



Connecticut Health Insurance Exchange
SHOP Advisory Committee
Special Meeting

Connecticut Historical Society
Dangremont Meeting Room

Wednesday, May 2, 2018
Meeting Minutes

Members Present:

Grant Ritter (Chair); Timothy Pusch; Matthew Katz; Kevin Galvin; Ellen Skinner

Participants by Phone:

Pamela Russek (Co-Chair)

Other Participants:

Access Health CT (AHCT) Staff: Shan Jeffreys; Gary D'Orsi; John Carbone; Leif Fellinger; Andrea Ravitz; Susan Rich-Bye; Caitrina Davies Pescatello, Gina Breton

The Special Meeting of the SHOP Advisory Committee was called to order at 4:00 p.m.

I. Welcome and Introductions

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

II. Public Comment

There was no public comment.

III. Review and Approval of Minutes:

Chair Ritter requested a motion to approve the September 26, 2017 SHOP Advisory Committee Special Meeting Minutes. Motion was made Timothy Pusch and seconded by Matthew Katz. ***Motion passed.*** Matthew Katz and Ellen Skinner abstained.

IV. Introducing Paul Philpott to the Committee

Chair Grant Ritter informed the Committee that Paul Philpott, a Board member, became a member of the SHOP Advisory Committee. Timothy Pusch asked for the most up-to-date Committee membership list to be distributed.

V. Update on Current Membership, Retention Rates

John Carbone, SHOP Sales Manager, provided the Committee with an update. Mr. Carbone stated that currently, SHOP has 254 groups with 872 subscribers and 1568 members. Mr. Carbone stated that of that last figure provided, 1408 are with Anthem and 160 are with ConnectiCare. The average retention renewal stands at 90 percent. Kevin Galvin expressed his concern whether the SHOP small group market does assist a sufficient number of Connecticut businesses with their offerings. Small businesses are the largest employer in Connecticut. Matthew Katz pointed out that a small penetration of the market exists, and it would need to improve. Mr. Carbone indicated that a large portion of the SHOP groups consist of manufacturing, dental, and veterinarian practices. SHOP assists many micro-groups that have five or fewer employees. Mr. Carbone pointed out that most of the activity occurs in Fairfield, New Haven, and Hartford counties. SHOP staff will be providing outreach to other areas of the state.

Mr. Carbone stated that SHOP's biggest competition is from Anthem's off-exchange products. SHOP has two different networks with two different plan options. Anthem has a richer option, with more competitive rates off-Exchange and a better network. ConnectiCare offers five plans on the small business side. Ellen Skinner indicated that approximately 1.2 million people are employed by small businesses, and most of them must be insured since the uninsured rate in Connecticut is low. Ms. Skinner inquired whether the staff knows, in terms of price increases, about the experiences of these groups in that area. Mr. Carbone pointed out that SHOP has been averaging anywhere between 12 and 14 percent. Timothy Pusch pointed out that Anthem attracted a lot of the small business market last year off-Exchange. They were very competitive in the Silver tier. The premiums for those products this year are expected to rise 35-45 percent on the Choice products. Leif Fellinger, SHOP Operations Manager, indicated that for the Bronze and Silver Anthem Plans on-Exchange, it is anticipated that rate increases will be approximately 25 percent. Ms. Skinner asked for the justification of those rate increases. Mr. Pusch indicated that the carrier explained that they mispriced their products at the beginning. They attracted a disproportionate amount of businesses due to their pricing. As a result, the increased amount of claims contributed to their decision to increase premiums. The Affordable Care Act (ACA) risk assessment charge is a contributing factor as well. Matthew Katz added that Anthem left many ACA markets, and they state this move saved them a lot of money. Mr. Pusch added that the market continues to be volatile. Mr. Ritter expressed the hope that, since Anthem will be raising their premiums significantly off-Exchange, the on-Exchange business may benefit. Mr. Katz added that this scenario may present some advantages to the SHOP program.

Mr. Pusch inquired about the percentage of the industry that is taking advantage of the tax credits available. Mr. Carbone pointed out that it is a very small percentage, in the single digits. Mr. Fellinger added that SHOP program has inclusive, not exclusive, eligibility.

Mr. Fellinger added fractured groups that cannot find medical coverage somewhere else are attracted to the SHOP program. This is one of the reasons why manufacturing businesses find SHOP to be a good option for them. Independent practitioners and individual dental offices are also one of the main business types that utilize the small business platform on the Exchange.

Mr. Katz added that most of the doctors would also be interested to participate in the program, but the network poses an obstacle for them. Mr. Katz added that if such doctors are not within the network themselves, it creates disincentives from participating in the SHOP program. These plans are also limited from an access perspective for specialists. Mr. Ritter inquired whether Anthem's network is very narrow. Mr. Katz confirmed that they do have a very narrow network. Mr. Carbone added that ConnectiCare is even narrower. Mr. Pusch added that the network issue varies from county to county. Mr. Katz added that specialty care is an issue. People who have chronic conditions may not be willing to travel long distances on a regular basis just to see their specialist. Mr. Pusch stated that Anthem has a tiered network, where consumers pay varying copays for different Primary Care Physicians (PCP). Mr. D'Orsi added that ConnectiCare has a narrow network. Their network per county is also different. The opportunity for the small group market is tremendous. Mr. Jeffreys added that many focus groups have been convened with small businesses and brokers. Rebranding of SHOP will follow, and realignment based on the strategy shift which will be a result of the focus groups findings also.

