

SESSION III: THE PRIVATE INSURANCE MARKET

Princeton Conference
April 2014

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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

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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

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Employer Responses to Health Care Reform Will Fall on a Spectrum

<ul style="list-style-type: none">• Maintain coverage for employees• Drive consumerism and wellness• High-deductible plans, incentives and price transparency	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• Eliminate coverage, but help make employee whole• Public or private exchanges
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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

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