# Connecticut Health Insurance Exchange
# Health Plan Benefits and Qualifications Advisory Committee
# Special Meeting

Connecticut Historical Society

Thursday, February 16, 2017

**Meeting Minutes**

**Members Present:**
Grant Ritter (Chair); Neil Kelsey; Paul Lombardo; Kimberly Martone; Tu Nguyen

**Participants by Phone:** Mary Ellen Breault
Wakely Consulting Group: Brittney Phillips; Julie Andrews

**Other Participants:**
Access Health CT (AHCT) Staff: James Wadleigh; Shan Jeffreys; John Carbone; Susan Rich-Bye; Ann Lopes

**The Meeting of the Health Plan Benefits and Qualifications Advisory Committee was called to order at 12:00 p.m.**

## I. Call to Order and Introductions

Chair Grant Ritter called the meeting to order at 12:00 p.m.

## II. Public Comment

No public comment

## III. Vote: February 3, 2017 Meeting Minutes

Neil Kelsey requested the Minutes to be amended to include information which clarify that the Standard Silver Plan Emergency Room co-payment of $200 is written after the deductible is met. Mr. Ritter noted that the Minutes will be voted as amended.

Grant Ritter requested a motion to approve the February 3, 2017 Health Plan Benefits and Qualifications Advisory Committee Meeting Minutes as amended. Motion was made by Tu Nguyen and seconded by Kimberly Martone. ***Motion passed unanimously.***

## IV. 2018 Plan Offerings (Vote)

Shan Jeffreys, Director of Marketplace Strategies, updated the Committee with the proposed 2018 standardized and non-standardized plan offerings for individual as well as for the small group market. AHCT has been in discussion with carriers about offering both standardized and non-standardized plans on the SHOP platform. Mr. Jeffreys stated that neither the state nor the federal government require AHCT to carry standard plans. The Exchange has the ability to offer standard-only, non-standard-only and a mixture of both. Mr. Kelsey indicated that in the case of a standard plan, an employee can go onto the Exchange and choose a plan that fits her/him. In this case, the standard plan design would be beneficial to the employee since it would be her/his option to choose a carrier. Mr. Kelsey stated that in the non-standard option, he would prefer to have the employer choose a carrier for an employee. In turn, an employee would be able to choose a plan within the carrier's plan offerings.

John Carbone, SHOP Sales Manager, inquired if SHOP were to keep its current options, if it would become problematic to Anthem. Mr. Kelsey responded that his concern arises from the option of employees being able to choose a carrier based on a plan design that a carrier is offering. This would allow an employee to select against the carrier. Paul Lombardo inquired if this ability exists in the individual market. Mr. Kelsey confirmed and added that nothing can be done in the individual market to alter it. Mr. Lombardo inquired if other private exchanges that handle small group markets operate in a similar fashion. Mr. Carbone provided an example of Connecticut Business & Industry Association (CBIA) which provides full choice. Mr. Kelsey indicated that CBIA offers standard plan designs on its exchange. Carriers are not competing based on plan design. All carriers on CBIA have to offer the same plan design. Mr. Carbone indicated that this issue needs to be researched. Mr. Ritter suggested that this matter should be reviewed at future meetings of the Committee.

Mr. Carbone addressed the Committee with a suggestion to include an additional Platinum Standardized Plan to the SHOP offerings. Mr. Carbone stated that small group is about retention for growth of the program. Also, additional options in each metal tier would offer employers with more choices. SHOP would like to offer an additional Platinum Standardized Plan in a different price category. Some employers approached the SHOP program to offer more options. Carriers outside of the Exchange usually offer multiple platinum plans that attract more customers. Offering more platinum plans would help the Exchange to retain its customers. Tu Nguyen indicated that requiring carriers to offer more plans may not be the best option to consider given the fact that only one carrier currently participates in the SHOP program. Mr. Kelsey asked if this plan can be offered as an option. It would not be a barrier for carriers to enter the market, but it would only be an option that they may be willing to consider.

**2018 Stand Alone Dental Plan (SADP)**

Mr. Jeffreys provided an overview of the 2018 Stand Alone Dental Plan (SADP) offerings. Mr. Jeffreys indicated that the Actuarial Value (AV) for the high plan is 85%, where the consumer pays, on average, 15% of cost sharing for covered pediatric dental services while for the low plan, with a 70% AV, she/he needs to pay, on average, 30%. Mr. Jeffreys added that adult dental services are not part of the Essential Health Benefits (EHB). Therefore, no AV calculation is required for that portion of the plan. AHCT is recommending no changes to the current SADP. Currently, AHCT has an opportunity with additional dental carriers coming onto the Exchange.

