minnesota. Minnesota employers **want** to offer health insurance to their employees, but are finding it more and more difficult to do this with the rapidly rising and unpredictable health insurance costs.

Resolved, that the State of Minnesota adopt effective in 2011 guaranteed issue and rate band regulations for employers with 51 to 100 employees similar to the laws currently protecting employers in the 2 to 50 market.