



**Connecticut Health Insurance Exchange  
Health Plan Benefits and Qualifications Advisory Committee  
(HPBQ AC) Special Meeting**

Holiday Inn, Salon A  
Wednesday, January 24, 2018  
**Meeting Minutes**

**Members Present:**

Grant Ritter (Chair); Neil Kelsey; Tu Nguyen; Robert Tessier; Theodore Doolittle; Ellen Skinner; Mary Ellen Breault; Paul Lombardo

**Participants by Phone:** Dr. Maria Diaz

**Other Participants:**

Access Health CT (AHCT) Staff: James R. Wadleigh Jr.; Shan Jeffreys; Susan Rich-Bye; Ellen Kelleher; Ann Lopes; Charmaine Lawson; Alexandra Dowe; Gary D'Orsi

Board Members: Cecelia Woods

Wakely Consulting Group: Brittney Phillips

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

**A. Call to Order and Introductions**

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

**B. Public Comment**

No public comment

## **C. Certification Requirements**

### ***Certification Review Schedule***

Ann Lopes, Carrier Product Manager, provided the Committee with a brief overview of the certification review schedule as outlined in the presentation. Ms. Lopes noted matters discussed at previous meetings that are complete. Outstanding matters will be covered at this and the February 7 committee meetings.

### ***Recap: Previous HPBQ AC Meeting and AHCT BOD Meeting***

Alexandra Dowe, Policy Analyst, provided a recap of the January 10, 2018 Health Plan Benefits and Qualifications Advisory Committee Meeting. The Stand Alone Dental Plans, the Plan Mix and the Standardized Plan Development are all part of the meeting. Ms. Dowe enumerated topics that were a part of the January 18, 2018 Access Health CT Board of Directors meeting discussion. The main topic of that discussion was the certification requirements for 2019. Topical highlights were discussed with the BOD to glean insight on items this committee has been reviewing, with feedback noted on the slide.

Ms. Lopes provided a 2018 Rate Summary for Individual Market plans filed with the Connecticut Insurance Department (CID) for “On Exchange” and “Off Exchange” Plans. These are displayed in sequential order for each county to provide an overall comparison of plan rates available market-wide. Ms. Lopes provided current guidelines in terms of number of plans permitted per Issuer. Ms. Lopes added that most on-Exchange Bronze plans have premium rates that are lower than the off-Exchange Bronze plans.

At the Silver metal level, sixteen plans were filed and in most counties, the lowest premium cost Silver plans available were off-Exchange only. The loss of federal funding for Cost Sharing Reduction (CSR) plans was reflected in the on-Exchange silver plan rates.

In the Gold metal level, a total of five different plans were filed with the CID for on and off-Exchange with three available through AHCT. In all counties, the plan with the highest rate cost was for an On-Exchange plan. In two counties, a Gold plan is available at a rate that is lower than some of the Silver plans. Monthly premium cost is only one component to consider in the overall healthcare selection process.

Mr. Tessier inquired whether the difference in the Silver plan pricing with the off-Exchange being less costly other than Hartford County, was influenced by the lack of funding of the CSR by the federal government and the ultimate revision of the rates by the Connecticut Insurance Department (CID) to account for it. Tu Nguyen stated that it was a major factor in the on-Exchange Silver plans being more costly. Mr. Ritter indicated that the Gold plans can become competitive with the Silver plans. Mr. Nguyen noted that the carriers could be innovative in designing plans. Mr. Kelsey stated that room for innovative approaches also exist in Silver since

the off-Exchange Silver plan market is shrinking. A focus of AHCT is to reduce the uninsured rate. The subsidized population is taken care of with financial assistance. Mr. Kelsey also noted that the off-Exchange market shrunk. People could be finding employment, but the magnitude of the change may indicate people are going uninsured. Dr. Ritter stated that it is difficult for AHCT to compete with Silver off-exchange plans. Mr. Nguyen noted that with the change in the AV ranges, the carriers might choose to design a 65% AV Bronze plan that will be close in the AV value to the Silver plan. Mr. Ritter expressed his hope that in that way this plan may become attractive to the off-Exchange individuals.

Ms. Lopes provided a summary of the 2018 “On-Exchange” Bronze plan rates and enrollment. The Bronze total enrollment is about 40,000 customers. Out of those customers, 18,000 are in the standardized Bronze Plan HSA offered through CBI. Anthem has about 2,500 enrollees in that plan. The Bronze standard non-HSA plans have about 14,200 enrolled, which is about 35% of the total Bronze enrollment.

Ms. Lopes reviewed an illustration of a scenario where one of the two alternative Bronze plan designs presented at the December 13<sup>th</sup> HPBQ AC meeting was offered by each carrier through AHCT with a 15% rate reduction in plan rates compared to the current standardized Bronze plans. Ellen Skinner questioned whether the changes that would affect premiums. Actuarially, the plan premium cost is reduced, but customers may not be seeing it in their total cost. She requested information on the percent of enrollees who were reaching the plan deductible and maximum out-of-pocket limit. Paul Lombardo added that the alternative options that were presented came from the carriers and estimated pricing was based on their assumed utilization. Ms. Breault stated that the plans were examples of how premium could be reduced by cost-sharing changes.

