

As Approved by the Board of Directors on June 14, 2018



STATE OF CONNECTICUT  
**LIEUTENANT GOVERNOR NANCY WYMAN**

Connecticut Health Insurance Exchange  
Board of Directors Regular Meeting

Legislative Office Building  
Room 1D

Thursday, May 17, 2018  
**Meeting Minutes**

**Members Present:**

Lt. Governor Nancy Wyman (Chair); Robert Tessier (Vice-Chair); Janel Simpson on behalf of Commissioner Roderick Bremby, Department of Social Services (DSS); Victoria Veltri; Cecelia Woods; Grant Ritter; Commissioner Miriam Delphin-Rittmon, Department of Mental Health and Addiction Services (DHMAS); Paul Philpott; Theodore Doolittle, Office of the Healthcare Advocate, (OHA); Commissioner Raul Pino, Department of Public Health (DPH); Secretary Benjamin Barnes, Office of Policy and Management (OPM)

**Members Absent:** Commissioner Katharine Wade, Connecticut Insurance Department (CID); Robert Scalettar, MD.

**Other Participants:**

Access Health CT (AHCT) Staff: Shan Jeffreys; James Michel; Rajiv Chawla; Susan Rich-Bye; Andrea Ravitz; Anthony Crowe; Gary D'Orsi

**The Regular Meeting of the Connecticut Health Insurance Exchange Board of Directors was called to order at 9:01 a.m.**

**I. Call to Order and Introductions**

Lt. Governor Nancy Wyman called the meeting to order at 9:01 a.m.

**II. Public Comment**

No public comment.

**III. Votes**

Lt. Governor Wyman requested a motion to approve the April 19, 2018 Regular Meeting Minutes. Motion was made by Cecelia Woods and seconded by Robert Tessier. ***Motion passed unanimously.***

#### **IV. Leadership Update**

James Michel, Director of Finance, provided the Leadership Update. Mr. Michel extended his deepest appreciation to the Department of Social Services (DSS) for their collaboration. AHCT and DSS were able to sign the Memorandum of Understanding (MOU), detailing information on how the costs between those organizations will be shared. Mr. Michel added that the Fiscal Year (FY) 2019 and Capital Budgets were presented to the Finance Committee, and the Finance Committee voted to recommend that the Board adopt both budgets. Mr. Michel stated that AHCT employs some of the best personnel in the state of Connecticut. The empathy and concern that AHCT shares with its customers exemplifies the organization's dedication to fulfill its duties. Mr. Michel added that AHCT continues to seek perfection in serving its customers. AHCT will be undertaking a variety of approaches to engage its employees in a manner that will leverage their passion, intelligence, and vision to support the organization's vision and mission. It will make AHCT stronger and more responsive to customers' needs. Employee engagement, marketing, and community outreach initiatives will be presented at the June Board of Directors Meeting.

Shan Jeffreys, Chief Operating Officer, provided an overview of the plan designs that were approved for the 2019 Plan Year. Modifications of the plan designs were voted on by the Board during its May 15, 2018 Special Board of Directors Meeting. Changes to the silver metal level plans were incorporated for non-standard plans. These changes will provide the carriers with an opportunity to price their plans accordingly and offer plans within the silver metal level from 66 percent Actuarial Value (AV) to 72 percent AV. Mr. Jeffreys stated that carriers are looking toward co-insurance models. Details of those plans will become available when the carriers submit their rates to CID. Mr. Jeffreys emphasized that Open Enrollment for the 2019 Plan Year will be important. AHCT will be tracking enrollments and making sure that consumers are educated on selecting plans that will most closely fit their needs. It will also involve the brokers and the community. AHCT will use its marketing tools to provide more information to consumers about the new plan designs. AHCT will be providing an update on SHOP and the small group market at the next Board meeting.

Victoria Veltri inquired about the manner in which consumers will be educated on new plan designs. Andrea Ravitz, Director of Marketing, provided a brief description of approaches that AHCT may undertake in the upcoming months to convey plan design changes to its customers. Understanding the different plan options is an important element that needs to be presented to them. AHCT is having preliminary conversations within the organization regarding the best approach.

Paul Philpott inquired about the broker commissions for the on-Exchange vis-a-vis the off-Exchange products. Mr. Jeffreys stated that the committee had conversations about the flexibility for the pricing of non-standard plan priced within the silver tier, and the committee was aware that potential consumer confusion could result. The brokers are the key to explain all of the differences in plan options. AHCT expects that broker participation will be very important in the upcoming OE season. It is important to provide compensation to the brokers for the crucial services that they provide. Mr. Philpott pointed out that if there is less broker involvement, AHCT would have to devote more of its internal resources to address the situation. Mr. Philpott encouraged AHCT to continue working on this issue. Mr. Jeffreys indicated that preliminary information regarding the broker commissions is expected to be available in August.

Robert Tessier thanked Mr. Jeffreys and the entire Plan Management Team, as well as Dr. Grant Ritter, the chairman of the Health Plan Benefits and Qualifications Advisory Committee (HPBQ AC). The HPBQ AC began the process of developing the plan designs in August of 2017. In the last month, more changes have been made to plan designs than in any of the previous years. AHCT has always wanted to provide flexibility to the carriers and allow them to be creative in their product offerings. AHCT has gone further this year in the interest of providing reduced premiums. Mr. Tessier expressed his concern about the resultant Advanced Premium Tax Credit (APTC) level as a result of these changes. Mr. Tessier stated that he feels better knowing that the entire Board supported this approach, and expressed his confidence that any developments will be closely monitored.

