



Connecticut Health Insurance Exchange
Brokers, Agents and Navigators Advisory Committee

Legislative Office Building
Room 2B

Wednesday, September 7, 2016
Draft Meeting Minutes

Members Present:

Paul Philpott (Chair); Mark Czarnecki (Co-Chair); Jennifer Lovett; Jesse McDonald; John Calkins; Jeffrey Oswald; Stephen Glick

Other Participants:

Access Health CT (AHCT) Staff: James R. Wadleigh, Jr.; Andrea Ravitz; John Carbone; Shan Jeffreys

Members Absent:

Antonio Caporale; David Guttchen; Jay Festa; Matthew Fair; Eric Quinn; Craig Koehler

The Meeting of the Brokers, Agents and Navigators Advisory Committee was called to order at 8:45 a.m.

I. Welcome and Introductions

Mark Czarnecki called the meeting to order at 8:45 a.m. Mr. Czarnecki asked everyone to introduce themselves.

II. Access Health CT Strategic Summary

James Wadleigh, CEO, provided an update on the Access Health CT (AHCT) Strategic Plan. Mr. Wadleigh thanked everyone for coming to the meeting. Mr. Wadleigh reminded everyone that strategic overview for the organization continues to focus on key areas for the customers. The strategy adjusts as changes in the market take place. The meeting of the Brokers, Agents and Navigators Advisory Committee is a starting point not only for this committee but also for the three other Advisory Committees that will be undergoing some major changes as well. Mr. Wadleigh indicated that AHCT is built on a mission and a vision

that are being supported by four pillars which are part of the strategy. Those pillars are as follows: Data Analytics, Innovative Solutions, and Customer Support along with Engagement. Data Analytics includes the All Payer Claims Database; Innovative Solutions comprises of taking some of the data and enhancing the customer decision support tool. Customer Support and Education along with Engagement are the last two pillars that are critical to the organization's success. One of the most important elements of improving customer service is the revitalized call-center. Also, health literacy is a major part of the Education/Engagement pillar. These are the areas that AHCT focuses on. Mr. Wadleigh explained that AHCT has been mostly focused on enrollment. A lot of feedback has been received from the community on how to enhance efficiency and improve services offered.

AHCT is in the process of revitalizing its four Advisory Committees with the purpose of providing the organization and the Board of Directors with the needed guidance and expertise in areas of their cognizance. Mr. Wadleigh stated that certain functions can be added to the committees' responsibilities while others can be eliminated. The main complaint that was heard from many current Advisory Committee members is that AHCT was not providing them with enough opportunities for input. Also, as Mr. Wadleigh indicated, many Advisory Committee members' view their respective committees as a way for AHCT to approve items previously prepared by the organization. Mr. Wadleigh stressed that he does not want to have the Advisory Committees to be seen in that way. Mr. Wadleigh explained that the role of the committees would be to help the organization in a way that is not set-up by AHCT. The intention of the revitalized Advisory Committees is to be more autonomous. Jeffrey Oswald posed a question pertaining to the elimination of broker commissions since 40% of the exchange's customer enrollment is supported through them. Mr. Oswald added that decision by the carriers not to offer broker commissions for customers on the Exchange will discriminate against poor people who need professional help in choosing health insurance. Mr. Wadleigh responded that AHCT has been upfront with the broker community about the importance that they had played in enrolling the customers and reiterated that it continues to be the case.

There have been numerous changes to the marketplace in the last few weeks. Mr. Wadleigh explained that AHCT cannot modify carrier contracts for the 2017 rate year. Unfortunately, Mr. Wadleigh added, AHCT cannot require carriers to pay broker commissions. Mr. Wadleigh stated that requirement may need to be put in place for the commissions to be paid in the future. It is clear that brokers and agents as well as customers are caught in the middle. Mr. Wadleigh added that customers who have chosen their insurance plan through a broker are staying with that plan for a longer period of time as compared with customers who have chosen their plans themselves. Low turnover rates translate into healthier customers. Connecticut led the country in the successful implementation of the Affordable Care Act. There is no short term fix to the lack of broker commission payments from the carriers. Mr. Oswald asked why the broker commissions were not part of the requirement in the contract. Mr. Wadleigh responded that based on the conversations with the carriers this was not going to happen.

Mr. Czarnecki indicated that his business does not sell policies based on retention bonuses but of what is right for the customer. Mr. Philpott asked about the renewal commissions on

customers from the past. Mr. Oswald responded that carriers informed the brokers that any business after January 1st on the Exchange will not be commissioned, including both, renewals and new enrollees. Mr. Philpott responded that it is unprecedented and added that normally what he has seen, the carriers would continue paying renewal commissions, but not for the new enrollees. What is being seen is played out around the country and more chaotic. Mr. Philpott stressed that over the last few years, the open enrollment period became a very routine operation. However, he added, it may not be the case this year. He stressed that with the limited number of carriers participating in the Exchange, it becomes a prospect for profitability and stability. Mr. Philpott added that the Exchange is facing many obstacles lately and brokers need to be aware of that. One of the most important priorities is to provide as many healthcare options as possible to the Exchange's customers. Three years ago, the Exchange had more leverage with the carriers. With the number of carriers diminishing on the Exchange, that leverage lessened. Anytime there is a disruptive change, it creates opportunities for entrepreneurs.

