



STATE OF CONNECTICUT
LIEUTENANT GOVERNOR NANCY WYMAN

**Connecticut Health Insurance Exchange
Board of Directors Regular Meeting**

Legislative Office Building
Room 1D
Hartford, CT

Thursday, August 21, 2014

Meeting Minutes

Members Present:

Lieutenant Governor Nancy Wyman (Chair); Vicki Veltri, Office of the Healthcare Advocate (Vice Chair); Secretary Benjamin Barnes, Office of Policy and Management (OPM); Deputy Commissioner Anne Melissa Dowling, Connecticut Insurance Department (CID); Commissioner Roderick Bremby, Department of Social Services (DSS); Maura Carley; Grant Ritter, Dr. Robert Scalettar, Robert Tessier; Commissioner Patricia Rehmer, Department of Mental Health and Addiction Services and Cecilia Woods

Members Absent: Commissioner Jewel Mullen, Department of Public Health (DPH); Paul Philpott

Members Participating by Telephone: N/A

Other Participants:

Health Insurance Exchange (HIX) Staff: Kevin Counihan, Tamim Ahmed, Peter Van Loon, Steven Sigal, Virginia Lamb, Matthew Lynch, Chad Brooker, Alycia Santilli (Yale School of Public Health)

The Meeting of the Connecticut Health Insurance Exchange Board of Directors was called to order at 9:02 a.m.

A. Call to Order and Introductions

Lt. Governor Wyman called the meeting to order at 9:02 a.m.

B. Public Comment

Frances Padilla provided a public comment.
Michelle Jimenez provided a public comment.
Alta Lash provided a public comment.
Elizabeth Goggin provided a public comment.
Eva Bermudez provided a public comment.
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C. Review and Approval of Minutes

Lt. Governor Wyman requested a motion to approve the minutes from the June 19, 2014, Regular Meeting. Commissioner Bremby asked that approval be deferred. Motion was made by Commissioner Bremby and seconded by Vicki Veltri to defer approval of the June 19, 2014 Board minutes. **Motion passed unanimously.**

D. Governance

Virginia Lamb, General Counsel, addressed the issue of election of the Vice Chairman of the Board. Ms. Lamb noted that the Exchange's enabling legislation requires that the Vice Chairman of the Board be elected from the membership of the Board annually. Lt. Governor Wyman requested a motion to elect Vicki Veltri as Vice-Chair. Motion was made by Grant Ritter and seconded by Maura Carley. **Motion passed unanimously.** No other nominations were proffered.

Ms. Lamb also addressed standing committee appointments. The Exchange's By-laws regarding standing committees require that each standing committee must have five members, at least two who are appointed members, at least one who is an *ex-officio* member, and at least three who have voting powers. The Strategy Committee is currently in compliance with the By-laws, but the Audit, Finance and Human Resources Committees require additional membership.

The Audit Committee has only four members and also lacks an *ex-officio* member. Secretary Barnes offered to serve on the Audit Committee to resolve the compliance matter. Lt. Governor Wyman requested a motion to nominate Benjamin Barnes to the Audit Committee. Vicki Veltri made the motion and Commissioner Bremby seconded the motion. **Motion passed unanimously.**

Ms. Lamb reported that the Finance Committee requires an additional appointed Board member. Robert Tessier volunteered to serve. Lt. Governor Wyman requested a motion to appoint Mr. Tessier to the Finance Committee. Vicki Veltri made the motion and Dr. Scalettar seconded. **Motion passed unanimously.**

Ms. Lamb reported that the Human Resources Committee has four members and, therefore, is also in need of an additional member. Maura Carley volunteered to serve as a member of the Human Resources Committee. Vicki Veltri made the motion and Secretary Barnes seconded. **Motion passed unanimously.**

E. CEO Report

Kevin Counihan, CEO, reported on the following recent activities and developments at Access Health CT (AHCT):

