

**ACCESS HEALTH CT
2017 STANDARDIZED PLAN
DESIGNS – INDIVIDUAL
MARKET**

AHCT 2017 Standardized Plans: Agenda

- Public Comment
- Meeting Objectives
- Overview
 - Standardized Plans
 - Regulations & Guidance
 - 2016 AHCT Plan Enrollment by Metal Level
- 2017 Actuarial Value Calculator Output: 2016 AHCT Medical Standardized Plans
 - Platinum/Gold/Silver/Silver 94%/Silver 87%/Silver 73%/Bronze/HSA
- AHCT 2017 Standardized Stand-Alone Dental Plan (SADP)
- Next Steps
- Appendix
 - Metal Levels & Actuarial Value (AV)
 - Cost Sharing Reduction Plans
 - AHCT 2016 Individual Market Plan Offerings
 - Comparison of AHCT Standardized SADP to Individual Market “Off-Exchange” plans

Overview: Standardized Plans

- Purpose
 - Promotes transparency, ease, and simplicity for comparison shopping by consumer
 - Cost-sharing for a key set of benefits is specified, including deductible, co-payment and/or co-insurance cost sharing for in-network and out-of-network coverage
 - Ensures the vision of AHCT is followed with:
 - Consumer covered for many benefits not subject to deductible, where possible by plan
 - Steerage to primary care provider
- AHCT Individual Market Current Standardized Plans
 - Platinum is optional
 - Carriers can submit up to two non-standard Platinum plans
 - Gold, Silver (including cost-sharing variant plans), Bronze, Bronze HSA are required
 - Carriers can submit up to three non-standard Gold, Silver and Bronze plans
- AHCT 2017 Direction: Increase consumer outreach efforts surrounding health plan literacy, including benefit cost sharing changes

Overview: Regulations and Guidance

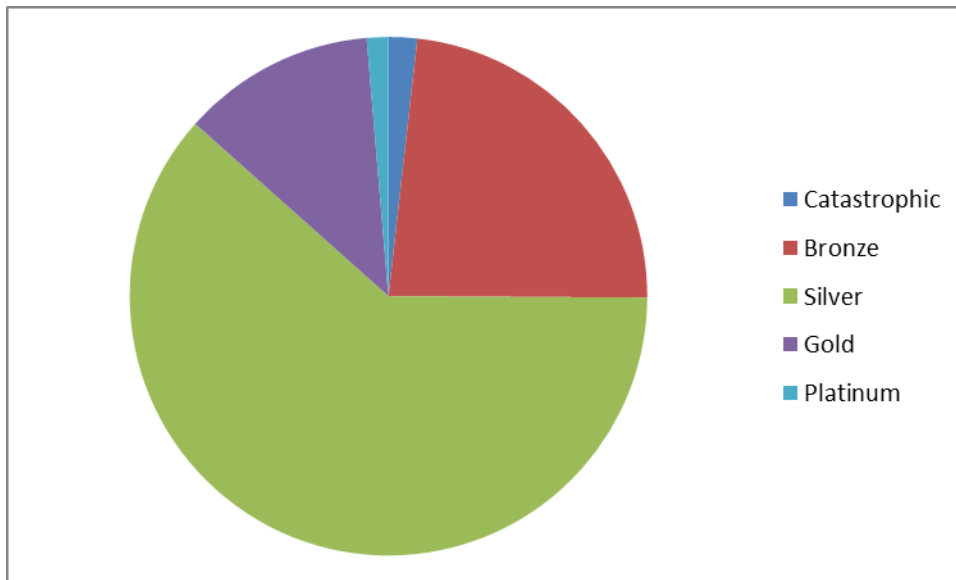
- CMS 2017 Actuarial Value Calculator (AVC)
 - Tool used to validate medical plan AV and to determine 2017 options
- Federal Regulation
 - Proposed 2017 Payment Notice
 - Medical Maximum Out-of-Pocket (MOOP) for Essential Health Benefits (EHBs) for an individual increases to \$7150 from \$6850
 - Silver Cost Sharing Reduction Plans:
 - » 94% & 87%: increases to \$2350 from \$2250
 - » 73%: increases to \$5700 from \$5450
 - Dental MOOP for EHBs is to be determined when final regulation is released – currently \$350
- IRS Guidance for High Deductible Health Plans (HDHPs) for 2017
 - Guidelines affect plans that are compatible with Health Savings Accounts (HSAs)
 - Information pertaining to out-of-pocket (OOP) maximum limits and minimum deductible levels expected in Spring of 2016
- Connecticut Insurance Department (CID) Bulletin HC-109
 - Changes in benefit copay maximums for several benefit categories
 - Reductions in copay maximums for Laboratory and Routine Radiology Services to be incorporated into most AHCT 2016 standardized plans to comply with 2017 guidance

