



STATE OF CONNECTICUT
LIEUTENANT GOVERNOR NANCY WYMAN

Connecticut Health Insurance Exchange
Board of Directors Regular Meeting

Legislative Office Building
Room 1D

Thursday, October 19, 2017

Meeting Minutes

Members Present:

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

Members Participating Remotely:

Commissioner Raul Pino, Department of Public Health (DPH)

Other Participants:

Access Health CT (AHCT) Staff: James R. Wadleigh; Shan Jeffreys; Robert Blundo; Susan Rich-Bye; Ann Lopes; Andrea Ravitz; John Carbone; Anthony Crowe

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 September 14, 2017 Board of Directors Regular Meeting Minutes. Motion was made by Victoria Veltri and seconded by Robert Scalettar. ***Motion passed. Theodore Doolittle abstained.***

IV. CEO Report

James Wadleigh, CEO, updated the Board on Access Health CT (AHCT) activities. Mr. Wadleigh stated that the common theme surrounding the future of the Affordable Care Act (ACA) at the last few Board of Directors meetings was uncertainty. Mr. Wadleigh added that, while it continues to be the case to some extent, both carriers, Anthem and ConnectiCare (CBI), will continue to offer medical insurance plans for the 2018 plan year. The end of the Open Enrollment (OE) period has been extended from December 15 to December 22. AHCT's marketing and outreach funding will not be affected by the recent cuts on the federal level, and the planned outages for the Federally Facilitated Marketplace (FFM) portal will not have any impact on the AHCT's website.

Commissioner Katharine Wade arrived at 9:03 a.m.

Mr. Wadleigh accentuated that in-person assistance around the state has been increased by relocating the organization's two enrollment locations. Instead of two storefronts, AHCT will operate in ten different centers around the state, and will be complimented by five enrollment fairs that will be held on each Saturday during OE. Hundreds of Certified Applications Counselors (CACs) and brokers will be assisting customers to enroll and reenroll. Every county in Connecticut will have on-Exchange plans that will cost less than off-Exchange medical insurance options for the bronze and gold tiers.

Mr. Wadleigh added that the announcement by the President of the United States to eliminate the Cost Sharing Reduction (CSR) payments by the federal government, while disappointing, would not change the rates for Exchange plans previously approved by the Connecticut Insurance Department (CID) for the upcoming plan year. CSR plans, with those benefits, will continue to be offered to consumers who are eligible to purchase them. Connecticut was proactive in anticipating this possible change in the rate approval process. In August, CID asked the carriers to submit supplemental rate filings assuming the federal CSR payments would cease. In September, CID issued its rate determination for all Individual Market plans, including Silver on-Exchange plans, with the potential lack of the CSR payments. Silver plan rates are increased but the Advanced Premium Tax Credits (APTCs) will be available to the eligible consumers to mitigate the increases. The APTC assistance will be greater than what it would have been if there were no change in the CSR funding, causing premium increases. Mr. Wadleigh added that around twenty-five percent of AHCT's consumer base did not receive any financial assistance in paying for their medical insurance premiums. Of those individuals, approximately seven thousand are enrolled in silver plans. These consumers might see higher costs for their premiums.

Mr. Wadleigh indicated that these consumers should update their accounts and they will be able to determine whether they qualify for financial assistance. Mr. Wadleigh also encouraged these individuals not to purchase insurance plans based on cost only, and said that they should shop around and compare benefits between various options. Mr. Wadleigh noted that if consumers choose a plan outside of the Exchange, and later in a year determine that their income has changed, qualifying them for financial assistance, they will not be able to claim those credits on their federal tax return. In addition, the off-Exchange plans may not be able to offer the same benefits as the on-Exchange plans. The AHCT's standard plan designs are meant to fulfill this need.