1. AHCT is focused on open enrollment, which is less than three months away. A detailed project plan has been developed and, on July 25, 2014, there was a broad IT release that impacted both AHCT and DSS.
2. Connecticut will have one of the lowest rate increases in the country. Mr. Counihan especially thanked Deputy Commissioner Dowling, Vicki Veltri and the insurance carriers for their efforts in this regard.
3. Based on a survey of 5,000 qualified health plan (QHP) and Medicaid enrollees, the uninsured level in Connecticut has decreased from 7.9% to 4%. The actual level may be

lower if the broader market (i.e., employer-subsidized insurance) is considered. Estimates show that Connecticut has the third lowest uninsured level in the country, behind Massachusetts and Delaware. The racial disparity with respect to access to care has narrowed in Connecticut.

F. Operations Update

Peter Van Loon, COO provided an Operations update. Total covered membership through the Exchange is currently over 250,000 enrollees. Membership growth has been in the subsidized membership. Non-subsidized members have decreased as a result of obtaining insurance through employers. There were no major changes in demographics.

Calls to the Call Center have decreased and have been mostly Medicaid-related over the summer months. Performance is currently within service level agreements (SLAs). Resources, including time and knowledgeable assets remain tight. AHCT has worked with internal and external stakeholders to prioritize technology resources and plans for upcoming IT releases, including the planned November 2014 release. Commissioner Bremby asked for further detail on the decision-making process for prioritization of the IT improvements. Lt. Governor Wyman asked that the Commissioner and any other Board member meet with Mr. Van Loon to discuss further. Training and education, including consumer education, is on-going. In addition to her role as Director of Plan Management, Julie Lyons, is now the business leader for small business (SHOP) and dental. The Hartford Police Department is continuing its investigation into the data breach involving the backpack that occurred in early-June 2014. Lt. Governor Wyman added that the personally identifiable information (PII) found in the backpack continues to be monitored.

Vicki Veltri asked for details about consumer input and the role of Advisory Committees. Mr. Van Loon responded that consumer calls are tracked and monitored and we have a dedicated team working issues. Mr. Van Loon also said he would work with the co-chairs of the Advisory Committees to arrange a regular meeting schedule.

Matt Lynch, Operations Manager, provided an update on the “loss in subsidy” issue. AHCT discovered that a missing attribute in the code, a transaction (834) error and worker error contributed to certain enrollees losing their subsidy in the system. The issue impacted 2,402 enrollees for which corrective action was required. The missing attribute and the 834 transaction error have been corrected. In addition training has been implemented to reduce potential for further worker error. Further details regarding the issue identification and resolution process were provided. Ms. Veltri requested details regarding income verification. Mr. Lynch responded that applications are automatically checked against IRS income data. If the income level reported by the applicant for 2014 is more than ten percent less than what has been reported to the IRS, a request for more information is mailed to the consumer. When the submitted verification information is entered into the system, the applicant’s qualification for health coverage (Medicaid or Husky) or for APTC or CSR may change.

G. IT Update

Peter Nichol, Director of IT, provided an IT update. There was a successful release on July 25 to address three major areas: (1) an “admin tool” that allows the team to adjust retro coverage; (2) the correction of 55 existing warranty defects; and (3) making progress on Department of Labor income verification. Preparation for renewal processing includes testing with CMS’ federal data services hub to make sure auto verifications are working correctly and testing of notices to consumers. The data warehouse infrastructure has been set up and data has been

loaded into the warehouse. The upcoming August 22 release anticipates the needs of consumers and is on track. It will address improvements to the data warehouse as well as performance improvements for open enrollment. The November 7 release addresses open enrollment readiness.

With respect to the IRS, the two main areas of focus are: (1) a statement to individuals regarding minimal essential coverage; and (2) report transmissions to IRS. Consumer portal and worker portal enhancements continue. At the September meeting, there will be a live demonstration of our online consumer assistance avatar, which is focused on educating consumers to drive enrollment. The full mobile application functionality will be released for open enrollment. Mr. Counihan noted that another state has expressed an interest in the IT technology. Ms. Veltri asked if there was consumer testing of the consumer portal. Mr. Nichol replied that the avatar is intended to assist consumers with the process. Jason Madrak added that as part of the member census project, consumers were asked if they were willing to participate in future studies for AHCT and over 500 enrollees have expressed interest.

