



# Health Care Benefits for All: New Resources for the Child Care Sector

Presented by

*Paula Drew, Wisconsin Early Education Shared Services Network*

*Katie Harbison, Chambliss Center for Children*

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# Who are we?



CHAMBLISS CENTER FOR CHILDREN  
GROWING YOUNG LIVES 24•7•365

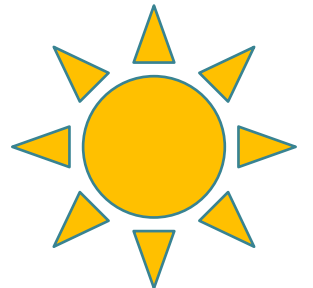
- Shared service hub managing multiple sites
- Large child care center
- Smaller off-site centers
- Microcenters
- Amazing broker



# How did ACA change our mindset?

Our reality in 2015:

- Spending \$300,000 to subsidize group health coverage that most employees were unhappy with due to high deductibles
- Offering a plan prevented staff from going on a spouse's insurance
- Most staff would be able to receive better plans at lower costs on the Healthcare Exchange
- Employee count (80) –  $30 \times \$2,160 = \$108,000$  potential 2016 penalty
- No penalty to managed agencies
- Navigators were free and came on-site to talk with every staff member
- Started 2016 without offering health coverage



# Results

- More staff obtained coverage, at lower costs
- Healthcare costs dropped:

2016- \$20,868 (Jan)

2017- \$0

2018- \$0

2019- \$0

2020- \$0

2021- \$0

2022- \$0

Penalty A- \$200,000

Penalty A- \$285,000

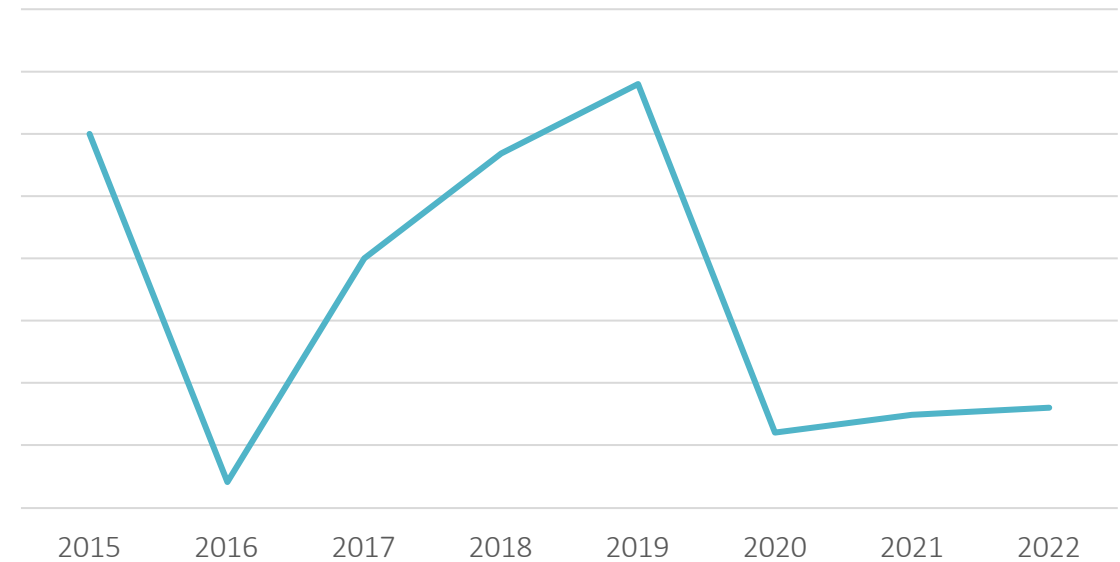
Penalty A- \$340,000

Penalty B- estimated \$60-90k

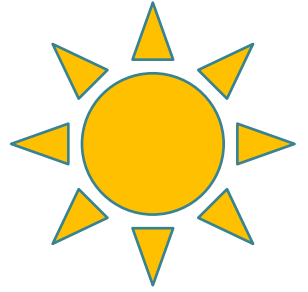
Penalty B- estimated \$60-90k

Penalty B- estimated \$60-90k

Cost of Health Care



# Weighing the Options



## LESS THAN 50 EMPLOYEES (FTE)

- No legal requirement to provide health insurance
- No penalty for staff who purchase ACA Marketplace policies
- Can be paired with other device

Health Reimbursement/Savings Account (HRA/HSA)

Individual Coverage Health Reimbursement Account (ICHRA)

## MORE THAN 50 EMPLOYEES (FTE)

- “A” Penalty – Offer NO group health insurance plan
  - \$2,880/employee in 2023 (first 30 employees exempt)
- “B” Penalty – Offer a plan that is deemed “unaffordable,” staff can purchase ACA plans
  - Affordability defined as 9.12% household income
  - \$4,320 in 2023 for each employee that uses the ACA