Mr. Wadleigh emphasized that OE starts on November 1 and lasts to December 22. In addition, enrollment assistance is available free of charge, online, in-person, or over the phone. Financial help is available only through AHCT. Mr. Wadleigh reiterated that AHCT's mission is to continue to increase the number of insured Connecticut residents. The AHCT team's focus this OE period is to provide consumers with numerous tools to successfully choose a plan that best fits their needs.

Robert Scalettar, MD, inquired about three non-Exchange carriers departing the individual market in Connecticut. Dr. Scalettar also asked whether there are obstacles to having no distinction between the on-Exchange and off-Exchange markets. While it is a legislative solution, Dr. Scalettar asked if it is an idea that should be worth considering in Connecticut. Mr. Wadleigh stated that the Plan Management presentation would share some important information that is pertinent to this inquiry. On-Exchange options provide additional support, which, in many cases in off-Exchange plans would not be accessible to consumers. Commissioner Katharine Wade added that the combined membership of the three companies leaving the individual market is 1,200 customers. Ms. Wade added that it is a legislative prerogative to combine the on and off-Exchange markets together. It could result in fewer choices in the marketplace.

Michael Michaud arrived at 9:11 a.m.

Victoria Veltri inquired whether an individual with an off Exchange plan who experiences an income change would be able to switch plans. Susan Rich-Bye indicated that if a consumer's income changes during the year, and if she/he becomes newly eligible or ineligible for APTCs and, it would qualify the consumer for a Special Enrollment (SE) period. This consumer can come onto the Exchange using the SE procedure. Ms. Rich-Bye added that some people have income that hovers around 400 percent of the Federal Poverty Line (FPL). They can purchase coverage through AHCT but slide their tax credits back to zero, because they are not sure if they will be over or under the 400 percent of the FPL. At the end of the year, if their MAGI is under the threshold, they can take the premium tax credit on their federal tax return. But this can only be done if the coverage is purchased through AHCT.

V. 2018 Open Enrollment Update

Robert Blundo, Director of Technical Operations and Analytics, provided an update on the 2018 OE. Mr. Blundo stated that certain milestones have been achieved since the last time the Board met.

Benjamin Barnes arrived at 9:14 a.m.

Mr. Blundo stated that System Readiness releases have been implemented. The Consumer Decision Support Tool (CDST) testing and implementation have been incorporated. The 2018 Plan information has been loaded into the system, and data integrity reviews were completed. Broker and Certified Application Counselors (CAC) training is underway. Dedicated call center and customer service support teams have been created. Mr. Blundo also added that staffing capacity had been increased, and the customer issues backlog was reduced to two days. The 2018 enrollee projections for renewal were completed, and 2017-2018 plan crosswalks have been finalized.

Cecelia Woods arrived at 9:18 a.m.

Andrea Ravitz, Director of Marketing and Sales, provided the 2018 OE Marketing Strategy. Ms. Ravitz emphasized that the 2018 OE marketing campaign is data-driven. Many internal and external sources were utilized in the data collection efforts to select the proper platforms to convey marketing messages. Ms. Ravitz stated that data collected helped determine which media platforms deliver the best-targeted messages. In 2017, marketing efforts resulted in over 14,000 brand new members to the system. AHCT was able to retain close to 80 percent of those members. This was part of an acquisition and retention campaign that was focused on the value of having and keeping healthcare coverage. Twenty-five percent of those individuals were the “young invincibles,” a very hard-to-obtain group. Television was the main medium mentioned in the last three years by over 70 percent of AHCT’s responders. This year’s marketing campaign includes 15 different media platforms. Personalized messages will be displayed in movie theaters and other public places, such as public transport areas, in partnership with the Connecticut Department of Transportation. Direct electronic mail as well as text messages are all part of the campaign effort. The messaging focuses on four core aspects, which include the value of keeping and having healthcare coverage; the fact that financial help is still available only through AHCT; free in-person assistance around the state; and reiterating the enrollment deadlines. Ms. Ravitz explained that the Consumer Decision Support Tool is designed to help consumers explore projected costs of buying and using insurance plans sold through the Exchange. Ms. Ravitz enumerated community efforts that have been reinforced externally and internally.