Mr. Philpott added that he is taken aback that the carriers are not paying the renewal commissions. Mr. Wadleigh stated that many changes have occurred lately and the Exchange is adapting to the new environment with the aim of providing the best customer service possible. Mr. Glick stated that cooperation with the Exchange is crucial and it is very important to educate the public. He added that there are too many mistakes done by the carriers that are causing the pricing to increase, and brokers are needed to assist those customers. The Chambers of Commerce will educate alternatives on healthcare. Education and direction will be provided and AHCT should be part of the process. Mr. Glick added that there is no need for more state regulations; the federal laws are sufficient. Mr. Wadleigh commented that Mr. Glick's comment personified the need of re-energizing and leveraging the Advisory Committees. More creative ideas are needed to help find new roles for the organization in the community. Mr. Glick added that many people will not be too content with the higher deductibles that they will have to be paying to obtain the healthcare coverage. Growth of voluntary benefits needs to increase. Mr. Glick encouraged the Exchange to offer those products under the higher deductibles plans.

Mr. Philpott asked if brokers looked at the contracts with the carriers and if they are satisfied that the carriers can unilaterally eliminate their commissions. Mr. Oswald responded that he did not look at the specific contract but the Insurance Department conveyed to him that they can do that. Mr. Philpott responded that in that case, he would consider asking a good attorney to take a look into that. This puts a very sharp point that the area of commissions is really something between the contracting person and the carrier and AHCT plays no role in that. Mr. Calkins added that he supports the AHCT CEO's actions, however, he indicated that many brokers will seek the areas where they can make a profit. Jesse McDonald stated that he was informed that agents cannot charge fees on individual plans that are utilizing Advanced Premium Tax Credits. The question was posed to the Insurance Department if the enrollment fee can be charged and the answer was negative. Mr. Philpott stated that he does not see that anything can be done in the short term. He mentioned that recently the federal government relaxed its rules pertaining to the ACA and he hopes that more flexibility will come from them in the future.

Mr. Philpott praised the broker community for their professionalism, creativity and expertise. Mr. Oswald commented that he does not understand how their creativity, professionalism and expertise can be utilized and appreciated if they cannot earn commissions nor charge enrollment fees. Mr. Philpott commented that this is a very complex and confusing environment. Mr. Oswald asked if there have been any discussion with the Insurance Department about the ability of the call center to enroll and advise in the plan selection. Mr. Oswald added that the Department's position is that only licensed agents can advise on insurance products. Mr. Wadleigh responded to Mr. Oswald's question by stating that by the legal counsel's opinion, only brokers can provide that feedback. AHCT is trying to find a long term solution to this problem. Mr. Czarnecki added that the implication of not paying brokers' commissions goes beyond the structural operations of the Exchange. All of the brokers help people to obtain HUSKY coverage. Mr. Philpott appealed to the committee for understanding the complex situation that the Exchange found itself in. He added that there is nothing that the Exchange can do to reinstate broker commissions within the next few months.

III. Brokers, Agents and Navigators Advisory Committee Realignment Draft

Andrea Ravitz, Director of Marketing, thanked the committee members for coming to the meeting and contributing to the Exchange's success. Ms. Ravitz stated that reshaping of the committee will provide the members and the Exchange with valuable input. Ms. Ravitz presented the Committee's realignment draft and asked members for suggestions. The proposed new name for the committee is Broker Advisory Committee. Ms. Ravitz enumerated the proposed changes to the committee.

Mr. Glick commented on the possibility of having a conflict of interest arising with a carrier representative as a member. He added that he does not see how someone who is directly involved with the carrier to be fully open with his/her thought process. If that person goes to the extreme, he/she would be at odds with their carrier. Mr. Glick stated that these circumstances should be taken under consideration. Mr. Czarnecki disagreed with Mr. Glick's opinion. Mr. Czarnecki added that many people are very open-minded and are not biased. Mr. Glick replied that it should be done with the best interest of the consumer in mind. Mr. McDonald asked for a possibility for participation of a high ranking official on the committee who would represent carriers. Mr. Philpott added that if these changes were made some time ago, the committee then would have had conversations with the carrier representatives already.

IV. Next Steps

Ms. Ravitz explained that Mr. Wadleigh and Lt. Governor Wyman will be sending out a letter to the current members of the Advisory Committees thanking them for their service and offering them to reapply. She stated that within the next few weeks members should receive the letter along with applications for membership. Mr. Czarnecki stated that it was his last meeting participating in the AHCT Advisory Committee. He added that it was a good

experience working with AHCT and the committee members. Mr. Philpott thanked all of the committee members.

V. Adjournment (Vote)

Chair requested a motion to adjourn the meeting. Motion was made by John Calkins and was seconded by Jesse McDonald. Motion passed unanimously. Meeting adjourned at 9:59 a.m.