



Vermont Businesses
for Social Responsibility

Association Health Plans

House Committee on Health Care
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Vermont Businesses for Social Responsibility (VBSR) is a non-profit, statewide business trade organization with a mission to advance business ethics that value multiple bottom lines- economic, social, and environmental.

We strive to help members set a high standard for protecting the natural, human and economic environments of the state's residents, while remaining profitable. Founded in 1991, VBSR has more than 700 members across Vermont.

The following are comments from VBSR members on their internal deliberations on choosing an employee health plan for 2019.

Pat Heffernan, president, Marketing Partners:

We considered the BRS Association Health Plan because VBSR promoted it, but then decided NOT to switch for the following reasons:

1. Marketing Partners pays 100% of the cost of 'gold level' BCBS health insurance for employees (or cash if they already have coverage), because we want people to be protected financially and we decided after the ACA came in that anything with a deductible/co-pay/ out-of-pocket exposure of more than \$5,000 did not meet our definition of adequate protection.

2. The BRS association plans would have been a little less costly per employee for Marketing

Partners, however, the coverage was not the same and the maximum out-of-pocket (the risk) for employees was higher than we were comfortable with.

3. We calculated that even if we took the savings per employee for Marketing Partners and set it aside in a "risk pool" in case someone needed it, the savings-risk benefit was not worthwhile.

4. We were interested in other plans / benefits that BRS offers, if only because as a small employer it would be easier to administer employee benefits through one association. (We currently pay VACE separately for dental insurance, plus Principal Insurance for short-term/long-term disability and life insurance.) But health insurance is most important so we would not join BRS just to consolidate the other insurances.

5. We found out that VBSR received no benefit if we joined BRS so we saw no reason to spend any more time on trying to make it work.

Eric Hauser, operations manager, Cx Associates:

Cx Associates carefully considered the Association plans for 2019, particularly "Option A" offered by BRS.

We ultimately opted to stay with BCBS VT. The main factor in this decision was that there was no comparable-enough plan to BCBS VT's

Platinum plan. The closest option, BRS “Option A,” had an \$850 deductible vs. a \$350 for BSBS Platinum, and \$4500/\$1300 Rx max OOP vs. \$1350/\$1350 Rx for Platinum. We have a number of employees who have Platinum Family coverage and we felt that moving them to a plan with reduced benefits was not a good fit. We also worried that reducing our “best option” for health care coverage could have a negative effect on recruitment.

While CxA may have had some cost savings with the BRS plans, our rough estimates at the time did not show a significant enough savings to warrant reducing our employees’ benefit levels. We were also concerned with all of the time and effort that would have gone into making the switch, particularly around the end of the year, which is always one of our busiest times.

Joyce Dicianna, director of human resources, AllEarth Renewables:

We were contacted by at least a couple organizations that offered Association Plans, but there were no advantages to switching (i.e. no cost savings). And the Associations seemed to have chosen just a few plans to offer, whereas on the Exchange, our Employees could choose from at least a dozen plans. We did switch from BCBSVT to MVP for cost savings. For example, the 2019 Gold Standard Plan at BSBCVT Family Plan is \$1854.59, compared to MVP at \$1709.58 or a monthly savings of \$145.01 (annual savings of \$1,740.12). So far we have had a couple minor complaints about one or two counselors not being in the network, but haven’t had any major problems. If you want any further information, please let me know.

Don Mayer, CEO, Small Dog Electronics:

We were contacted by our broker regarding the association plan. We had been direct with Blue Cross and had offered our employees the choice of Silver, Gold or Platinum plans. We paid for the gold plan for employees and

employees could opt to upgrade to platinum. When comparing the plans this year, it was clear that nearly the identical Gold plan could be had for some significant savings. We will save a few thousand dollars over the course of the year for essentially the same coverage. The only down-side to changing was that we were unable to offer the Platinum plan to the few employees that had opted for that.

Mickey Wiles, CEO and founder, Working Fields LLC:

I compared to three sources: VBSR, Vermont Health Connect, and direct plans offered by BCBS and MVP. Purchasing through VBSR or direct turned out to be the same price, a small premium had to be paid to purchase through Vermont Health Connect. However, Vermont Health Connect has many more options than either VBSR or buying direct. It turned out that the plan I wanted was only available on Vermont Health Connect. It was on the higher end of the spectrum in terms of coverage.

I was actually happy that it turned out that I purchased on the Exchange as I know that this contributes to the pool. My belief is that we should only have the option of buying on Vermont Health Connect and work on making that the best it can be for all.

Jen Kimmich, co-founder, The Alchemist:

We provide the BCBSVT Silver Standard plan. The most comparable association health plan costs only a few dollars less, but it provides less coverage in some areas (and a little more in others). After a deep dig, we found that there really isn’t much cost difference at all. Some folks might have spent more out of pocket while others may have seen savings. It really depends what your health care and prescription needs are. We decided not to offer the association health care plan because the slight savings were not worth the unknowns. Further, out of principal, we did not want to remove our employees from the larger market pool.