ALLIANCE FOR HEALTH REFORM

The Evolving Coverage Landscape for Small Businesses: Opportunities and Challenges
Blue Cross Blue Shield Association
Alliance for Health Reform
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MARILYN SERAFINI: Good afternoon. We're going to go ahead and get started. My name is Marilyn Serafini. I'm with the Alliance for Health Reform and I'd like to welcome you all to our briefing this afternoon on Small Group Market. We are going to talk today about the future of the small group market, both the promises and the challenges, and our discussion today is timely because we're going to be talking about the conversation that's taking place regarding the delaying the expansion of the small group market in 2016.

So, we are fortunate today to have with us a number of really knowledgeable speakers. To my far right, we have Sabrina Corlette with Georgetown University. I'm not going to give you their full bio's because you have full bio's in your packets. Terry Gardiner with Small Business Majority, Katie Mahoney, to my left, with the U.S. Chamber of Commerce, and Alissa Fox with the Blue Cross Blue Shield Association.

I want to let you know that if you would like to live Tweet this event with us, the hash tag is #SmallGroupMarket. You'll see that on the screen behind me. You will also see the WiFi credentials if you would like to use those.

So, we are going to get started with presentations from our panelists and, when we are finished, we're going to open up for Q&A discussion. You will notice that you have cards in your packets that you can write questions on, and our staff will be circulating; they'll pick up the cards and bring them up and we can ask them. We also have two microphones situated in the middle of the room so you can ask your questions live if you would prefer.

And so, we're going to get started now with Sabrina Corlette.

SABRINA CORLETTE: So, just before we got started, Marilyn told me that the timer, that clocks are timed for speaking has malfunctioned and is not going to be used today which, I just want to say, that's a very dangerous thing to say to somebody who's both an academic and a lawyer. But I will try. I will try to stay within my allotted time.

I was asked to just provide an overview of some of the broader small group market issues, how the Affordable Care Act has tried to affect the small group market, and some future issues, and then we'll undoubtedly get into some more detail with the other panelists.

So, I'm going to talk about why small group reforms were included in the Affordable Care Act, what they were, some of the implementation challenges that the Administration and states have confronted along the way, and then, what's next.

So the first thing for folks to know is that while small group market issues have not gotten a ton of attention post ACA, but leading up to the Affordable Care Act there were really strong concerns about the future of the small group market and some of the dysfunction that was happening in that market, and many policy makers were really concerned about some of the trends.

The biggest trend, of course, is that small business coverage has been on a steady downward trajectory, from 45% offering coverage in 2002 to 35.2% offering in 2012. And that decline has been ongoing—every year just a little bit more erosion. But other problems, before the Affordable Care Act, confronting this market, generally high and often volatile premiums year to year, a lack of market leverage—small employers didn't really have any ability to negotiate with insurance companies over rates or benefits—higher administrative costs relative to their large group peers, and then many also faced minimum participation or contribution requirements, which meant that a certain number of, a percentage of, their employees would have to take up their offer of coverage in order for them to be able to get a policy, and that typically meant that the employer would have to contribute a pretty significant chunk of the premium in order to make it attractive to their employees to enroll.

Also, the small group market has had, in general, much less generous coverage than the large group market and this has been born out, mostly, for example, in deductibles. Deductibles tend to be much higher in the small group market than they are in the large group; and less choice. Most small employers are not able to offer their employees a choice of insurance companies or often even a choice of plans within an insurance company.

So, policy makers, in developing the Affordable Care Act, wanted to try to address some of these pretty significant problems. So, the law included a number of insurance market reforms including new rating rules, such as a ban on health status rating and gender rating on a requirement to cover minimum scope of essential health benefits, which is the same list that applies to the individual market in the ACA; a ban on preexisting condition exclusions; a maximum out-of-pocket cost that an enrollee would have to pay in a given year; and, an elimination of the minimum participation or contribution requirements if the employer enrolls during a specified open enrollment season.

The law also created the SHOP exchanges of the small business health options program and the idea was to create a marketplace that small employers could go to where they could actually be able to offer their employees a choice of both insurers and plans. And then, also, the small business tax credits were included in the law.

So, implementation challenges confronting both the Administration and states as the small group market provisions were implemented, most folks probably remember, back in the fall of 2013, there was a lot of consternation about people losing plans. The President had said if you like your plan you can keep it but, as a matter of fact, in both the individual and small group market, plans were changing and so there was a hue and cry about people losing their policies. And the Administration, in late 2013, implemented what we call the Transitional policy, or the Grandmothering policy and essentially what they said is you can renew your pre-ACA policy up to 2017. So you can stay on the old plan that had the old benefits and the old protections but none of the new protections. And, anecdotally, I would say that in many states and many markets a lot of small

business did exactly that. So in many of your states, a lot of your small businesses are still on those pre-ACA policies. They are not ACA-compliant policies.

The SHOP exchanges. Some of you may have seen some media around this, but the SHOP exchanges have been, to put it kindly, a little slower to get off the ground than I think, perhaps, people had anticipated. Just like the individual marketplaces, they did have some IT technical challenges early on while the FFM SHOP, I think, was completely offline the first year. This year it is online so you can enroll online, but there are a few state-based marketplaces that are still not completely online enrollment. And, generally speaking, enrollment in the SHOP exchanges has been fairly low.

The small business tax credits have not been taken up to a great degree, and I think Terry will probably talk a little bit more in detail about some of the problems with that provision. It is a fairly limited provision in scope. It's only available to small business with fewer than 25 employees, and only those with an average salary of under $50,000 a year. There are some other limits around it, but what you'll often hear from brokers and accountants that work with small businesses is that the trouble of applying for these tax credits is more trouble than the actual tax credits are worth.

So, looking forward, and there's a lot going on with this market and I think we'll talk probably in depth today about one particular issue, but I wanted to highlight a few that are worth the attention of policymakers and regulators. The first is that, as I mentioned, a number of small businesses remain on their pre-ACA policies. And here I'm just talking right now about the 50 and under small group market. However, those policies are not going to last forever. At the latest, they will fall away in 2017 but, in many states, they could fall away before that. And so, small business are, over the next year and a half, going to be transitioning off of the old policies and onto the new ACA-compliant policies.

I think one thing you'll hear a lot today is we'll talk about winners and losers. Any time you have a change in rating rules, in particular, you are going to have winners and losers and, as small businesses come off of these transition or grandmothered policies, you are going to see some people with premium increases. And some will benefit, but some will not, so that is just something to be aware of.

