

From: Sharon Greenberg [mailto:sharon@greenberg-insurance.com]
Sent: Sunday, October 11, 2015 5:00 PM
To: HOLMAN Jeannette * DCBS
Subject: Small Group Definition

It has come to my attention from Kathy Gadinis, our OAHU Legislative Chair, that the Oregon Insurance Division regardless of the number of carrier, agents and other interested parties expressed otherwise, that they are still inclined to expand the Small Group Market from 2 to 50 to 2 to 100 even though Federal Law no longer requires this change. Apparently the combined wisdom and decades worth of experience is not being taken into consideration by the OID if they are seriously considering persisting in implementing a change that is no longer required by law.

With 34 years of experience and wisdom, I feel it is important to express my feelings that expanding the definition of Small Group to 100 will be a mistake for the following reasons:

#1. It is contrary to virtually every insurance carrier's opinion that such reform is needed in the 51+ marketplace what so ever. Yes, there is self-interest involved with insurance carriers, but, they must be given some credit for their actuarial acumen and knowledge of how insurance and our markets operate. This is not a single payor system and the forces and dynamics that move our market have not changed with the implementation of ACA or Insurance Exchanges. If the system is going to continue down the path of a Private Carrier system, then their background, experience and knowledge should be taken seriously into consideration!

#2. It is contrary to virtually every experienced insurance agent that such reform is needed in the 51+ marketplace and beyond that, it is felt it will be hurtful to our employers and their employees. It will run up their costs, forcing employers to find places to cut expenses by either laying off employees, or, passing on more out of pocket exposure to the employee's with higher deductibles and out of pocket maximums, or, by paying less and less for their employee's insurance premiums!

#3. It is contrary to the wishes of the American people. There was a groundswell of dissatisfaction expressed across our nation regarding the extension of the Small Group definition to groups of 100, so much so that legislation was formulated in the House of Representatives which passed and then passed in the Senate, and signed into law by President Obama!

#4. By extending age banding and plan packaging from 50 to 100 you strip away the tools that agents use to keep coverage affordable. You will also see benefits for employees in this size category deteriorate. As an example, how many 51+ employer group plans have 50% coverage for specialty medications? (one of the big flaws in the ACA plan design in my opinion).

#5. You will find that ONLY the unhealthy groups from 51 to 100 will end up in the fully insured small group market. Your younger, healthier groups will all turn to self-insuring in one form or another to escape the restrictive nature of the small group marketplace.

I'd suggest you heed the cumulative years of experience and wisdom of not only other agents such as myself, but, of the hundreds of people in this industry who know how this very complex thing we call health insurance really works. If the law has been revised to allow more time to experiment with how to make what we have work effectively with the 2 to 50 market, I'd recommend we take that time to see how that works out before we force more people who are ALREADY insured and insured better, into that system.

Best Regards, Sharon Greenberg

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