H. Tribal Consultation Policy

Chad Brooker, Policy Analyst, provided a summary of the revised Tribal Consultation Policy which added a conflict resolution policy. There were no comments following publication in the *Connecticut Law Journal*. The policy is ready for adoption. Lt. Governor Wyman requested a motion to adopt the Revised Tribal Consultation Policy. Motion was made by Vicki Veltri and seconded by Robert Tessier. **Motion passed unanimously.**

I. Audits and Reports Policies

Virginia Lamb reported that in anticipation of the state audit scheduled for September, all AHCT policies and procedures were reviewed for notice and adoption. During this review, it was discovered that the Reports Policy and the Audit Policy had never been noticed in the *Connecticut Law Journal (CLJ)* or adopted by the Board. These policies were originally approved by the Board in February 2012. The Board now needs to approve these policies for notice and publication in *Connecticut Law Journal*. Following the 30 day period for public comment, these policies will be brought back to the Board for formal adoption. The Exchange has been following the policies. Lt. Governor Wyman requested a motion to approve the Audit Policy and Reports Policy for publication in the *Connecticut Law Journal* and 30 days of public comment. Motion was made by Vicki Veltri and seconded by Robert Scalettar, M.D. **Motion passed unanimously.**

J. Finance Update

Steve Sigal, CFO, requested adoption of the Procedure: Exchange Assessment and Fees. This revised policy was approved by the Board in May 2014 and noticed in the *Connecticut Law Journal*. The Exchange received only one comment during the public comment period. That commenter encouraged AHCT to be prudent with its expenses, noting the impact of health care costs on business. Lt. Governor Wyman requested a motion to adopt the revised Procedure: Exchange Assessments and Fees. Motion was made by Vicki Veltri and seconded by Robert Tessier. **Motion passed unanimously.**

Mr. Sigal also reported on the three major areas of focus for Finance: securing financial resources, improving business processes and fulfilling regulatory requirements. There is a favorable variance of \$2.7 million for Fiscal Year 2014. Expenses were 3.7% favorable to the second quarter forecast. While favorable, expenses relating to full-time employees (FTEs) exceeded forecasted levels, mainly due to additional resources required to resolve enrollment

issues. This included training resources that were maintained beyond the durational term and converting storefront staff into an issue resolution team, which has been successful. All-Payer Claims Database (APCD) implementation delays also contributed to the variance.

During FY 2014, it was forecast that Operations expenses would constitute 25% of the budget and Design, Development and Implementation (DDI) would constitute 75%. The actual percentages were Operations – 45% and DDI – 55%. This occurred largely due to the duration of calls in the call center exceeding forecasts, additional operations resources required to resolve enrollment issues and delays relating to the APCD. It is expected that the FY 2015 budget will be approximately \$40 million. Approximately \$5 million more than anticipated is expected to be spent because of higher vendor expenses (specifically the call center and Xerox processing) and the need for continuing the Issue Resolution Team for a longer-term basis and addressing customer services and training requirements. Mitigation actions include:

1. Filing “no cost” extensions of Level I and Level II grants. (CMS stated that the grants, which would otherwise close on December 31, 2014, could be extended for DDI.)
2. Filing a Level I supplemental request for funding.
3. Filing a new grant request (due October 15, 2014).

This grant would be mainly for DDI, but certain outreach funds for establishment may be allowed to be included. Mr. Sigal also reviewed the federal grant status and summarized new grant request scenarios.

