Board of Directors Special Meeting

March 07, 2017

Agenda

A. Call to Order and Introductions

B. Public Comment

C. Certification Requirements for 2018 – Vote

D. Adjournment

Meeting Objectives

A. Review and approval of specified AHCT certification requirements for 2018
- Formulary
- Network Adequacy
- Essential Community Providers

B. Consider inclusion of tobacco surcharge in the Individual Market

C. Broker Commissions

- *Certification Requirements for 2018*

AHCT Certification Standard: Formulary

Overview	AHCT Standard	Recommendation
Federal regulations require health plans to provide Essential Health Benefits (EHBs), including a specified minimum number of prescription drugs in a plan's formulary • Applies to QHPs "On" or "Off" Exchange • Formulary drug list must be submitted to the Exchange, State or federal Office of Personnel Management • Effective 1/1/17, health plan is required to use a pharmacy and therapeutics (P&T) committee for clinical evaluation of formulary CID Bulletin issued in June 2016 requires carriers "to file their prescription drug formularies for all plans, whether or not such plans are subject to the ACA, to ensure consistency and transparency in the marketplace."	As approved by AHCT BOD on 2/28/17, effective for the 2018 plan year, suspend for two years the current AHCT standard pertaining to formulary review adopted by the Board of Directors in April 2014* and rely on the Connecticut Insurance Department analysis and review of formulary for both standard and non-standard plans. **To require a QHP Issuer for the Standard Plan designs to provide a prescription drug formulary that offers the highest benefit level, whether it meets one of the standards set forth in 45 C.F.R. 156.122 OR is equal in number and type to the formulary in the plan with the highest enrollment (representing a similar product) offered outside of the Marketplace."*	Remove two-year pilot for change in formulary review and rely on CID analysis and review of sufficiency of formulary effective with plan year 2018. Results in consistent evaluation for "On" & "Off" Exchange plans Does not include comparison of submissions across carrier licenses AHCT will review inconsistencies in submissions and research complaints as required

AHCT Certification Standard: Network Adequacy

Overview	AHCT Standard	Recommendation
Federal regulations require: • That each QHP issuer using a provider network must ensure that in-network providers are made available to all enrollees and essential community providers (ECPs) are included; • The QHP issuer maintains a network that is sufficient in number & types of providers, including mental health and substance abuse providers, to assure that all services will be accessible without unreasonable delay Connecticut Public Act 16-205 was effective 1/1/17, requiring carriers to maintain a network of providers consistent with health plan accrediting entity standards CID Bulletin issued in 2016 outlined its requirements for health plan network adequacy review	As approved by AHCT BOD on 2/28/17, effective for the 2018 plan year, suspend for two years the current certification standard pertaining to network adequacy review adopted by the Board of Directors in April 2014* and rely on Connecticut Insurance Department analysis and review of network adequacy for both standard and non-standard plans. **"To require Qualified Health Plan (QHP) Issuers to develop and maintain provider networks for the standard plan designs offered for sale in the Marketplace that include at least 85% of those unique providers and unique entities that comprise the network of the most popular plan, of a similar type, actively sold by the Issuer or the Issuer's affiliate if such affiliate has a larger provider network."*	Remove two-year pilot for change in review of network adequacy and rely on CID analysis and review of network adequacy effective with plan year 2018. Results in consistent evaluation for "On" & "Off" Exchange plans Does not include comparison of submissions across carrier licenses AHCT reserves the right to request carrier network data for various purposes (e.g., assess network breadth, research complaints, etc.)

AHCT Certification Standard: ECPs

Overview	AHCT Standard	Recommendation
Federal regulations require that a QHP issuer using a provider network include a sufficient number and geographic distribution of essential community providers (ECPs), where available, to ensure reasonable and timely access to a broad range of such providers for low-income individuals or individuals residing in Health Professional Shortage Areas within the QHP's service area AHCT supplies Issuers with an ECP list as a source to use in ECP contracting efforts C High level ECP contracting requirement in FFMs: • Medical: Issuers must contract with at least 30 percent of available ECPs in each QHP's service area • Dental: Issuers must offer a contract to at least 30 percent of available ECPs in each plan's service	AHCT's current standard for ECP contracting approved by the AHCT BOD in November 2012 & updated/approved in June 2013, requiring QHPs to have contracts with at least 90% of FQHCs or "look alike" health centers in CT, and by 1/1/2015, 75% of all other designated ECPs, with consideration given for issuers demonstrating a good faith effort to accomplish these standards Requirement has been applied to both QHPs and SADPs	Revise the current standards, using a requirement for contracting at a level of 50% for both types of ECPs

AHCT Certification Standard: Tobacco Surcharge

Overview	AHCT Standard	Recommendation
Federal regulations: • **Allow for application of a tobacco surcharge to premium rates (up to 1.5:1 compared to premium rates for non-smokers) for those who may legally use tobacco under federal and state law** • **Defines tobacco use as consumption of tobacco on average four or more times per week (within no longer than the past 6 months) & includes all tobacco products, except religious/ceremonial use** • **State that the premium tax credit amount may not include any adjustments for tobacco use** **Per Connecticut General Statute, tobacco use is not an allowed case characteristic for the small employer market in Connecticut**	**AHCT does not currently permit a tobacco surcharge adjustment to premium rates in the Individual Market**	**Obtain feedback from AHCT BOD with regard to permitting inclusion of tobacco surcharge in premium rates for Individual Market Exchange plans**