The big issue that I think is a hot issue right now on the Hill is the change in small group definition, and essentially there is this provision of the Affordable Care Act that says: as of 2016 the state definition of small group market has to be 100 or fewer—100 employees or fewer. Currently, in every state, it is 2 to 50 employees and states do have the option to expand their small group market to 100 but none has done that. And, the change in small group market definition, we'll talk a little bit more in detail about this, but there are a couple of concerns with that. One is the moving groups 51 to 100 into the small group market will subject them to the ACA's market reforms, so the essential health benefit requirement and the community rating requirements. With that, you will have some groups benefit. You'll have groups with, perhaps, older sicker workers, groups with predominantly female workers, who could get a break on their premiums. On the

other hand, you'll have a lot of groups that could see a premium increase. So that is supposed to go into effect, under the law, January 1, 2016; however, most employers will sort of hear about this at renewal time. So when they sit down with their broker or their insurance company and they find out what's going to happen for the next year, the broker will say, hey, just so you know, there's this change of definition, you're going to be part of the small group market and this is what's going to happen to your premiums as a result. So, sometime over the summer and the fall people will start to hear about this.

That said, the Administration, in its formulation of the transitional policy—the grandmothering policy—back in 2014 said that they would make available to states the option to extend, for up to 2 years, or until September of 2017, the ability of these midsized groups—51 to 100—to stay part of the large group market. That would be at state option and actually add, ultimately, the option of the insurer to make that available to their customers.

At this point in time, we have about 34 states that have taken up the Administration on the option of offering this transitional policy to small businesses. Nine states are not, so they're moving forward with—the orange states here—are moving forward with the change in definition, and then there are a handful of states that have not yet issued formal guidance.

One of the big issues, and I think we'll get into it a little bit more today, is whether it's for the traditional small group market or for this midsized market, whether the changes or the application of the market rules to these employers could incentivize self funding? And, just real quick, self funding is then the employer funds the employees' benefits out of its own assets or a trust. By doing so it takes the employer out of the fully insured market and sort of exempts them from all of the market rules and exempts them from any of the Affordable Care Act requirements. For healthy and younger groups who might face a premium increase as a result of the community rating requirements, self funding could become much more attractive.

Midsized groups—51 to 100—are in a better position, frankly, to self fund. Many of them, than much smaller groups. If the healthy and younger groups leave the traditional small group market, that could lead to adverse selection because you'll have a sicker risk pool in the traditionally insured market.

The last thing I'll mention is that there has been some trends—it's hard to measure at this point, it's, at this point, mostly anecdotal—but that some small employers have found that it is financially advantageous for their employees to go into the non-group market, or the individual market and to get premium tax credits on the exchange. Again, it's not totally clear yet how much this is actually displacing small employer plans, but it is a trend to watch.

So, the last thing I would just say, and I quote here from Mark Twain, is that while there has been ongoing erosion and there are definitely issues that policymakers and regulators need to stay closely on top of, there are going to remain plenty of small employers and

mid-sized employers for whom it is very important to them to continue to be able to offer their employees a generous, comprehensive health benefit. They're going to do that because they can get the best talent and they can keep the best talent. So that's going to continue to be very, very important for these businesses and I think the important thing for policymakers is how do we stay on top of what's happening in this market and how do we make it as easy as possible for these employers to do the best thing for their employees.

So, with that, I'll turn it over. Thank you.

MARILYN SERAFINI: Let's turn now to Terry Gardiner, the Small Business Majority.

TERRY GARDINER: Good afternoon. Small Business Majority is an advocacy group. We don't get involved in elections. We don't give campaign donations or rate people on the Hill about what they did or didn't do for small business in our point of view. What we do is work on the major problems that face all small businesses in a universal way, such as the cost and availability of healthcare, access to capital, energy costs, issues with start-up, things like that, because we believe that the small businesses are a very important part of our economy and all the employees that work there and our economy and society will be better if small businesses can start and succeed and grow and provide good jobs and innovation in the economy.

So, that's our interest in this, and I think Sabrina set the stage, pointing out that this has been a long-term problem and a lot of the reason the ACA is the way it is, is because policymakers were trying to help the situation to make it better for small businesses, whether we're talking the over 20 million self-employed entrepreneurs, or the 5 million small businesses out there that have one to a hundred employees in every type of business out there. So, all of these provisions we're talking about today were an effort to lower costs, make more options available, and make it easier for small businesses to navigate, especially in the micro business and self-employed category where companies have less resources.

The struggle is maybe an understatement in terms of what's gone on with the small business provisions of the Affordable Care Act. In our estimation, there has really been sort of a back seat to the whole SHOP exchange and the other small business provisions, both at the state level and the federal level, in terms of implementation and there's just been a lot of problems rolling it out. Well, this has consequences to the success of the SHOP and other provisions because it creates uncertainty and confusion with those millions of small business owners out there and the insurance brokers they rely on to get advice from as to what they should do. And so, the general reaction of small business owners, when this happens with healthcare or anything else, is to do nothing: stick with what you have. Employers don't want to jump into some new benefit that they can't figure out or they're uncertain about what might happen. It could be repealed, Supreme Court might do this, I'm not sure what the state legislature's going to do, this provision might be delayed—all these things they hear out there just tell them don't jump into that. They don't want to have to deal with employees coming to them saying, hey, why did

you jump into this? It's not working out for me. They want their employees happy. That's why they're paying for insurance for their employees or any other benefit. They want happy, productive employees. They have enough challenges in their day to day life.

So here we are. One of the purposes here, today, is to talk about whether we should go forward, as the law says, and expand the definition of small business from 50 to 100 as the law provided on this schedule, and so, there's going to be a lot of talk today about delaying this. Well, from our point of view, and I'd say we're a bit of a voice in the wilderness here, you're going to hear a lot of people—you've already heard a lot of people—say well we should delay this. There's going to be a lot of terrible things happen. Well, this has been the pattern and this is undercutting the success of changing the healthcare system as it applies to small business owners and making more workable for them and their employees. And we fear that delay is more of a do-nothing forever strategy and we'd like to see and advocate a broader focus, not just on this small issue affecting this group of businesses, but looking at other provisions that have been delayed and making sure they get implemented.