Mr. Sigal also presented a FY 2015 premium assessment analysis based on reports filed in August by most of the state insurers. The individual premium increased by almost 10% between 2012 and 2013 and the small group premium surprisingly declined by almost \$15 million from 2012 to 2013. This results in an increase of only \$250,000 in the assessments funds as opposed to the anticipated \$3 million. Dr. Scalettar, asked whether given the shrinking premium in the small group market, the Exchange’s assessment needed to be revisited? Mr. Sigal responded that that there may be a need in the future, but doing so now for 2015 could be disruptive to the market. The carriers have already made their rate filings. Also, AHCT is monitoring its actual experience with respect to expenses for the call center and issues resolution. Mr. Counihan added that AHCT is exploring opportunities to work with or combine with other states to lower costs of doing business.

K. Open Enrollment

Jason Madrak, Chief Marketing Officer, provided an overview of Open Enrollment (OE) Planning. A project management process has been established, including and a detailed project plan has been developed. To carry out the plan, the following steps have been taken:

1. Fourteen key functional areas have been identified.

2. Responsible leads, co-leads and project managers have been assigned within each functional area.
3. Project management resources have been assigned.
4. An integrated project plan and weekly reporting have been established.
5. Weekly team meetings are taking place to coordinate efforts across departments and address issues that arise.

Lt. Governor Wyman asked about budget considerations in relation to OE staffing requirements. Mr. Sigal responded that grant funding and ways to minimize the cost are being reviewed. Mr. Madrak added OE staffing is largely durational/temporary because of the limited 90-day OE timeframe. Robert Tessier asked about the 14 open enrollment functions and if the Navigator and In-Person Assister (NIPA) program is included. Mr. Madrak responded that AHCT viewed the NIPAs as a sales and distribution channel; there is no current NIPA program in place. Maura Carley inquired about information regarding the geographic location of the remaining uninsured and how AHCT can reach them. Mr. Madrak stated that the remaining uninsured are concentrated in particular geographic areas. AHCT plans to show the benefits of coverage, with real life examples, and remind residents of the penalty for lacking health insurance. For 2015 the penalty has doubled to 2% of adjusted gross income.

Secretary Barnes asked whether AHCT has considered de-emphasizing mass media and encouraging trust-based channels. This remaining population did not respond to last year's mass marketing and geographic concentrations have been determined. Mr. Madrak indicated that there remains a need for broad awareness but there will be a shift this year towards targeting "mass media" advertising to specific geographic areas. Commissioner Rehmer reported that data from Massachusetts indicates that uninsured behavioral health consumers are the slowest to enroll and asked that outreach efforts take this into account. Ms. Veltri inquired about coordination with the carriers on messaging and notices directed at consumers regarding renewals. AHCT will be issuing notices regarding renewals on October 1 and November 1 and will also be communicating to customers before then regarding the process of renewing their coverage. Carriers will be sending out notices as well and efforts are being taken to ensure that all messaging by AHCT and carriers is complimentary. Commissioner Dowling commented that the Connecticut Insurance Department (CID) is reviewing the letters that the carriers plan to send to customers regarding the end of certain "grandfathered" insurance plans that do not comply with the Affordable Care Act (ACA). The aim is to eliminate the abruptness of prior communications. The letters will note opportunities to enroll in coverage through AHCT. Ms. Veltri noted that the additional plans that will be available may cause further confusion for consumers. Dr. Scalettar asked about network adequacy and requested a network adequacy update at the September meeting.

Mr. Madrak also reported on the member census project, which has recently been completed. There were 5,000 conducted interviews of QHP and Medicaid consumers (3,000 QHP enrollees and 2,000 Medicaid enrollees). This is nearly triple the number in the recent Gallup poll. A race and ethnicity breakdown of enrollees was summarized. The final report will detail enrollment channel use, satisfaction and key purchase influencers. The report is expected to be available during the last week of August. Mr. Madrak summarized research and marketing efforts, including one-on-one interviews, an update on the Center Stage Concert Series, sponsorship of Live Nation's 2014 College Road Trip, and "Healthy Chats" town hall-style meetings.

Lt. Governor Wyman asked whether the census data includes data regarding age. Mr. Madrak confirmed that it does and stated that census data is driving AHCT's marketing and outreach efforts. Two-thirds of the remaining uninsured residents are concentrated in ten urban areas of the state.

