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

Hilton Hartford, Ethan Allen Room
Wednesday, April 11, 2018
Meeting Minutes

Members Present:
Grant Ritter (Chair); Robert Tessier; Paul Lombardo; Tu Nguyen; Neil Kelsey; Theodore Doolittle

Other Participants:
Access Health CT (AHCT) Staff: Shan Jeffreys; Ann Lopes; Charmaine Lawson; Ellen Kelleher; Alexandra Dowe; Gary D'Orsi

Participants by Phone:
Wakely Consulting Group: Julie Andrews

A. Call to Order and Introductions

Chair Grant Ritter called the meeting to order at 3:00 p.m.

B. Public Comment

Chair Grant Ritter read a public comment provided by Craig Mullet from Guilford, Connecticut.

C. Votes

Chair Ritter provided information to the Committee that while there was a vote on the minutes for the January 24 and February 7 meetings at the previous session on March 28, corrections that were requested regarding attendance were determined not be needed. Additionally, a change that was requested for the February 7 meeting minutes occurred with the vote for the January 24 minutes, so a technical correction to the vote is needed.

Chair Ritter requested a motion to approve the January 24, 2018 Health Plan Benefits and Qualifications Advisory Committee Special Meeting Minutes. Motion was made by Neil Kelsey and seconded by Theodore Doolittle. **Motion passed unanimously.**

Chair Ritter requested a motion to approve the February 7, 2018 Health Plan Benefits and Qualifications Advisory Committee Special Meeting Minutes. Motion was made by Neil Kelsey and seconded by Theodore Doolittle. Ann Lopes, Product Carrier Manager, provided clarification that there was a request during the last meeting to make a correction to the February 7 minutes. The request was from Ellen Skinner to modify a statement she made located on page 3 of those minutes, within the bullet that begins: "Mr. Tessier indicated that…" The minutes of the meeting reflected that Ms. Skinner stated that costs of services for consumers being referred to providers at academic medical centers would not be less costly than a contracted specialist would in a commercial health plan, but should be adjusted to show they would likely be more costly. **Motion passed unanimously.**

D. Meeting Objectives

Ms. Lopes outlined meeting objectives, which include recommending to the Board of Directors (BOD) cost sharing changes for the standardized Bronze and Silver plans and making a decision on whether to allow carriers the option of offering non-standard Silver plans in the Individual Market. In addition, a decision will be made regarding the possibility of removing the requirement that the carrier's lowest cost Individual Market Silver plan be the AHCT standardized plan. Also, the CMS Notice of Benefit and Payment Parameters for 2019 was released on Monday, and the proposal related to removal of the Actuarial Value calculation for stand-alone dental plans was finalized. So the votes to recommend removal of "high option" plan at the last meeting will be presented to the Board next week.

E. Certification Requirements

Ms. Lopes provided the Committee with a brief overview of the certification review schedule as outlined in the presentation. Ms. Lopes described options for the Standardized Bronze, Non-HSA plans. The minimal changes would be required in order to meet the standards of the 2019 Actuarial Value (AV) Calculator. Ms. Lopes stated that the anticipated premium increase in all cases do not take into account any other rating factors that will come in to play when plans are submitted to the Connecticut Insurance Department (CID), which include trend, utilization, network changes and others. The plan design alternatives listed as significant changes were previously reviewed at the December meeting, and the Committee decided not to consider them further, because the savings estimate would have resulted in a price point similar to the current standardized Bronze HSA. Ms. Lopes indicated that since CID deferred the filing date to the middle of July, this allowed the carriers to come up with additional alternative designs. The carriers provided five additional alternative plan designs for consideration, but when the carriers reviewed each other's options, it was determined that some of those plans either did not meet the requirements of the AV Calculator and/or Mental Health Parity or that they were not estimated to result in savings by both carriers. So, of the five alternatives, two plans remain for review.

Ms. Lopes indicated that for Silver, nine plans were reviewed by the carriers, four of which were later eliminated due to not meeting the AV and/or Mental Health Parity requirements and four others were also eliminated due to not presenting with any cost savings. Only one plan was left at that metal level to review.

Julie Andrews of Wakely Consulting, asked for questions on the plans under consideration. Dr. Ritter inquired about the decrease in the out-of-network deductible for Alternative 1. Ms. Andrews noted that the carriers provided information that out-of-network utilization was minimal. Dr. Ritter asked for the rationale in increasing the in-network deductible for Alternative 2 with the same reduction for the out-of-network deductible. Neil Kelsey indicated that the charge from CID, the Committee and Wakely was to identify a few price points. Alternative 2 would present slightly more savings with a higher in-network deductible.

