

Market Simulation Research for New York SHOP Exchange

Scope of Work: Wakely Consulting

Wakely is conducting two market research projects to help New York design its SHOP Exchange and to develop outreach and marketing strategies: (1) simulation of purchasing dynamics for small employers who currently offer group coverage; and (2) survey research of small employers who do not currently offer group coverage. These in-depth interviews seek to identify appealing value propositions to attract small employers who offer group insurance to renew coverage in 2014 through SHOP, and to encourage employers who do not offer coverage to do so in 2014.

Wakely is developing employer-specific scenarios to simulate the purchasing dynamics for small employers renewing in 2014. Compared with interviewing employers about employee choice in the abstract, this approach should yield a more realistic assessment of employer interest in SHOP and various employee-choice models. Wakely will also interview brokers for qualitative feedback, using the same employer-specific scenarios in their markets.

For employers who have not purchased group coverage, the research will focus on their likelihood to do so, what might induce them to do so, and how appealing employee choice and tax credits available in SHOP might be. These interviews will necessarily pose questions which are more “abstract” to employers because we will be asking them to speculate about making a major employee benefits commitment for the first time, in an uncertain context over a year from now. The study will assess non-offering employers’ awareness of the ACA, tax credits, employee choice, and SHOP; their interest in, and expectations of SHOP; and their likelihood of offering group insurance in 2014.