As Approved by the Board of Directors on May 18, 2017

STATE OF CONNECTICUT
LIEUTENANT GOVERNOR NANCY WYMAN

Connecticut Health Insurance Exchange
Board of Directors Regular Meeting

Connecticut Historical Society
1 Elizabeth Street
Hartford

Thursday, April 20, 2017
Meeting Minutes

Members Present:
Lt. Governor Nancy Wyman (Chair); Robert Tessier (Vice-Chair); Victoria Veltri; Grant Ritter; Michael Michaud on behalf of Commissioner Miriam Delphin-Rittmon, Department of Mental and Health Addiction Services (DHMAS); Commissioner Katharine Wade, Connecticut Insurance Department (CID); Commissioner Roderick Bremby, Department of Social Services (DSS); Theodore Doolittle, Office of the Healthcare Advocate (OHA); Robert Scalettar, MD; Cecelia Woods

Members Participating Remotely:
Maura Carley

Members Absent:
Paul Philpott; Secretary Benjamin Barnes, Office and Policy and Management (OPM); Commissioner Raul Pino, Department of Public Health (DPH)

Other Participants:
University of Connecticut Health Disparities Institute: Dr. Victor Villagra
Access Health CT (AHCT) Staff: James R. Wadleigh, Jr.; Susan Rich-Bye; Andrea Ravitz; Robert Blundo

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 March 23, 2017 Board of Directors Regular Meeting Minutes. Motion was made by Robert Tessier and seconded by Victoria Veltri. ***Motion passed unanimously.***

Commissioner Katharine Wade arrived at 9:02 a.m.

Lt. Governor Wyman requested a motion to alter the agenda to add two items: CMS Final Ruling Update (Item E) and Enrollment Update (Item F). Motion was made by Victoria Veltri and seconded by Cecelia Woods. ***Motion passed unanimously.***

IV. CEO Report

James Wadleigh, CEO, updated the Board on AHCT activities. Mr. Wadleigh stated that AHCT is limited in its capacity in terms of stabilizing the market. The future of the Cost Sharing Reductions (CSR) is uncertain. One of the challenges facing the marketplace is the under-enforcement of the individual mandate. Insurance carriers in Connecticut will be submitting their rates to the Connecticut Insurance Department (CID) at the end of April. If the CSRs are not authorized by Congress or the Trump Administration, rates are expected to rise significantly. Medical trend would also be a contributing factor in the rate increases, which are expected to be in the vicinity of 20 percent. The Centers for Medicaid and Medicaid Services (CMS) released their recommended changes to help stabilize the insurance market. AHCT submitted comments on their recommendations. First, shortening of the Open Enrollment (OE) from three months to six weeks will require AHCT to revisit its entire operating model. AHCT's goal is always to minimize the impact to its customers. AHCT is also considering altering its customer outreach model. One of the main issues surrounding the shortening of the OE period is to provide for adequate staffing levels in the call center. Shortening of the OE will severely impact functioning of the organization. Many customers are waiting until the last moment to sign up for their respective medical plans. This also creates an obstacle in providing exceptional customer service, which is always the Exchange's top priority.

Mr. Wadleigh indicated that meetings were held with representatives of both carriers on the Exchange. Discussions with the carriers concentrated on AHCT's efforts to help stabilize the market environment. AHCT is working proactively in this area. However, AHCT has no influence over the issue of the CSRs. Mr. Wadleigh indicated that AHCT has been a leader in the implementation of the Affordable Care Act (ACA). Mr. Wadleigh added that it could also be the first Exchange in the country not to have any carriers in 2018. Mr. Wadleigh added that he anxiously waits to hear the Exchange's carriers' decisions.

Mr. Wadleigh provided the Board with an update on Senate Bill (SB) 490, An Act Requiring the Connecticut Health Insurance Exchange to Post Provider Network Information on Its Internet Web Site, which, if implemented, would require AHCT to maintain the provider directory on its portal. If passed into law, it would create an unnecessary financial and logistical burden to AHCT. Mr. Wadleigh turned the Board's attention to the America's Health Insurance Plans (AHIP) Provider Directory Initiative Key Findings. It describes all of the challenges that are taking place to be able to present this information accurately.

Mr. Wadleigh recognized Kecia Stauffer, Communications Market Manager, for officially having been with AHCT for five years. Ms. Stauffer was the first employee of AHCT. Mr. Wadleigh thanked Ms. Stauffer for contributing to the creation and building of the top Exchange in the United States.