Dr. Ritter commented that there may be interest in coinsurance. Paul Lombardo added that the carriers can offer a plan with a combination of coinsurance and with a maximum outlay for that service. Mr. Lombardo stated that out of network is not part of the AV calculation. Tu Nguyen pointed out that the out of network (OON) is not included in federal Mental Health Parity. Mr. Lombardo stated the out-of-network deductible could be changed back to the first plan shown. Mr. Nguyen confirmed Mr. Lombardo's assertion that alternative plans 1 and 2 do not contain any network discounts. Mr. Kelsey indicated that the savings that may be anticipated depend on the level of narrowing of the existing network. Mr. Lombardo added that the CBI network approach is a narrow network and Anthem's is a tiered network, so a common ground on network for a standard plan could not be developed. Mr. Nguyen suggested that an approach to get to a common ground could be setting a standard plan by comparing the Tier 1 of Anthem to the narrow network of CBI. Mr. Lombardo stated that in the view of the Insurance Department this would not be viewed as a standard plan since cost sharing would differ when comparing the two plans. Ms. Andrews added that each carrier has their own method to develop Actuarial Value. In some cases, savings for one carrier may not be produced for the same plan by the other carrier. Dr. Ritter asked if the carriers could offer these types of plans as non-standard, and Mr. Kelsey stated it could be considered. Dr. Ritter reminded the group about the suggestions included in the Public Comments he read earlier during this meeting about creating more innovative models with fewer services covered or narrower networks to make the plan more affordable. An HSA plan is only good for certain people, but those are very popular plans. Mr. Nguyen suggested that the Exchange could work with the carriers to get the message out regarding multi-tiered plans.

Ellen Kelleher, Product Carrier Manager, added that part of the challenge for multi-tier plans consists of describing what it means to the average consumer. In the Federally Facilitated

Marketplace (FFM), these kinds of plans are allowed, but cost-sharing for the multiple tiers is not displayed. Consumer education plays a major part of the equation. Mr. Lombardo stated that to display only the Tier 2 cost sharing might affect the assumptions the carrier made with regard to utilization, and that possibly more enrollees would look to access the Tier 2 providers. Dr. Ritter added that encouraging innovation in non-standard plans is very important. Mr. Tessier questioned the idea of improving the OON benefits if the primary purpose is to lower premium costs. These benefits should be kept as they are now instead of improving them.

Robert Tessier made a motion to recommend minimal change option presented in December and to encourage innovation for the non-standard plans. Theodore Doolittle seconded the motion. Discussion followed. Mr. Lombardo inquired if there was interest in putting two plans in front of the Board for review, with the Board selecting only one of them. Mr. Tessier did not change the motion to include recommending the alternative two design to the Board, but welcomed anyone to make the motion to combine them into one. Mr. Tessier indicated that he would withdraw his motion if an alternative was believed to be the approach the group wanted to take.

Shan Jeffreys asked that with the individual mandate penalty being eliminated in 2019, whether consumers will become more price conscious and buy down to the Bronze plan. Ms. Lopes indicated that the Exchange does have an HSA-compatible plan that is a lot lower than the 4-10 percent differential estimated for this plan. Ms. Lopes added that even if everything stays the same “relativity-wise”, the standard plan premium may not result in a premium 10 percent below the HSA-compatible plan.

Mr. Kelsey added that he is concerned about the elimination of the individual mandate penalty and the lack of decision pertaining to the Cost Sharing Reduction (CSR) funding. The uncertainty exists in the marketplace. Dr. Ritter added that the elimination of the individual mandate penalty creates more confusion in terms of how many healthier individuals will forgo purchasing medical insurance. Mr. Lombardo added that short-term duration plans might have a negative impact as well.

Chair Ritter asked for a vote to recommend the minimal changes option to the Board of Directors. Neil Kelsey opposed. **Motion passed.**

Ms. Andrews provided information on the Silver Plan with an estimated AV of 71.9 percent. It would contain minimal changes, which include changes to the deductible and maximum out –of-pocket (MOOP). Ms. Andrews summarized the co-insurance alternative, which substitutes copayments with co-insurance options. Ms. Lopes reiterated that there is only one Silver alternative option to consider, as the results of carrier reviews of nine different alternatives showed that both carriers could not achieve compliance with either AV or mental health parity for four of the plans, and only one carrier could achieve savings for four other plans. This left only the one coinsurance option for discussion.