AHCT Certification Standard: Broker Commissions

AHCT Standard	Recommendation
AHCT BOD approved the following during the meeting held on January 26, 2017: **“To require any health carrier offering a health insurance plan through the Exchange to pay a commission to an insurance producer or broker who assists an individual or small employer in enrolling in a health insurance plan through the Exchange.”** **“To require that the amount of commission a carrier pays to a producer or broker who assists an individual or small employer enrolling in a health insurance plan through the Exchange be the same as the amount of commission the carrier pays to producers or brokers who assist individuals or small employers in enrolling in health plans outside of the Exchange.”**	**Remove the requirement that the amount of commission a carrier pays to a producer or broker who assists an individual or small employer enrolling in a health insurance plan through the Exchange be the same as the amount of commission the carrier pays to producers or brokers who assist individuals or small employers in enrolling in health plans outside of the Exchange.**

➢ *Next Steps*

➢ *Appendix*

Formulary Requirements: ACA Regulation/CID Guidance

Title 45: Public Welfare

45 C.F.R §156.122

- **Under Marketplace regulations a health plan does not provide essential health benefits unless it covers at least the greater of one drug in every United States Pharmacopeia (USP) category and class; or the same number of prescription drugs in each category and class as the EHB-benchmark plan; and**
- **Submits its formulary drug list to the Exchange, the State or the federal Office of Personnel Management, and**
- **Beginning on or after January 1, 2017, uses a pharmacy and therapeutics (P&T) committee that meets specified standards**

Connecticut Insurance Department (CID) Bulletin No. HC-113

- **Published June 22, 2016**
- **Carriers are required "to file their prescription drug formularies for all plans, whether or not such plans are subject to the ACA, to ensure consistency and transparency in the marketplace."**
- **CID will obtain information via a survey to perform an annual evaluation**

Network Adequacy Requirements: Regulations & Guidance

Title 45: Public Welfare **45 C.F.R §156.230**	• **Each QHP issuer that uses a provider network must ensure that the network (consisting of in-network providers) made available to all enrollees:** • **Includes essential community providers;** • **Maintains a network that is sufficient in number & types of providers, including mental health and substance abuse providers, to assure that all services will be accessible without unreasonable delay; and,** • **Is consistent with the network adequacy provisions of section 2702(c) of the Public Health Services (PHS) Act.**
Connecticut Public Act 16-205	• **The Act specifies that, effective January 1, 2017, carriers are to maintain a network of providers consistent with the National Committee for Quality Assurance (NCQA) network adequacy requirements or URAC's provider network access/availability standards**
CID Bulletin No. HC-117 (10/25/16)	• **Outlines how the requirements of Public Act 16-205 are to be implemented** • **Requires health carriers to file each new network and access plan within 30 days prior to the date any new network will be offered, and complete the Network Adequacy Survey as its filing submission; Annual survey submissions for networks effective on and after January 1, 2018 to be included as part of the annual form filing process**

Essential Community Providers (ECPs): ACA Regulation

Title 45: Public Welfare

45 C.F.R. §156.235

- **"A QHP issuer that uses a provider network must include in its provider network a sufficient number and geographic distribution of essential community providers (ECPs), where available, to ensure reasonable and timely access to a broad range of such providers for low-income individuals or individuals residing in Health Professional Shortage Areas within the QHP's service area, in accordance with the Exchange's network adequacy standards."**

Essential Community Providers (ECPs) Defined

- Providers serving predominantly low-income, medically underserved individuals
- Providers described in section 340B of Public Health Service (PHS) Act & section 1927(c)(1)(D)(i)(IV) of Social Security Act
- Include not-for-profit / State-owned providers as described in section 340B of PHS Act *that don't participate in the 340B Program*
- Not-for-profit or governmental family planning service sites that don't receive a grant under Title X of the PHS Act
- Indian health care providers

Category	Types of Entities
HOSPITALS	**Disproportionate Share Hospitals (DSH) and DSH-eligible Hospitals, Children's Hospitals, Rural Referral Centers, Sole Community Hospitals, Free-standing Cancer Centers, Critical Access Hospitals**
FEDERALLY QUALIFIED HEALTH CENTERS (FQHCs)	**FQHCs and FQHC "Look-Alike" Clinics, Outpatient health programs/facilities operated by Indian tribes, tribal organizations, programs operated by Urban Indian Organizations**
INDIAN HEALTH CARE PROVIDERS	**IHS providers, Indian Tribes, Tribal organizations, and urban Indian Organizations**
RYAN WHITE PROVIDERS	**Ryan White HIV/AIDS Program Providers**
FAMILY PLANNING PROVIDERS	**Title X Family Planning Clinics and Title X "Look-Alike" Family Planning Clinics**
OTHER ECPs	**STD Clinics, TB Clinics, Hemophilia Treatment Centers, Black Lung Clinics, Community Mental Health Centers, Rural Health Clinics, and other entities that serve predominantly low-income, medically underserved individuals**

Tobacco Use Surcharge: ACA Regulations/CT Statute

Title 45: Public Welfare **45 C.F.R §147.102**	• **Tobacco surcharge permitted, but may not vary by more than 1.5:1 compared to premium rate for non-smokers; may only be applied for those who may legally use tobacco under federal and state law** • **Tobacco use is defined as consumption of tobacco on average four or more times per week (within no longer than the past 6 months) & includes all tobacco products, except religious/ceremonial use** • **Tobacco use must also be defined in terms of when a tobacco product was last used**
Title 26: Internal Revenue **26 C.F.R §1.36B-3(e)**	• **The premium tax credit amount may not include any adjustments for tobacco use**
Connecticut General Statute §38a-567	• **Tobacco use is not an allowed case characteristic & is therefore not applicable in the small employer market in Connecticut**

C.F.R. = Code of Federal Regulations