The SHOPs all having ability for employees to have choice of plans, which we would think works better; it's been proven in other exchanges and we would like to see the tax credit, which incentivized more employer coverage we all want to see, and everybody's concerned about. The CBO gave a very high estimate of the cost of the tax credit at the time the ACA was before Congress and, therefore, Congress put all kinds of restrictions trying to get the cost down, and still have a tax credit. There was strong support for it and we've only spent a tiny fraction of what was estimated. We really didn't need to have all these restrictions that made it very complicated—oh, you can't have any of your family members, a very broad definition family members, we don't want owners benefiting somehow out of this tax credit, and then a very low income threshold which doesn't work in a lot of our states and cities which have much higher average incomes. So, all of these restrictions need to be reviewed and go back to the original intent, and the original budget of what people thought was a reasonable incentive for a tax credit. And that will help small businesses, the employees, and the SHOP exchange work better.

So, we think that, from a long term point of view, there are benefits, as was originally envisioned, we go forward and fully implement the SHOP exchange and expand the pool of employers that can participate and the number of employees we will create a larger marketplace. And in the long run, a larger marketplace will have many benefits. One, the exchange itself will have a lower operational cost, which reduces the cost of insurance long run, but there will be more competition because it's a bigger marketplace, and those companies offering policies will want to participate. That is a problem now. We don't have full participation of all insurers in all the SHOP exchanges, so we need to encourage more companies to participate, make it a robust market. After all, we are a capitalist country, we all claim to be interested in capitalism, except that, you know, it's my company. I, of course, kind of like just my company in the marketplace. That's natural. But, I think society, we need – and policymakers – need to look at more at the benefits of a robust marketplace with more competition.

So, we do think that there will be benefits to the larger businesses, too. They have more experience and they bring in more lives. One of the things that we do need to keep working on in the implementation of the small business provisions is better outreach and communication and making sure the exchanges are working well for the brokers, whether it's the website or the ease of their using it, or what they get. Brokers have to make a living, too, and I think this is a different issue than it is with the individual market than the small business market. But if we have more businesses using the exchange then there'll be more broker involvement.

So I think, really to wrap up, again, we think there should be a much broader focus on making the SHOP exchange end work. Dealing with the basics of what are our goals? We're trying to get more affordable healthcare, we're trying to have more options available for employers and employees so they actually can shop, not just be, as the economists would say, takers—just take it or leave it, which is what most small businesses face when they go to shop for insurance, and focus on some of the other things that aren't working so well. Will the small business tax credit continue to mature these exchanges so they can offer workplace wellness programs? Again, this has been successful in a couple of model exchanges and, again, this would make small businesses more competitive if they could offer wellness programs like large employers do.

And, thank you.

MARILYN SERAFINI: Thank you, Terry. We'll hear now from Katie Mahoney of the U.S. Chamber of Commerce.

KATIE MAHONEY: Thank you. Hi. Happy Friday. To start off, I'll give you a little bit of an overview about the Chamber and you'll see here, on the front page of my presentation, where we stand on the issue. The Chamber represents employers, businesses of all sizes, small, large, medium, and has a real interest, I think as we all do, in making sure that healthcare coverage is affordable for employers and for employees. That's a very significant priority of the Chamber and we look forward to working with the current landscape to improve access to coverage and to services for employees and employers.

What I'd like to talk about, with regard to this issue, is why business cares about this and what it means for business. I think there are some really important connections that would be helpful for you all to understand as we talk about the small group market and as we talk about employers offering healthcare coverage. I'll talk about why the expansion is harmful and what can be done t help.

So, I'm a visual person, so this is a graphic of sort of what Sabrina explained. And one of the pieces that I think is helpful to think about is also the timeline of the ACA. So when Sabrina explained the different changes that were intended to happen in the individual market and in the small group market in terms of what the new plans were going to be required to provide and what the plans were going to be restricted to do in terms of varying rates, in the individual and small group market, many of those new insurance requirements went into effect in 2010 and in 2014. Some of the more significant changes

were slated to go into effect in 2014, namely, the employer mandate provision, which requires all businesses with 50 or more full time equivalents to offer healthcare coverage to their full time employees or potentially pay a penalty.

The other big provision that was scheduled to go into effect in 2014 was the opening of the exchanges, both SHOP and the individual exchange. There was some delay in both of those provisions. The employer mandate was delayed for 2014 for all employers and was delayed in 2015 for employers between 50 and 100. We all know that the exchanges had a rather rocky start in terms of healthcare.gov and the website having some problems rolling out, and we'll hear next, I think, a little bit about the challenges that the SHOP exchanges have had in terms of rolling out and really improving and strengthening in the small group market.

Two years after those big provisions—so, two years after the employer mandate was supposed to go into effect, two years after the exchanges were supposed to be up and running the small group market was going to be expanded. So, in 2016, under the ACA, the small group was going to expand from 2 to 50 to 2 to 100. And I think that timeline is important to consider when you think about what this is going to mean for businesses. So, those employers—50 to 100—under the original timeline of the ACA would have had a two-year transition where they would be required to offer coverage to their employees and they would be doing so in the large group market. Because of the delays, which has happened in the employer responsibility requirement and some of the operational challenges with the exchanges, the very first year that businesses 50 to 100 are going to be subject to the employer mandate, they will have to offer coverage in the small group market if this expansion continues.

Sabrina mentioned some of the challenges that this expansion will bring for businesses and one of our concerns, as a business advocacy organization, is when you look at the employer responsibility requirement, or the so-called employer mandate that requires all businesses 50 and up to offer healthcare coverage to their employees, this expansion will really bifurcate that requirement. So folks are aware of the employer mandate and the requirement to offer healthcare coverage, but I think very few people appreciate that, with the expansion of the small group market, you're effectively creating two rules of the road for different sized businesses. So those businesses, 50 to 100, arguably, those companies that are going to have the hardest time offering healthcare coverage to their employees in terms of cost and expense, are going to be required to offer coverage in the small group market if this expansion continues. Those 100 and above would be required to offer coverage and would be providing that coverage in the large group market. So, same requirement, same penalty, different markets. And that's something that we believe is not appropriate.

I talked a little bit about the delay, the two-year transition that the law initially intended to have for these smallest of the applicable large employers, those 50 to 100, and we remain very concerned that that two-year transition period, at the very least, is not afforded to these businesses. There is a provision also in the ACA that allows states to create and innovate and there is an expectation that potentially in 2017 states would

redefine their small group market. If this goes into effect in 2016 you may have kind of a bump where a small group would expand to 100 and then, if possible, when states can pursue these waivers, in 2017 they would then restrict them to 50. So that's one of the reasons that we would like to see the delay, just to give states a little bit more flexibility.

