



HEALTH INSURANCE
PARTNERSHIP

*The small business connection
to health coverage*

HIP-Preferred Agent Training

Welcome

- Introductions
- Housekeeping items
 - Cell phones off/silent
 - Facility information
 - Beverage service
 - Breaks
 - Save questions for Q&A time
- Before you go
 - Fill out the evaluation form
 - Sign preferred agent/broker roster

Agenda

- The Health Insurance Partnership overview
- Broker roles and benefits
- Eligibility for enrollment and subsidy
- Subsidy estimation
- Designated health benefit plans
- Enrollment/disenrollment/renewal/appeals processes
- Payment process
- Call to action
- Marketing materials
- Contacts
- Q & A

What is the Health Insurance Partnership (HIP)?

- ❑ Created by the legislature
- ❑ Voluntary participation
- ❑ Designed to provide increased access to health insurance coverage for small employers and their employees
- ❑ Provides a premium subsidy for low-income employees and their dependents
- ❑ Administered by the HCA
 - Coverage begins March 2009
 - \$750,000 available for subsidies for March through June 2009
 - Subsidies are funded on a 2-year budget cycle
 - New budget cycle begins July 1, 2009

Third Party Administrator for the HIP

□ Harrington Health

- Manages the enrollment process
- Bills, collects and transfers premium and subsidy payments
- Provides customer service
 - 20021 120th Ave. NE, Suite 200 • Bothell, WA 98011
 - 800-377-0976 • 425-686-1370 • fax 425-686-7395

What sets the HIP apart?

- ❑ Lower employer contribution – only 40% vs. 75%
- common in the small group market
- ❑ Opportunity for subsidy for income-qualified participants
- ❑ Ease of administration
 - Once in, stay in, unless disenrolled for non-payment
 - Employer group can renew with the same carrier and same plan, as long as the plan is still available through the HIP
 - 12-month income lock-in for subsidized participants
 - Standardized timelines for all HIP participating carriers' plans

Benefits for Agents

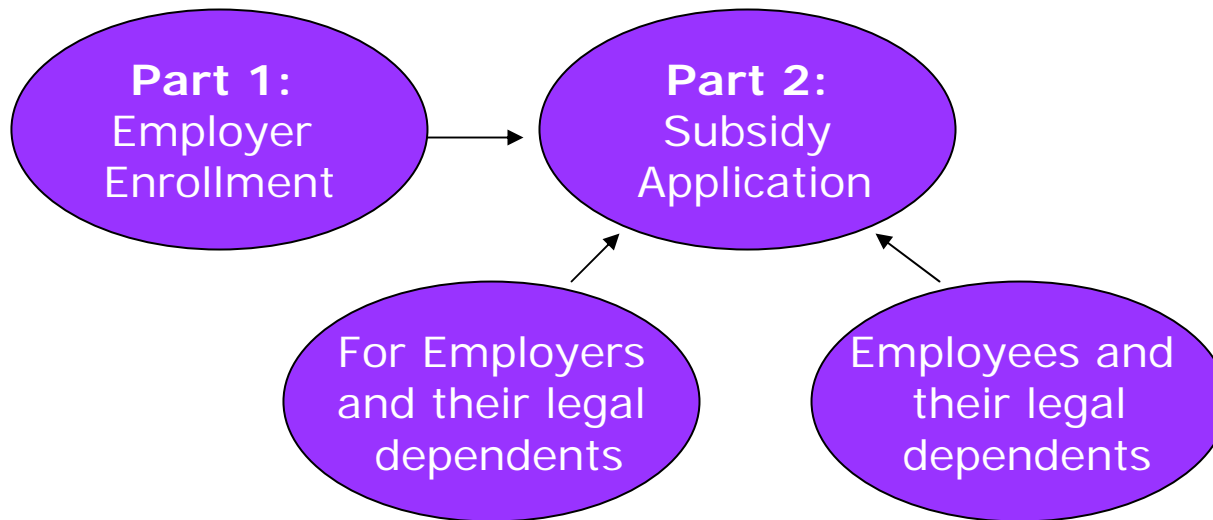
- ❑ Carriers will pay the same commissions as in the traditional small group market
- ❑ Opportunity to address a hard-to-reach segment of the market
- ❑ HIP-preferred agent referral list
- ❑ The HIP will communicate program changes to producers on the preferred agent referral list

Your role in the HIP

- ❑ Be HIP advocates
- ❑ Help us get the word out
- ❑ Pre-qualify your customers
- ❑ Help your customers choose a plan that best fits the needs of their group
- ❑ Use this training to answer your customer's questions about the program
- ❑ Help your customers with enrollment and application, and renewal forms

Who can enroll?

