

From: [Rick Rebel](#)
To: [HOLMAN Jeannette * DCBS](#)
Cc: [MORTER Michael H * DCBS](#)
Subject: RE: Thoughts on SEHI expansion
Date: Wednesday, October 07, 2015 12:56:59 PM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)

Thanks Jeanette....I shared them with Michael yesterday and if I could have rearranged my schedule, I would be there in person. Thank you for allowing me to share my thoughts. As I said, I've been 'boots on the ground' since 1979 and know (first hand) the struggles employers and employees deal with in the employee benefits arena. Since this transition is no longer mandatory (I believe the feds understand the issues), I do not believe that the market disruption would end up being positive.

Thanks again...I look forward to hearing the ultimate decision. Take care and thanks for getting back to me...I appreciate it.

Rick Rebel

Employee Benefits Consultant

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From: HOLMAN Jeannette * DCBS [mailto:Jeannette.Holman@oregon.gov]
Sent: Wednesday, October 07, 2015 12:52 PM
To: Rick Rebel
Cc: MORTER Michael H * DCBS
Subject: RE: Thoughts on SEHI expansion

Rick,

Thank you very much for your comments and suggestions. We will be collecting all comments that we receive and will certainly take them into consideration before making a final decision on how to proceed with this decision.

Sincerely,

Jeannette

Jeannette Holman, JD
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From: Rick Rebel [<mailto:RRebel@benefitadvisorslp.com>]
Sent: Tuesday, October 06, 2015 1:28 PM
To: HOLMAN Jeannette * DCBS
Cc: MORTER Michael H * DCBS
Subject: Thoughts on SEHI expansion

Good afternoon Jeannette,

I've been in the health insurance field since 1979 and have been very active in health reform at both the state and national level. I am writing to express my deepest concerns regarding the 'now' unnecessary expansion of the small employer health insurance market.

As you know, the Oregon Legislature passed HB 2466 to allow us to react to a possible federal delay in the expansion, however, with the passage of the PACE Act, it is no longer necessary to expand this market, as the federal government relaxed the rules and now see the small market as 50 and under. I oppose this expansion for many reasons, but will restrict my comments to only a few.

1. The mid market is about as stable as I've seen it in a long time. And, with the Pay or Play mandate, should become stronger in the future, as many mid-sized employers become compliant with the shared responsibility requirements in the ACA.
2. The need for flexibility in plan design is essential in this market, as employers this size face significant competition. Restricting the market to current SEHI plans would have a devastating impact on the current plan designs.
 - a. In addition, the division was concerned that this market segment might diminish due to the opportunity to self-fund. I would suggest that allowing the massive disruption that this expansion will cause, could possibly do just that. If the goal is continue to stabilize this

market, allowing it continue with the same rating methodology and product innovations is of paramount importance.

- b. While the Federal Government calls these employers an Applicable Large Employer, having them in the 'small group' market will create major confusion.
3. Rate banding caused a huge problem in the 26-50 market and would even cause a larger problem in the 51-99 market. As an example, many employers are using HRA's to minimize fixed costs in the current rating environment and 3x1 rate compression would have a significant impact on the younger employees and those are exactly the people we want to remain in the pool. Reducing plan flexibility is the exact opposite of where we should be positioning Oregon employers. We should be looking for versatility and flexibility.
4. Having commission baked into the rate would not allow consultants to charge a fee in lieu of commission, which is common place right now. I've been an advocate for two products in small group, one with commission and another without. In my opinion, this would allow the market to work more efficiently. All consultants have varied level of tools to offer clients. Allowing us to continue to compete, based on our current service levels, is a positive thing for mid-sized employers.

As I said above, I witnessed, first hand, the huge problems caused by small group expansion contained in HB2002 and would hate to put these midsized employers through a comparable process. Also, I have many more reasons that I feel this expansion is counterproductive, but wanted to get this out to you asap and just got word yesterday.

Thank you for the opportunity to give input. I can't be at the meeting in person and appreciate the chance to share my thoughts and happy to chat on the phone if you like.

Have a great day.

Rick Rebel

Employee Benefits Consultant

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