And Terry had it right. We would like to see this provision delayed and ultimately halted. We think that that is going to help businesses and help employees in terms of improving their access to healthcare services and to coverage. I would urge you to talk to your Congressmen and Senators, talk to the Administration. We've weighed in with 19 other trade associations that represent businesses of all sizes with the Administration urging them to delay the expansion to afford businesses at least that two-year transition that the law intended. We are also working with members of Congress to restore the small group market moving forward to 50 and under and give that ability back to the states to increase that size if they'd like to. There are two bills, bipartisan, bicameral bills: HR.1624, which is co-sponsored by Guthrie, Cardenas, and Sinema and that bill, enjoys 84 co-sponsors, 16 democrats. The Senate bill S.1099, which we think is an omen, is co-sponsored by Scott and Shaheen and has 5 co-sponsors including 3 democrats. So we are very hopeful that this effort will continue to gain traction and I hope that you will speak to your bosses or your representatives on this issue.

And with that, I'll conclude.

MARILYN SERAFINI: Great. Thank you, Katie. Before we turn to Alissa, I want to give you two reminders. One is that if you are live tweeting, which we encourage you to do so, the hash tag for today's event is #SmallGroupMarket. You may also submit a question that way. That's another vehicle to do that. And also, after Alissa finishes with her remarks, we will open up for Q&A so get your best questions ready. We have two microphones in the audience. You also have a card in your packet on which you can write questions and our staff will pick them up. So, without delay, I'll turn it over to Alissa with the Blue Cross Blue Shield Association.

ALISSA FOX: Thank you, Marilyn. Yes, the Blue Cross Blue Shield Association represents the 36 Blue Cross Blue Shield plans across the country. Blue plans offer coverage, both on the individual, small group, and large group coverage, both insured as well as self-funded options in every zip code in this country. So we care deeply about making sure that coverage is as affordable as possible. And what I planned on saying was said by—very eloquently by everyone in one way or another so I'm just going to hit the high points.

I think it's really important to note that when Congress has acted on insurance reform issues in the past, they really look to the states for their actual experience and they've done that for setting the parameters of rating reforms, etcetera, so they have actual experience to know what would happen in a state before they expanded it nationwide. In this instance, that just didn't happen. Before the Affordable Care Act, no state went above 50, as you heard before. And the expansion in the ACA, which is set to take effect this January to go to 100, was based on the perception that the bigger the pool the lower

the price. And it makes sense, you know, that you have a bigger pool, the price comes down. Unfortunately, the insurance world doesn't act that way and all experts in the insurance industry will tell you it doesn't and I'll talk about why that isn't the case because whenever anybody has an option to get a lower price in another way people make smart financial decisions for themselves and that's the problem with the expansion of 50 to 100, which will end up meaning everybody pays more, and we don't want to see that happen.

So, I will say that when we look at this expansion, very simply what it means is that all the rules that now apply to the small group market, and which haven't applied because of these transition rules, will now apply to the 50 and 100 for the first time, and that's new benefits and it's all the new rating rules, which means average rating. When you talk about community rating it's really an average rating.

So what's the impact on midsized employers? First of all, it's important to know that there are 8 million people, including employees and their dependents that would be affected in the midsize market; that's how many people there are today. Oliver Wyman Actuarial firm, has estimated that 64% of these people would see a rate increase averaging 18%. That's immediately. That's when it's fully implemented people would get an 18% rate increase that does not include trend and it doesn't even include the benefit requirements. It's just because of the rating rules. Twenty-three percent of these people would see a rate increase of 20% or more. Now that's the impact on the midsize employers.

Importantly, the big size employers would no longer be able to keep what they have. They would have to fully comply with the new ACA benefit rules which means they would have to change plans. The premium impact will worsen over time, and this is, again, going the bigger the pool the better the price and let's talk about that for a second. Midsize employers, once they get presented with an average of an 18% increase, they're going to want to go shopping and there's lots of options in the marketplace today for midsize employers, the 50 to 100, to self fund their benefits, as Sabrina talked about. So that means if you're relatively healthy and younger groups, you can have a strong incentive to self insure and people will be advising you that that's a better way to avoid this big rate increase. They'll also tell you that if you get sick, or someone in your group gets sick, you could immediately go back to the insured group, the small end of the market, the 2 to 50, and you'll get pooled into that pool if you're sick.

So basically what you have is a system where young and healthy midsize employers opt out and they're in the self funded pool, and the relatively older and sicker people who need more medical claims will go into the small group pool. And they can ping pong back and forth really every month because there's no requirements like one-year open enrollment or anything like that. You can change every month if you choose. So, what does that mean for the small employers? That means immediately the small employers' rates are going to go up, probably around anywhere from 5% to 7% because it's not just a bigger pool, people that are coming in have a lot of medical costs and that's going to make the small employers' premiums even more expensive. And I think it's really

important—I know that Marilyn's included a lot of these materials in your packet, it's not just our perspective on this. The National Association of Insurance Commissioners has said this, the American Academy of Actuaries, the broker community, and all the insurers in every actuary will tell you the same thing.

So, our recommendation is not to delay this. We would like to see it permanently allow states to determine the size of the small group market. And, again, we are very supportive of the two bills that Katie just talked about. They have broad support. The NEIC has supported this bill as have a broad range of diverse groups, and timing is really critical. These rules are set to take effect in January and we believe that it's just critical to keep the premiums for all small employers as affordable as possible.

Thank you.

MARILYN SERAFINI: So, let's turn now to the question and answer portion of our discussion. Again, we have two microphones in the room. We also have cards in our packets, and you may also Tweet questions to #SmallGroupMarket.

I'm wondering, while people are getting situated with their questions, if we can follow up on discussion about what is happening on Capitol Hill and with the Administration on this. Katie, you mentioned a couple of pieces of legislation. If our panelists could talk a little bit about the timing of what may happen, what could potentially happen, what is the state of play with legislation, and if something was going to happen when would it need to happen, and how would that affect rates?

ALISSA FOX: I think I'll jump here, if that's okay, Marilyn.

MARILYN SERAFINI: It is.

ALISSA FOX: We see that these two bills are getting more and more broad bipartisan support and we very much would like to see it enacted as soon as possible. We think there is so much support and there will be increasing support that it's very possible to get this bill enacted, possibly even by itself, as soon as possible. July would be terrific to do that. So it is the best way to keep premiums affordable.