## V. Finance

James Michel provided a Finance Update. Mr. Michel updated the Board on the 2019 Fiscal Year Operating Budget, and compared the Fiscal Year (FY) 19 Proposed Budget to the Reforecast results after the Second Quarter of 2018. Shared Operating costs with DSS are also part of the budget. Mr. Michel added that the Request for Proposals (RFP) process has been completed for the selection of new independent auditors. Eight proposals were received. The new auditor has been selected however; AHCT is not currently at liberty to disclose the name of the new auditor pending conclusion of the contract negotiations. The Operating Budget includes the proposed three percent salary increase. It is not guaranteed that it will actually take place. A four percent increase in health insurance costs is expected. Some of the operating expenditures with DSS have been adjusted, and this reduced part of the organization's contractual obligations. Lower prices have also been negotiated with some of the AHCT's vendors. All of these changes have been approved by the Finance Committee. Mr. Philpott inquired about the total revenue, and how it compares to the previous year. Mr. Michel indicated that the revenue is higher. It is a forecast anticipating higher revenues than the present fiscal year. Mr. Philpott noted that it was trending down significantly in the last few years, and currently, it is moving upward.

Lt. Governor Wyman requested a motion to approve the FY 2019 Budget as presented by Exchange Staff. Motion was made by Paul Philpott and seconded by Benjamin Barnes. ***Motion passed unanimously.***

Mr. Michel provided an overview of the Proposed Capital Improvement Plan. The total Capital Improvement Operating Budget is about \$6.7 million. Mr. Michel pointed out that about \$2.3 million would come from the AHCT's reserves, while the remaining funds will be contributed by DSS. AHCT has five projects, and three of them will be shared with DSS. These projects will help the system to provide improved customer service. It will also be more cost-efficient. Lt. Governor Wyman inquired whether the utilization of reserves is a one-time occurrence to finance these projects. Mr. Michel confirmed that reserves will only be used once for these purposes. Benjamin Barnes stated that the Finance Committee was keenly focused on making sure to avoid recurring utilization of the reserves to fund capital improvement projects. Mr. Barnes praised the AHCT staff for prioritizing various projects and making sure that the IT-related undertakings are going to be financed by the operating budget in the following years. Mr. Michel provided a 5-year Capital Improvement Plan. Mr. Michel added that besides the first year, AHCT is not expected to utilize its reserves to fund these projects.

Lt. Governor Wyman requested a motion to approve FY 2019 Proposed Capital Improvement Plan as presented by Exchange Staff. Motion was made by Benjamin Barnes and seconded by Victoria Veltri. ***Motion passed unanimously.***

Mr. Michel emphasized that AHCT is expected to have \$18.4 million in reserves at the end of FY19. This amount represents about 7 months of operating expenses. The format of the budgetary reports will be adjusted to provide more clarity going forward.

## **VI. Technology Update**

Rajiv Chawla, Director of Information Technology, provided a Technology Update. Mr. Chawla stated that AHCT continues to work on a 5-year strategic plan. Mr. Chawla added that AHCT is committed and fully focused on improving the customer experience in three functional areas: online, over the phone, and in-person. Mr. Chawla enumerated various technological improvements that are planned. AHCT has taken many necessary steps to fix issues that, in some cases, stem from the short and rapid implementation of its system in 2012-2013. Mr. Chawla added that by working collaboratively with DSS, AHCT is not only repairing those issues, but also is working on optimizing its platforms to make sure that AHCT meets customer demands and expectations, and continues to be aligned with the latest technology advancements in the industry. Those projects include simplification of the website interaction, as well as making shopping and plan selection easier. They also include increasing educational tools, increasing educational tools on the website, and streamlining the customer decision support tool, along with the enrollment process, among others. Lt. Governor Wyman inquired whether those technological upgrades will be done internally. Mr. Chawla indicated that they would also be done by the Exchange's vendors.

Cecelia Woods inquired about any developments nationally that may affect Access Health CT. Mr. Jeffreys stated that developments in Washington D.C. could affect the functioning of the Exchange. Mr. Jeffreys participated in a conference with the leaders of various carriers and CEOs of the pharmaceutical industry. Mr. Jeffreys added that short term and association health plans were discussed. The decisions that the Board has made in the last few weeks are in line with the direction of other state-based Exchanges. Reinsurance is also one of the elements under consideration by other state-based Exchanges. There is a renewed focus on program integrity, with reconciliation being a part of it.

Mr. Michel praised the AHCT team for their outstanding work, and particularly Sinisa Crnkovic, Senior Analyst, who was instrumental in making all of the necessary last-minute adjustments to the budgetary documents. Lt. Governor Wyman echoed Mr. Michel's statement and praised Exchange's employees for their hard work and dedication.

## **VII. Adjournment**

Lt. Governor Nancy Wyman requested a motion to adjourn. Motion was made by Cecelia Woods and seconded by Robert Tessier. ***Motion passed unanimously.*** Meeting adjourned at 9:32 a.m.