



**Connecticut Health Insurance Exchange
Health Plan Benefits and Qualifications Advisory Committee
(HPBQ AC) Special Meeting**

Connecticut Historical Society

Wednesday, November 29, 2017

Meeting Minutes

Members Present:

Grant Ritter (Chair); Neil Kelsey; Tu Nguyen; Robert Tessier

Participants by Phone: Mary Ellen Breault; Paul Lombardo; Kimberly Martone; Dr. Maria Diaz
Wakely Consulting Group: Brittney Phillips; Julie Andrews

Other Participants:

Access Health CT (AHCT) Staff: James R. Wadleigh Jr.; Shan Jeffreys; Susan Rich-Bye; Ellen Kelleher; Ann Lopes; Charmaine Lawson; Alexandra Dowe

The Meeting of the Health Plan Benefits and Qualifications Advisory Committee was called to order at 4:00 p.m.

A. Call to Order and Introductions

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

B. Public Comment

No public comment

C. Vote: October 25, 2017 Meeting Minutes

Chair Ritter requested a motion to approve the October 25, 2017 Health Plan Benefits and Qualifications Advisory Committee Special Meeting Minutes. Motion was made by Tu Nguyen and seconded by Robert Tessier. ***Motion passed unanimously.***

D. Certification Requirements

Charmaine Lawson, Carrier Product Manager, provided the Committee with a brief overview of the certification review schedule as outlined in the presentation. Ms. Lawson also outlined follow-ups from previous meetings.

Neil Kelsey arrived at 4:03 p.m.

Shan Jeffreys, Chief Operating Officer, indicated that consumers who are not receiving financial assistance are more price-conscious. Mr. Jeffreys stated that consumers who are receiving financial assistance are mostly staying with the same plans. This information is as of about two weeks ago and is subject to change based on the incoming data. Ms. Lawson added that optional standardized plans may no longer be offered for the 2019 plan year in the Federally-Facilitated Marketplace (FFM) based on the recently released proposed regulation known as the 2019 Payment Notice. This differs from what was presented during last month's HPBQ AC meeting. The final regulation will likely not be released for several months.

Ellen Kelleher, Product Carrier Manager, stated that certain distinctions exist between the Qualified Health Plans (QHPs) regulated by the Affordable Care Act (ACA) and certified by Access Health CT and plans that are ACA compliant but are not QHPs, which include non-grandfathered health plans offered in the individual and small group markets outside of the Exchange. As outlined by the Centers for Medicare and Medicaid Services (CMS) in their annual letter to issuers in the FFM, certain standards must be met for a plan to be certified as a QHP. Market wide standards must include Essential Health Benefits (EHBs) and applicable Actuarial Value (AV) standards for a plan at a particular metal level. Among many items, the Exchange is obliged to establish certification procedures for plans that will be offered through the Exchange, and these procedures must be consistent with federal regulations. Ms. Kelleher enumerated examples of requirements for the Individual and Small Group Markets, both 'On-Exchange' and 'Off-Exchange' as well as for Individual and Small Group Markets, 'On-Exchange' only.

Ms. Kelleher provided a summary of the Plan Mix for the medical plans offered through AHCT. Ms. Kelleher reviewed information on the standardized optional Platinum Plan in the Individual Market. At the last meeting, the committee came to consensus to continue to require carriers to submit standardized plans in the individual market, except for the Platinum level. The Committee also decided that it would be appropriate to allow carriers to continue to offer non-standard plans in the individual market with the limits prescribed. Ms. Kelleher reminded the Committee that the Board of Directors voted to remove the requirement for standardized plans for small group market through AHCT effective for the 2018 plan year with a minimum and maximum of

non-standard plans established for the carriers to submit in order to obtain certification. The SHOP team is currently reviewing these requirements and analyzing the renewal activity for 2018 to determine if this is working well. Plan exists to look at this more closely during the January meeting to get more information for discussion. Ms. Kelleher summarized the discussion during last month's meeting about whether there continues to be a need to develop a standardized Platinum plan. The market seems to be shifting towards plans that are less rich. No carriers are offering plans at the Platinum level either on or off the Exchange. The last time a carrier offered a Platinum plan through AHCT was for the 2016 plan year.