KATIE MAHONEY: Just to kind of give some color to that, we had 10 co-sponsors added in one day yesterday so it's really getting some significant attention and I know that I'm making visits, colleagues of mine are making visits. It's a huge concern to the business community and we will continue to come and visit folks up on the Hill and hope to drive up that co-sponsor list.

SABRINA CORLETTE: The only think I would add; I'm not familiar with the legislation, the sort of size of the legislation, but the only point I would make is that while it may seem, sitting here in June, that January 1 is very, very far away. For insurance companies it's not. And there's uncertainty around the status of this definition is not helpful so I would say that whether it's the state that needs to make a decision about the

grandmothering, or the Administration, or folks here on the Hill, delay doesn't benefit anybody.

MARILYN SERAFINI: So we have a question about self insurance. People keep talking about self insuring. Can you discuss how easy or hard it is for a business to self insure, and how this fits into this discussion?

ALISSA FOX: It's pretty easy for, especially larger groups, to self insure. There's lots of companies out there that do that today. There are some very strong incentives to do that already. If you're a self insurer you're out from the essential health benefits, for example. You're also out from under the health insurance tax that adds about 3% to the cost of small businesses' premiums, and you're also out from under premium taxes that states might impose. So there's some incentive already. You haven't seen it huge in this marketplace but the concern, expanding to 50 to 100 and you give someone a big rate increase there'll be brokers and insurers who will make sure people understand the option to get a lower price by avoiding all of the community rating rules, the benefit rules, the health insurance tax, as well as these other rules. So it's a very significant incentive.

KATIE MAHONEY: And, just to be clear, I know the U.S. Chamber, and I think others on the panel, support the ability for businesses to self insure, and certainly don't see that as a problem. This issue, as we all know, is very complicated and so there are lots of ways that, pushing on one side of the balloon impacts the other, that's not to necessarily implicate, in any way, that there should be restrictions placed on the ability to self insure.

SABRINA CORLETTE: I would say that, if you've got a healthy young group of employees, it's really easy to self fund in most states, even for a very small groups; however, if you don't, and insurers will tell you this, it's not easy to self fund. So it really just depends on what kind of group you've got, I think, because if you've got a sick group it's not easy to get what's called a stop loss or reinsurance policy to help cover those potentially catastrophic claims.

TERRY GARDINER: The other part of this is it goes beyond whether it's easy to do or not, is whether it is wise and good business to do. I think, traditionally most people have looked at this and I know I have started and owned a company that grew and eventually stopped funding itself, so I personally went through this process as a CEO in two different companies, and traditionally people said you need about 200 employees to have a large enough group because self funding for a 10-person employee group, even if they're all young and healthy, stuff happens. So, one large claim in a small group of 10 for a small company doesn't work out too well because you've got such a small premium base there. So I think this has been a problem for quite some years and a growing problem that there are, in my estimation, some newer smaller players out there, marketing products to businesses that are too small to have self funded plans and then problems occur down the track. And this is a pretty unregulated area by both states and feds, and everybody's just kind of not dealt with it.

We believe, like everybody else has said, that this is a good idea if responsibly and wisely used with companies that are large enough, have enough resources, and are sophisticated enough to do it, and there are responsible insurers putting out good products and giving good advice to companies, but there are some that are not. And so this is a bit of a time bomb even without this delay or not delay issue, it really needs to be dealt with.

SABRINA CORLETTE: Terry, that was really well said, and I would just say real quickly, one thing I really want to emphasize is this is an area for which there is almost no regulatory oversight. States are not watching what's going here and the feds, for sure, are not. So, it is a potential time bomb, particularly if you get a small group that shouldn't be self funding that does and really could cause significant harm.

MARILYN SERAFINI: So, we have a question to follow on: What are the ways to prevent groups from moving to self funded, thus leaving the small group market with high risk members?

ALISSA FOX: Our recommendation is in Act 1099 and 1684 because expanding the 50 to 100, once you get that 18% average increase, strong incentive to self insure, so enact that bill and it will reduce that incentive in a major, significant way.

TERRY GARDINER: Others might be able to speak to this, but I know when I inquired before, it didn't even seem like not only nobody's regulating, but there isn't even very good data on what's going on, and that's a first problem, you know, how can we deal with a situation that is anecdotal and we just get reports. So we do need better data to see whether what we hear out there in different states and different markets if there really is change going on and whether what size the companies and where is this happening and what kind of stop loss are they doing? And then, part of the data we need also is what was referred to is the companies that have a bad experience then they go back as soon as things aren't going well into the marketplace. And that's obviously bad for everybody else in that pool. Today, whether it's in the exchange or not in the exchange. That's not a good process. So that's a first step is to get better information so that we could actually then advise state and federal regulators on how to deal with the problem.

MARILYN SERAFINI: "Can you talk more about the benefits of delay versus permanently changing the law? Also, can you discuss these options with respect to 1332 waivers?" And, perhaps there, it's worth taking a step back to talk about why we are talking about this in the first place. Why are we talking about expanding in the first place? What is the thinking behind that?

SABRINA CORLETTE: I think Alissa said earlier that when the provision was originally included in the Affordable Care Act I think there was this conception that expanding to 100 would lead to a larger risk pool and, therefore, lower rates for everybody, and particularly for the traditional small group market. But I think Alissa's absolutely correct that when you do have sort of escape route options for people who might get hit with premium increases as a result of this change, such as self funding, it

gets in the way of the beneficial effect of that large risk pool and could ultimately backfire if too many healthy groups leave the traditionally regulated market.

KATIE MAHONEY: I think in terms of delay versus halt, the delay I think was something that we thought the Administration had the authority to do, and that it was within their purview, given sort of the effect of the timeline as originally contemplated and sort of where we are now. I think time has sort of moved beyond the possibility where delay can really be helpful. I think we'd like to see a more permanent solution, but the thought was to try to provide relief as quickly as possible and sometimes working through the Administration might have been an easier lift. We really thought that they had the authority and that they might have an interest in delaying this provision based on what our concerns were, and I think now the focus really is on halting on a permanent basis.

MARILYN SERAFINI: We have question at the microphone. If you would kindly identify yourself.

