



STATE OF CONNECTICUT  
**LIEUTENANT GOVERNOR NANCY WYMAN**

Connecticut Health Insurance Exchange  
Board of Directors Regular Meeting

Legislative Office Building  
Room 1A

Thursday, September 14, 2017  
**Meeting Minutes**

**Members Present:**

Lt. Governor Nancy Wyman (Chair); Robert Tessier (Vice-Chair); Grant Ritter; Julienne Giard 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); Demian Fontanella on behalf of Theodore Doolittle, Office of the Healthcare Advocate (OHA); Commissioner Raul Pino, Department of Public Health (DPH)

**Members Participating Remotely:**

Robert Scalettar, MD; Cecelia Woods

**Members Absent:**

Victoria Veltri; Secretary Benjamin Barnes, Office of Policy and Management (OPM)

**Other Participants:**

Access Health CT (AHCT) Staff: James R. Wadleigh; Robert Blundo; Anthony Crowe; Shan Jeffreys; Ann Lopes

**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 August 2, 2017 Board of Directors Special Meeting Minutes. Motion was made by Demian Fontanella and seconded by Robert Tessier. ***Motion passed unanimously.***

Lt. Governor Wyman requested a motion to appoint Paul Philpott to the Human Resources Subcommittee. Motion was made by Robert Tessier and seconded by Demian Fontanella. ***Motion passed unanimously.***

### **IV. CEO Report**

James Wadleigh, CEO, updated the Board on AHCT activities. Mr. Wadleigh stated that both carriers, Anthem and ConnectiCare, will remain active participants on the Exchange in 2018. Mr. Wadleigh conveyed his words of appreciation to Governor Dannel P. Malloy, Lieutenant Governor Nancy Wyman, Connecticut Insurance Department (CID) Commissioner Katharine Wade, and the AHCT Board of Directors for all of their leadership in assisting AHCT through this difficult process. Mr. Wadleigh accentuated that this long journey began in January, with several stabilization initiatives, through AHCT's Board actions as well as changes in federal regulations. Changes in plan designs followed for both the individual and SHOP plans, allowing for greater flexibility in product offerings. The federal government shortened the Open Enrollment (OE) period from three months to six weeks, so that all new coverage will have January 1 effective dates.

#### **Robert Scalettar joined by phone at 9:04 a.m.**

Changes also included improving the Special Enrollment (SE) oversight processes. These improvements were aimed at minimizing the high number of fourth quarter enrollments that according to the carriers drove rates higher. Mr. Wadleigh stressed that as the uncertainty around the Cost Sharing Reduction (CSR) payments continued, a series of meetings occurred between the carriers' presidents, the Governor, the Lt. Governor, the CID Commissioner, and other leaders to discuss opportunities for stabilizing the AHCT marketplace. The result of these meetings was the assumption that the CSRs would not be paid by the federal government. Therefore, a decision was made by CID to allow the carriers to add the potential lack of the CSR payments to the cost of the silver plans. While these increases for silver plans are higher, they will be offset by an increase in the Advanced Premium Tax Credits (APTC). Mr. Wadleigh stressed that Connecticut is dedicated to the success of the Affordable Care Act (ACA). AHCT staff has been preparing for OE, and various improvements will be implemented. Mr. Wadleigh emphasized that the ACA is still the law. AHCT is the only entity where consumers may obtain financial assistance in paying for their health insurance premiums. Tax penalties still exist for not having adequate healthcare coverage. Mr. Wadleigh drew attention to the OE starting on November 1. AHCT provides free help to those seeking assistance in enrolling.

## **V. Individual Market Update**

Katharine Wade, CID Commissioner, provided the Board with a brief update on the rates that were approved by the Department. CID needed to provide certainty to both the market and consumers. CID received guidance from the Centers for Medicare and Medicaid Services (CMS) that allowed incorporation of the potential lack of the CSR payments in rate filings to the Silver Plans on the Exchange. In case the federal government commits to making those payments, rates will be readjusted accordingly. The increase in premiums will be offset by the increase in APTCs.

