STATE OF CONNECTICUT
LIEUTENANT GOVERNOR NANCY WYMAN

Connecticut Health Insurance Exchange
Board of Directors Regular Meeting

Legislative Office Building
Room 1D

Thursday, November 17, 2016
Meeting Minutes

Members Present:
Lt. Governor Nancy Wyman (Chair); Robert Tessier (Vice-Chair); Victoria Veltri; Commissioner Katharine Wade, Connecticut Insurance Department (CID); Maura Carley; Paul Philpott; Grant Ritter; Michael Michaud, Designee for Commissioner Miriam Delphin-Rittmon, Department of Mental and Health Addiction Services (DHMAS); Robert Scalettar, MD; Janel Simpson, Designee for Commissioner Roderick Bremby, Department of Social Services (DSS); Cecelia Woods; Secretary Benjamin Barnes, Office of Policy and Management (OPM)

Members participating by phone:
Commissioner Raul Pino, Department of Public Health

Other Participants:
Access Health CT (AHCT) Staff: James R. Wadleigh, Jr., Susan Rich-Bye; Tamim Ahmed; Robert Blundo; Emanuela Cebert; Jeanna Walsh; Steven Sigal

Members Absent:
Demian Fontanella, Office of the Healthcare Advocate (OHA)

The Regular Meeting of the Connecticut Health Insurance Exchange Board of Directors was called to order at 9:00 a.m.

I. Call to Order

Lt. Governor Nancy Wyman called the meeting to order at 9:00 a.m.

II. Public Comment

No public comment

III. Votes

Lt. Governor Wyman requested a motion to approve the October 20, 2016 Board of Directors Regular Meeting Minutes. Motion was made by Robert Tessier and seconded by Cecelia Woods. ***Motion passed unanimously.***

Lt. Governor Wyman introduced Susan Rich-Bye, Director of Legal Affairs and Policy. Ms. Rich-Bye addressed the need to adopt the Policy and Procedure: Nondiscrimination in Health Programs and Activities. Section 1557 of the Affordable Care Act (ACA) requires that entities that are covered by the ACA, including the Exchanges, may not discriminate on the basis of race, color, national origin, sex, age or disability. It requires that agencies make services accessible to individuals with disabilities and limited English language proficiency. Ms. Rich-Bye indicated that changes were made to the AHCT website to comply with the requirements. The regulations pertaining to Section 1557 were passed in May by the Federal government and went into effect in October. The Limited English Language Proficiency requirement was one of them. The call center that services AHCT has customer service representatives who assist individuals in English and Spanish, and also has the language service line with 200 languages available. Ms. Rich-Bye noted that the regulation also requires AHCT to make services accessible to people with disabilities. In addition to creating a non-discrimination policy, AHCT needs to implement a grievance procedure. A consumer can file a grievance, which will in turn will trigger an investigation by AHCT. Ms. Rich-Bye added that following the investigation, a decision will be issued by AHCT. In addition to AHCT's decision, complainants may file a grievance with the U.S. Department of Health and Human Services. Ms. Rich-Bye indicated that by adopting this measure, AHCT will formalize it with the requirements of Section 1557 of the ACA.

Lt. Governor Wyman requested a motion to approve the proposed Policy and Procedure: Nondiscrimination in Health Programs and Activities as presented by Exchange staff for publication in the *Connecticut Law Journal* and 30 days of public comment. Motion was made by Robert Tessier and seconded by Robert Scalettar. ***Motion passed unanimously.***

IV. CEO Report

James Wadleigh, CEO, briefly updated the Board on AHCT activities. Mr. Wadleigh indicated that the fourth Open Enrollment is currently under way. The call center is assisting individuals who are seeking insurance coverage for the 2017 plan year. AHCT store fronts are busier than last year. Mr. Wadleigh reiterated that everyone can shop for medical coverage on AHCT's website. Everyone at AHCT and its partners are focused on enrolling customers. Mr. Wadleigh indicated that AHCT receives many questions about rate increases. Many off-Exchange customers are informing AHCT staff that the on-Exchange plans are more