KATIE ALLEN: Hi. My name is Katie Allen. I work for Congressman Black. This is shifting gears a bit, but I was wondering if you could address, assuming the loss stays the way it is right now, some of the interactions you're talking about happening with the new definition with the Cadillac Tax and how the tax might differ for smaller employees, the effects of it versus larger employers, and some of the problems with the design of the Cadillac Tax, if that is as big of a priority for smaller employers as it seems to be for larger ones.

KATIE MAHONEY: I'll jump in. So we call it the Excise Tax because it's not on Cadillac's, it's on Chevy's and Pinto's and pretty much anything. But, just to kind of level set, the 40% excise tax is a tax on benefits on group health plans that exceed a certain dollar threshold and that provision kicks in in 2018 and it's another one of our huge priorities at the U.S. Chamber. We have some very serious concerns about the Excise Tax and its effect on all businesses, and I think it's safe to say that if employers are put in the small group market and having to offer healthcare coverage, and our fear is that premiums will increase for those small businesses that they would be more significantly hurt by the expansion in lieu of the Excise Tax. But we're looking to repeal that, too.

MARILYN SERAFINI: "Could the ping-ponging problem be solved by limiting enrollment to an annual defined period instead of allowing people to change enrollment every month?"

SABRINA CORLETTE: One suggestion actually I might make, some say – I know Colorado and maybe a few others, have tried to mitigate the problem by imposing a premium surcharge on groups leaving self funding, so if you've been in the self funded market, because that was advantageous to you, but then your group gets sicker or older and you want to move back to the traditionally regulated market, a premium surcharge is

imposed on you. So the idea is to create a real disincentive for exactly that kind of ping-ponging in the adverse selection that can result.

KATIE MAHONEY: Perhaps there might be an opportunity to have another panel on self insuring. It sounds like there's a lot of interest in this issue and I'd love to have an expert up here and I'm, unfortunately, not the right one to talk about the merits of self insuring and the protections that do exist because we believe that that's very important.

ALISSA FOX: And we don't think an annual open enrollment will make much difference. You know, the 18% figure that Oliver Wyman came up with, that's day 1. And it doesn't even take into account, you know, you could change every month. It's really significant right away and if you do it, let's say, once a year, that's still going to have a major significant issue. So, we don't think it helps.

TERRY GARDINER: And, from the small business owner standpoint, and the way the systems work with the heavy reliance on brokers by small business owners, I think that would be a really bad idea on a practical basis to have an annual enrollment date just would be very inflexible and kind of focus all of this effort into one particular calendar date, this kind of like tax filing date and other dates that cause a big stampede and don't have much relevance to small businesses which have a lack of administrative resources and expertise trying to deal with all the issues they have to deal with in an annual cycle.

MARILYN SERAFINI: We have a question at the mic.

DANEEN GROOMS: Hi. My name is Daneen Grooms with the American Speech Language Hearing Association. So I was wondering, maybe, if you could talk a little bit about the current size, I guess, 2 to 50. Do we know how many small employers have encouraged their employees to go onto the SHOP and, also, do we have any idea, I guess, how attractive the healthcare tax credits are for these employers? Is it just easier for them to say I'm not going to offer this, just go in the individual exchange market and try to get insurance?

ALISSA FOX: Let me start and I'll flip it over to other people to talk about, maybe the small business tax credit, which we are very supportive of, but it hasn't really achieved what people wanted it to. When you really look at the SHOP, the SHOP is enrolled in very, very small employers, and I'm just looking at some numbers. On the state-based exchanges, all of them, with maybe one exception, the average size of the employer is under 10. So it's really the real small employers that are going into the SHOP. And I think the other thing to note about the SHOP is the premiums. The law requires the premiums to be exactly the same inside and outside the SHOP. So when a Blue Cross Blue Shield plan puts a product on the SHOP you can buy the same exact product off the exchange for the exact same price and the SHOP enrollment has been low, principally because we understand that it's been difficult to access and people don't necessarily see the benefits. The premiums are the same. You do get a benefit of picking some employee choice, so employees of their firm can pick maybe a couple of different options, it varies

by state. But there are also private exchanges, especially when you look at the midsize employers. A lot of those midsize employers have private exchanges that do that, too.

TERRY GARDINER: The one reason distinguishing the individual tax credit from the small business tax credit which the employer receives, they have to go through the SHOP exchange to get that. But it hasn't, even before the SHOP exchanges, it was difficult for small businesses because of all the restrictions about they couldn't if they had family members and then looking at their average income was another restriction and it only applied if you were under 25 and then there was a very steep decline to get to 25, so even if you had 20 you might be down to your credit was so low with all these other restrictions. So that's why there's been very low uptake and, again, that eventually became one more reason not to use the SHOP exchange as opposed to if we'd actually spent what CBO projected there would be a lot more participation in the SHOP exchanges because it would've been a worthwhile tax credit for small employers and they would've gone to the SHOP exchange to get that. So that incentive doesn't work and, as was said, it's the same policy and price inside and outside and the SHOP exchange doesn't promote and allow employees with that one employer to pick different plans. Well, there's no advantage. Again, you fall back to let's just stick with the world we know because there isn't really any differentiation, which is what we need in a free marketplace. We're not going to switch from one car or one phone to another one if it's a copycat. So the SHOP exchanges have always been based on the fact that they're not going to work unless they're actually different. And so, everything you do to make the SHOP exchange and the outside market identical is—and I think these private exchanges are growing because they're doing something different. They're offering something different and that's why people are migrating. And I say good for them. That's the way the marketplace works. They're coming in offering something different.

ALISSA FOX: If you don't mind, to just clarify the ACA is very clear on the point that it's required that insurers charge the same amount inside and out, and I don't know if you were suggesting a change to the ACA or a delay or something here.

TERRY GARDINER: No, I wasn't suggesting changing that. I know there's very good actuarial reasons and reasons for that particular provision, and we agree that that has to be. But it's not the insurance industry's obligation but the people running exchanges' obligation to implement other strategies so that they are a worthwhile place for small business owners and brokers to go.

MARILYN SERAFINI: There's a question at the mic.

JACQUELINE THOMAS: My name is Jacqueline from Senator Coons' office. Since we've been talking so much about the small business tax credit I did just want to flag that Senator Coons has a bill to actually expand and simplify the small business tax credit. It's S. 379. We'd be happy to answer any questions about it, but it does address the average wage threshold and increases that, increases the number of employees that a small business can have, up to 50, and simplifies a lot of those restrictions that limit the tax credit availability.

