



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

Connecticut Historical Society
Dangremond Meeting Room

Wednesday, September 20, 2017
Meeting Minutes

Members Present:

Grant Ritter (Chair); Robert Tessier; Tu Nguyen; Neil Kelsey

Participants by Phone: Kimberly Martone; Ellen Skinner; Paul Lombardo; Mary Ellen Breault

Other Participants:

Access Health CT (AHCT) Staff: James R. Wadleigh, Jr.; Shan Jeffreys; Susan Rich-Bye; Ann Lopes; Ellen Kelleher

The Meeting of the Health Plan Benefits and Qualifications Advisory Committee was called to order at 4:00 p.m.

I. Call to Order and Introductions

Chair Grant Ritter called the meeting to order at 4:00 p.m.

II. Public Comment

No public comment

III. Vote

Chair Ritter requested a motion to approve the August 15, 2017 Health Plan Benefits and Qualifications Advisory Committee Special Meeting Minutes. Motion was made by Robert Tessier and seconded by Tu Nguyen. ***Motion passed unanimously.***

IV. Certification Requirements: Overview

Ellen Kelleher, Carrier Product Manager, provided an overview of various certification requirements. Ms. Kelleher indicated that Board of Directors tasked the Health Plan Benefits and Qualifications Advisory Committee (HPBQ AC) to review policies and certification requirements that have an impact on the plan development discussions. The Plan Management Team (PMT) attempted to advance this issue with a segmented approach. All of them are interrelated at each phase of the process. The HPBQ AC will be reviewing the Lowest Cost Silver Plan in the Individual Market requirements, the pediatric dental coverage, the plan mix pertaining to standard and non-standard plan offerings and the standard plan design. The potential to eliminate the requirement of the standardized plans in the individual market may also be a part of the committee's deliberations. James Wadleigh inquired whether monthly meetings of the HPBQ AC would be enough to accomplish objectives of the plan design initiatives. Ms. Kelleher stated that the potential of having meetings in addition to the monthly ones should be considered if necessary.

Robert Tessier voiced his opposition to eliminating standard plan designs. Mr. Tessier indicated that it is easier to compare offerings from carriers with the standard plan design option available. Ms. Kelleher stated that possible elimination of standard plan designs is only a part of a discussion about future offerings. Mr. Wadleigh also added that the HPBQ AC might conclude that elimination of non-standard plans may also be considered. Mr. Tessier accentuated that many of AHCT's customers started purchasing medical insurance plans for the first time in their lives and having a standard plan design helps them in making proper choices. Ms. Kelleher asked theoretical questions that may be taken under consideration at future HPBQ AC meetings. Some of these ideas include possibly eliminating the requirement to allow non-standard plans in addition to requiring standard plan designs. Another idea involves AHCT's requirement to have the lowest cost Silver plan in the Individual Market be the AHCT Standardized Silver plan. These topics are very significant and will set the stage for the committee's work for the upcoming meetings.

Ann Lopes, Carrier Product Manager, provided the committee with additional insight pertaining to the topics that HPBQ AC may cover during the upcoming meetings. Each carrier can submit a total of seventeen plans in the individual market and fourteen in the small group market. AHCT removed the requirement for the standard plans to be offered in the small group market. Ms. Lopes added that offering standardized plans from the Exchange's perspective promotes transparency for comparison shopping as well as simplicity. Specifying the set of cost sharing perimeters for these plans is the responsibility of the Exchange. There are advantages pertaining to standardized plans, as it allows desired plan features to be included, such as embedding pediatric dental benefits within the medical plan. As the committee contemplates action for 2019, this decision will need to be made. The inclusion of a specialty tier level of medications for a drug formulary, with a maximum cost share that consumer would be required to pay per prescription, may also be under consideration.

Ms. Lopes stated that as the committee gets closer to thinking about plan designs, two possibilities exist in this area. One of them includes following the same path that is in place currently, and the other one could be focusing on helping to lower plan premiums. Ms.