affordable than plans offered outside of the Exchange. Eighty-seven percent of all of AHCT's customers are seeing an average of $30 or less in price increases per month. Customers who are receiving Advanced Premium Tax Credits (APTC) and Cost Sharing Reductions (CSR) are seeing an average of $2.84 decrease in their monthly premiums. Mr. Wadleigh added that customers who are receiving the APTCs are seeing an average of $2.34 reduction in their monthly premium payments. AHCT Small Business continues to move forward with the new marketing and outreach campaign. Over the last month, over 200 requests for assistance were received. There is an expectation that the small business enrollment will double over the next year. Mr. Wadleigh encouraged small businesses to explore and compare the plans. Anthem offers very competitive options that may save those businesses thousands of dollars. Mr. Wadleigh stated that he met with Dr. Fernando Fonsceca, the CEO of CliniSanitas Medical Centers. This family-type model is showing that the carriers are changing their methods to service customers. It increases community outreach, understanding, and improves communities' health. Mr. Wadleigh wished both ConnectiCare and CliniSanitas well in their venture. Mr. Wadleigh also reminded the Board that Affordable Care Act is alive and AHCT is actively helping customers enroll in medical insurance plans.

V. 2017 Open Enrollment Update

Jeanna Walsh, Call Center Manager, provided a Call Center Update. Call Center refresher trainings started in September to better prepare for Open Enrollment (OE). Training classes continue to come out on a weekly basis to support the peak call volumes. The call center has the ability to call customers back if they decide hang up the phone during their attempt to speak with a call center representative. Call center representatives call them back between 4:30 p.m. and 6:00 p.m. Ms. Walsh indicated that AHCT has received great feedback about this new feature. Also, when a consumer's call is in queue, they are advised about all of the documents and information that a call center representative will need to process the enrollment application. Outbound call campaigns are currently underway as well. Call Center representatives are calling members who haven't enrolled yet in a 2017 plan. Ms. Walsh indicated that if members cannot be reached, call center representatives are leaving messages with the pertinent information about ways to enroll. Outside of OE, the goal is to have 70% of phone calls answered within 100 seconds. During OE, this goal is set at 90% for all calls to be answered within 30 seconds.

Robert Blundo, Director of Technical Operations and Analytics, provided an update on membership. Mr. Blundo indicated that a high level of activity is seen across the organization. Mr. Blundo stated that 74,000 unique users accounted for 140,000 web sessions over the first two weeks of OE. The average session duration was 9.7 minutes per user. In that period of time, 5,500 Qualified Health Plan (QHP) applications were processed along with 19,000 HUSKY applications processed through the Integrated Eligibility System (IES). As of November 15, 2016, over 61,000 phone calls were received by the call center. As

of that date, 85,000 have yet to renew their 2017 policy. Over 9,400 have already converted from 2016 to 2017 plans. Mr. Blundo added that 2,600 have dis-enrolled for various reasons. Robert Tessier asked for a clarification about the reasons why some have dis-enrolled. Mr. Blundo responded that when OE started, AHCT had roughly 97,000 enrollees. Since then, AHCT gained 5,500 new individuals who were not enrolled on October 31, 2016. Mr. Blundo added that this number is subtracted from the combined pre-October 31, 2016 Qualified Health Plan (QHP) enrollees and those who enrolled up to November 15, 2016. Mr. Blundo noted that the auto-renewal process is done within the first two weeks of December.

The current OE period will be different from the previous OEs. Mr. Blundo pointed to the departure of two carriers from the Exchange, the discontinuation of several plans, and rate changes for 2017 plans. Mr. Blundo stated that elimination of broker commissions, as well as lower passive renewal rates, will also be contributing factors in this OE. All of these events present challenges. In an effort to mitigate the effects of those challenges, the outreach team is working to reach certain populations that will most likely be affected by those changes. Outreach strategy has been a mix of outbound phone calls to those that most likely need assistance in enrolling. AHCT has a mailing and e-mailing campaign as well.

Cecelia Woods asked for the deadline for those who are required to actively renew. Mr. Blundo responded that the deadline to obtain coverage for January 1st is December 15th. If individuals enroll between December 15th and January 15th, they will start their medical coverage on February 1st. The last portion of the OE lasts from January 15th to January 31st, with the coverage beginning on March 1st. Mr. Blundo explained that similar to past years, the proportion of the population that is subsidized is four percent higher than the population that was enrolled prior to OE. Mr. Blundo indicated that there is an increase in the market share by ConnectiCare. Also, another noticeable trend is that the population that is picking the 2017 plans tends to migrate. Benjamin Barnes asked if the 5,000 who retained the 2017 coverage, for whom passive renewal was projected, were not automatically renewed. Those are the people who AHCT thinks would be automatically renewed, but instead shopped for the plan themselves. Mr. Blundo confirmed that this is correct. Another trend shows that ConnectiCare has increased its market share by 75%. Also, the population tends to migrate in terms of the product design. Customers are shopping for lower monthly payments. Mr. Blundo stated that 87% of customers who renewed remained in the same metal tier, 10% have downgraded their plan selection, while 3% decided to choose a higher metal tier.