Ms. Lopes presented the Plan Management Team’s recommendations for the Bronze standardized plan by applying minimum cost sharing changes to the existing plan as presented during the December 13, 2017 HPBQ AC meeting. This would result in the maximum out-of-pocket (MOOP) changing from \$7,350 to \$7,900. Also, AHCT would require an additional standardized Bronze plan that could be selected from one of the alternative Bronze plans that were reviewed at that same meeting. This would allow for continuity in the plan for approximately 35% of enrollees who are in the standardized Bronze plan and also provide a lower cost Bronze option. The carriers would offer two standardized non-HSA Bronze plans in addition to the current HSA Bronze plan as well as non-standard Bronze plans, if desired. Mr. Kelsey indicated that the network under the proposed plan designs would differ from the one that is currently in place. Mr. Lombardo added that these plans would need to satisfy the network adequacy requirements. If no provider is found within the required range, the consumer will be able to go to the out of network provider and receive service at the in-network price, and plans would need to include language stating this in the contracts. Dr. Ritter referenced the handout from the December 13, 2017 HPBQ AC meeting, noting that the Alternative 2 plan does not include out-of-network coverage, and asked for feedback on whether AHCT is comfortable including this as a standardized plan. Mr. Lombardo stated that with narrow network or in-

network coverage only, the disclosure and education should be a part of the purchasing process. Prospective or returning customers should be informed about choosing this type of plan.

Mr. Kelsey stated that the carrier pricing assumption was that there would be only one standard plan. Adverse selection between these two plans may exist, and could raise the price of the current standard plan. Mr. Wadleigh asked whether two plans are needed. Discussion ensued around the differences between standard and non-standard plans.

Mr. Tessier stated that by eliminating the current standard plan and substituting the reduced premium plan, consumers could be worried that they may be negatively impacted, so AHCT may not want to do this. Dr. Ritter indicated that enrollment in current Bronze HMO plans is very low and asked for a new estimate with two standard Bronze plans being compared. Dr. Ritter added that creating a single standard plan for the in-network only would be counterproductive offered support for the idea of two standard plans. Mary Ellen Breault cautioned that savings might fluctuate. Many other factors may influence the final price tag. Mr. Jeffreys inquired whether the Committee is comfortable in making a change in the standard plan to keep the premium in close proximity to the current rates, or making substantial changes to the plan designs to price these products at the level that some of the population has not been able to afford. Mr. Tessier expressed his support of attracting people but eliminating the current standard plan with a lot of people in it is not comfortable. Mr. Wadleigh stated that people are staying in the current standard plans because they do not want to shop. There are many articles about the inertia related to this, and stated approximately 70% of enrollees stayed where they were. One of the AHCT's roles is to educate enrollees to pick a plan that would be a better option for them. He asked if these plans would attract unsubsidized enrollees. AHCT is spending an enormous amount of time in trying to find the right mix that can influence premiums through plan design changes. AHCT cannot influence rates. AHCT should be concentrating on Bronze plans for the non-subsidized market. An opportunity to grow the business exists.

Mr. Kelsey stated that one of the purposes of the standard plan design is to provide customers with the ability to compare carriers. Mr. Nguyen added that some carriers have non-standard plans that are serving a certain population, and carriers could take advantage of having a rich Bronze plan that targets one population and a lean Bronze plan that would potentially target non-subsidized prospective customers. Carrier strategies on this will start to take effect.

Ms. Skinner stated that the average premium savings shown with reduced annual premium by approximately \$240 and an increased MOOP of about \$1000 would not result in overall consumer savings. Mr. Wadleigh stated that the expected premium change may be flat due to increases such as trend. Mr. Lombardo clarified that the \$20 per month difference is for the lowest Bronze plan offered currently so this new plan would be below the lowest cost plan offered today. The standard Bronze plan has the highest premium, so there would be significant premium savings from that to what is being proposed. Further discussion ensued around affordability of medical insurance coverage and the ability for enrollees to choose lower cost Bronze plans currently. To break away from straight co-pays and move to coinsurance or no out-of-network coverage and

permit carriers to have narrow networks could change the dynamic. Ms. Skinner outlined that there may be concerns with transparency for coinsurance plans, as consumers will not be able to determine the cost for a service.

Mr. Kelsey noted that plans across the country are moving toward coinsurance options. Mr. Lombardo stated there have been significant double-digit rate increases and that prescription drug costs comprise approximately 23%-24% of total medical costs. Mr. Wadleigh asked if the premise is for standard plans to provide full coverage, or to be not full coverage and allow non-standard plans to provide “buy-up” coverage for richer services. The challenge would be to provide not as robust coverage at a significant price point less than what we have been doing in the past to combat double-digit rate increases. Mr. Tessier stated the carriers have more information than we do about the customers. The standard plan that has 45% of Bronze customers in it is the HSA-compatible plan, which was implemented a few years ago for the purpose of providing lower cost options, and it has obviously worked. The carriers today can offer plans like the two alternatives.