Lopes added that from the carrier perspective, a large number of personnel are involved in designing plans. AHCT is trying to assess the value and balance of plans. Options to consider include a higher premium and lower cost sharing versus lower premium and higher cost sharing. Tu Nguyen commented that requiring carriers to offer standardized plans is beneficial to consumers, but it may also hinder their innovative approaches. Mr. Nguyen proposed to have Tier 1 network to require to have matching standard plans and Tier 2 would allow carriers to come up with innovative ideas. Ms. Lopes indicated that the committee might want to explore these ideas. Mr. Ritter stated that this approach, if contemplated, would need to be fully examined. Mr. Tessier stated that the rules had changed in 2014 pertaining to the standardized plans and required benefits. Mr. Ritter pointed out that certain mandated features of the plans cannot be altered. Pediatric dental has to be one of the Essential Health Benefits (EHB). Ms. Lopes stated that off Exchange, Connecticut Insurance Department (CID) requires the pediatric dental to be included in all medical plans. The Exchange has more flexibility in that area. Ms. Lopes added that CID allows the Exchange to have this option as long as the carrier can be assured that a stand alone dental plan, which is ACA-compliant, is offered in the individual market. In theory, the pediatric dental plan can be removed from the medical plan if this is available. However, it provides another set of complications for people who are trying to choose a plan that may be comprehensive in nature and cause complications in terms of calculating the Advanced Premium Tax Credits (APTC). Mary Ellen Breault stated that plan on the Exchange can eliminate the pediatric dental only if there are stand-alone plans available on the Exchange per federal regulations. The burden of proof is different on and off Exchange.

Mr. Tessier inquired whether any analysis has been conducted of standard versus non-standard plans for a given carrier and whether consumers' input was incorporated. Ms. Lopes responded that AHCT has conducted focus groups in the past to weigh in on this issue. Ellen Skinner inquired whether any data exists to conclude that consumers are using additional benefits provided by standard plans. Ms. Lopes emphasized that both on and off Exchange plans are required to cover all ten EHBs. The major difference between the plans is the cost sharing aspect at which those services are available. Susan Rich-Bye stressed that any plan that is offered on the Exchange, has to be sold off the Exchange and the premium has to be the same. Mr. Ritter inquired about the reasoning for carriers offering plans off the Exchange and not on the Exchange as a non-standard plan. Mr. Ritter asked if the better plan designs are offered off the Exchange. Ms. Breault stated that there is a requirement that the lowest cost Silver plan in the Individual market offered through the Exchange has to be the Silver standard plan. The carriers come up with the less expensive plan designs and as a result, they are prohibited from offering them on the Exchange. Mr. Nguyen stated that carriers off Exchange have more flexibility in their plan designs. Carriers on the Exchange are placed at a disadvantage. Mr. Nguyen encouraged the Committee to examine this issue. Ms. Lopes indicated that a possible solution to this issue is to have plans with preferred and non-preferred networks on the Exchange. Mr. Tessier stated that at certain levels, some customers would find the gold tier options more attractive due to the APTCs being applied to their premium structure. Ms. Skinner inquired if there are any developments in the area of the value-based designs and ACA-compliant plans, and Ms. Lopes asked if representatives of the Connecticut Insurance Department (CID) would be able to update the group on that

topic. Ms. Breault indicated that no specific changes pertaining to those issues had taken place.

Mr. Wadleigh acknowledged that committee members have made some recommendations and provided good insight on things. He stated that feedback is needed on what we think will be better for consumers, from a benefit and cost perspective. Ms. Kelleher stated that draft Actuarial Value (AV) calculator tool will be coming out and will need to be used to examine possible scenarios to modify plans to stay within the required parameters but make changes to plan designs. Ms. Kelleher added that the Committee would like to engage the carriers to encourage them to perform the same modelling, for both standard and non-standard plans. Mr. Tessier added that until the AV calculator is utilized, the committee will not know what changes to plan designs would be needed. Mr. Tessier emphasized that if the carriers have recommendations on plan design changes that it would be good to have them early in the process, as it would provide more time to make adjustments. Ms. Kelleher stated that it would be helpful for the carriers to request a data call in order to determine if the copay maximums are at appropriate levels. Mr. Ritter outlined that it may be difficult to retain the current copays, although that may be more desirable, because of the copay maximums.