- ❑ Small employers (in WA)
- ❑ Employers, employees, and legal dependents who are residents of WA state



Employer Eligibility

- Small employers are eligible to enroll in the HIP if they:
 - have 2-50 employees
 - have at least 50% employees who are low-wage (paid less than \$10.00/hour or \$1733/month). Part-time employees are included in this calculation
 - are not currently offering health insurance coverage to their employees

Employer enrollment

- To enroll eligible employers must:
 - Complete HIP Employer Agreement form
 - Get 75% of eligible employees to enroll into the selected plan. *Employees with other similar existing coverage, (including BH) are not included in the calculation
 - Agree to establish a Section 125 Premium Only plan (handbook provided by the HIP)
 - Agree to pay at least 40% contribution toward employee coverage. No dependent contribution is required

* Two of the four carriers have agreed to this.

Section 125 Premium Only Plan

- ❑ Employer agrees to establish Section 125 Plan to allow pre-tax payroll deductions for health insurance premiums.
- ❑ Employers are not required to file a copy of their Section 125 Plan with the HIP, but may be required to provide the IRS with a copy in the event of an audit.
- ❑ The HIP will provide a handbook to assist employers in establishing and maintaining their Section 125 Plan (example included in this training packet).

Subsidies for income-qualified participants

Eligible participants must:

- ❑ Have family gross income at or below 200% FPL
- ❑ Be a Washington resident
- ❑ Submit a complete HIP subsidy application

Participants may:

- ❑ Apply for a subsidy for their dependents
- ❑ Apply for a subsidy at any time they have a life change.

Estimating subsidies for income-qualified participants

The HIP will calculate premium subsidies, but producers can help with an initial estimate. Here's how:

- Step 1. Once the employer selects the plan, determine the employee's premium share, including qualified dependents.
 - Subtract the employer contribution
- Step 2. Estimate the employee's family gross income
 - Divide the total income shown on the most recent year's tax return by 12 to arrive at a monthly average
- Step 3. Determine the income band, using the HIP subsidy estimator
- Step 4. Multiply the employee's share in Step 1 by the subsidy percentage for the identified income band.

Estimating subsidies for income-qualified participants

Example:

Family of 1, Tier 2 plan, monthly gross income = \$1300.00/month

□ Total premium =	\$300.00
□ Employer contribution = (40% of the total premium)	\$120.00
□ Employee share =	\$180.00
□ Income band =	B
□ Subsidy percentage =	80%
Initial Subsidy Estimate = (\$180 x 80%)	\$144.00
Employee pays after subsidy	\$36.00

Designated health benefit plans

- ❑ Plans selected by the HIP Board, with help from the Technical Advisory Committee and Distribution Team
- ❑ Plans are from the current small group market - same rates and plan designs as the traditional small group market
- ❑ All designated plans qualify for premium subsidy
- ❑ 4 tiers provide wide range of choice
- ❑ Subsidies capped at 90% of the Tier 2 Plan
 - Tier 1 subsidies adjusted to equal 90% of Tier 2
- ❑ Plan summaries are included in this training packet

Designated health benefit plans

- **Tier 1:**
- *Parameters: Deductible at or below \$500; OOP at or below \$5,000; at least 5 copay-only office visits with deductible waived*
- Group Health Options Welcome 200 – '09
- Regence Innova 80/60/60 - \$250
- Group Health Options Balance 500 – '09
- Asuris Embark 80/60/60 - \$250

Designated health benefit plans

- **Tier 2:**
- *Parameters: Deductible at or below \$1,500; OOP at or below \$6,000; at least 5 copay-only office visits with deductible waived*
- Premera Your Balance 1000
- Group Health Options Balance 1000 – '09
- Regence Innova 80/60/60 - \$500
- Asuris Embark 80/60/60 - \$500

Designated health benefit plans

- **Tier 3:**
- *Parameters: Deductible at or below \$2,500; OOP at or below \$6,000; copay-only office visits not required; must be an HSA-qualified plan (HSAs not offered or subsidized through the HIP.)*
- Regence HSA Healthplan \$2,500
- Premera Your Future \$2,500
- Group Health Options HealthPays 2500 – '09
- Asuris Healthplan \$2,500