Ann Lopes, Carrier Product Manager, provided the Committee with an overview of this proposal. Ms. Lopes indicated that this proposal would provide AHCT with an opportunity to attract more dental carriers. Ms. Lopes stated that the product offered would be similar to an HMO, but for a dental plan. These are sometimes referred to as a "DMO". With the current standardized plan designs including in and out-of-network coverage, by definition, requiring carriers to include out-of-network coverage, AHCT could not include them as a potential carrier for the Exchange. One of the approaches to consider is to allow more flexibility pertaining to the out-of-network options. Currently, the Federally Facilitated Marketplace (FFM) operates a similar model, where out-of-network cost sharing is not prescribed for standardized plans. Mr. Nguyen indicated that providing flexibility on the out-of-network portion may potentially be attractive to the carriers contemplating joining the Exchange. Mr. Nguyen urged this idea to be considered on the medical side as well.

Mr. Ritter indicated that this is worth considering at a later date. Ms. Lopes stated that any carriers that have in and out-of-network options would have to match the standardized plan. Alternatively, AHCT could give them the flexibility to decide what kind of out-of-network benefits would be included in the PPO structure. Mr. Kelsey added that it has to be clear to consumers what they are purchasing. The consumer needs to know who is in the network and what those benefits are. Ms. Lopes indicated that carriers are required to update their provider directory information at least monthly on their website. This information is as good as the information the providers are submitting to the carriers. In terms of the Exchange, all the plans are displayed with a link to the provider directory. It is up-to-date in terms of what the carriers are presenting. Ms. Lopes indicated that AHCT may consider including a column depicting that out-of-network coverage is not included for DMO-type of plan options. Mr. Ritter commended this idea. It would be matching the HMO model.

**V. Certification Requirements for 2018**

Mr. Jeffreys provided an overview of certification requirements for 2018. Mr. Jeffreys summarized the tobacco surcharge option. Tobacco use is defined as using it four or more times a week over the course of six months. Currently, the Exchange does not allow carriers to include a tobacco surcharge in the premium rates. Starting in 2018, AHCT would like to discuss allowing carriers to use a tobacco surcharge in their premium rates for Qualified Health Plans (QHPs) in the Individual Exchange market. The tobacco surcharge would apply

after advanced premium tax credit (APTC) as an impact to premiums. The FFM does allow the tobacco surcharge. Mr. Lombardo noted that currently three carriers are using the tobacco surcharge off the Exchange. The smoking surcharge cannot be used on the small group market. Mr. Lombardo indicated that some carriers vary the tobacco rating based upon age and the federal government has allowed it. Mr. Wadleigh stated that the current system cannot handle this rating and it would be a significant investment to make this system compatible. Mr. Lombardo asked if the Exchange is using the federally-formatted rate tables for that purpose. Ms. Lopes indicated that AHCT does not have the storage room now to take both columns of rate data from the rates template. The calculation of the APTC would be based off the non-tobacco use rate, with the difference between the tobacco and the non-tobacco use rate added to it. Currently, AHCT does not collect information during the enrollment process if one is a smoker or a non-smoker. AHCT would need to develop the system to track someone who ceased smoking for a number of months and allow that person to go back into system and re-rate it. This person would not have a tobacco surcharge on top of their rate. AHCT would need to make a determination at what point in time that the surcharge would be stopped.

Mr. Lombardo stated that currently, carriers are using a blended rate for tobacco and non-tobacco use. If a carrier introduced a non-tobacco use rate into their filings, the non-tobacco user premium should decrease. The surcharge would be used to lower the non-smoker premium. Mr. Lombardo noted that any reduction in the rate would be hidden by the trend of any rate increases going forward. The rate increase would be mitigated for the non-smoker by a small degree. Ms. Lopes stated that rates for plans that are offered on the Exchange do not have the tobacco surcharge. It is a concern how to validate whether someone was reporting tobacco use appropriately or not. It would open up operational issues. Mr. Ritter indicated that at the current level of federal subsidies, if the tobacco surcharge were instituted, they would be lowered overall. The smokers would be obtaining the APTC of a non-smoker. The rate would be based on the non-smoking pool only. All of the non-smokers would have to pay more. Mr. Ritter stated that the winners would be the non-subsidized, non-smokers because they would be getting a better rate. Mr. Kelsey added that it assumes that carriers will lower their non-smoker rate from their average rate. It is not certain. It also assumes that it is being placed on top of their current rates.