Ms. Lopes described the Second Lowest Cost Silver Plan (SLCSP) Benchmark. The premium tax credit (PTC) is calculated based on the SLCSP. The Board of Directors in 2013 approved the requirement that the standardized silver plan be the carrier's lowest cost silver plan in the individual market. It prohibits the carriers from offering plans with lower premiums that could be attractive to certain consumers. The original intent was to guarantee the affordability of the standardized plan. At that point, AHCT designed the plans with many of the services offered not being subject to the deductible. Ms. Lopes added that eliminating this requirement could result in more diverse plan components, such as different product types being the lowest cost plans. Some silver HSA-compatible plans that may end up being the lowest and the second lowest cost plan in the marketplace if the requirement is removed. Ms. Lopes added that it could potentially attract consumers to come back to make additional decisions. If the requirement for the standard silver plan to be the lowest cost silver plan in the Individual market is removed, it will result in lower cost choices for those consumers. Mr. Kelsey stated that type of change could result in higher out-of-pocket costs for consumers. Mr. Nguyen indicated that by forcing the carriers to price slightly higher than the SLCSP, it might result in lowest and the second lowest silver plan next to one another in pricing. It would limit the consumer in terms of receiving more PTCs. Mr. Ritter commented that the non-standard plans are not as rich and may not provide as much of the first dollar benefit, which results in better coverage for a consumer. Mr. Ritter added that he would like to keep the standard plan for these two reasons. Neil Kelsey indicated that he would like to see statistics on the APTCs pertaining to the number of consumers who are remaining in the silver plan. Ms. Lopes added that APCD is in possession of that information. Mr. Nguyen stated that there could be a big difference in 2017 regarding plan selection due to the change in funding of the CSRs. Mr. Tessier stated that potentially there might be a shift of consumers who are currently purchasing their medical insurance plans on the Exchange to the off-Exchange market. Mr. Tessier added that he does not favor the HSA-compatible plans being expanded. Mr. Tessier outlined that theoretically they are beneficial to the wealthier

individuals with well-funded employer-sponsored HSAs. These plans are beneficial to the consumers who are healthy and are not high-utilizers of medical services. Mr. Tessier indicated that individuals who are not obtaining financial assistance enrolling in the silver metal tier is approximately 7,700. Ms. Lopes indicated that by removing the requirement that the SLCSPP in the individual market be the standard silver plan, there is the potential to have plans with very low cost and very low actuarial value, which would be very similar to an expanded bronze plan. Mr. Ritter inquired about the way in which the premiums get set.

Ms. Lopes added that by examining the exhibit of the SLCSPP modelling, in a 'what-if' scenario, in every single county with the exception of the Hartford County, one of the off-Exchange plans would have been the driver for calculating the PTCs. If the requirement were removed, an HMO-plan with no out-of-network options would have been the SLCSPP in New London county. Ms. Kelleher noted that another option that could be considered would include the in-network being standardized and the out-of-network choice would be varied. Mr. Kelsey stated that in the example given, an enrollee would be eligible for an 87% CSR plan, and would have to pay more. There needs to be consideration of what does the Exchange want to be? What is the target population? What are the goals: reducing out-of-pocket costs or premium? Is the goal to provide a high amount of PTCs? Or is it benefit design?

Ms. Lopes added that if AHCT no longer requires that the Lowest Cost Silver Plan in the individual market be the standard plan, more variability would be created in terms of what could be offered. Mr. Nguyen indicated that once the carriers are allowed to create non-standard plans and set premium rules, since the financial help is based on the SLCSPP, it would also depress premium subsidies and then the member would not have enough choices but to purchase the least expensive plan. Mr. Nguyen suggested that possibly to allow carriers to offer the standard plan where the premium financial assistance is provided, and to allow more flexibilities on other metal levels where members can shop. Ms. Lopes stated that this idea is tied into the idea of the plan mix. If the allowance for the non-standard plan is eliminated for silver, only two silver plans will be available in the individual market from two participating carriers. The APTC calculation would be based off of whichever plan is more expensive. Mr. Nguyen noted that APTCs in this instance would also increase and flexibilities for other plans would be allowed. Mr. Ritter inquired whether the suggestion revolved around having twelve options and not calculate subsidies on them. Mr. Nguyen indicated that the issue is that AHCT would want to have the carrier offer non-standard options in the silver tier and the requirement to be put in place to have it slightly above that, and premium subsidies issues would still exist. Ms. Lopes indicated that having two silver plans on the Exchange does guarantee the affordability to some extent. Mr. Ritter added that insurance companies would not want to have drastically different premium pricing on the standard plans. The more expensive plan may end up becoming the second lowest plan. Mr. Kelsey and Mr. Nguyen stated that competitor carrier pricing for standard plans could be very different because the insured populations differ, the networks differ, etc.

V. Next Steps

Ms. Kelleher enumerated next steps. Certification requirements are part of the process. The plan mix for the standard plan designs will follow. Plan design standardization will also need to be discussed and acted upon with the ultimate goal of having the Board make its decision

in February of 2018. Ms. Kelleher stressed the need for the committee to meet frequently. Mr. Ritter suggested that future meetings may need to be managed via conference call and webinar, rather than in person, due to logistics. Ms. Kelleher stated that future conference calls will be scheduled in the near future, and outreach to committee members will be made.

VI. Adjournment

Grant Ritter requested a motion to adjourn the meeting. Motion was made by Robert Tessier and was seconded by Tu Nguyen. ***Motion passed unanimously.*** Meeting adjourned at 5:48 p.m.