Since July 1, 2017, AHCT completed 22 Outreach Tour Events. Over 30 additional events are planned during OE. The Marketing Team’s efforts also concentrate on the fact that the ACA is still the law of the land. Ms. Ravitz added that the team’s focus is concentrated more on local community events with the assistance of local community leaders to be more impactful. Ms. Ravitz stated that television ads will consist of 15-second pieces, which would allow for more air frequency. Thirty-second advertisements will also be aired. Ms. Veltri inquired whether brokers are attending the community fairs. Ms. Ravitz confirmed that brokers, as well as CACs, are invited to attend those events. Paul Philpott posed a question pertaining to the number of brokers that AHCT is planning to certify. Ms. Ravitz stated that the certification process is underway, and more accurate numbers will be known on November 1. Mr. Wadleigh indicated that as of this Board meeting, about 250 brokers have gone through the certification process, and this list continues to grow. Over 750 brokers were e-mailed.

Ann Lopes, Carrier Product Manager, updated the Board with the Plan Cost Comparison for the 2018 plan year. Ms. Lopes stated that in the Individual Market Filings for 2018, there has been a minimal change in the net number of plans filed by issuers participating both 'On-Exchange' and 'Off-Exchange.' AHCT noticed movement toward offering more plans at lower Actuarial Value (AV) levels. Ms. Lopes indicated that most enrollees in Qualified Health Plans (QHPs) through AHCT included households with only one or two enrollees. In addition, over 70% of the QHP Enrollment lives in Fairfield, Hartford and New Haven counties. The Second Lowest Cost Silver Plan (SLCSP) is a ConnectiCare Benefits Inc. (CBI) plan in five counties and an Anthem plan in three counties. Ms. Lopes added that for households eligible for an Advanced Premium Tax Credits (APTCs), the net cost of the AHCT Standard Silver Plan will be lower for 2018 compared to 2017 in every county, when comparing same age and income for both years.

Through the Exchange, CBI will be offering eight different plans, while Anthem will offer twelve of them. Outside of the Exchange, Anthem and two licensed ConnectiCare companies filed and were approved by the Connecticut Insurance Department to offer nine plans each. Ms. Lopes provided details pertaining to the 2017 AHCT QHP Enrollment with the data being current as of September 28, 2017. Over 50% of QHP enrollees are in a household of one. Total QHP enrollment for that date was 96,009 individuals. Ms. Lopes added that premium rates fluctuate between different counties. In Hartford and Middlesex counties, one plan at the Gold metal level will cost less than several at the Silver metal level. Dr. Scalettar inquired about the Gold plan being less costly than the Silver plan. Ms. Lopes indicated that the geographical factors are taken into account in this case. Relativity of the plan design also contributes to it. Anomalies sometimes occur when these two factors are combined. Ms. Veltri inquired about a scenario in which a consumer is utilizing the consumer portal to shop for plans and whether that person will be able to view the Silver plans only. Ms. Lopes indicated that if the person is eligible for CSRs, then only Silver plans will appear on the screen initially. However, if a consumer unclicks a box to view all possible plans, including the Gold, she/he will be able to see all of them. Mr. Philpott commented that these anomalies will result in consumer confusion.

Mr. Philpott expressed his concern about the 7,000 members in the Standard Silver Plan who are not receiving financial assistance. Due to the adjustment in rates for the lack of the CSR funding, these consumers will be the most adversely affected by the premium increases. Mr. Philpott inquired about AHCT's proactive actions in contacting these consumers to provide them with possible choices. Ms. Ravitz stated that it is a cross-functional approach on the part of AHCT. It is important for these consumers to understand their options. AHCT will be employing various modes of communication in order to educate these consumers about their possible choices. Mr. Philpott inquired whether this information is included in the broker training. Anthony Crowe, Operations Manager, confirmed that it is a part of the broker training since it is critical for the brokers to provide consumers with choices in this scenario. Mr. Wadleigh reiterated that AHCT will be reaching out to those customers frequently. Theodore Doolittle stated that it is regrettable that the federal CSR payments were eliminated. It adds to the complexity and is counterintuitive. The best choice for certain individuals and families may be the off-Exchange silver plan. Mr. Doolittle commended Commissioner Wade for adopting the best possible strategy.

