

## Grant Outcomes Report

### Reforming the Small Group Insurance Market: An Assessment of State Policies

#### The Problem:

Approximately 54% of New York's uninsured workers are self-employed or work in businesses with fewer than 25 employees according to estimates from the United Hospital Fund, a New York health policy center.<sup>1</sup> Coverage has been hard to find and is expensive for employers and employees alike.

#### Grant Activities & Outcomes:

This is the first of two grants from the New York State Health Foundation's Coverage Consortium initiative to the Nelson A. Rockefeller Institute of Government Health Policy Research Center at the State University of New York (SUNY) Albany. This project aimed to:

- ▶ Document policies of all states to improve coverage for workers in small businesses;
- ▶ Analyze in-depth policies developed in Maine, Minnesota, and New Jersey; and
- ▶ Communicate and disseminate findings via public forums and seminars.

Courtney E. Burke, M.S. directed the project. She observed, "I think the main finding was that a lot of strategies had been used, but none had been implemented on a large scale. Strategies had not been combined with other strategies, so that the overall impact of policies was small and hard to measure."

A report entitled "From Access to Affordability: A Summary of State Strategies to Provide Private Health Insurance to Small Businesses," finds that policies fall into three categories:

- ▶ Policies to increase supply, such as requiring companies to offer coverage;

<sup>1</sup> "Health Insurance in New York, 2006-2007." New York, NY: United Hospital Fund, June 2009. Retrieved from <http://www.uhfnyc.org/assets/649>, September 1, 2010.

#### KEY INFORMATION:

##### GRANTEE

Research Foundation of the State University of New York (SUNY), doing business as the Nelson A. Rockefeller Institute of Government, Health Policy Research Center

##### GRANT TITLE

Reforming the Small Group Insurance Market: An Assessment of State Policies

##### DATES

September 1, 2007—January 8, 2009

##### GRANT AMOUNT

\$312,806

##### GRANT ID

2044106

##### FUNDING

NYSHealth Coverage Consortium Initiative

- ▶ Policies to simplify administration and/or spread risk across a larger group; and
- ▶ Policies providing subsidies such as premium assistance or tax credits.

Another report, “Implementing Small-Group Market Reforms: Lessons from the States,” identifies implementation challenges faced by states:

- ▶ Sustaining funding is a major problem.
- ▶ The cost of coverage is a huge concern among small employers.
- ▶ Administrative complexity hinders enrollment.
- ▶ State strategies have not been fully evaluated or assessed.

Field research in Maine, Minnesota, and New Jersey identified factors that increased the successful implementation of reforms, including:

- ▶ Sustainable funding;
- ▶ Inclusive approaches to design and governance;
- ▶ Flexibility in adapting policies to changing circumstances; and
- ▶ Attention to design details.

Burke convened two public forums based on findings from the study:

- ▶ “Choices and Challenges in New York’s Health Insurance Market: Views from Health Plan, Business and Labor Leaders as Universal Coverage Discussions Begin.” At this forum, participants discussed challenges that universal coverage would bring to the small group market.
- ▶ “Achieving Universal Health Care Coverage in New York: Lessons from Maine and Massachusetts.” At this forum, experts from these states described their reforms, and health experts from New York reacted.

Burke received a second Coverage Consortium grant<sup>2</sup> to examine:

- ▶ Ways to sustain financing for coverage initiatives;
- ▶ Strengths and shortcomings of risk management strategies for high cost patients; and
- ▶ Pros and cons of product standardization in the small group market.

<sup>2</sup> “Reforming the Small Group Insurance Market: Phase 2.” Available at: <http://www.nyshealthfoundation.org/content/grant/detail/1358>

## Publications:

Belloff D and Cantor J. *Private Insurance Coverage: A Case Study of the Small Group Market in New Jersey*. Albany, NY: New York State Health Policy Research Center, August 2008. Available at: [http://www.rockinst.org/pdf/health\\_care/2008-08-private\\_insurance\\_coverage.pdf](http://www.rockinst.org/pdf/health_care/2008-08-private_insurance_coverage.pdf)

Belloff D and Cantor J. *New Jersey Small Employer Health Benefits Program Field Research Report*. Albany, NY: New York State Health Policy Research Center. Available at: [http://www.rockinst.org/pdf/health\\_care/new\\_jersey\\_field\\_report.pdf](http://www.rockinst.org/pdf/health_care/new_jersey_field_report.pdf)

Blewett L, Spencer DL, and Burke C. "State High-Risk Pools in the Current Economic Environment: An Update on the Minnesota Comprehensive Health Association." *American Journal of Public Health*. 2011; 101: 231-237.

Burke C and Blewett L. "Note to Health Reformers: Not All High Pools are Created Equal." Health Affairs Blog, March 19, 2010. <http://healthaffairs.org/blog/2010/03/19/all-high-risk-pools-are-not-equal-examining-the-minnesota-model/>, accessed December 2010.

Kilbreth E and Fox K. *The Dirigo Health Reform Act: A Case Study of Small Group Market Reform in Maine*. Albany, NY: New York State Health Policy Research Center, August 2008. Available at: [http://www.rockinst.org/pdf/health\\_care/2008-08-the\\_dirigo\\_health\\_reform\\_act.pdf](http://www.rockinst.org/pdf/health_care/2008-08-the_dirigo_health_reform_act.pdf).

Kilbreth E and Fox K. *Field Report: Maine's Dirigo Reform Law*. Albany, NY: New York State Health Policy Research Center, May 8, 2008. Available at: [http://www.rockinst.org/pdf/health\\_care/2008-05-maine\\_field\\_report.pdf](http://www.rockinst.org/pdf/health_care/2008-05-maine_field_report.pdf)

Spencer DL and Blewett L. *Individual High Risk Pools: A Case Study of the Minnesota Comprehensive Health Association*. Albany, NY: New York State Health Policy Research Center, August 2008. Available at: [http://www.rockinst.org/pdf/health\\_care/2008-08-individual\\_high\\_risk\\_pools.pdf](http://www.rockinst.org/pdf/health_care/2008-08-individual_high_risk_pools.pdf)

Spencer DL and Blewett L. *Minnesota Comprehensive Health Association (MCHA): Field Research Report*. Albany, NY: New York State Health Policy Research Center, May 1, 2008. Available at: [http://www.rockinst.org/pdf/health\\_care/2008-05-minnesota\\_field\\_report.pdf](http://www.rockinst.org/pdf/health_care/2008-05-minnesota_field_report.pdf)