Chair Ritter requested a motion to recommend that the Board of Directors eliminate the requirement for the development of a Standardized Platinum Plan for the individual market. Motion was made by Robert Tessier and seconded by Grant Ritter. ***Motion passed unanimously.***

Ann Lopes, Product Carrier Manager, discussed the possible recommendation to the Board of Directors of eliminating the carrier option to submit non-standard Silver plans in the individual market. Ms. Lopes provided examples of reasons for and against eliminating the option of offering non-standard Silver plans, and for and against keeping the option for carrier submission of non-standard Silver plans.

Ms. Lopes reviewed information in the Appendix that showed, for each county in Connecticut, the premium rates for the lowest cost standardized Silver plan for a 21-year old enrollee for the 2018 plan year. The exhibit also outlined the premium cost for a 21-year old for each of the other six Silver plans available through AHCT for 2018 for each county relative to the lowest cost Silver plan. This demonstrates that the non-standard Silver plans offered by carriers provide alternatives to consumers, with most not at an incremental cost relative to the lowest cost standardized Silver plan in the county. It also shows the relative cost of the standardized Silver plan offered by the carrier that has the higher cost Silver plans in the county. Mary Ellen Breault advised the Committee to be cautious to drive any major conclusions, as the information is just illustrative. Ms. Lopes indicated that if AHCT decided not to permit non-standard plans in the individual exchange at the Silver metal level, potentially there could be less flexibility in terms of consumer choice and for the carriers to provide innovative plan designs as well as possibly less competition between the plan designs.

For the 2018 plan year, the illustration assumes that if only the standardized Silver plans were submitted and the pricing methodology was the same, the non-standard Silver plans shown in red font on the slide would not be offered. Dr. Ritter emphasized that this is based on static scoring and dynamic scoring would be a preferable way of predicting future trends, but outcome could not be known. Neil Kelsey emphasized that premiums are just one factor in selecting a plan. The deductibles for the CBI Silver plans range from \$1750 to \$4000. An observation of the modeling shown on slides 24 through 27 is that for those counties where the standardized Silver plan for Carrier "B" has significantly higher premium than that of Carrier "A," it would result in higher PTC because the second lowest cost Silver plan is much higher. This is illustrated with the Middlesex County scenario. There is no way to know if this would happen in 2019. However, using this same modeling approach, the results for Gold plans is similar to those shown here for

Silver. But, for consumers eligible for subsidies and selecting Bronze plan, not as many will be impacted. In this case, many are already paying the lowest possible premium of \$1 for these bronze plans because the increased premium for Silver plans offered through the Exchange results in higher APTCs, and that would not change with the assumption used here. Differences in plan design exist even though the premiums are similar.

Tu Nguyen indicated that Anthem tries to be innovative to offer plans with a low price, but because the standardized Silver plan must be the lowest, carriers are forced to price non-standard plans close to the standard Silver plan. Mr. Kelsey indicated that carriers have to satisfy the ACA requirements of Actuarial Value (AV) including the de minimis range. Dr. Ritter pointed that some insurance companies offer plans in the Bronze metal category with a 64 percent AV instead of 60 percent knowing that consumers will be insulated from premium spikes by the increases in APTCs. Mr. Tessier inquired about the plans' enrollment data by county and plan. Ms. Lopes stated that the more highly populated counties of Fairfield, Hartford and New Haven have substantially more enrollment than the other five. Mr. Kelsey indicated that this conversation is based on the current environment and circumstances may change for the 2019 plan year. Mr. Kelsey added that if AHCT eliminates non-standard Silver plans, the assumption is that financial help will increase. But if a new carrier comes in that wants to buy market share and sets the premium low, then subsidies could go down. In addition, if the only Silver plan available was the standard plan, we are saying that the standardized plan is the best plan for everyone. Today's rules and environment cannot be assumed to be the same for next year. Ms. Lopes stated that, based on information as of November 13th, consumers who are eligible to receive financial assistance are picking plans that are comparable to those chosen for the 2017 plan year. Customers not eligible for PTCs, appear to be buying down. Mr. Kelsey added that the carrier mix could change for 2019. ConnectiCare also has innovative products off-Exchange. If the non-standard Silver plans are removed, it provides more reasons for consumers to shop outside of the Exchange. Mr. Wadleigh indicated that on-Exchange and off-Exchange Silver plans are priced differently, even before the addition 16.7% load for the federal defunding of the CSRs.