Grant Ritter clarified that the Gold plan from one carrier is less expensive than a Silver plan from another carrier.

Ms. Lopes explained the 2018 Premium Tax Credit (PTC) calculation for two different scenarios: one for one person household with different income levels in Fairfield County, and another for a four person household in Hartford County. For instance, someone who is a single person earning \$36,500 a year is eligible for APTCs, but is not eligible for CSRs. However, someone who is earning \$27,500 is eligible for both APTCs and CSRs, since this person's income is between the 201% and 250% of the Federal Poverty Level (FPL), thus qualifying her/him for the 73% CSR plan.

Mr. Philpott reiterated his concern for individuals who are not receiving financial assistance. He added that the importance of the 9.56% expected annual contribution is not just the figure that is used to set subsidies; it is a figure in the ACA that defines affordability. Mr. Philpott provided an example of a family of four that earns \$160,000 who pays an annual premium of over \$21,000, which amounts to 13.7% of their annual income. This is a percentage of pre-tax income. It goes up to 17.1% if the after-tax income is included. Mr. Philpott commented that a tipping point may be reached which creates a new set of uninsured individuals. Mr. Philpott expressed his concern about applying too much stress to the cohort of consumers who are just above 400% of the FPL and are thus ineligible for financial assistance.

Mr. Wadleigh noted that AHCT is very concerned with the continuing trend of health insurance costs not only in Connecticut, but also across the country. AHCT, the Lieutenant Governor, the Healthcare Cabinet, and the Connecticut Insurance Department Commissioner, continue to monitor medical premium trends that are on an unsustainable path. Ms. Veltri stated that a significant percentage of the increases are related to the potential withholding of the CSR payments. Ms. Veltri stated that most consumers may not be aware of the underlying drivers of health insurance costs. Mr. Doolittle wanted to point out that the discussion is limited to the individuals who do not have employer-sponsored medical insurance, and AHCT does not have a lot of information about this population. Mr. Philpott added that 9.56% of the employee's income is the threshold that employers cannot exceed for affordability. Mr. Ritter mentioned that healthcare costs amount to 17% of the Gross Domestic Product (GDP). Mr. Ritter indicated that many employees are not aware how much their employers are contributing to the cost of their healthcare coverage.

Mr. Tessier added that sustainability of medical insurance pricing has passed. In recent years, many employers decreased their share of contributions shifting costs to employees. Ms. Wade agreed with the notion that health insurance costs are high, adding that the Board needs to be aware of the cost implications of some of the decisions that have been made over the last few years. It is a challenge, especially for consumers who are not the recipients of any financial assistance.

Dr. Scalettar inquired about the possible scenario of the Children's Health Insurance Program (CHIP) not being re-authorized by the federal government, and the potential effect on the QHP enrollment. Janel Simpson, Department of Social Services Deputy Commissioner, stated that if the funding for the CHIP program is eliminated, then eligible enrollees would be able to enroll in

QHPs. Ms. Rich-Bye added that in this case, they would be eligible for the tax credits for those children. Ms. Veltri expressed her hope that Congress will re-authorize funding for the CHIP program. Ms. Veltri also inquired whether, in the case that the funding is not re-authorized, a special enrollment period (SEP) would be utilized to help enroll these children in a QHP. Mr. Wadleigh responded that it would amount to the loss of the Minimum Essential Coverage (MEC) and would trigger the SEP procedure. Changes to the AHCT system would also have to be instituted in cooperation with DSS.