Robert Tessier inquired about the possibility of stopping the CSR payments and the issue of under-enforcement of the individual mandate. Mr. Tessier asked what could be done to avert or mitigate this scenario. Mr. Wadleigh indicated his understanding that the originally proposed American Health Care Act included the elimination of the individual mandate, but it required continuous coverage in order to avoid a penalty in the form of increased premiums. Katharine Wade indicated that numerous actions are being undertaken in an effort to stabilize the marketplace. The State of Connecticut is in favor of the continuation of the CSRs. CID, along with other insurance commissioners from across the country, met with CMS at the National Association of Insurance Commissioners (NAIC) meeting, and expressed concerns about CSRs. An assurance was made that the individual mandate is being enforced. The only issue with the individual mandate exists in the area of not automatically rejecting electronic submissions of tax returns of people who did not check the box on their tax returns that indicates that they had a medical coverage in 2016. The NAIC had a call with the new administrator of CMS. The NAIC wrote a letter to members of Congress, expressing their support for, and the importance of, continuing CSR payments. All of the state insurance commissioners from across the country are concerned about this issue, regardless of political affiliations. Ms. Wade indicated that she will be travelling to Washington to meet with Connecticut's Congressional Delegation, as well as with the Health and Human Services Secretary, Thomas Price, and a number of other officials to advocate for a continuation of CSR payments.

V. CMS Final Rule Update

Susan Rich-Bye, Director of Legal Affairs and Policy, provided the Board with a CMS Final Rule Update. Ms. Rich-Bye indicated that one of the major changes that may affect the Exchange is the shortening of the OE Period by six weeks. The new rule states that the OE would run from November 1st to December 15th. However, an option exists for the state-based marketplaces to extend their OEs past that date. Another change affects consumers who have past due premium payments with the same carrier. If they want to sign-up during OE, the carrier may require them to pay the past due amounts before effectuating their coverage. Lt. Governor Wyman asked what would happen to consumers who have outstanding premium bills from a carrier with which

they enroll in the next plan year. Ms. Rich-Bye indicated that they would need to pay everything that is owed before their coverage becomes effective.

Ms. Rich-Bye described CMS changes affecting the de minimis range for the Actuarial Values (AV) of the metal tiers. Up to now, the AV de minimis range was plus or minus two; CMS is extending that range to minus four to plus two. It allows for much lower AV plans at each level. For certain bronze plans, especially with high deductibles, CMS is changing the AV range to minus four to plus five. This will most likely result in carriers offering plans that will differ in coverage levels. It may also result in lowering of premiums. CMS also changed the network adequacy requirements. CMS is allowing states to determine the network adequacy standard. AHCT has been proactive in this area. At its February 28, 2017 Meeting, the Board approved delegating the network adequacy review and analysis to CID. Ms. Rich-Bye added that given the standard plans that the Board had approved for 2018, it is not expected that it will have a significant impact on the plans next year. Dr. Scalettar inquired about the approximation in percentage pertaining to possibly lowering of the premiums as a result of those changes. Ms. Rich-Bye responded that it is not known. The cost of lowering premiums will be shifted to the consumer in a different form. Victoria Veltri commented that if the AV goes down to 66%, and if AHCT does not keep the standard as the silver plan, what may happen is that this plan may be the second lowest silver plan. In this instance, APTCs would also be reduced. Mr. Wadleigh added that having carriers at the table to discuss this issue is crucial. AHCT does not want to see the reduction in tax credits for Connecticut residents. Ms. Rich-Bye added that if AHCT implements the 66% AV plan, the cost-sharing portion would be greatly shifted to the consumer. Mr. Tessier added that if AHCT were to explore that option, the rates are the last item that AHCT will be able to see. Ms. Wade added that it is one of the reasons why CID has actuaries on the Health Plan Benefits and Qualifications Advisory Committee (HPBQ AC). They are actively engaged in the committee. Mr. Wadleigh added that both carriers also sent actuaries to the HPBQ AC. They are actively engaged in the process.

VI. Enrollment Update

Robert Blundo, Director of Technical Operations and Analytics, provided an Enrollment Update. Mr. Blundo indicated that the end of the last OE was very busy. The majority of customer interactions to close up post-enrollment verification eligibility occurs within ninety days following the conclusion of OE. As of April 19, 2017, the Qualified Health Plan (QHP) enrollment stood at 102,278. The enrollment is down by 10.1% from the peak of 111,542 that was reported at the end of OE. Over 5,000 customers enrolled during the Special Enrollment (SE) period. The attrition stood at 16,263. Mr. Blundo added that at the same time last year, the active QHP enrollment stood at 105,000. In general, about 1% degradation in net enrollment is seen. Mr. Blundo indicated that about 6% of the QHP enrollees have an open verification issue which they need to resolve in order for their coverage or premium assistance to continue. About 96% of the total QHP population made the first premium payment and their policies are effectuated.

VII. Presentations

Health Literacy Survey Findings

Dr. Victor Villagra, the Associate Director of the University of Connecticut Health Disparities Institute, provided an overview of the Health Literacy Survey Findings. The survey was based on the QHP population. Ms. Veltri asked how the study was conducted. Dr. Villagra indicated that the QHP pool was about 66,000 enrollees. Dr. Villagra added that UConn did not have access to individual information. Stratification by race, ethnicity, and region was added. Dr. Villagra stated that AHCT obtains partial information on race and ethnicity. Individuals were asked to identify their race, ethnicity, and language. Ms. Veltri asked whether there were any variations in results by county. Dr. Villagra responded that there were no major differences between the counties. Roderick Bremby asked whether educational attainment was statistically relevant. Dr. Villagra responded that the difference was pronounced. Education is a major factor in making QHP plans accessible to the public. Dr. Villagra added that simpler plan designs would aim at eliminating confusion and mistakes, not only for consumers, but for the providers as well.