2016 AHCT Plan Enrollment by Metal Level

| Metal Level | Enrollment | Percent |
|--------------|----------------|-------------|
| Catastrophic | 2,063 | 1.8% |
| Bronze | 27,039 | 23.3% |
| Silver | 71,351 | 61.5% |
| Gold | 14,010 | 12.1% |
| Platinum | 1,561 | 1.3% |
| TOTAL | 116,024 | 100% |

Silver Plans:
61% of Total Enrollment

Standardized Plans:
72% of Total Enrollment

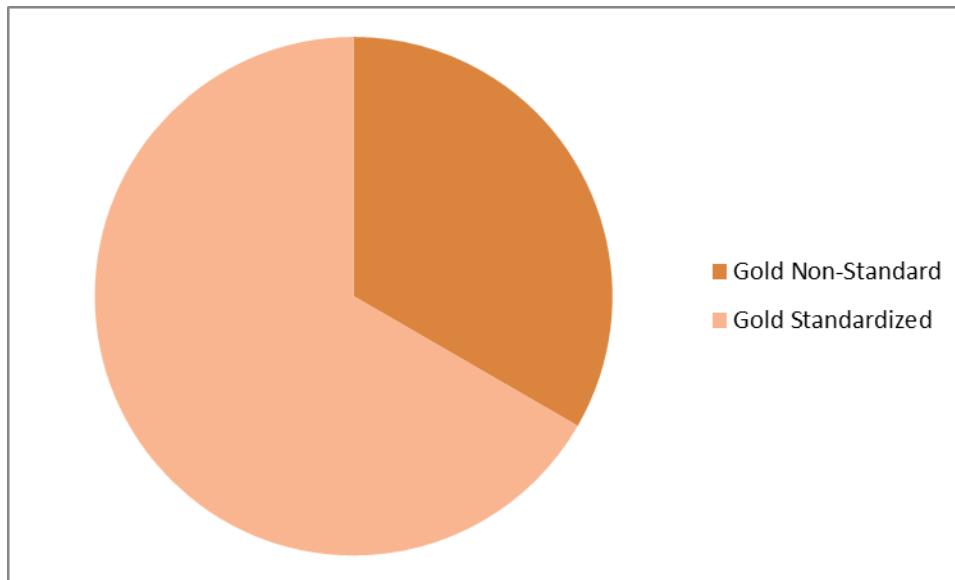


Note:

- Increase of over 17,000 enrollees in AHCT standardized plans compared to 2015

2016 AHCT Plan Enrollment by Metal Level

| Plan Type | Enrollment | Percent of Gold Plan Enrollment |
|-------------------|---------------|---------------------------------|
| Gold Non-Standard | 4,670 | 33.3% |
| Gold Standardized | 9,340 | 66.7% |
| TOTAL | 14,010 | 100% |



Gold Plans:
12.1% of Total Enrollment

Standardized Gold Plan: 8% of Total Enrollment

Note:

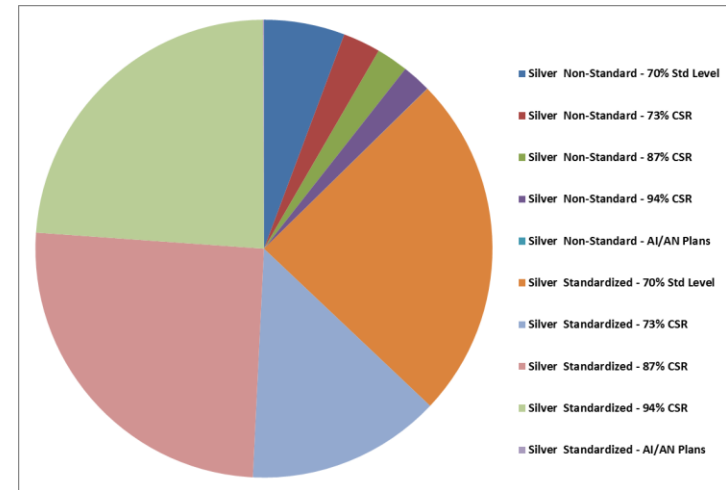
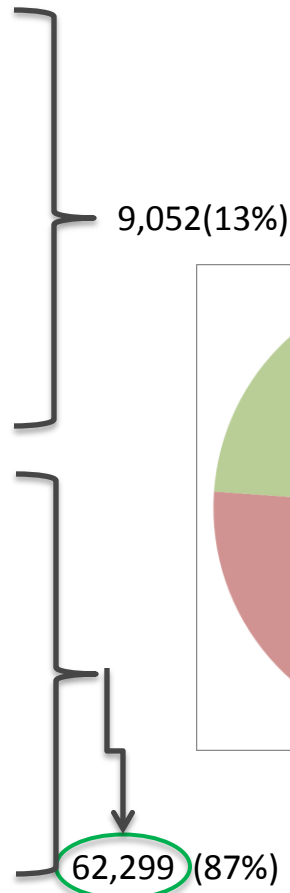
- AHCT standardized plan: most in-network services are not subject to plan deductible

2016 AHCT Plan Enrollment by Metal Level

| Plan Type | Enrollment | Percent of Silver Plan Enrollment |
|-------------------------------------|---------------|-----------------------------------|
| Silver Non-Standard - 70% Std Level | 4,081 | 5.7% |
| Silver Non-Standard - 73% CSR | 1,895 | 2.7% |
| Silver Non-Standard - 87% CSR | 1,604 | 2.2% |
| Silver Non-Standard - 94% CSR | 1,463 | 2.1% |
| Silver Non-Standard - AI/AN Plans | 9 | < .1% |
| Silver Standardized - 70% Std Level | 17,377 | 24.4% |
| Silver Standardized - 73% CSR | 9,802 | 13.7% |
| Silver Standardized - 87% CSR | 18,080 | 25.3% |
| Silver Standardized - 94% CSR | 16,984 | 23.8% |
| Silver Standardized - AI/AN Plans | 56 | 0.1% |
| TOTAL | 71,351 | 100% |

Silver Plans:
61.5% of Total Enrollment

Standardized Silver Plans:
53.7% of Total Enrollment



Note:

- AHCT standardized plan: most in-network services are not subject to plan deductible

2016 AHCT Plan Enrollment by Metal Level

| Plan Type | Enrollment | Percent of Bronze Plan Enrollment |
|-------------------------|---------------|-----------------------------------|
| Bronze Non-Standard | 1,459 | 5.4% |
| Bronze Standardized | 6,892 | 25.5% |
| Bronze Non-Standard HSA | 15,016 | 55.5% |
| Bronze Standardized HSA | 3,672 | 13.6% |
| TOTAL | 27,039 | 100% |

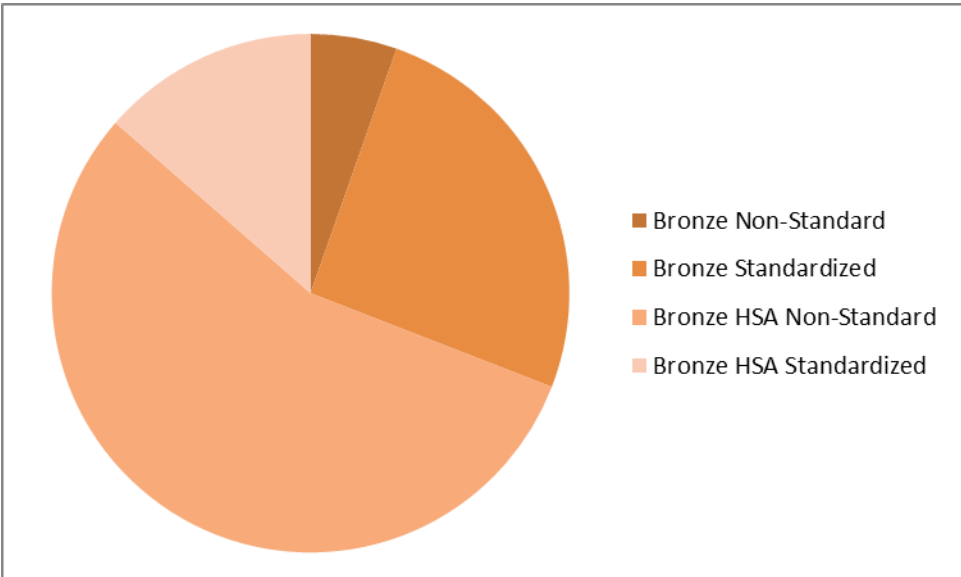
8,351
(30.9%)