Robert Blundo, Director of Technical Operations and Analytics, presented an overview of the Consumer Decision Support Tool. Mr. Blundo stated that the plan comparison tool was launched in 2015. The tool collected data from consumers regarding their anticipated health care utilization. This tool then indicated the expected cost of health services usage. The expected cost would be overlaid with the plan benefit design to help determine their total cost. This tool has been upgraded. Health literacy was an important factor in enhancing the CDST. Mr. Blundo indicated that not only the premium cost, but also total costs, were included. An integrated way of checking if the providers are in the network is also one of the core elements of the tool. The CDST will also allow users to compare drug formularies. Plan types are also a part of the CDST. While developing it, customer plan shopping feedback was utilized. Mr. Blundo stated that one in five customers indicate that they experienced problems finding and choosing a plan. One in ten expressed concern the shopping process took too long. One in four struggled to determine which services were covered and their cost. In addition, one in three had trouble determining if their provider or prescription would be covered by the plan. Mr. Blundo enumerated key improvements to the tool. A simplified process, in which the estimates are displayed, is an aim of this enhanced tool. Mr. Blundo added that seamless integration with provider networks is also a part of this refreshed design. The main goal is to improve the plan shopping experience and make sure that the plans are displayed on the screen and they are most closely related to the particular customer needs. Mr. Blundo proceeded with a demonstration of the CDST. Mr. Philpott inquired about the determination of the quality rating. Ms. Lopes indicated that AHCT uses the National Committee for Quality Assurance (NCQA) ratings converted to stars, and that the system includes a tool tip to explain these.

Dr. Scalettar emphasized that all of the presentations remind the Board about the complexity of the work that AHCT staff performs on a daily basis. Dr. Scalettar indicated that steps are being taken to address the need to move from enrollment to health insurance literacy, in order to help support people who actually have health insurance. The CDST is part of that work.

Mr. Wadleigh stated that, in his role as a CEO, he continues to meet with the leaders of other exchanges, in an effort to collaboratively find elements that are successful, and identify those that hinder development and progress. One of the main purposes is to find the proper products that will continue to allow the organization to help educate customers to best meet their needs. Mr. Wadleigh indicated that AHCT concentrates on improving its technology to better assist its customers, brokers and CACs. AHCT sees a need for a longer term capital improvement plan. This will be included in the 2019 fiscal budget. Mr. Tessier inquired whether the Federally Facilitated Marketplace (FFM) and state-based exchanges have their own versions of the CDST. Mr. Blundo stated that many of these entities do have their own CDSTs.

Andrea Ravitz updated the Board on the SHOP Advisory Committee meeting that took place on September 26. Topics covered at this meeting were SHOP membership retention rates, the new website, and the new vendor.

John Carbone, SHOP Sales Manager, provided the Board with information about the SHOP program. Mr. Carbone stated that currently, 236 groups are enrolled through this program, with 851 subscribers and 1,390 members. The current retention rate is 84%. Over the next 90 days, 47% of the book of business will be renewed. The new website has been established. This website will provide a better and cleaner customer experience that targets both brokers and small employers around the state. The new platform will be rolled out, and will provide enhanced options available to both brokers and employers. The dedicated service team has been created to assist both brokers and employers. It will allow the SHOP program to focus on retention and growth in 2018. Mr. Carbone indicated that 14 unique plans will be offered on the marketplace. CBI will be joining the SHOP program in 2018. Anthem will be offering nine plans and CBI will offer five. Mr. Philpott expressed his full support for the SHOP program. Mr. Philpott encouraged using the services of brokers in the SHOP program. Mr. Philpott inquired whether the SHOP program products will be on some of the private exchange quoting tools. Mr. Carbone indicated that currently the SHOP program is on Benefits Central and this listing will be continued. Eighty-five percent of brokers in Connecticut use that platform.