Paul Lombardo, CID actuary, provided the Board with the analysis of the rate approval process from the actuarial point of view. Mr. Lombardo reviewed CID's findings and summarized the contributing factors for the rate increase requests. Mr. Lombardo stated that ten insurance companies offer health insurance products in both the individual and small group markets. Mr. Lombardo added that there were fourteen rate filings, covering approximately 270,000 individuals. Mr. Lombardo explained the rate increases for the carriers participating in the Exchange. Rate increases were caused by few factors. The CSR payment uncertainty was one of the primary reasons. CID asked both on-Exchange carriers, Anthem and ConnectiCare Benefits Inc., to submit supplemental rate filings on this point. CID approved a 16.7 percent increase based on this item. The annual trend contributed to an approximate 10.5 percent increase. Experience adjustment, the elimination of the moratorium on the health insurance tax, and the federal risk adjustment formula added to the approved increases. Mr. Lombardo indicated that Anthem was approved for an average 31.7 percent increase while ConnectiCare Benefits Inc. received an average 27.7 percent approval. Mr. Lombardo reiterated that in case the federal government commits to making CSR payments to insurers, these approved rates would be readjusted. Aetna, Cigna, and Golden Rule will be exiting the individual insurance market in Connecticut in 2018.

Robert Tessier expressed his words of appreciation for the work of CID with the Exchange and the carriers. Mr. Tessier inquired about a possible scenario in which the federal government decides to fund the CSR payments. Mr. Tessier asked if CID would be capable of lowering the rates if CSR funding is certain. Ms. Wade indicated that flexibility to insurance departments across the country would be granted in that case. Paul Philpott asked whether the representative set of rates could be presented. Mr. Wadleigh indicated that Ann Lopes, Carrier Product Manager, would provide a more detailed analysis of the rate structure at the October Board of Directors meeting.

Mr. Philpott asked whether the increases presented would largely be ameliorated by the increase in the financial assistance available. Mr. Lombardo indicated that increases due to lack of CSR funding would affect only the silver on-Exchange plans. Mr. Wadleigh highlighted that the APTCs are determined based on the Second Lowest Cost Silver Plan (SLCSP). The SLCSP premium amount will increase significantly so everyone who is eligible for APTCs will see an increase in their APTCs. These increased APTCs may be used to purchase plans at either the bronze, silver or the gold levels. Mr. Philpott expressed his concern that the unsubsidized consumers,

especially those who are just above the income limit to receive financial assistance, will be disproportionately affected by rate increases. Mr. Philpott added that a substantial portion of this customer base would decide to pay the tax penalty rather than pay for the expensive medical insurance premiums. Mr. Lombardo stressed that the decision was not taken lightly in terms of making a determination on how to apply the potential lack of CSR payments. The rate increase due to the lack of CSR payments does not affect the silver plans off the Exchange. Mr. Philpott commended CID for their work under very difficult circumstances. Ms. Wade thanked Mr. Philpott for his words of appreciation, and stressed that these decisions were extremely difficult to make. Ms. Wade added that CID is very concerned that some people will not be able to afford their premiums. CID tried to do it in a manner that would cause the least harm possible.

Demian Fontanella thanked CID for the work performed under extremely difficult circumstances. Mr. Fontanella inquired whether CID allowed the increase for the potential lack of the CSR payments now because CID lacked the discretion of performing such an action later. Ms. Wade responded that CID was only able to make that decision once in order to be ready for OE. Mr. Fontanella asked whether, in the event that the CSR payments are funded, this would have a downward effect on APTCs. Ms. Wade confirmed that it would have a downward effect on the financial help that customers would receive if the rates are adjusted.

## **VI. Enrollment Update**

Robert Blundo, Director of Technical Operations and Analytics, provided the Board with an enrollment update. Mr. Blundo indicated that as of September 13, 2017, the Qualified Health Plan (QHP) membership consisted of 97,055 enrollees. Attrition since the end of the last Open Enrollment (OE) stood at 24,963. In addition, AHCT saw 10,971 new enrollees who utilized the Special Enrollment (SE) procedure. The largest portion of this group qualifies for both APTCs and CSRs. The retention this year has been a little better in comparison with the same period last year.

