

Subcommittee on Standardized Census for Small Employer Groups Meeting

April 21, 2005
L&I Building Room B (Basement)
10:00AM – 12:00 PM

Attendance

Kraig Anderson, Shelley Bain, Doreen Buller, Susan Cole, Ellen Landolf, Muriel Dittler, Karen Johansen, Dean Kortge, Carmen Mendiola, Theresa Neibert, Nancy Nevins, Linh Nguyen, Rick Rebel, Ruppert Reinstadler, Tony Rouke, Christi Sharp, Angela Shurts, Angel Willard, Kim Wirtz

Background

The Insurance Division had previously outlined how small employer groups (Oregon SEHI and HIPAA) should be identified but industry expressed concerns about the Division's interpretation and a request was made to re-examine the issue.

The Division revisited this issue and Linh Nguyen drafted a memo setting forth guidelines for industry and insurance producers to follow when identifying SEHI groups.

HIRAC agreed to appoint a subcommittee to establish the guidelines for identifying SEHI groups and to create a standardized census form for both the industry and producers to use to ensure consistency in the categorization of SEHI and HIPAA small employer groups.

The subcommittee's task includes:

- a) clarifying steps to identify SEHI and HIPAA small employer groups; and
- b) developing a standardized census form for all carriers and producers to use in identifying SEHI and HIPAA small employer groups.

The purpose of this meeting scheduled is to find a common ground the identification and counting of SEHI and HIPAA small employer groups.

Members of the subcommittee began by addressing Step 1 of the process for identifying SEHI and HIPAA small employer groups.

The following questions need to be asked and considered in this first step:

1. How should an Oregon SEHI group be determined or identified?
2. Who (employees, employers, owners, partners) should be counted?
3. At what point (number) is a line drawn between small employer groups and large groups?

Discussion

1. Should the noses of all employees be counted when determining a group size, such as seasonal, temporary or leased workers?
2. How should the count of a group size be established and whom should it include?

3. Should Step 1 also include a determination of whether a group is an Oregon group or an out-of-state group?
4. How should these groups be considered when identifying small employer groups? And at what point of the count total should a line be drawn between what is considered a small or large group?

FORMULA:

1. Number of noses (count only; no cut-offs)
2. Total number of employees
 - a. Working at least 17.5 hours;.
 - b. Including temporary, seasonal, and leased workers; and
 - c. Include owner, partners, officers, LLC, LLP, SCORS, sole proprietors.

Roundtable

How should the noses in a group be counted?

Should they all be counted regardless of the number of hours worked or the status of the employee (i.e. seasonal, temporary, owners, partners, etc.)?

Since small employer group regulations were initially designed for businesses with up to 50 employees that may have difficulty obtaining insurance coverage, counts above 50 would be outside of the scope of SEHI regulation.

A poll was taken by the subcommittee about whether all noses in a group should be counted first and without regard to the hours worked per week by an employee and his/her status as an employee.

The subcommittee result for this poll is as follows:

- 12 voted for the counting of all noses within a group, regardless of hours worked or status.
- 3 voted against the counting of all noses without regard to hours worked or status.
- 1 voted as undecided/unsure.

Decision

STEP 1 for identifying small employer groups should consist of the following steps:

- Count noses up to 50 (regardless of hours worked and status of employee)
- A large group is any group with more than 50 employees
- Look-back period is time of quote
- For groups with 51+ lives, the look-back period should be during the preceding calendar year (January to December).

Assignment:

- The next step is to address how HIPAA small employer groups (26-50) should be identified.
- Linh Nguyen will schedule bimonthly meetings starting May 5, 2005.
- Shelley has reassured the team that carriers will not have to change or restate how they identified Oregon SEHI groups for 2004 quarterly enrollment reports once the SEHI census guidelines are established.