SESSION III: THE PRIVATE INSURANCE MARKET

Changing Insurer Landscape: Shift Happens

- New individual enrollees in public exchanges
- New fees, underwriting rules and MLR constraints
- Shape and future of ESI unclear
- Surprising emergence of private exchanges
- Provider restructuring and payment reform pressuring traditional provider relations approach
- Only certainty is continued uncertainty
Whither Employers: It’s All About Stratification

- **Group I**: don’t offer today

- **Group II**: offer today
  - In sectors with high turnover, part time jobs and non-technical workers

- **Group III**
  - A. In sectors with high degree of labor competition
  - B. Strong cultural (or CEO) beliefs in health as a business strategy or lack of trust in government
  - C. In healthcare space commercially

Employer Responses to Health Care Reform Will Fall on a Spectrum

- **In the Game**
  - Maintain coverage for employees
  - Drive consumerism and wellness
  - High-deductible plans, incentives and price transparency

- **Exit Strategy**
  - Reduce dependent/retiree coverage
  - Shift toward part-time labor
  - Set employee portion of premium above 9.5% of household income for some employees, qualifying them for subsidies
  - Eliminate coverage, but help make employee whole
  - Public or private exchanges
Big Picture: Portfolio Companies New to Equity Healthcare

- **Tim Jost, Washington and Lee** – impact of the ACA on the individual market, including changes in underwriting, the benefit package and cost sharing; the role of the exchanges; the individual mandate and the effect of the transition policy

- **Claire McAndrew, Families USA** – marketplace issues from a consumer perspective, including the need for private insurance plans that can meet consumer need; in particular, premium affordability, cost-sharing design, and provider network issues

- **Joe Zubretsky, Aetna** – Aetna’s innovative work with providers to help re-orient the delivery system and in addition how it has addressed the transition of the market to a more consumer focus.

- **James Capretta, AEI** – some of the constraints and burdens of the ACA and how they are impeding the marketplace from developing products that are attractive to a diverse customer base