18,688
(69.1%)

Bronze Plans:
23.3% of Total Enrollment

Standardized Bronze (non-HSA) Plan
5.9% of Total Enrollment

Standardized Bronze HSA Plan
3.2% of Total Enrollment
(Introduced for 2015 Plan Year)



Note:

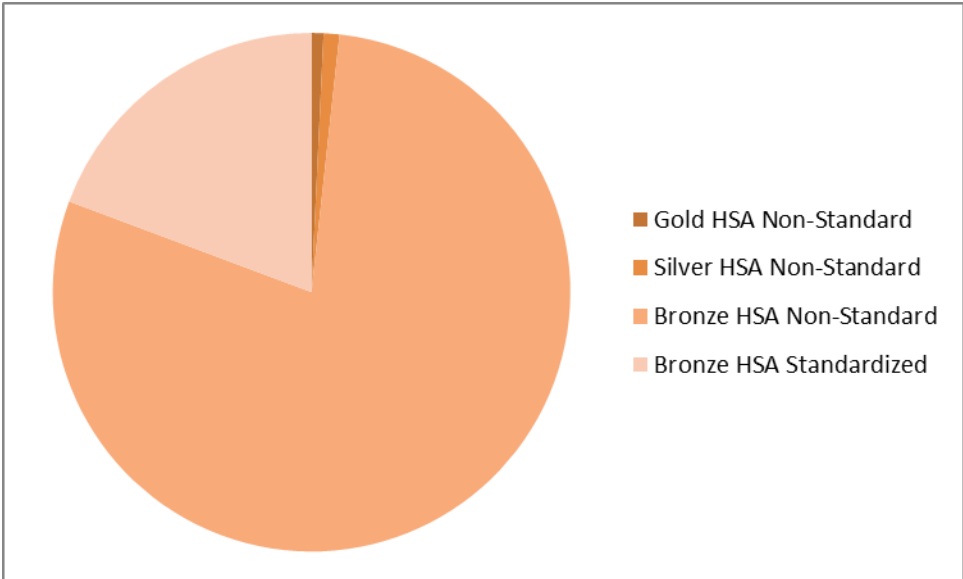
- Standardized Bronze HSA plan was revised cost-sharing from copays to coinsurance for 2016 plan year

2016 AHCT Plan Enrollment Health Savings Account Compatible

| Plan Type | Enrollment | Percent of HSA Plan Enrollment |
|-------------------------|----------------|--------------------------------|
| Gold HSA Non-Standard | 142 | 0.7% |
| Silver HSA Non-Standard | 187 | 1.0% |
| Bronze HSA Non-Standard | 15,016 | 79.0% |
| Bronze HSA Standardized | 3,672 | 19.3% |
| TOTAL | 19,017* | 100% |

**HSA Compatible Plans:
16.4% of Total Enrollment**

**Standardized HSA Bronze
Plan: 3.2% of Total
Enrollment
(Introduced for 2015 Plan
Year)**



Note:

- Increase of nearly 850 enrollees in AHCT Bronze standardized HSA plan compared to 2015

Numbers based on enrollment data of Individual AHCT plans as of 2/2/2016

*HSA plan enrollment includes less than 1% of membership in cost sharing reduction plans

**2017 ACTUARIAL VALUE
CALCULATOR RESULTS & VOTE
ON EACH MEDICAL PLAN**

REFER TO SEPARATE EXHIBITS

AHCT 2017 STANDARDIZED STAND-ALONE DENTAL PLAN (SADP)