Ms. Lombardo inquired about the potential tier network savings on a Silver plan. Mr. Nguyen pointed out that similar to the Bronze plan, the anticipated savings would be between 5 and 15 percent, depending on how the contracts would be structured. Issues for the Silver tier surround the richer CSR plans, because the design to drive people from tier 2 to tier 1 is more challenging. The savings are a result of tiering and plan designs. Mr. Kelsey indicated that from a narrow network standpoint, 3-5 percent range in savings would be expected. Dr. Ritter commented that since the CSR funding is not provided by the government, the difference is included in the premium pricing, which added 17 percent to the overall cost. This can result in Silver plans being closely priced to Gold plans. Mr. Kelsey stated that the Silver CSR load was an actuarial assumption for 2018 and that could change next year. Dr. Ritter encouraged introducing innovation in the network approach for Gold to make it as attractive to the consumers as a non-standard Gold plan. Mr. Kelsey stated that enrollees make a conscious decision on what plan to select, and it is a personal choice. Mr. Nguyen noted that communication with members about new products is a key element, such as an extra effort in a retrospective notification to consider a different, lower cost provider for a future service when the enrollee utilizes a Tier 2 provider.

Mr. Tessier expressed his reluctance to recommend to the Board the Silver standardized plan be co-insurance based. Mr. Tessier asked to recommend to the Board the minimal changes approach to meet the AV Calculator requirement. Dr. Ritter indicated that at some point in the future, a co-insurance option would need to be offered to keep the premium at the lower level. Mr. Kelsey brought to the attention of the committee that the vote on this issue goes hand-in-hand with the vote on the requirement for the carrier's standard Silver plan to be the lowest plan in the market. Mr. Kelsey encouraged the committee to switch the order of votes. Mr. Tessier withdrew his motion. Dr. Ritter tabled the vote about recommending standardized plans to the Board and discuss two motions that the Committee has under consideration about the non-standard plans in the Silver tier and whether the standardized plan should be the lowest cost from each carrier.

Ms. Lopes indicated that there have been discussions in the past about reasons to continue permitting non-standard Silver plans. Eliminating them could result in fewer innovative plan offerings and keeping non-standard plans provides consumers with additional choices. Some of the current plans are innovative, with, as an example, offering an incentive to member to use a particular provider through a lower PCP copay. The elimination of non-standard plans could result in market disruption, member confusion and reduction in auto-renewals. If two carriers participate and the standardized plan is the only Silver option, the standardized Silver plan would always be the lowest and second lowest cost Silver plans in any county. Another issue under consideration is the elimination of the requirement that the carrier's lowest cost individual market Silver plan be the AHCT standard plan. Ms. Lopes provided results of a modelling exercise on households with three different family structures and ages to assess the impact to the premium tax credits and the net rate for enrollees at varying income levels if the non-standard Silver plans were eliminated. Ms. Lopes indicated that this exercise assumes that the current rates and relativities would not change. Ms. Lopes outlined that for the three scenarios, there would be limited impact on the net rates for Bronze – in most counties for the family and the couple, there is limited impact and some impact for the single enrollee at some of the income levels in some counties. Mr. Nguyen indicated that this is due to the assumption that Silver rates are not changing For Gold; there would always be a reduction in the premium compared to the current state with non-standard plans. In many situations in the Silver category, a similar situation will also come into play.

Dr. Ritter stated that consumers who are not receiving subsidies would be disadvantaged if the non-standard plans were eliminated. Ms. Lopes added that the Committee is also removing the requirement that the carrier's lowest cost Silver plan in the individual market be the standardized Silver plan. Ms. Lopes stated that the Committee reviewed modelling previously. More variability in terms of plan options for the enrollees may be desired. For individuals with 87 and 94 percent CSR categories, their benefit will correspond with these numbers regardless of the Silver plan they select. The plan premium does not change based on the CSR eligibility but the subsidy amount will differ based on income relative to the federal poverty level. In theory, the removal of the requirement would not be as impactful to that population. .

Mr. Lombardo suggested looking at all opportunities to keep the premiums on the lower side or offset some of the increases because the most likely scenario includes double digit increases aside from the discussion that is taking place at this Committee level. Regardless of the committee's actions, to confirm Mr. Lombardo's statement, double-digit increases are expected and the APTC will be going up as well. Mr. Kelsey pointed out that major differences between the Silver and the Bronze plans exist and customers should rely not just on the premium prices to make their decisions. While the Bronze plans may be more attractive from the premium perspective, they also have much higher deductible in case medical services need to be utilized.