Ms. Ravitz provided the Board with an update on the market research and the SHOP platform branding. Ms. Ravitz indicated that during the period of instability in the individual marketplace, preceding the announcement by the carriers to participate on the Exchange, possible scenarios of potentially distancing the SHOP program from the individual market, and how it would affect the brand were discussed. Being proactive, AHCT conducted market research and focus groups to explore the possibility of brand separation. While the research was conducted in July, and AHCT now has two participating carriers in the individual market for 2018, this issue is still being evaluated. New brands and logos were presented to the focus groups. Ms. Ravitz accentuated that the Small Business Brand under the Access Health CT umbrella is not very well-recognized. The results of these focus groups provide insights for AHCT as to whether the organization should pursue separating the brands. Ms. Veltri commented that AHCT has always been both, the individual and small business market. Ms. Veltri inquired whether it is advisable to divide this brand for the two separate markets. Ms. Ravitz pointed out that if carriers on the individual market decide not to participate in a given plan year, this news would also damage the small business side of AHCT. Since the Small Business Brand is not well-known, it is an opportunity to advertise this option separately. Mr. Wadleigh added that AHCT looked at other states with separate organizational names for small business programs. For the past four years, AHCT has been trying to promote the individual market along with the small business program together with the latter having a smaller share of the market. Mr. Tessier expressed his skepticism about separating these two brands and looks forward to having more discussions on this topic in the future.

VI. Finance Update

James Michel, Director of Finance, provided the Finance update. Mr. James provided a summary of financial performance for three different fiscal quarters. Mr. Michel stated that the overall finances of the organization are stable. AHCT is currently carrying a small deficit for the Fiscal Year (FY) 2017. This issue is currently being addressed. The finances for FY 2018 are currently on budget. Mr. Michel indicated that FY 2018 adjustments to the budget were made on an ongoing basis.

Lt. Governor Nancy Wyman left at 11:27 a.m.

Mr. Michel summarized costs that are shared with DSS. They include operational costs such as the call center expenses. AHCT is projecting that AHCT's finances will be on target for the whole year. AHCT had some minor adjustments for the first quarter of FY 2018. Minor adjustments during that quarter should resolve themselves during the following three quarters. Mr. Michel indicated that as of the first quarter of FY 2018, AHCT has about 8 months of cash reserve available.

Mr. Michel stated that this year will be the last one that AHCT will use its current auditors who are completing the FY 2018 audit. In 2018, AHCT will issue a Request for Proposal (RFP) for new auditors, with the intent of having new auditors in place no later than the end of May of next year. Mr. Tessier inquired whether the change of auditors is a routine occurrence every five years. Mr. Michel stated that the statute requires the change. Ms. Rich-Bye stated that there are two relevant statutory requirements, adding that RFPs for certain services are issued every three years, auditing being one of them. In addition, the same vendor cannot perform these services for more than six consecutive years.

Mr. Michel stated that AHCT is preparing a five year financial plan to make sure that AHCT is financially stable in the years to come, with an effort to effectively support the organization's customers. The final draft of this plan will be ready in about nine months. Mr. Michel added that AHCT continues to evaluate all of the contracts to make sure that the organization maximizes its financial resources. Dr. Scalettar inquired whether the date is known for DSS to reimburse AHCT for the call center expense. Shan Jeffreys, Chief Operating Officer, indicated that AHCT has been working with DSS over this issue. Mr. Jeffreys expressed his confidence that this matter will be resolved within a short timeframe.

Mr. Philpott stated that despite some negative information conveyed at this meeting pertaining to plans' affordability, AHCT staff's tremendous effort to provide accurate and thorough information to the Board is appreciated.

VIII. Adjournment

Vice-Chair Robert Tessier requested a motion to adjourn. Motion was made by Robert Scalettar and seconded by Paul Philpott. ***Motion passed unanimously.*** Meeting adjourned at 11:33 a.m.