The Committee decided not to recommend eliminating the option for carriers to submit non-standard Silver plans in the individual market to the Board of Directors pending receiving enrollment numbers as well as feedback from the Connecticut Insurance Department (CID). **The vote was tabled.**

Ms. Lopes provided reasons in favor and against eliminating the requirements that the lowest cost Silver Plan in the Individual Market be the AHCT standardized plan. Possible scenarios were presented during the September HPBQ AC meeting including all of the factors that could affect this occurrence. In one of the counties, the Second Lowest Cost Silver Plan (SLCSP) did not change in that illustration. In two counties, the premium price difference changed by a very small amount. In five counties, there would be a substantial difference in the price for the SLCSP. If the premium price for the SLCSP goes down, the subsidy would also decrease. The standardized Silver plan in this situation would probably be less affordable. Discussion ensued around this subject. **The vote was tabled.**

Ms. Lopes enumerated topics for discussion, which included Prescription Drug Formulary Requirements, Network Adequacy, Essential Community Providers (ECPs) and Essential Health Benefit Benchmark (EHB) Plan. Earlier this year, the Board of Directors voted to modify all of these items for the 2018 Plan Year. Ms. Lopes indicated that AHCT relied on CID review of the first two items. AHCT eased its original standard for the ECPs. It is still higher than the FFMs' standard. Ms. Kelleher added that historically speaking, AHCT never had any negative issues with these requirements in terms of consumer dissatisfaction, and feels very confident about next year's implementation. Ms. Breault stated that for the commercial market off-exchange that the Insurance Department does not see issues. Mr. Tessier encouraged reporting of any issues encountered to the committee for monitoring. Ms. Kelleher indicated that AHCT regularly meets with the CID Consumer Complaints team and both sides exchange information about any potential issues that may arise. Ms. Rich-Bye added that consumer issues are also forwarded to AHCT from the Office of the Healthcare Advocate (OHA), the Connecticut Attorney General's Office as well as elected officials. Mr. Wadleigh stated that most of the ECPs are operating like a medical home and it is one stop shopping for many services. More collaboration with those community health centers is occurring across the country.

Alexandra Dowe, Policy Analyst, provided the committee with an overview of the EHBs benchmark plans certification requirements. The Department of Health and Human Services is tasked with evaluating the effectiveness of those plans. The proposed regulation released on October 27 presents states with flexibility in constructing their EHB benchmark plan. The pool of plans for the states to choose from was broadened, and modification for the plan selection was put in place. Ms. Dowe provided details of those new regulations that aim at providing flexibility to the states in choosing their EHB benchmark plan. Historically, the development and implementation of the new EHB benchmark plan takes two years. EHB flexibility has been an important topic in the political arena for over a year in the context of changing the ACA. The comment period for the proposed rule for 2019 ended on Monday, but a comment period for the application materials that States would have to submit to CMS when requesting a change to CMS for the EHB benchmark plan will close on December 27. The deadline to get materials to CMS for the 2019 plan year is March 16, so the timeline for this change will be challenging. Dr. Ritter explained the difference between the benchmark and standardized plans, which amount to cost sharing, including deductibles.

E. Next Steps

Ms. Lawson enumerated next steps to be taken at the upcoming committee meeting.

F. Adjournment

Grant Ritter requested a motion to adjourn the meeting. Motion was made by Robert Tessier and was seconded by Grant Ritter. ***Motion passed unanimously.*** Meeting adjourned at 5:58 p.m.