Mr. Blundo stated that 3.2 percent of enrolled customers have an outstanding verification to complete. Mr. Blundo added that 70 percent of enrolled customers did not have to provide any post enrollment verification documents. AHCT anticipates that once the OE for 2018 begins the number of individuals with open outstanding Verification Checklists (VCL) will increase to approximately 36 percent. It is an approximate figure based on past experience. It will mean that AHCT would need to increase operational staffing to meet the demand. The pre-enrollment verifications are required for SEs. Mr. Blundo stated that through the Pre-Enrollment verifications, applicants are required to verify their attested qualifying life event within 30 days. Once they do that, their enrollments are passed onto the carriers.

According to the data presented, 401 applicants have outstanding verifications for their qualifying life event, and 2,481 enrollees successfully submitted and verified their situation. In addition, 73 applicants were required to re-submit documentation for their qualifying life event. Mr. Blundo added that 588 enrollees failed to submit valid verification for their qualifying life event. Lt. Governor Wyman inquired about individuals who have outstanding VCLs, and whether they will be able to obtain the same medical insurance premium rates as other customers. Mr.

Blundo indicated that individuals who are positively verified before the new OE starts would be paying the same rates, which were established for the 2017 plan year. Mr. Wadleigh added that anyone who enrolls now would have a policy, which is effective for 2017 only. These individuals will need to re-enroll, starting November 1, for the upcoming year.

Mr. Philpott would like to obtain an estimate of the approximate disenrollment due to individuals switching between on-Exchange and off-Exchange plans. At this time, the Exchange has about 25,000 customers who do not receive any financial assistance. Out of those individuals, about 7,700 are enrolled in Silver Plans. Mr. Philpott inquired whether the Exchange would proactively contact those affected individuals. Mr. Wadleigh indicated that AHCT would actively work with those customers to make sure they have the information available to them to pick the plan that best meets their needs.

#### **VII. 2018 Open Enrollment Readiness**

Robert Blundo and Anthony Crowe, Operations Manager, provided the Board with the 2018 OE Readiness update. Mr. Blundo stated that while AHCT is preparing for the 2018 OE, the Plan Management Team is already working on medical plans that could be offered in 2019. It is a lengthy process. Mr. Blundo emphasized that as of the date of this Board meeting, 48 days are left before the start of OE. AHCT is focusing on customer education, experience, acquisition, and retention. Eighty percent of all customer interactions occur within a very small period of time. The cross-functional team has been created in order to facilitate preparations and improvements for OE. Mr. Blundo accentuated that OE brings a new set of challenges that need to be overcome.

As a result of changes imposed by the federal government, OE has been shortened significantly. The 2018 OE will be reduced by 40 days as compared with previous OEs. The 2018 OE will commence on November 1, 2017 and will conclude on December 22, 2017. AHCT is proactive in planning for this challenge. The Operations Team is currently preparing for an increased volume of applicants during a shortened OE period.

The Marketing Team's efforts concentrate on educating the public by preparing the level set campaign, which will start in October. The Marketing Team's efforts will focus on informing the public that the law has not been changed, and that AHCT is the only entity through which the customers may obtain financial assistance.

Mr. Blundo added that four plans will be discontinued, and mitigation processes will be in place to transition affected customers to a different plan. Mr. Blundo stated that returning consumers would have a more streamlined approach in being able to select appropriate health insurance plans. The online application process will be more informative, with an aim of reducing follow-up calls to the call center. The call center representatives will have a simplified process available to them to view consumer information. The greater notification efficiency, improved carrier interface, improved consumer decision support tool, and improved mobile experience are all part of AHCT's efforts to make the 2018 OE more consumer-friendly. Mr. Blundo described the 2018 OE Readiness Milestones from the Plan Management, Marketing, and Information Technology (IT) perspectives.