Matthew Katz made a motion to recommend to the Board of Directors reintroduction of the Small Business Market Option for Connecticut. Kevin Galvin seconded the motion. Discussion followed.

Andrea Ravitz, Director of Marketing, provided an overview of the SHOP rebranding. The idea itself originated two years ago when there were potential issues of not having participating carriers on the individual market, and how this could potentially affect this current segment and the ones that may be potentially developed in the future. Ms. Ravitz added that SHOP staff began to look for changes that would help the program grow and retain membership. This could also be a possible existential threat to the program. Ms. Ravitz pointed out that a scenario where there are no participating carriers on the individual side could potentially affect the Small Business.

Six ninety-minute focus groups were conducted. The participants of those focus groups saw the opportunities from the tax credits, the fact that the SHOP program currently has two active carriers, and has no membership fee. Ms. Ravitz added that, based on the information received from focus groups, a separation of the two brands, the individual and the small group markets, is preferable. More people are signing up for insurance coverage using the portal. Mr. Katz offered support for the separation of brands.

Ms. Ravitz stressed that no money had been invested in the SHOP brand, unlike on the individual side. The growth of the SHOP brand has been organic. Ms. Ravitz pointed out that the SHOP platform has also benefitted from the investment that occurred on the individual market, since consumers began to visit the SHOP platform on the website and make selections from there. Mr. Galvin asked for analytics on the SHOP website. Ms. Ravitz indicated that these could be obtained. Mr. D'Orsi added that with anticipation of the rebranding, the AHCT SHOP department has been reorganized.

Mr. Pusch added that small employers want to rely on brokers as much as they can. Ms. Ravitz indicated that educating and engaging the brokers is crucial. Mr. Jeffreys added that the previous SHOP platform was built out of necessity. The current one allows AHCT to leverage the abilities of the brokers to manage the population that is serviced, which was not the case before. Mr. Katz added that it makes SHOP stand out from Anthem and ConnectiCare in the individual market, because brokers can provide multi-faceted, multi-product, and plan level information in a one-stop shop for the broker. Carriers are also moving in that direction. Mr. Carbone added that everything would be done electronically, all of the adjustments, including address changes, can be done from a laptop, phone, or other internet-connected device. A broker can also call the SHOP program at AHCT for assistance. Mr. Carbone added that being able to move from one carrier to another would be done without having to waste time to fill out paperwork. SHOP personnel can also conduct presentations.

Caitrina Davies Pescatello, Business Process Specialist, indicated that a lot of SHOP's development going forward is on the broker portal, where brokers will be able to utilize the website in a way that meets their needs. Many useful features have been added to the broker portal. Mr. Carbone stated that close to 150 active brokers are participating in the small business program. Ms. Davies Pescatello indicated that the broker certification process on the SHOP program is less stringent than the certification process on the individual market.

Mr. D'Orsi added that SHOP's solicitation to the carriers would be going out soon. Mr. Jeffreys added that in terms of the individual market as well as SHOP, AHCT has been in contact with a group of carriers that are considering participating on small group as well as the individual market. Some of their decisions are tied to Medicaid and Medicare options in the future.

Mr. Galvin indicated that he is in support of the rebranding of the SHOP program. Mr. Galvin inquired about the target group for the rebranding, as well as how these groups will be contacted. Ms. Ravitz stated that it is a strategic approach. This is not a matter of mass advertisements, but rather a direct consumer communication. It is a major element that differentiates outreach efforts between the individual and small business markets. At this point, limited funds have been dedicated to the SHOP program outreach efforts. Ms. Ravitz stressed that this area needs to be

better funded. A mass media campaign will not be a part of it. Ms. Skinner encouraged the Small Business staff to provide the SHOP Advisory Committee members with the rebranding strategy. Ms. Ravitz stated that many other state-based Exchanges do not have small business options.

Mr. D'Orsi added that the broker web portal should be completed by the end of the current fiscal year. Ms. Skinner added that it seems that SHOP has listened to its consumers, and changes are being made in response to those contacts. Ms. Skinner expressed her hope that the new platform would meet their needs. Mr. Galvin inquired whether AHCT had considered winding down the SHOP program. Mr. Jeffreys indicated that several different scenarios were examined, including eliminating the SHOP program. However, a growth in the small business market is possible; therefore, this idea was not pursued. Mr. Galvin expressed his support for rebranding. Mr. Katz added that rebranding of the small business platform is not being done because the current brand carries a burden, but it is done with the purpose of distinctly identifying the program that serves the small business market, not the individual side of it. Mr. Katz added that using the word "rebranding" may have negative connotations. He suggested using words such as "re-launch" or "re-introduction" of the Small Business Program.

Grant Ritter requested a vote to recommend to the Board of Directors reintroduction of the Small Business Market Option for Connecticut. ***Motion passed unanimously.***

VI. Next Steps

Mr. D'Orsi provided an outline for the upcoming meetings of the SHOP Advisory Committee.

VII. Adjournment

Chair Ritter requested a motion to adjourn. Motion was made by Kevin Galvin and seconded by Matthew Katz. ***Motion passed unanimously.*** Meeting adjourned at 5:25 p.m.