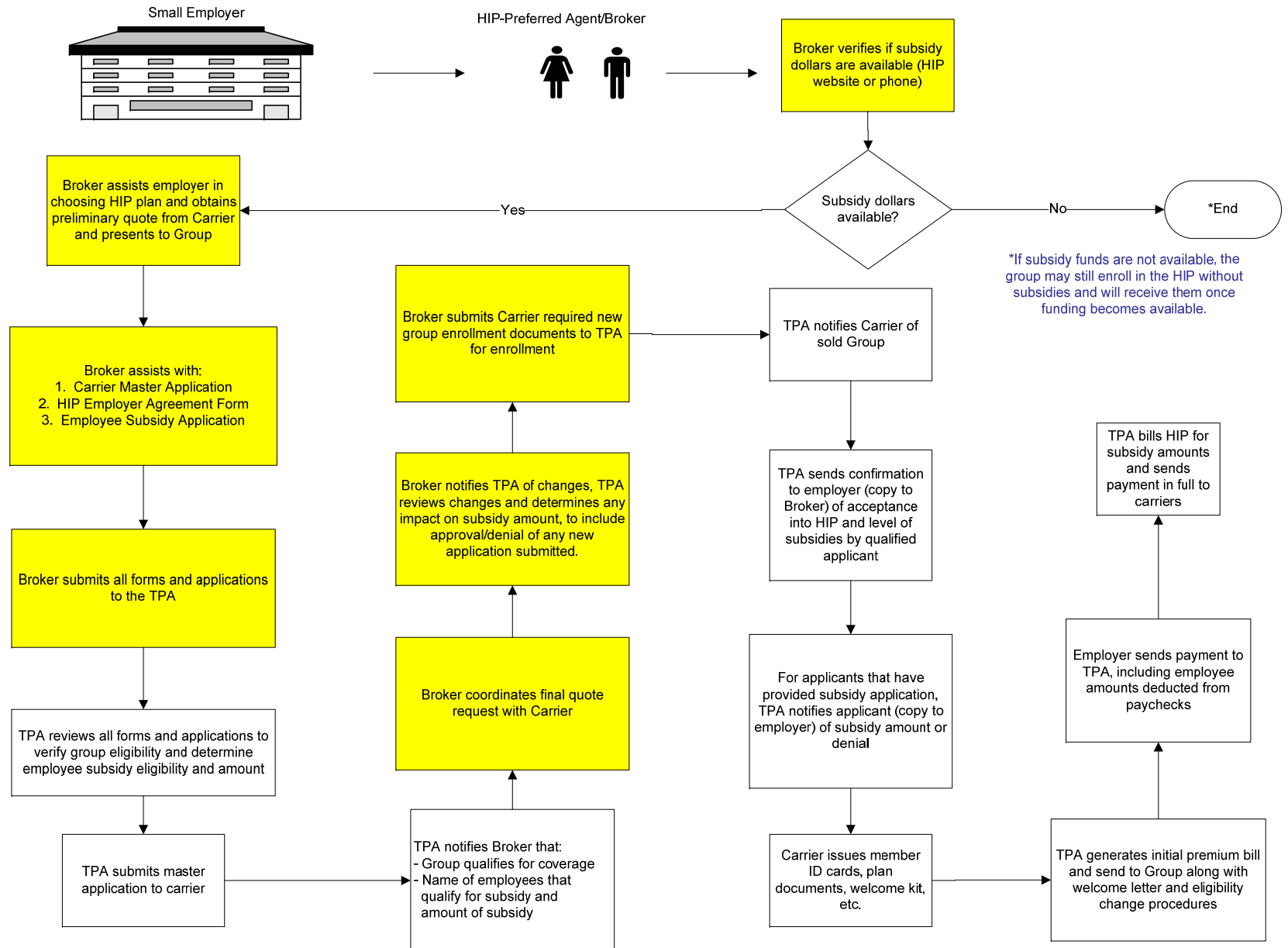
Designated health benefit plans

- **Tier 4:**
- *Parameters: Deductible at or below \$5,000; OOP at or below \$10,000; copay-only office visits not required*
- Regence Innova 80/60/60 - \$2,000
- Premera Your Value 3500
- Regence Engage 80/80/80 - \$5,000
- Asuris Embark 80/60/60 - \$2,000

Q&A

Break

Application and Quote Process



Application timeline

- Complete applications received by the TPA by the 20th of the month will enroll in coverage on the 1st of the following month.
- Complete applications received after the 20th of the month will enroll in coverage effective the first of the month following the next coverage month.
- A complete application includes:
 - The Group Master application
 - The HIP Employer Agreement form
 - Subsidy applications

Date application is received by TPA determines coverage start month						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

Premium payments

- Timeline is necessary to facilitate subsidy payments made by the HIP
- HIP will bill employer by the 10th of each month prior to coverage month
- Payment due by the 20th
- Payments must be received by the TPA on or before the due date
- Employers may make electronic payments
- Employers must pay as billed
- Due to the short payment timeline, the HIP will not send delinquency notices.

