

Grant Outcomes Report

Brooklyn HealthWorks: A Model of Affordable Health Insurance Coverage for Small Employers

I. Executive Summary

To increase enrollment in Brooklyn HealthWorks, the Brooklyn Chamber of Commerce marketed the private-label Healthy NY product to small businesses and brokers in Brooklyn. Branded marketing tools, direct mailings, and media ads targeted small businesses with information about this lower-cost health insurance product. At the end of the grant period, the number of small businesses enrolled in Brooklyn HealthWorks and the number of brokers actively selling it increased by 175%.

II. The Problem

Brooklyn's economy is driven by small businesses, with 90% of workers in small firms comprising fewer than 20 employees. The Brooklyn Chamber of Commerce estimated that Brooklyn is home to approximately 80,000 small employers. It further estimated that more than 137,000 small business employees and their dependents are uninsured, largely because their employers cannot afford health insurance.

To provide more affordable health insurance options for small businesses, the Brooklyn Chamber of Commerce, in partnership with the New York State Department of Insurance and Group Health Incorporated (GHI), launched Brooklyn HealthWorks in 2004. Brooklyn HealthWorks is a private-label version of GHI's Healthy NY Exclusive Provider Organization (EPO) product offered to small businesses and their employees who work in Brooklyn.

Healthy NY is a basic health insurance plan available to qualifying small businesses (two to 50 employees), sole proprietors, and individuals at a reduced rate made possible by a State-subsidized reinsurance mechanism. Eligibility rules require that small businesses enrolling in Healthy NY plans pay at least 30% of their workforce less than \$40,000 per year, or that the annual income of participating sole proprietors and individual workers is less than 250% of the Federal poverty level. Employers are required to pay at least 50% of their employees' monthly premium.

KEY INFORMATION:

GRANTEE

Brooklyn Alliance, Inc.

GRANT TITLE

Brooklyn HealthWorks

DATES

January 1, 2008 to April 30, 2009

GRANT AMOUNT

\$104,738

Brooklyn HealthWorks differs from standard Healthy NY plans in five important ways:

1. It provides an additional subsidy, reducing the monthly premium by 19%.
2. It offers optional riders that can be purchased to eliminate co-pays for hospital services.
3. It requires no mandatory employer contribution.
4. It enrolls 1099 employees (independent contractors).
5. It requires no primary physician referrals to see a specialist.

Despite these advantages, only approximately 170 small businesses were enrolled in Brooklyn HealthWorks in 2007. However, Brooklyn HealthWorks had not been widely marketed to small businesses or insurance brokers serving Brooklyn. In addition, the program had ceased enrollment in March 2006 after exhausting State subsidy dollars. Additional subsidy dollars were secured through an amendment to the Health Care Reform Act of 2000, allowing for Brooklyn HealthWorks to reopen enrollment in October 2007. When the program reopened for enrollment, the New York State Health Foundation (NYSHealth) grant enabled the Brooklyn Chamber of Commerce to more professionally market Brooklyn HealthWorks to small businesses and brokers, thereby extending the program's reach within the borough.

III. Grant Activities

The project team planned to undertake four activities:

1. Explore offering Brooklyn HealthWorks as part of the HealthPass array of health insurance options. HealthPass is a New York City-based nonprofit health insurance marketplace for small employers and sole proprietors. HealthPass is marketed through a network of experienced and licensed insurance brokers, and could offer another avenue for making Brooklyn HealthWorks available to small businesses.
2. Schedule a press conference to publicize the re-opening of enrollment in Brooklyn HealthWorks.
3. Conduct a series of health insurance broker breakfasts to reintroduce brokers to Brooklyn HealthWorks.
4. Create and disseminate branded marketing materials and mailings to small businesses and brokers.

The objective in conducting these activities was to enroll at least 1,500 new employees and dependents in Brooklyn HealthWorks over 12 months. Enrollment would be tracked independently by GHI, which is Brooklyn HealthWorks insurance carrier, and Brooklyn HealthWorks staff.

FUNDING INITIATIVE

In April 2007, NYSHealth issued a request for proposals (RFP) for one-year projects under a major initiative, *Expanding Insurance Coverage in New York State*, to support programs that addressed the persistent problem of enrolling New Yorkers who were eligible for health insurance coverage, but not enrolled. This project aligned with NYSHealth's goal of developing new approaches for encouraging expansion of more affordable employer-based coverage. Healthy NY, offered through Brooklyn HealthWorks, was viewed as one potential model to connect low-wage workers with health coverage. Supporting a professional set of marketing materials and efforts could increase awareness of and enrollment in Brooklyn HealthWorks.

IV. Key Findings

The Brooklyn Alliance completed all its planned activities.

HEALTHPASS. The project team explored integrating Brooklyn HealthWorks into the HealthPass array of options. These discussions led to postponing integration of a Healthy NY product into HealthPass because a more detailed analysis was needed to understand the operational challenges. NYSHealth supported this analysis in a separate grant to HealthPass.