Victoria Veltri asked if 5.32% went from the Silver metal tier to the Bronze metal tier. Mr. Blundo stated that it was not broken down by the metal tier, but it is an indicator that, most likely, these customers have downgraded their plan selection. The outreach campaign is taking place to reach these individuals. Ms. Veltri asked about the age distribution. Mr. Blundo responded that it will be added to the next presentation. Price sensitivity is an issue. Seventy-two percent of all renewals fall into the category of subsidized customers who remained in the same CSR or APTC segment between 2016 and 2017. For those individuals, the average premium decrease is $2.84 and $2.36 respectively. Eighty-seven percent of that subsidized cohort, who has not changed the financial assistance level, has seen an increase of less than $30 a month.

Paul Philpott asked about the forecast for enrollment after it is complete. Mr. Blundo answered that it is incredibly difficult to forecast, but AHCT projects that anywhere between 115,000 and 120,000 will have been enrolled at that point. Mr. Philpott inquired about the forecast for individuals who do not receive any financial assistance. Mr. Blundo responded by indicating that these customers are the most vulnerable, because they will experience the most substantial rate increase. More information will be available after December 16th when the auto-renewals will have been processed. Mr. Philpott asked whether the carriers grandfathered commissions on the non-subsidized individuals who were on the Exchange. Mr. Blundo responded that he is not aware of that. Mr. Philpott commented that if any of these customers are working through brokers, they will explore the non-Exchange plans as well. Susan Rich-Bye added that premium increases were much higher for off-Exchange plans than the ones that AHCT offers.

Commissioner Raul Pino joined by phone at 9:40 a.m.

Emanuela Cebert, Store Manager and Operations Project Specialist, provided an update on store fronts and Community Enrollment Partner (CEP) sites. In preparation for this OE, five locations were prepared. Twenty-one customer relations personnel were hired to help consumers with insurance plans at those sites. Seventeen are bilingual in Spanish, which adds value to the services rendered. Ms. Cebert added that seven brokers are supporting the operations at those enrollment sites. These brokers speak a variety of languages to better assist AHCT customers. Ms. Cebert stated that the first two weeks of OE produced a customer volume comparable to the first five weeks of the 2016 OE. Staff at those sites are supported by the customer service as well as the technical support lines in case any issues arise. Ms. Cebert outlined the hours of operations for the Enrollment Centers. Dr. Scalettar asked for the percentage of people who go to the Enrollment Sites and do not receive financial assistance. Ms. Cebert responded that it is not possible to distinguish customers who come to the Enrollment sites and do receive financial assistance from those who do not qualify for the subsidy. Dr. Scalettar mentioned the Kaiser Family Foundation report which stated that there are 200,000 uninsured in Connecticut, and about 60% of them would not qualify for financial assistance. Dr. Scalettar inquired about the outreach effort to reach these individuals. Mr. Blundo added that the Kaiser Family Foundation used the National Institutes of Health (NIH) data to create that report. Mr. Blundo stated that it would be very difficult to identify them due to the AHCT's inability to obtain pertinent documents, such as tax returns, for these individuals. It is a challenge to identify them, but AHCT is continuously working to determine who these people are, with the aim of reaching out to them. Dr. Scalettar indicated that some states are contracting with the government to send letters to these individuals. Steven Sigal, Chief Financial Officer, responded that the Internal Revenue Service (IRS) is in the process of sending the letters out to people who pay the penalty with the suggestion that they should be able to look for healthcare plans at the Federal Exchange website.

Maura Carley stated that there are people who are aware of the premium increases, and that some of these individuals are aware of the insurance plans offered on the Exchange. Ms.