MARILYN SERAFINI: Thank you.

TERRY GARDINER: I hope CBO is giving you a more conscientious, accurate scoring on that based on the actual experience.

KATIE MAHONEY: One thing I think that's helpful to think about is while we haven't really taken a position on the Coons bill and it's great. Any efforts to help businesses offer healthcare coverage to their employees we think is a good thing, but I think it's also helpful and important to think of well, what can you do to reduce the cost of healthcare? So, to the extent that you can help employers pay for it is a good thing, but that requires money, and reducing or halting this required, mandated expansion might be a way to reduce the cost associated with that coverage, too. So, sort of the opposite side of the same problem.

ALISSA FOX: And I would just add that we're not CBO, but we've done our own little math and we think 1099 would actually reduce costs, so it would be scored as the saver, although CBO hasn't officially reviewed it. We think there's a good case to make that it actually reduces the federal budget.

MARILYN SERAFINI: We have a questioner who's talking about the rating protections under the ACA, including the ban on gender rating, and wants to know would there be a way to expand these rating protections to businesses with 50 to 99 employees if they do not join the small group market?

ALISSA FOX: Let me comment on how the rates for 50 to 100 are now determined. First, it's really important to know that no employer is permitted to charge different rates to their employees based upon their health status, their age, or their sex. So that just doesn't happen. What insurers do today is they take the pool of 50 to 100 and they pool it with employers up to 500 generally, so they're in a broader pool. There will be some percentage that's based upon the group's individual experience, but the vast majority of the rate is pooled with all groups that are in the insured market up to 500. So, I think clearly, you know, nobody's being charged differently if they're a man or a woman in that segment.

SABRINA CORLETTE: I think this just an area where we need a lot more information about the 51 to 100 market. We don't have a lot of data about the kind of benefit packages that are being offered to employees in this group. We don't have a lot of information about how many groups get a gender rating surcharge because they have predominantly female employees. We don't know how many groups are age rated. We don't know how many groups are having problems because of health status. Policymakers just don't have the data that I think is really important to understand what the impacts would be of this change in definition. So I think we all—I think there's consensus here there might be winners and losers under this change, so if you have an employee group of mostly women you might actually benefit by this definition change. But, I think for policymakers, the difficulty is do the benefits that are accrued to a group

like that or to a group with a lot of 50 plus-year-old people, do they outweigh other potential premium increases that a younger, healthier group might face? And, that's often a difficult call.

MARILYN SERAFINI: It has happened. We have a King v. Burwell question. "How would a Supreme Court ruling in favor of King affect the SHOP and other ACA provisions affecting small employers, if at all?

SABRINA CORLETTE: We talked a little bit about this before the panel. So, the first thing is that there really is no impact to small group insurance, per se. The King decision really will have its primary impact around the employer mandate and then, of course, the non group market reforms. However, one thing that a couple of us before the panel were talking about that I think is important for folks to understand is that there's about—I think it's about, I think I had it on a slide, there's about 34% of small businesses currently that are offering coverage to their employees. That means that there's about 66%--is that right? Sixty-six percent who are not offering coverage to their workers. And that means that the question is where are those workers currently getting coverage if they're not getting it through their small employer? And for many of them, they may be getting it through the non group marketplace, and they may be getting it with premium tax credits. So, in many ways, the King decision could be really devastating for a lot of small businesses because their employees are losing that critically important health coverage.

TERRY GARDINER: I think one of the effects in the small business world would be to start up in young growing companies. They're the greatest proportion of that 66% of small businesses that aren't offering coverage. Because they're just started up they don't have very robust packages, and if you look at the data, and it's pretty consistent in all states, you know, the average wage or annual compensation, whatever way you want to break out the data, of small businesses, 1 to 10 employees, is considerably lower than, say, 100 to 500. It just goes down the scale. And now, as those companies grow up they pay more, is what the data shows, and they provide more benefits. There's a very high correlation to number of years in business and offering health benefits to your employees.

So, what we have right now that's changed with the ACA, is a lot of start-up companies and young companies, 1, 2, 3 years of age, their employees are going to the individual exchange and getting health insurance, and they may be getting credits for that. So this would be a general hit to that segment of the economy, to the start-up world and the employees that work at start-ups. And it may impact them. A lot of times, you know, in the star-up world, and the entrepreneur that's starting the company, just kind of like, oh, it's too complicated. I'm just paying you money. I don't have a retirement, I don't have health insurance. This is what I can pay you and you deal with it. Because they're just scrambling, trying to keep their head above water. That's a typical model that happens, and then they start to feel the pressure. So this would be definitely a negative benefit impact to this sector.

MARILYN SERAFINI: I'd like to turn back to the SHOP exchange and, as we know, enrollment has been relatively low at this point. Is it fair to compare enrollment in a

SHOP with enrollment in the individual marketplace? Do we need more time to see if the SHOP exchange is going to work well? Is it too early?

TERRY GARDINER: I think anybody that looked at before the ACA at SHOP exchange versus individual exchange came to the conclusion that, wow, it's a lot more complicated to do a SHOP exchange than an individual exchange in the first place. So, then we have compounded that by a large amount of the effort, and I even heard people say why they did it, so I'm not judging, but I think the fact of life is that more effort, both at the federal level and the state levels, a great proportion of the effort was put into standing up to individual exchange, as they say, and less effort into it. Well, that's kind of, you put less effort into the more complicated one, guess what? And then, of course, we've listed here many of the delays that have undermined, in our opinion, the success of a robust exchange, and we do have sort of a slow fitful rollout. So I think we haven't seen the full potential of these exchanges and I think it's only going to come about that we have the full potential realized by people that are operating the exchange, and policymakers, and stakeholders putting more effort into figuring out how you make the exchange, the SHOP exchanges, viable and work better.

ALISSA FOX: And I would just add that, when you look at the individual exchange, almost 90% of the people in the exchange are people receiving subsidies. That's why people go to the exchange. If you're not eligible for subsidies, most people are continuing to go directly to their individual insurers and not go through the exchange. And, when you look at SHOP, you know, SHOP's attractive to those people that want the subsidy, and, as we've heard, the subsidy has some issues with it. So that's really what's been attracting people to these exchanges.

MARILYN SERAFINI: Which actually leads in perfectly to the next question which is, and this is a more general question, but "what would it take from a policy and operations standpoint to make this more palatable, 1) for insurers; and, 2) for medium sized employers?" I would also add brokers into the mix. What are the challenges for brokers and how do we encourage broader participation from the brokers?