PRESS CONFERENCE. A press conference announcing the re-opening of Brooklyn HealthWorks took place on October 11, 2007, at the Museum of Contemporary African Diasporan Arts in downtown Brooklyn.

OUTREACH TO BROKERS. The Brooklyn Chamber of Commerce reached out to brokers through conducting four broker seminars and informational meetings. It also mailed postcards directly to licensed brokers in Brooklyn and surrounding counties. The Brooklyn Chamber of Commerce also increased the number of brokers actively selling Brooklyn HealthWorks. At the end of the grant period, 55 brokers were actively selling Brooklyn HealthWorks, up 175% from 20 brokers in January 2008.

MARKETING. A variety of branded marketing items were designed and created with the Brooklyn HealthWorks logo, including mouse pads, pens, note pads, coffee mugs, and water bottles. These items allowed Brooklyn HealthWorks to create consistent branding as it interacted with insurance brokers and small employers at business trade shows and other forums. Broker kits, fact sheets with current monthly premium rates, and professional stationary were also developed and disseminated to approximately 5,000 brokers.

In addition to marketing Brooklyn HealthWorks through the Brooklyn Chamber of Commerce website and at several business events each month, the project team conducted other outreach activities. The Brooklyn Chamber of Commerce sent a survey to 15,000 Brooklyn businesses, raising awareness of Brooklyn HealthWorks. The grant also allowed the Brooklyn Chamber of Commerce to place radio

ads on 1010 WINS and WNYC; distribute ads in 23 Brooklyn neighborhood and ethnic newspapers; mail brochures and postcards directly to approximately 30,000 small employers throughout Brooklyn; and conduct follow-up calls to businesses that received direct mailing items. The Brooklyn Chamber of Commerce also secured opinion pieces and stories about Brooklyn HealthWorks in news outlets, including *Crain's New York Business* and *New York Daily News*.

The first direct mailing brochure designed and created for the Brooklyn HealthWorks marketing campaign received a merit award as part of the 26th Annual Healthcare Advertising Awards.

RESULTS. Between January 2008 and May 2009, 1,250 employees and dependents at 293 small businesses enrolled in Brooklyn HealthWorks—nearly a 175% increase in the number of small employers enrolled. Thus, the project team nearly met its enrollment targets.

V. Lessons Learned

As a result of the NYSHealth grant-funded activities, the Brooklyn Chamber of Commerce was able to boost enrollment in Brooklyn HealthWorks. Analysis by the Brooklyn Chamber of Commerce shows the increase in small-employer enrollment is largely a result of direct mailings, which yielded the greatest share of inquiries among small employers, while more expensive newspaper and radio ads generated a much smaller share of inquiries. The Brooklyn Chamber of Commerce also found that direct mailings to brokers were the most effective method for engaging brokers.

Direct outreach to employers revealed that small employers are looking for low-cost health insurance options. Further demonstrating that cost is a key consideration for small employers, the only county in New York State to experience significant Healthy NY growth between October 2008 and March 2009 was Kings County (i.e., Brooklyn). The New York State Department of Insurance attributes this growth to Brooklyn HealthWorks.

These efforts are helping to extend more affordable health insurance options to Brooklyn's



small businesses, but there is still a long way to go. Tens of thousands of Brooklyn small business employees remain uninsured and eligible for Brooklyn HealthWorks. In addition, while targeted media campaigns like this one work well to increase enrollments in public health insurance programs, their success is limited to the time period of the campaign itself. Brooklyn HealthWorks must keep up the momentum with the materials designed under this grant, which may require additional funding.

VI. The Future

The Brooklyn Chamber of Commerce continues to use the marketing materials and methods developed under the NYSHealth grant in its outreach to employers and brokers. Enrollment in Brooklyn HealthWorks continues to grow. In September 2009, Brooklyn HealthWorks exhausted its State subsidy dollars as a result of increased enrollment—reminiscent of the 2006 experience. As of October 2009, 525 small employers in Brooklyn were enrolled.

BACKGROUND INFORMATION:

ABOUT THE GRANTEE

Brooklyn Alliance, Inc. is the not-for-profit, 501(c)3 economic development arm of the Brooklyn Chamber of Commerce. It provides programs and services that promote community and economic development. In 1999, the Brooklyn Alliance, the Office of the Brooklyn Borough President, Group Health Incorporated (GHI), and a consortium of northern Brooklyn health care and social service providers began an initiative to develop an affordable health insurance product for low-wage employees of small businesses located in northern Brooklyn. Those efforts led to the formation of Brooklyn HealthWorks in 2004.

GRANTEE CONTACT

Dean Mohs, Executive Director
Brooklyn HealthWorks
25 Elm Place, Suite 200
Brooklyn, NY 11201
Phone: 718-943-3882
e-mail: DMohs@brooklynchamber.com
Web address: <http://www.brooklynhealthworks.com>

NYSHEALTH CONTACT

Melissa Seeley

GRANT ID

1895212