SADP - Actuarial Value (AV) Overview

- ACA Compliant plans must conform with either a “High” or “Low” Actuarial Value
 - AV pertains ONLY to pediatric portion of plan, as adult dental is not considered an Essential Health Benefit per ACA regulations
 - High plan = 85% AV: consumer, on average, pays 15% of cost sharing for covered pediatric benefits
 - Low plan = 70% AV: consumer, on average, pays 30% of cost sharing for covered pediatric benefits
- No prescribed tool provided by CMS to perform analysis
 - Actuarial Certification is required
 - Plus/Minus 2 point ‘de minimis’ range is permitted
- AHCT standardized SADP is certified as a “High” AV plan
 - No cost sharing changes are required for 2017 to current SADP, as plan continues to meet High AV
 - CMS proposed 2017 Payment Notice outlined methodology for adjusting maximum out-of-pocket (MOOP) for SADP, but did not specify the value
 - Final Payment Notice expected later this month will identify the required value, which, if decreased below the current \$350 threshold, would result in a need to modify the plan

AHCT 2016 Standardized SADP Plan Design

| Plan Overview | In-Network (INET) Member Pays | Out-of-Network (OON) Member Pays |
|--|--|---|
| Deductible <i>(Does not apply to Preventive & Diagnostic Services for In-Network Services)</i> | \$60 per member, up to 3 family members | \$60 per member, up to 3 family members |
| Out-of-Pocket Maximum <i>for children under age 19 only</i> For one child Two or more children | \$350 \$700 | Not Applicable |
| Diagnostic & Preventive Services | | |
| Oral Exams / X-Rays / Cleanings | \$0 | 20% after OON deductible is met |
| Basic Services | | |
| Filings / Simple Extractions | 20% after INET deductible is met | 40% after OON deductible is met |
| Major Services | | |
| Surgical Extractions, Endodontic Therapy, Periodontal Therapy, Crowns, Prosthodontics | 40% after INET deductible is met | 50% after OON deductible is met |
| Other Services <i>(for children under age 19)</i> | | |
| Medically-Necessary Orthodontic Services | 50% after INET deductible is met | 50% after OON deductible is met |
| Waiting Periods and Plan Maximums <i>(for adults aged 19 and older only)</i> | | |
| Applicable Waiting Period for Benefit | | |
| Diagnostic and Preventive Services | no waiting period | |
| Basic Services | 6 months | |
| Major Services | 12 months | |
| Plan Maximum | \$2,000 per adult member age 19 and over (combined In-Network and Out-of-Network Services) | |

**Actuarial Value (AV):
“High” (85%)
Pertains to Pediatric
Benefits only**

**No CMS prescribed AV
Calculator for SADPs**

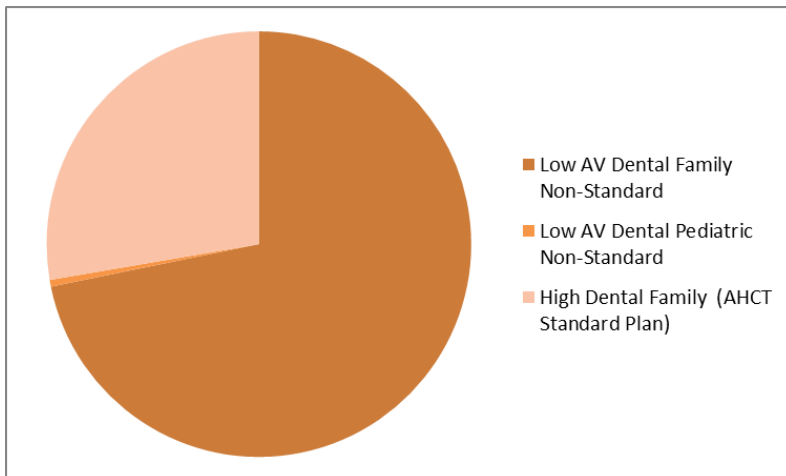
**Maximum Out-of-Pocket:
*pending CMS Final
Payment Notice
Regulation***

**Individual Market Rates
Adult Premium: \$78.43
Child Premium: \$38.62
*(no change from 2015)***

AHCT 2016 Plans: Individual Market Enrollment Information

| Plan Type | Enrollment | Percent of SADP Plan Enrollment |
|---|--------------|---------------------------------|
| Low AV Dental Family Non-Standard | 980 | 71.8% |
| Low AV Dental Pediatric Non-Standard | 7 | 0.5% |
| High Dental Family (AHCT Standard Plan) | 378 | 27.7% |
| TOTAL | 1,365 | 100% |

