

# JOIN THE VIRGINIA SMALL BUSINESS HEALTH ALLIANCE

*Helping small businesses pool together to share risk, streamline plan administration, and reduce costs of coverage*

## WHY ARE THESE BILLS IMPORTANT?

Benefits consortiums **expand access** and **lower the cost of coverage for small businesses**. Five pillars underpin benefits consortiums:

## WHAT IS A BENEFITS CONSORTIUM?

Similar to a self-funded large employer plan, small businesses come together as a single large pool to **share risk, streamline plan administration, and reduce costs of coverage**.

### ➔ PROVIDE BROAD ACCESS TO SMALL BUSINESS

- ▶ Designed for small businesses with 2 - 50 employees, regardless of health history
- ▶ Health status cannot be a condition of participation or association membership
- ▶ Any business that is a member of the local chamber of commerce or other sponsoring association is eligible

## **DELIVER LOWER COSTS OF COVERAGE**

- ▶ Cost of coverage is anticipated to be 15-20% less than current small group rates
- ▶ All excess reserves - profit - must be used to the benefit of participating members
- ▶ Member-managed trusts fully administer the consortium ensuring that member's interests are served

## **ENSURE QUALITY COVERAGE**

- ▶ Plans must provide essential health benefits
- ▶ Minimum allowable coverage is comparable to an ACA Bronze plan
- ▶ All plans are guaranteed renewable

## **OFFER STRONG CONSUMER PROTECTIONS**

- ▶ No exclusions for preexisting conditions
- ▶ Prohibited from establishing discriminatory rules based on health status
- ▶ Utilize pool rating methodology that does not discriminate on age or gender
- ▶ Consortiums must be annually audited

## **MAINTAIN FINANCIAL SECURITY & SOLVENCY**

- ▶ Must be licensed and authorized by the Bureau of Insurance
- ▶ Must meet the same financial and solvency requirements as all other domestic insurers
- ▶ Requires annual certification of actuarially sound underwriting practices
- ▶ Subject to ERISA and DOL requirements