Carley added that as a small business owner, the cost of medical coverage for her employees is higher than prior to the Affordable Care Act's (ACA) enactment. The 200,000 who are uninsured do not obtain any subsidy. They do not get to pay the premiums with pre-tax dollars. Ms. Carley indicated that many people are paying very high monthly premiums, sometimes amounting to $1,400 a month, while also being asked to pay $2,000 deductibles. Ms. Carley stated that these costs need to be contained. Mr. Tessier asked about the lack of store fronts or AHCT representation in major cities in Connecticut which have large numbers of uninsured people. Ms. Cebert responded that for the last four years, AHCT was able to gather data showing that certain areas were minuscule, while other areas had a large number of visitors. Mr. Tessier asked whether the three libraries that are helping people enroll are staffed by the AHCT employees. Ms. Cebert confirmed that they are staffed by the AHCT personnel.

V. All Payers Claim Database (APCD) Update:

Tamim Ahmed, Director of the All Payer Claims Database, provided an update on APCD activities. Dr. Ahmed stated that 2016 brought progress as well as challenges. It was a successful year. Most of the carriers submitted historical data, and are on a month-to-month basis of data submission. The U.S. Supreme Court decision in *Gobeille vs. Liberty Mutual* has been interpreted differently by some carriers. Anthem and ConnectiCare understood the decision to mean that the submission of data from all ERISA plans, both self-funded and fully insured, was no longer required. Other carriers have submitted data from fully insured plans. AHCT is working with Anthem to establish a business associate agreement under which Anthem would submit data from fully insured ERISA plans, and AHCT would provide analytical services to Anthem. AHCT hopes to reach a similar agreement with ConnectiCare.

Mr. Philpott said that he was under the impression that the reluctance of carriers to submit data was related to the ERISA plans. Mr. Philpott asked if this insurer's unwillingness to provide the data also includes the insured employer data. Ms. Rich-Bye responded that these insurers are not submitting the fully insured ERISA data. Mr. Philpott asked for the clarification of the data submission cohorts. Ms. Rich-Bye responded that the *Gobeille* Supreme Court decision created some confusion about ERISA data classification. The case was originally about self-funded employer plans, but it could be interpreted to be applied to fully insured employer plans as well as self-funded employer plans.

Ms. Veltri asked whether AHCT would be submitting comments to the U.S. Department of Labor regarding the Notice of Proposed Rulemaking. Dr. Ahmed confirmed that AHCT is working on submitting the organization's comments. Ms. Veltri stated that New Hampshire worked on a letter that their APCD is sending to employers to encourage their participation in its APCD. Dr. Ahmed responded that AHCT is aware of that, but due to working with the U.S. Department of Labor on the rule making changes, no such steps were taken yet.

Dr. Ahmed introduced the prospect of the new APCD website under the name of Analyze Health CT. AHCT will apply for trademark protection.

Dr. Ahmed stated AHCT had a meeting with the Department of Social Services (DSS) about the Medicaid data collection. Mr. Barnes asked whether AHCT is obtaining eligibility data from all carriers. Dr. Ahmed confirmed that carriers are submitting these data. Mr. Barnes expressed concern that the APCD is requesting too much data that can be deemed as sensitive. Mr. Barnes commented that he was not aware that the eligibility data was a part of the APCD request to DSS. Mr. Barnes expressed skepticism that all of that data collection is necessary. Dr. Ahmed responded that APCD is not looking for income and other sensitive information. APCD is looking to determine whether a given person was eligible to receive services, and the timeline of their utilization. Dr. Ahmed added that not everyone who is eligible will have claims, but that all of those who have claims must also have eligibility. Mr. Barnes asked whether gender and age for privately insured individuals, whose services are reflected in the APCD, are part of this request. Dr. Ahmed responded that all of the data are turned over to the vendor, where the identifiers are deleted to assure privacy. Dr. Ahmed indicated that by having this information, the APCD can perform a wide spectrum of analysis.

Mr. Tessier explained that the data that APCD requests from DSS are exactly the same as those which carriers are required to submit. If claims data lack corresponding eligibility data, then the scope of the analysis will be limited. Mr. Tessier also stated that all of the data that the APCD may provide to researchers or state agencies will be de-identified. Mr. Barnes expressed concern that the personally identifiable information may potentially enter the public sphere. Mr. Barnes appreciated data protections that are in place, but he expressed skepticism over the transfer of data from an organization that has legal stewardship of it to another entity. Mr. Barnes commented that there was a significant value in analyzing services by provider, cost, and location.