AHCT Standardized SADP :
 Adult premium is 39% higher than the low option AV plan



Membership Distribution

989 Subscribers

77% of Subscribers Select 'Self Only' Coverage

12% of Subscribers Select Coverage for Children (118 Subscribers / 206 children plus 7 children enrolled in the pediatric only dental plan)

Child enrollment: 15% of total

*Numbers based on enrollment data of Individual AHCT SADPs as of 2/10/2016

14 Terminations due to non-payment of premium not yet processed

Dental Plans Offered in Individual Market

- Review performed of Individual dental plans to:
 - Better understand “off-exchange” options currently available to consumers
 - Compare benefits/cost sharing against AHCT Standardized SADP
- Review included:
 - Plans of carriers posted to CID Website (‘Companies with Approved Individual Health Insurance Policies’) that are marketed/sold directly by carrier
 - Plans offered through websites (ie, ehealthinsurance.com and healthinsurance.com)
- Review excluded dental plans that are available only:
 - When purchased as a “package” with the carrier’s medical plan
 - To specific categories, such as senior citizens or members of an association
- Summary of Review
 - A wide variety of Individual Dental plans are marketed, with significant variation in coverage and cost sharing
 - No plans include ACA compliant pediatric dental coverage, other than those offered through AHCT and available both “On” and “Off” the Exchange
 - AHCT standardized plan is in general, equal to or more robust than other plans
 - Exception: plan deductible is higher than many other plans
 - Refer to Appendix for comparison of benefit features

AHCT 2017 Standardized Plan Designs - Next Steps

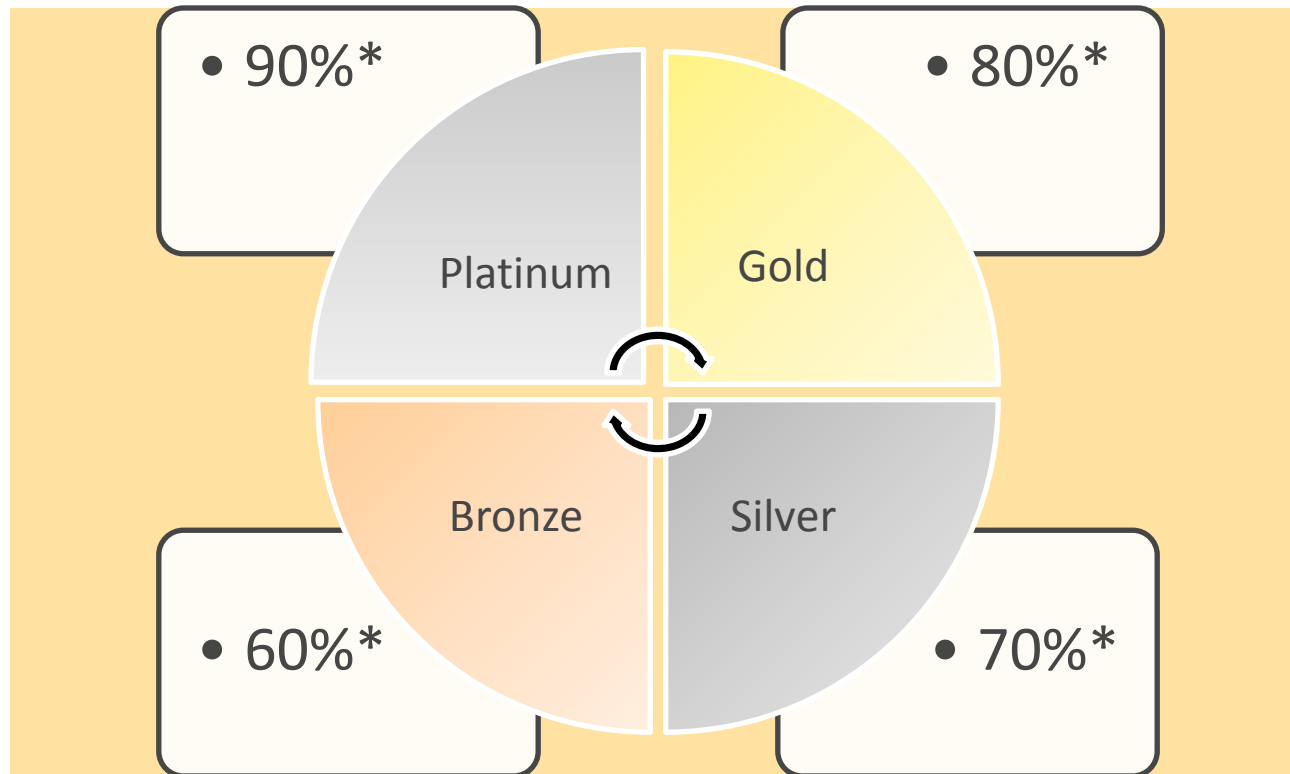
- Scheduling a Special Board of Directors meeting to review the recommended plans as soon as possible