# What else can we offer employees?

Other benefits we considered:

- Individual Coverage Health Reimbursement Arrangement
- Reinstating group health coverage
- Excepted Benefits Health Reimbursement Arrangement
- Telehealth

2023 budget for health benefits:

- IRS penalty- \$90,000 (estimated 2020 penalty)
- TextCare- \$11,000 (\$10 month/employee)
- EBHRA- \$99,000 (\$100 month/employee)
- Total= \$200,000



# Who are we?

- Large shared services network with 2,200 members across the state
- Bilingual services in English and Spanish
- Three tiers of services
  - Tier 1 virtual (ECE Shared Resource Hub, EAP, Professional Development)
  - Tier 2 virtual (above benefits plus: 6 mo. CCMS subscription, telemedicine/teletherapy, and virtual business coach)
  - Tier 3 regionally offered in 22 counties (above benefits plus: in-person business coach, back office, shared substitute teacher pool, food systems support)
- Supported by the Wisconsin Department of Children and Families



# Current Context in Wisconsin

- 20% of center-based teachers receive health insurance through their employer, although slightly over half of teachers work in programs that offer it
- 26% of center-based teachers receive insurance through their spouse/partner's employment
- 25% of family providers purchase their own health insurance
- 38% of family providers receive insurance through their spouse/partner's employer
- 26% of center-based teachers and 34% of family providers reported they (or someone else in their household) were enrolled in Medicaid or Medicare
- 12% of center-based teachers and 8% of family providers have no health insurance



# Healthcare challenges:

- ✓ Private healthcare is increasingly becoming too expensive.
- ✓ Private healthcare plans are confusing to understand.
- ✓ It is difficult to find plans that cover necessary treatments, medications, and specialty providers.
- ✓ There is general confusion about what the Marketplace is and how it works.



# Possible ways forward:

## Level-funded healthcare plans:

A type of self-funded plan in which the total estimated costs are divided among the total pool of participants. You will never pay more per month than the negotiated rate, but you could receive a refund at the end of the year if the costs are lower than expected. These plans are not subject to ACA requirements.

## Increasing Marketplace Participation:

A concerted effort to understand people's understanding and perceptions of the Marketplace by dispelling myths, providing accurate information, and showing the monetary gain in utilizing Marketplace plans.

# What we learned from the focus groups:

- Most Spanish-speaking providers had never heard of the Marketplace.
- A majority of participants felt it was difficult to understand what the Marketplace was.
- For those who had been on the website, many felt it was difficult to navigate.
- Among those who looked at plans
  - some noted there were fewer available if you lived in a rural location (doesn't cover closest hospitals or clinics)
  - some felt they were still unaffordable
- Center-based directors felt an added burden of having to help individuals navigate the website and apply. They also worry they might provide the wrong information.

# Moving forward:

- Send out a census to gather data to inform a level-funded, large-scale plan
- Offer informational webinars with Covering Wisconsin about the Marketplace
- Share information about healthcare navigation through Covering Wisconsin
- Learn from our colleagues like Chambliss about how to show the financial benefit of utilizing the Marketplace insurance
- Continue to offer telemedicine benefits and EAP services

# Doing the Marketplace Math

STATE: WISCONSIN (MADISON)

Single

\$16.50/hr

No tobacco use

**ESTIMATED FINANCIAL HELP:  
\$185/MO**

Silver plan cost per month: \$125

STATE: WASHINGTON (SPOKANE VALLEY)

1 Adult, 2 children

\$16.50/hr

No tobacco use

**ESTIMATED FINANCIAL HELP:  
\$716/MO**

Silver plan cost per month: \$2



# Doing the Marketplace Math

STATE: TEXAS (ABILENE)

2 Adults, 2 Children

\$70,000/yr

No tobacco use

**ESTIMATED FINANCIAL HELP:**  
**\$1,557/MO**

Silver plan cost per month: \$239

STATE: NEW HAMPSHIRE (MANCHESTER)

2 Adults, 2 Children

\$100,000

No tobacco use

**ESTIMATED FINANCIAL HELP:**  
**\$448/MO**

Silver plan cost per month: \$626

# Doing the Marketplace Math

STATE: TENNESSEE

1 Adult

\$45,000/yr

50-59 years old

**FINANCIAL HELP: \$836/MO**

**Bronze plan cost per month: \$0**

STATE: TENNESSEE

1 Adult

\$30,000/yr

20-29 years

**FINANCIAL HELP: \$411/MO**

**Silver plan cost per month: \$0**

Questions?

# Contact Information

☀️ Paula Drew  
[pdrew@wisconsinearlychildhood.org](mailto:pdrew@wisconsinearlychildhood.org)

☀️ Katie Harbison  
[kcharbison@chamblisscenter.org](mailto:kcharbison@chamblisscenter.org)





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