Lt. Governor Wyman agreed with Mr. Barnes that data security should be a top priority. Lt. Governor Wyman asked whether any other state APCDs collect Medicaid data, and if so, how the data are protected to the requirements of Medicaid agencies. Dr. Ahmed stated that different models of APCDs exist around the country. All other state APCDs are operated under the authority of state agencies. Their respective Medicaid agencies allow submission of Medicaid data to APCDs. APCDs around the country have very highly sophisticated security provisions in data transfer and storage. Most of the APCDs are analyzing Medicaid and Medicare data. The APCD is working with SIM to obtain the Medicare data. Ms. Veltri commented that Medicare data will be obtained soon. AHCT has executed an agreement with DSS regarding Medicaid data collection, and the agreement now needs to be implemented. Ms. Rich-Bye added that many states' APCDs are located within the executive branches of their respective state governments.

VI. Strategy Committee Update

Dr. Scalettar presented an update on the Strategy Committee activities. Dr. Scalettar stated that carrier experiences with the ACA were discussed. Strategy Committee members

discussed possible options to help stabilize the market as it currently exists, recognizing that there have been increases in insurance premiums, both in Connecticut and around the nation. Dr. Scalettar stated that the Committee members examined the successes and failures of the ACA in other parts of the country. Dr. Scalettar explained that the Strategy Committee discussed possible medical insurance options, such as creating narrow networks that can possibly be introduced in Connecticut. Dr. Scalettar stated that Committee members talked about other states in which all individual plans are sold through the marketplace. Concerns were raised about enrollment of people outside of the regular OE. Dr. Scalettar indicated that the Committee also discussed the possible elimination of the Bronze metal tier in the future years, as well as the possibility of requiring tobacco users to pay higher premiums than those who do not use tobacco.

VII. Finance Reforecast

Mr. Sigal presented a Finance Reforecast. Mr. Sigal noted that the Finance Committee met on November 3rd to discuss and adopt the AHCT Finance Reforecast, which is about $1.3 million more than the original budget. The increase relates to the maintenance and operations expenses, which include all of the maintenance contracts for hardware and software, as well as the IES. Paper application expenses are also higher than the original budget allocations. Mr. Sigal stated that the Department of Administrative Services Bureau of Enterprise Systems and Technology (BEST) relocated its data center from East Hartford to Groton, which has an estimated cost of $700,000 to AHCT.

As a result of the decisions of two carriers to not offer commissions to the brokers selling their policies on the Exchange, AHCT, through its call center vendor, Faneuil hired 20 certified brokers to assist customers in choosing appropriate plans. This action caused an unanticipated expense of close to $1 million which was reallocated within the existing budget parameters. The start-up costs with the new call center vendor were accelerated. The decrease in the gross expenses relates to less work being performed in the IT implementation.

Mr. Philpott inquired whether the brokers' compensation will be an ongoing expense for the Exchange. Mr. Sigal responded that he is not certain whether it will be an ongoing expense in the future, noting that brokers are paid a salary. Mr. Tessier asked whether the increase in maintenance and operations would have been incurred in future years if it had not been done now. Mr. Sigal replied affirmatively. Data centers software and hardware equipment need to updated every few years. Lt. Governor Wyman asked whether the Federal government would reimburse the cost of the work performed for DSS, in the form grants and other allocations. Mr. Sigal noted that all of those reimbursements are reflected in the AHCT budget. One small Federal grant remains, which will be gone by the end of the year. Mr. Barnes commented that shared services with DSS include $6 million which will be covered by DSS, but not directly allocated. Mr. Barnes indicated that there are over $30 million worth of expenses related to the shared activities which are being paid by DSS. Those need to be

appropriated 100% by the state from the General Fund. The state will receive the federal revenue back for a portion of those expenses.

Lt. Governor Wyman requested a motion to approve the 2017 Fiscal Year First Quarter Expense Reforecast as presented by Exchange staff. Motion was made by Benjamin Barnes and seconded by Robert Scalettar. ***Motion passed unanimously****.*

IX. Adjournment

Lt. Governor Wyman requested a motion to adjourn the meeting. Motion was made by Robert Tessier and seconded by Robert Scalettar. ***Motion passed unanimously****.* Meeting adjourned at 10:43 a.m.