Dr. Scalettar stated that if the goals are to make health insurance access available to all Americans, the country may be on the wrong track, and the wrong questions are being asked. Dr. Scalettar indicated that he is not opposed to a coordinated health insurance literacy campaign, but it may be misplaced energy and effort. Based on scholarly literature, the impact of continuous medical education campaigns is minimal. Dr. Scalettar added that he is a supporter of a single-payer healthcare system. Theodore Doolittle indicated that inefficiency and cost were mentioned as results of a lack of health insurance literacy. Mr. Doolittle added that the lack of trust needs to be added to that list. Mr. Doolittle also supported making plans simpler. In that way, the system will become more sustainable as well. Ms. Wade supported the idea of plan simplification. However, certain requirements in law prevent from fully realizing this goal. CID plays an important role in handling disputes with the carriers as well explaining plans.

Enrollee and Leavers Research and Focus Group Findings

Andrea Ravitz, Director of Marketing and Sales, and Robert Blundo, provided the Enrollee and Leavers Research and Focus Group Findings. Mr. Blundo specified that this survey has been conducted over the last three years. Over this period of time, AHCT has matured as an organization. In 2014, 6,000 enrollees were surveyed, and research focused mostly on enrollee demographics. In 2015, 1,100 people were surveyed, with the focus not only on current, but also on past enrollment. Mr. Blundo stated that with this survey, the focus was slightly shifted to incorporate changes that, from AHCT's perspective, were needed in order to fully examine the enrollees' and leavers' situations. The surveys were conducted in the autumn of 2016. Based on the timing, the answers were given prior to major events, such as the election and efforts to repeal the ACA. Also, they do not reflect the premium increases that consumers experienced

during the last OE period, as well as the decreased number of brokers and fewer carriers on the Exchange. All surveys were conducted in English and Spanish.

The call center was the number one vehicle for consumers who received financial assistance. One-third of those surveyed relied on brokers' assistance, while three to five percent used the store fronts to inquire and enroll. Mr. Blundo described differences in utilizing enrollment channels between those who receive financial assistance and those who do not. The major enrollment vehicle for those not receiving financial help was the enrollment website. Sixty-one percent of those from the non-subsidized group used that channel. Only 39% of the subsidized population used the website to enroll. Based on the research, individuals who do not receive financial assistance have higher incomes, and are more likely in possession of a higher education degree. Those who qualify for financial assistance have to provide more data than those who do not qualify for help. About 33% of the population eligible for financial assistance was unaware of the way in which the Advanced Premium Tax Credits (APTC) functioned. Customer attrition is very important for AHCT. In regards to the discontinuation of coverage, 39% percent of the subsidized and 59% of the non-subsidized leavers stated reasons outside of the AHCT's control. The second leading cause was the inability to afford the cost of the plan. About 56% of the leavers obtained coverage through an alternative source.

Ms. Ravitz provided an overview of the Overall Satisfaction and Reenrollment survey. This study allows AHCT to determine the areas where it can improve. Subsidized individuals seem to be more satisfied in comparison to those who do not receive financial assistance. Better and clearer communication is a key issue in health insurance literacy. Ms. Ravitz added that Spanish language is adding a significant layer of misunderstanding. Many ways of translating certain terms into Spanish create confusion due to the number of dialects. Simpler communications are extremely important. Ms. Ravitz stressed that it is crucially important to provide an explanation to the consumer of any possible terms that she/he may not understand. It should never be assumed that a consumer understands the issue that is being discussed. AHCT has undertaken a project of simplifying its messaging to its consumers. Television allows AHCT to reach a very large population, despite a heavier financial burden that it places on AHCT's finances. Television remains a very powerful medium for AHCT's consumers. Mr. Bremby inquired about these results from a race and ethnicity perspective. Mr. Blundo indicated that the results demonstrated that a higher percentage of enrollees in racial or ethnic minorities received financial assistance. There was also a correlation between income and assistance sought. Mr. Tessier asked for a comment on a survey result which indicates that a limited number of enrollees use a website. Ms. Ravitz pointed out that AHCT has two websites. Educational and transactional portals provide enrollment information as well as educational information. All of the marketing efforts are concentrated on the educational portal. Ms. Ravitz added that four focus groups were conducted in the Hartford and Norwalk areas. These focus groups were organized in February. Ms. Ravitz stated that the process of choosing a proper health plan is complicated.

Lt. Governor Wyman recognized Steven Sigal, Chief Financial Officer, who will be departing from his role at the end of the month.

VIII. Adjournment

Lt. Governor Wyman requested a motion to adjourn the meeting. Motion was made Robert Tessier and seconded by Cecelia Woods. ***Motion passed unanimously.*** Meeting adjourned at 10:53 a.m.