SABRINA CORLETTE: And this is specific to the SHOP? How do we make the SHOP more palatable?

MARILYN SERAFINI: Yes.

SABRINA CORLETTE: Well, it seems like it was a century ago, but as I remember, the debate when the SHOP provisions of the Affordable Care Act were first being developed, there were a couple of issues and it wasn't just the premium tax credits. I think the SHOP was trying to address a couple of different problems in the small group market. One was the lack of buying power that small employers had—these are the insurance companies. Small employers were saying, look, it's a take it or leave it offer from the insurance company. We have no leverage to negotiate a better rate or a better benefit package, it's just that's it. So that was one thing the SHOP was supposed to be able to offer to

employers was the ability to really shop between issuers and among benefit packages in a much more apples to apples kind of a way.

The second thing that people were hearing from small businesses at the time was I can only offer one plan to my employees, and it sort of had to be a one size fits all option, so whether you were a 63-year-old man or a 23-year-old woman, like there was just one plan that we could offer to their employees, and they wanted employee choice. They wanted to be able to offer their employees choice. So those were the two things, in addition to the tax credits, I think, that policymakers were trying to deliver to small businesses. And the truth is that those things have been harder to deliver than I think anybody anticipated. And, frankly, I just went through this in my own family with my husband starting a small business. When he went to a broker in Virginia and said we want to buy health insurance for this small business the broker didn't say boo about the SHOP exchange. It was literally not even discussed.

So, I think there is a big problem out there in terms of brokers not really seeing the advantages for their clients with the SHOP and not marketing it, and the fact that the employee choice has been delayed, as Terry pointed out, and the fact that, at this point in time, there's not a lot of issuers that are participating in many SHOPs. So, I do think the folks running the SHOP exchange need to think about how they can add value, how they can get the word out among brokers. And for brokers, I think ultimately it's about how they're compensated and if they're not being compensated for the time it takes to enroll somebody in the SHOP they're not going to steer them that way.

MARILYN SERAFINI: So, as we near the end of our time, I'd like to ask everybody, before we get to our last question, to please, in your folder, look for the blue sheet. It's an evaluation sheet, and it helps us to do a better job in putting these briefings together for you. So if you could kindly fill that out we would appreciate it.

So, in our remaining few minutes, I would like to ask each of our speakers what is their biggest priority? If they could see one thing or a couple of things happen, if they could wave their magic wand, what would you want to see happen to make improvements to the small group market, or just see improvements? What do you want to see happen? What is your biggest priority in this area? Sabrina? Alissa?

ALISSA FOX: I would say first of all, in addition to enacting the bills we talked about, we are continuing to work to transform the delivery system. We think that is the critical way of achieving higher quality, lower cost. We have a four-part strategy that we're working on in every community across the country. We're seeing some terrific success. We're very excited about it. Just last week we announced that in 2013, where we have hard data, we saved a billion dollars nationwide through these initiatives and it's the kind of thing that it's not a one-time deal, it's a continuing iterative process where we have to look at what we're doing and build upon it, share best practices, and improve what we're doing. But we need to change our delivery system to reward outcomes and quality and that's the way we think we can really get significant savings and better value to not only

employers but to individuals. But we need to avoid this problem that's going to start next year, too.

KATIE MAHONEY: I think we have one overarching goal, and to accomplish that would require several different things, but I think the overarching goal of the U.S. Chamber is to improve flexibility so that employers can offer affordable access to healthcare coverage and services in an appropriate way for their companies.

I think, in order to do that, we would like to see changes made and repeal of the Excise Tax. We would like to see the employer mandate repealed. We would like to see 1099 and H.R.1624 enacted, and also some efforts to deal with some of these taxes that are driving up the cost of coverage. So it's an easier articulated overarching theme; how you get there requires quite a bit of work.

TERRY GARDINER: I'll start by saying, for those that want to delay the expansion of the market, after that delay happens you will have no change. It just preserves the status quo, so I'll call that a hollow victory from the small business point of view because nothing will have gotten better or changed.

And, unfortunately, I don't think there is a silver bullet in terms of—a single silver bullet—how to make the SHOP exchange and the small business market, I think we've talked about several bandaids, you know, reform simplify, expand the tax credit, fully implement and play choice in SHOP exchanges, and I think exchanges, there are viable models of other exchanges that have developed workplace wellness benefits that work in tandem with the good programs like Blue Cross and other people are offering to small businesses, not duplicating those, but supplementing things that don't make sense for them to offer. And regulate the self-funded market so it doesn't get out of control under any scenario—delay or no delay. And then, both the federal and the state exchanges, not everyone, but most of them sort of need to restart their relationship with brokers and get off on the right foot and make sure that the exchange functions and works well for the brokers as well as small business owners and employees so that they're engaged in, will mention it to a new client.

SABRINA CORLETTE: Well, thank you for giving me a moment to think. So, as I think about the biggest pain point for a small business owner when it comes to buying health insurance it's price, right? Like, that's what's hurting them right now and it's been hurting them for a long, long time, long before the ACA was ever passed.

So, one of the early promises of the exchanges that I think has sort of fallen by the wayside in the wake of all the start-up headaches and glitches, is could you use the exchange to aggregate the buying or market power of these individuals and small groups that currently really have none, and use the exchange to not necessarily negotiate price, because, as Alissa said, it has to be the same inside and outside, but to almost act like a large purchaser in the marketplace, similar to a Medicaid agency or the Medicare program, or a large IBM, or CalPERS and say, you know what, we need to see whether it's ACOs or pay for performance or sort of whatever folks think—better outcomes, you

know, whatever folks think are the ways to address the crux of the price problem, which is the fact that we have the most expensive healthcare system in the world with poor results to show for it, but to sort of aggregate the power of those small business purchasers so that they can all sort of say we want a better value out of the premium we're paying, and that means better care and that means not paying outrageous prices for hip surgeries at one hospital and $10,000 less at the hospital down the street.

So, if I could say one thing that might help, and this would be a very long term thing, would be could the exchange act in that way to really be an agent acting for small business customers in the marketplace and be their voice for them?

MARILYN SERAFINI: Great. Thank you. I'd like to thank the Blue Cross Blue Shield Association for the support of this briefing, and I would like to thank you all for being here, and I'd like to thank our panelists. Please help me thank our panelists for sharing their knowledge and input.

[Applause]