Payments due month prior to coverage month						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

Disenrollment from the HIP

- ❑ If payment is not received from the employer by the due date, the employer will be disenrolled from the HIP
- ❑ Employees will not receive a subsidy
- ❑ The HIP will notify all participants and their Agent/Broker
- ❑ Employers may work directly with their broker to continue health insurance coverage, but must meet the carrier's underwriting requirements.

Subsidy renewal

- ❑ Participants must reapply annually to renew subsidies
- ❑ Form used for the subsidy renewal is the same as the initial application
- ❑ Subsidy renewal application due to the TPA 60 days before the employer's open enrollment period
- ❑ The HIP will send notification to Agents/Brokers
- ❑ Agent/Broker quotes new rates to employer
- ❑ No change to carriers' renewal process requirements

Waiting list

- ❑ Only when subsidy funding is unavailable
- ❑ Established at the group level - first come, first served
- ❑ Employees of currently enrolled employers have priority
- ❑ The HIP manages the waiting list
- ❑ HIP-Preferred Agents will be notified when a list is established or lifted

Appeals process

□ HIP appeals

- Any HIP decision can be appealed (for example, eligibility for program enrollment or eligibility for subsidy)
- Appeal must be received by the HIP within 30 days of the determination
- Decision made by the HIP within 60 days the appeal was received
- Agents/Brokers can help with appeals if authorized by the HIP participant.

□ Carrier appeals

- HIP will refer participant to their Agent/Broker
- Must send appeals of coverage, benefits, claims to the carrier

Call to action

- ❑ Start prospecting now
- ❑ Get application forms and marketing materials from the HIP
- ❑ Remember, subsidy is first come, first served – get your customers ready to send apps in on January 1.

Program materials

- Enrollment materials
 - Employer Agreement form
 - Subsidy application
 - Employer manual (TBD)
- Marketing materials
 - Program Introduction letter
 - Tri-fold brochure
 - Fact sheet
 - News story for your newsletter and/or website
 - Logos
- Download or order bulk online
www.hip.hca.wa.gov
- No charge

HIP Contacts and Website

Beth Walter
Program Manager

Beth.Walter@hca.wa.gov

(360) 923-2942

- ❑ Carrier relations
- ❑ HIP Board Communications

Heather Masters
Communications Officer

Heather.Masters@hca.wa.gov

(360) 923-2937

- ❑ HIP public relations
- ❑ HIP publications, logo approval

Bob Longhorn
Regulations Analyst

Robert.Longhorn@hca.wa.gov

(360) 923-2739

- ❑ Program rules
- ❑ Legislative questions

Jennifer Willms
Administrative Assistant

Jennifer.Willms@hca.wa.gov

(360) 923-2939

- ❑ Preferred Agent roster
- ❑ Training requests

www.hip.hca.wa.gov

Board Roster

Name/Title	Address	Term Expires
Steve Hill	Health Care Authority Olympia WA	Chair
Cindy Watts	University of Washington Seattle WA	7/15/09
Don Brennan	Bellevue WA	7/15/10
Susan Sharpe	Whatcom Alliance for Healthcare Access Bellingham WA	7/15/11
Jeffrey Gingold	Lane Powell PC Seattle WA	7/15/10
Theodore Blotsky	Associated Industries Spokane WA	7/15/09
Norm Inaba	Inaba Produce Farms, Inc. Wapato WA	7/15/11

Forms

Questions?



HIP Preferred Agent List

Don't forget to sign the HIP Preferred Agent Roster before you leave.

- ❑ Please provide complete contact information
- ❑ The HIP will feature the list on its website starting in mid-December
- ❑ Preferred agents will receive periodic updates on subsidy availability, program revisions, and other relevant HIP-related information
- ❑ Remember to notify the HIP if you have a change in your contact information

Thank you!



Please fill out the evaluation form and
sign the attendance sheet before
leaving!!