Lt. Governor Wyman left at 11:12 a.m.

K. Review of Access Health CT Oversight

Ms. Lamb provided a detailed summary of oversight activities over the past 35 months, including the following:

- Federal oversight ("Blueprint" and gate reviews, CCIIO reports and meetings);
- Federal and state audits (independent audits, Internal Revenue Service, Health and Human Services Office of Inspector General Eligibility and Enrollment, CMS/CCIIO Operational Readiness Assessments, State Auditors of Public Accounts);
- State oversight and reporting required by AHCT enabling legislation and quasi-public agency statutes;
- Stakeholder oversight (including regular meetings and communications with carriers, DSS, CID, OHA and the state Attorney General's Office), and
- Board oversight. A summary was provided of the number of Board, standing committees, advisory group and APCD meetings conducted since September 2011

Ms. Lamb also advised that upcoming audits include CMS/CCIIO's final operational readiness assessment of AHCT in September 2014, an audit by Connecticut's State Auditors of Public Accounts and AHCT's independent audit.

L. APCD Update

Tamim Ahmed reported that core capabilities and components needed for a well-functioning APCD have been identified. A timeline for APCD development was presented.

Ben Barnes left at 11:28 a.m.

Delays in the development of the APCD have been caused by lengthy negotiations between AHCT and its selected data and analytics vendor. This is a highly complex contract. In addition, AHCT required a data security audit of the vendor prior to execution of the contract. Mr. Tessier commented that, while many were hoping to have public data available this year, he supports the prudent decisions to conduct the security audit of the selected vendor and to delay the vendor from commencing work until a contract is signed. Dr. Scalettar asked whether the APCD delays will affect its federal funding. Mr. Sigal replied that funding for the APCD is through the Level II grant and a no-cost extension is being requested.

Grant Ritter asked for an update regarding securing self-insured and behavioral health data and Ms. Veltri asked about efforts to obtain self-insured data voluntarily from the employers. Mr. Ahmed reported that while there have not been formal requests, he has communicated with small and medium business groups about this. Ms. Lamb explained that Connecticut law currently mandates that self-funded plans as well as insured carriers report data to the APCD. She explained a recent judicial opinion of the U.S. Court of Appeals for the Second Circuit interpreting Vermont law that held that employers with self-funded plans were not required to report. Since Vermont, Connecticut and New York are in the Second Circuit, this decision is also

controlling in Connecticut. Vermont is appealing the decision to the U.S. Supreme Court but it is not known whether the Supreme Court will agree to hear their appeal. The U.S. Department of Labor, New York and Maryland have all supported Vermont's position. Because of this decision, there is a question whether a self-funded plan in Connecticut could meet HIPAA requirements, if they voluntarily provided data to the APCD, since AHCT is not a HIPAA agency. Mr. Counihan reminded the Board that the firms that AHCT retained to perform the security audit of the APCD vendor are the same firms that will be doing an audit of all AHCT functions.

M. NIPA Program – Consumer Experience Evaluation Survey Results

Alycia Santilli from the Community Alliance for Research and Engagement (CARE) Program at the Yale School of Public Health presented the results of CARE's consumer experience evaluation. The aim of the survey was to evaluate the enrollment process from the perspectives of consumers and assisters and navigators.

Robert Scalettar, M.D. left at 11:41 a.m.

The study included:

- A survey of 164 consumers following their in-person enrollment;
- a telephone survey of 121 uninsured individuals;
- six (6) assister focus groups; and
- six (6) navigator telephone interviews.

CARE generally found that in-person assisters' efforts were positively received, with high rates of customer satisfaction. Additional detail is contained in CARE's report on the survey.

N. Adjournment

Vice Chair Veltri requested a motion to adjourn the meeting. Motion was made by Robert Tessier and seconded by Cee Cee Woods. ***Motion passed unanimously. Meeting adjourned at 11:53 a.m.***

***The next meeting will be held on September 18, 2014 at the
Legislative Office Building, Room 1D, Hartford, CT.***