Mr. Kelsey expressed his support for requiring one standard HSA plan and one standard non-HSA plan at the Bronze metal level. Mr. Nguyen agreed with that. Mr. Kelsey supported the idea of introducing coinsurance and was not opposed to the HMO-style of plan as long as customer education is also a part of it. Dr. Ritter stated that if the current standard plan is not retained that there will be no Bronze plans available with co-pays and you will never be able to get them back. Mr. Nguyen stated that multiple tiers could be introduced. Ms. Skinner stated that health insurance studies show that low co-pays encourage people to stay healthy. Diagnostic tools are helpful for people, but if they have to pay out-of-pocket, they may not obtain the services. Mr. Kelsey indicated that at one point a no-cost copay for preventative visits was instituted with the intention of keeping the patient healthier and as a cost-saving measure. Mr. Kelsey noted however, that it generated more costs since these patients usually required further diagnostic tests. Mr. Jeffreys asked about utilization levels for these plans. Mr. Nguyen confirmed that carriers have that kind of data. He would assume that only a small population would be reaching the deductible. Carriers do want enrollees to be able to obtain coverage for services.

Ms. Skinner asked if we need two current standardized non-HSA Bronze plans. She stated that AHCT could retain the current plans and grow them. She stated that she does not think there is a need for the additional Bronze plan. Mr. Jeffreys asked if the goal for today was to make a decision on a recommendation for Bronze. Mr. D’Orsi stated that was the goal so that we could discuss Silver plans on February 7, however, the Insurance Commissioner did indicate that due date for filing could change. Ms. Skinner asked if we needed information on pricing impact for an additional standard Bronze, if carrier assumptions were to retain only one standardized plan. Dr. Ritter confirmed this would be needed to consider adding another standard Bronze plan. Mr.

Kelsey stated that carriers are already offering non-standard plans that are less costly than the standardized Bronze plan.

Ms. Dowe added that, the committee is looking at the plan mix to determine if there should be a requirement that there be a plan design that will bring savings and this will ensure that the plan mix includes these types of standard plans. It is less about the branding as a standard plan for shopping purposes and more from the certifications and plan mix perspectives. Mr. Nguyen stated that the two standard Bronze plans are reasonable. Mr. Tessier asked if the need in the market is so great that we should have another non-HSA Bronze plan to drive new business, but if it is not, then he is not inclined to do so. Mr. Lombardo indicated that if AHCT wants to stay attractive to participating carriers as well as to prospective carriers who may be contemplating joining the Exchange, placing more requirements on them would potentially deter them from participating. Mr. Wadleigh stated that both carriers are questioning the need for three standard Bronze plans and would prefer to stay with two standard, one HSA and one non-HSA for 2019. Mr. Wadleigh reiterated that there are options to change the standardized plans but a consensus exists to stay with the current plan mix for Bronze plans for 2019. Mr. Tessier stated that it seems like everyone is in agreement not to modify the current Bronze plans, other than what is necessary to meet the AV requirements. He suggested that the Committee think about what has been discussed today, and if any additional thoughts come to mind, review them at the beginning of the next meeting. A time limit should be set to review Bronze and Gold plan information during that meeting.

Theodore Doolittle indicated that the measures provided here are useful to the CID as well as the carriers. They are not as useful to consumers. Mr. Doolittle added that he would like the state, industry and regulator to develop more-consumer useful metrics regarding expected prices for services. The AV is important to carriers but not useful for consumers. Mr. Wadleigh stated that the decision support tool that is included in the enrollment process is available for consumers to do that, but is only as good as what an enrollee is expecting for medical costs. Generally, customers who are enrolled in Bronze plans are usually low utilizers of medical services. Ms. Skinner stated that medical insurance plans do not educate consumers about costs of procedures, and it takes time and effort for consumers to obtain this information.

Ms. Lopes provided a brief summary of Gold plans offered on the Exchange. Five Gold plans were filed with CID for the individual market for 2018. Three of those plans are offered on the Exchange. Approximately 7,600 people are enrolled in the standardized Gold plan, or approximately 86% of the total enrollment in Gold. Only one non-standard plan is offered now in the Gold metal level. It is an HMO and is approximately 24% lower in premium than the standardized plan, which supports the estimated cost differential of an HMO-style plan presented during the December 13 meeting. The changes that would be needed for the plan to

*Approved by the Health Plan Benefits and Qualifications Advisory Committee on April 11, 2018*

become compliant with the AV for 2019 include changing the deductible from \$1250 to \$1300 and the MOOP to \$5000 from \$4,400. This plan does have a separate prescription drug deductible in the amount of \$50 per person, or \$100 per family.

#### **D. Next Steps**

There were no next steps reviewed.

#### **E. Adjournment**

Chair Grant Ritter requested a motion to adjourn the meeting. Motion was made by Robert Tessier and seconded by Theodore Doolittle. **Motion passed unanimously.** Meeting adjourned at 6:10 p.m.