AHCT 2017 Standardized Plans

APPENDIX

Affordable Care Act - Health Plan Types

Metal Levels: Actuarial Value & Average Overall Cost of Providing Essential Health Benefits (EHBs)



**CMS regulations allow for plus/minus 2 point 'de minimis' range for the Actuarial Value (AV) calculation for each of these metal levels to be met (additional rules apply for Silver Cost Sharing Reduction plans)*

Affordable Care Act - Cost Sharing Reduction Plans

- Cost Sharing Reduction (CSR) Plans
 - Special plans available to individuals and families whose Modified Adjusted Gross Income (MAGI) is between 0 and 250% of the federal poverty level and qualifying American Indian (AI)/Alaskan Natives (AN)
 - Reduces the amount an enrollee has to pay out-of-pocket for deductibles, coinsurance, and copayments
 - Silver CSR Plans
 - 94% CSR Variant: MAGI below 150% (1.5 times) of the federal poverty level
 - 87% CSR Variant: MAGI between 150% & 200% (2x) of the federal poverty level
 - 73% CSR Variant: MAGI between 200% (2x) & 250% (2.5x) of the federal poverty level
 - American Indian (AI) /Alaskan Native (AN) Plans
 - Zero CSR: qualifying enrollees with household income between 100% & 300% of the federal poverty level: no out-of-pocket costs for covered Essential Health Benefits
 - Limited CSR: qualifying enrollees (regardless of income): no out-of-pocket costs for covered Essential Health Benefits provided by an Indian Health Care Provider

AHCT 2016 Individual Market Plan Offerings

| 2016 QHPs: Count of Submitted Plans for Individual Market | | | | | | |
|---|----------|------|--------|--------|--------------|-------|
| | Platinum | Gold | Silver | Bronze | Catastrophic | Total |
| Anthem | 0 | 3 | 3 | 4 | 1 | 11 |
| CBI | 1 | 3 | 2 | 4 | 1 | 11 |
| HCT | 0 | 3 | 3 | 4 | 1 | 11 |
| UHC | 0 | 3 | 2 | 2 | 0 | 7 |
| Sub-Total | 1 | 12 | 10 | 14 | 3 | 40 |
| Total including variants | 3 | 36 | 60 | 42 | 3 | 144 |

AHCT Standardized SADP: Comparison to Individual Market “Off-Exchange” Dental Plans

| AHCT Standard SADP Plan Features | Summary of Primary Differences between “In-Network” benefits and cost sharing of AHCT Standard SADP and Dental Plans Available in the Individual “Off-Exchange” Market |
|---|--|
| ACA Compliant Pediatric Dental | <ul style="list-style-type: none"> No plans include ACA compliant pediatric dental coverage, other than the plans offered through AHCT that are also available “Off” the Exchange ACA compliance pertains to pediatric benefits only: plans must not include dollar limits and must include an out-of-pocket max of no more than \$350/child |
| Deductible - \$60 | <ul style="list-style-type: none"> AHCT plan deductible exceeds the plan deductible of most other plans by \$10 Some plans require a separate \$50 deductible for both Basic and Major Services Some plans require a deductible prior to coverage of preventive services One plan has a \$100 lifetime deductible that applies to all services |
| Preventive Care – 100% | <ul style="list-style-type: none"> AHCT plan is similar to most other plans Some plans require the deductible to be met for preventive care to be covered Some plans require enrollee cost sharing Some include coverage for a “scheduled” benefit amount only |
| Basic Services – enrollee pays 20% after deductible | <ul style="list-style-type: none"> Most plans provide Basic Services with member coinsurance of 20% Other plans include member coinsurance for Basic Services of 30%, 40%, 50% or 60% Some plans provide increased coverage after the first year (eg, member coinsurance increases from 60% to 20% for year 2 and to 10% for year 3) Some plans include a “scheduled” amount payable as coverage for specified services Some plans do not include coverage for Basic Services Other plans provide “non-insurance” discounts for these services |