Mr. Ritter stated that the rates would average out. The split between smokers and non-smokers would be different. Julie Andrews added that a single risk pool is required to be used in the premium development. The risk pool is based on the total number of smokers and non-smokers in the development. Ms. Andrews stated that there is an adjustment in the amount of premium that is coming from the smokers. The single risk-pool starts off with all individuals. Mr. Ritter added that three percent indicate on their applications that they are smokers. Mr. Kelsey stated that carriers can lower the non-smoker rate, but it would not be significant. Mr. Nguyen indicated that whenever more requirements and restrictions are placed on the carrier participating on the Exchange, it de-incentivizes it from being part of it. Ms. Lopes added that other exchanges were examined.

**Formulary Requirements**

Ms. Lopes added that over the past few years, changes have occurred with regard to federal regulations on the certification requirements for formulary review, as well as additional oversight by the Connecticut Insurance Department (CID). The federal regulations were revised effective January 2017 to require clinical evaluation by the carriers. They must make clinical decisions in regards to what drugs they include on the formulary based on the scientific evidence and standards of practice. Additionally, CID has started to implement their own internal process of review, regardless if the plan is subject to ACA or not. AHCT has been doing a formulary review internally. Since CID is doing this same type of review, AHCT is looking to transition it over to CID. CID is utilizing the federal tool to accomplish it for all plans.

**Network Adequacy**

Mr. Jeffreys provided the network adequacy overview. AHCT would like to review the existing certification requirements pertaining to network adequacy. Some changes in the State regulations took place. CID implemented a procedure for network adequacy review and AHCT would like to discuss transitioning the current review process over to them. Ms. Breault indicated that CID is looking at each entity separately with all of them having separate licenses. Networks will be reviewed separately. Mr. Jeffreys added that AHCT will work with CID on escalation and issues from both the carrier and consumer perspective when it comes to network adequacy. AHCT will still have a role to play in that process. Mr. Nguyen asked if the 85% requirement will become obsolete. Mr. Ritter confirmed that it will be superseded by CID's review. It gives the carriers more flexibility to consider joining the Exchange. Mr. Lombardo added that this may result in offering tiered/narrow networks.

**Essential Community Providers**

Mr. Jeffreys provided a brief overview of the Essential Community Providers (ECPs). Mr. Jeffreys indicated that they must be included in the carriers' network to ensure timely and reasonable access to a broad range of provider services for low income individuals. They consist of a number of different provider types. AHCT has been looking to possibly reducing the current contracting standard of 90% of Federally-Qualified Health Centers (FQHCs) to approximately 75%. One of the options that AHCT would like the Committee to consider is lowering it to the FFM's threshold of 30%. Reducing that number will also minimize the administrative costs to the carriers. It may be an attractive option not only to the carriers, but also to consumers because potentially the carriers may be able to offer better premiums. Also, it may potentially attract new carriers to the Exchange.

Ms. Lopes indicated that it is a big challenge to contract at the 90% level. Mr. Jeffreys suggested that lowering the threshold to 50% would not create an additional administrative burden to the carriers. Mr. Kelsey inquired what were the ECP levels when AHCT started. Also, Mr. Kelsey asked why are these requirements much more restrictive from those of FFM. Ms. Lopes answered that originally these numbers were around 30% for the non-Federally Qualified Health Center (FQHCs). Mr. Ritter indicated that the recommendation to the Board

is to look at 50% and focus on location instead of services. Ms. Breault suggested that the 90% threshold on services could be an impediment to more carriers joining the Exchange. Mr. Nguyen commented that if there are too many limitations to join the Exchange, a carrier considering offering plans through AHCT may decide not to pursue it.
Mr. Jeffreys inquired about Committee's decision pertaining to the SHOP program regarding the additional Platinum plan. Mr. Ritter responded that an optional second plan should be created. Grant Ritter requested a motion to recommend that the Board consider creating an optional second standard platinum plan for SHOP. Motion was made by Neil Kelsey and seconded by Kimberly Martone. **Motion passed unanimously.**

Grant Ritter requested a motion that the Board consider a tobacco surcharge. Motion was made by Tu Nguyen and seconded by Kimberly Martone. **Motion passed unanimously.**

Grant Ritter requested a motion to recommend to allow SADPs to either be both in and out of network or to be in-network only at a carriers' option. Motion was made by Neil Kelsey and was seconded by Paul Lombardo. **Motion passed unanimously.**

Grant Ritter requested a motion to recommend to the Board, effective for the 2018 plan year, to eliminate the current certification 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. Motion was made by Neil Kelsey and seconded be Kimberly Martone. **Motion passed unanimously.**

Grant Ritter requested a motion to recommend to the Board to reduce the number of Essential Community Providers to 50%. Motion was made by Neil Kelsey and seconded by Kimberly Martone. **Motion passed unanimously**.

Grant Ritter requested a motion to adjourn the meeting. Motion was made by Kimberly Martone and seconded by Neil Kelsey. **Motion passed unanimously.** Meeting adjourned at 1:41 PM.