Anthony Crowe provided the Board with an update on the work that the Operations Department has been performing during the summer, as well as ongoing preparation for the upcoming OE. Mr. Crowe stated that the training department has been redesigned and expanded, with an aim of increasing customer satisfaction. The curriculum has been rewritten, and will include a total of over 60 modules based on best practices, HIX system improvements, and lessons learned from the past four OEs.

The call center's hours will be expanded due to the shorter OE. The call center will be open a minimum of ten hours a day Monday through Friday, six hours on Saturdays, and six hours on two of the Sundays. Starting on December 11, the call center will be open twelve hours a day, and until midnight on any deadline days. The current call center representatives will go through a stringent recertification process, and must pass a more rigorous test than they have in the past. It will also consist of a longer training for the current call center representatives.

Mr. Crowe stated that AHCT is pleased to have more brokers assisting consumers on the Exchange. Mr. Crowe emphasized that AHCT is grateful to the 200 brokers who assisted the Exchange's customers in 2017 without compensation. AHCT will be reaching out to brokers, encouraging them to be certified with the Exchange. The online training for the broker recertification process will be available on September 18. The call center will have a more streamlined broker experience as well.

Mr. Crowe added that approximately 100 certified representatives at the call center would be dedicated to providing assistance to Brokers and Certified Application Counselors (CACs). Issues requiring deeper analysis will be sent to larger escalation teams. A simpler broker acknowledgment process has been established as well.

Mr. Crowe stated that the CACs have always been a vital part of AHCT's outreach to the community. Mr. Crowe added that AHCT has improved the CAC experience, which includes more frequent and detailed communications, new trainings for certification and recertification, and a dedicated staff serving them at the call center. The CACs' online training will be available on September 18. In addition, the Community Conference will be held on October 12 at the Radisson Inn in Cromwell, to bring together community partners and CACs, as well as others who are seeking to build a healthier Connecticut for all.

Mr. Crowe also listed the geographical enrollment locations, with the exact venues to be determined. AHCT plans to relocate former enrollment centers to ten communities throughout the state, which include Bridgeport, New Britain, Danbury, New Haven, Waterbury, East Hartford, the Norwich/New London Area, Hartford, Stamford, and Milford. Mr. Crowe added that the decision to select these locations was based on a review of four years of data indicating where the largest percentage of the uninsured population resides. AHCT will also participate in Enrollment Fairs in Manchester, Fairfield, New London, and Hamden. Additional enrollment fairs may also take place if needed.

Mr. Philpott inquired about the past issues with broker acknowledgments. Mr. Crowe stated that the electronic transfer was the main reason for these issues. This issue has since been resolved.

Mr. Philpott inquired about the broker compensation rates. Mr. Crowe indicated AHCT is not in possession of this information at this time.

Ann Lopes, Product Carrier Manager, provided the Board with an update on the work of the Health Plan Benefits and Qualifications Advisory Committee (HPBQ AC). Ms. Lopes stated that the first meeting of the HPBQ AC, to start reviewing standardized plans and certification requirements for the 2019 OE, took place on August 15. At the last Board meeting, discussion ensued around reviewing the policies and criteria that were developed over the past few years. Plan Management was asked to identify those policies and criteria that may have an impact on the medical insurance rates offered on the Exchange. Ms. Lopes added that Plan Management outlined those points to the HPBQ AC. The Committee will be meeting monthly to review those topics and make recommendations.

Mr. Tessier expressed his appreciation to Mr. Wadleigh and CID for their work on getting the commitment from both carriers to participate on the Exchange in 2018. Mr. Tessier emphasized that AHCT's employees play a critical role in the success of the organization. Mr. Tessier asked the Board to recognize the AHCT staff for their great work for the residents of Connecticut.

#### **VIII. Adjournment**

Lt. Governor Wyman requested a motion to adjourn. Motion was made by Paul Philpott and seconded by Robert Tessier. ***Motion passed unanimously.*** Meeting adjourned at 10:14 a.m.