AHCT Standardized SADP: Comparison to Individual Market “Off-Exchange” Dental Plans

| AHCT Standard SADP Plan Features | Summary of Primary Differences between “In-Network” benefits and cost sharing of AHCT Standard SADP and Dental Plans Available in the Individual “Off-Exchange” Market |
|---|---|
| Major Services – enrollee pays 40% after deductible | <ul style="list-style-type: none"> • Most plans included coinsurance of 50% for Major Services; • A few plans include coinsurance of 80% for Major Services; • Some plans included a “scheduled” amount payable as coverage for specified services; • Many plans did not include coverage for Major Services; • Other plans provided “non-insurance” discounts for these services |
| Calendar Year Maximum for Adults - \$2000 | <ul style="list-style-type: none"> • No plans indicate that the calendar year maximum applies to adult coverage only; • Most plans included a Calendar Year Maximum For Adults/Children of \$1000; • Some plans included a Calendar Year Maximum For Adults/Children of \$500 or \$1,200 or \$1,250 or \$1,500; • Some plans included a provision where the Calendar Year annual maximum would increase in the second and/or third year of enrollment under the plan, but never exceeding \$2000; • Three plans included an “annual award” for subsequent plan years to increase the Calendar Year annual maximum for having a claim during the prior year with claim payable below a specified threshold; • Four plans included a \$1000 Calendar Year Maximum with an upgrade available to \$2000 for an additional premium (although Major Services were capped at \$1000) |

AHCT Standardized SADP: Comparison to Individual Market “Off-Exchange” Dental Plans

| AHCT Standard SADP Plan Features | Summary of Primary Differences between “In-Network” benefits and cost sharing of AHCT Standard SADP and Dental Plans Available in the Individual “Off-Exchange” Market |
|---|--|
| <p>Waiting Period for Adults – 6 months for Basic Services*</p> <p><i>Note: the only plans waiving the waiting period for children under age 19 are the 3 ACA compliant plans available “on” & “off” the Exchange</i></p> | <ul style="list-style-type: none"> • For plans including coverage for these services: <ul style="list-style-type: none"> ○ Most include a 6 month waiting period ○ Some plans do not include a waiting period, but have limited coverage (such as a scheduled dollar amount payment) or increased plan coverage for services in years 2 & 3 in lieu of a waiting period ○ 1 plan includes a 3 month waiting period ○ 2 plans include a 4 month waiting period ○ 3 plans include a 12 month waiting period (except for fillings) ○ One carrier with 3 different plans includes a waiver of the 6 month waiting period with proof of prior coverage ○ Some plans do not include coverage for Basic Services |

**Waiver of waiting period available with proof of prior coverage for these services under a dental insurance plan when the termination date was no more than 30 days prior to the effective date of this plan*

AHCT Standardized SADP: Comparison to Individual Market “Off-Exchange” Dental Plans

| AHCT Standard SADP Plan Features | Summary of Primary Differences between “In-Network” benefits and cost sharing of AHCT Standard SADP and Dental Plans Available in the Individual “Off-Exchange” Market |
|--|---|
| <p>Waiting Period for Adults – 12 months for Major Services*</p> <p><i>Note: the only plans waiving the waiting period for children under age 19 are the 3 ACA compliant plans available “on” & “off” the Exchange</i></p> | <ul style="list-style-type: none"> • For plans including coverage for these services: <ul style="list-style-type: none"> ○ Many include a 12 month waiting period ○ 4 plans do not include a waiting period, but annual maximum is limited to \$1000 for Major Services under these plans ○ 1 plan includes a 6 month waiting period, although one is limited to coverage for only 1 service in this category ○ 1 plan includes a 15 month waiting period ○ 5 plans include an 18 month waiting period ○ Some plans include increased plan benefits for these covered services for years 2 & 3 in lieu of a waiting period ○ One carrier with 2 different plans includes waiver of the waiting period with proof of prior coverage |

**Waiver of waiting period available with proof of prior coverage for these services under a dental insurance plan when the termination date was no more than 30 days prior to the effective date of this plan*