Mr. Doolittle inquired why not keep the APTC at the highest level possible and have the innovation in the Bronze and the Gold tiers. Dr. Ritter stated that there is some push back on this because some non-subsidized consumers are selecting a Silver plan. Mr. Lombardo added that assuming the level of the APTC funding will be continued at the level it is at right now is a huge assumption.

Mr. Nguyen stressed that last year, when the environment changed, CID, the carriers and the Exchange worked together on a solution that was eventually implemented. Mr. Nguyen added that all of the players have to be ready to react in case the circumstances change again. Alexandra Dowe, Policy Analyst, indicated that a lawsuit was filed against the administration about the manner the CSRs were funded. The CSR funding might have been a bit easier to change. On the other hand, the APTCs do have a legitimate funding source and it may not be as easy to alter it. Mr. Kelsey stated that maximizing the APTC is making insurance more expensive for people who are not receiving subsidies. People who are not the recipients of subsidies should have the right to pick a plan with a lower deductible at a reasonable cost consistent with the AHCT mission and vision. The 2017 individual off-Exchange market shrank 17 percent, but the Exchange stayed level or a little lower. The lower middle-class, people who were able to afford medical insurance, cannot do so anymore. Mr. Kelsey added that the entire market should be protected, not just the subsidized population.

Mr. Lombardo expressed his appreciation to both carriers for their participation on the Exchange, but a risk exists every year that one or two carriers ceases its participation on the Exchange. A disproportionate number of customers are with one carrier. The Exchange should be considering making the marketplace more attractive for other carriers to join. The more constraints there are within the Exchange, it may discourage new carriers from joining. Mr. Nguyen stated that one of the options being considered is an additional alternative Silver plan, and suggested making both of them standard plans. The non-standard plan would be eliminated. Dr. Ritter stated it would be a good compromise without raising the premium. Mr. Lombardo added that two standard plans with consistent cost-sharing structures would exist and asked if the carrier's network approach could be applied to the second standardized plan. Mr. Kelsey indicated his opposition to the proposal that would allow a tiered plan to be the standard plan design, and Mr. Nguyen confirmed it would not work because different carriers have a different approach to network. Mr. Jeffreys suggested the carriers take this back to their leadership to discuss the committee's proposals.

Chair Grant Ritter requested a motion to have the two Silver alternative plans presented today become standard plans and eliminate allowing non-standard Silver plans. Mr. Kelsey suggested amending that by allowing each carrier one non-standard plan as long as it was priced higher than their lowest cost standard Silver. Mr. Nguyen disagreed with this addition, but stated it would work if the non-standard plan was priced higher than both standard Silver plans. This motion was made by Tu Nguyen and seconded by Robert Tessier. Neil Kelsey opposed. **Motion passed.**

Ms. Kelleher stated that the "plan mix" that had previously been agreed to would need to be revised. Mr. Tessier pointed out that he voted in favor of the motion passed due to the notion that it was a consensus decision. Mr. Tessier expressed his concern that one participating carrier does not support this decision, and stated he would support the minimal changes required only to the standard plan approach unless a consensus is reached and both carriers support such action. Mr. Kelsey indicated that his opposition stems from the inability to know the position of company leadership. Mr. Tessier stated that if he can confirm this is acceptable, he would agree to it. Mr. Nguyen stated that the proposed changes are fairly minimal because the non-standard plan would still have to be priced higher than the two standard plans.

Ms. Lopes summarized the votes and decisions that were undertaken during this meeting. Ms. Lopes reiterated that for the Bronze plan, the recommendation to the Board would be to retain the existing plan with minimal changes as presented at this meeting. The intention for the Silver plan is to present a recommendation subject to approval from CBI leadership. If the approach is not supported, discussion was whether there would be another Committee meeting and potentially a special Board meeting, or whether it would go to the Board for review. Mr. Tessier stated that if the approval is not obtained, the default would be to modify the existing Silver plan design using the minimal changes presented today. Mr. Jeffreys stated this proposal should be confirmed by leadership of both carriers. Ms. Lopes requested and received confirmation that the Committee is comfortable with the Silver CSR plan designs presented that would accompany the Silver designs under review.

Adjournment

Chair Grant Ritter requested a motion to adjourn the meeting. Motion was made by Robert Tessier and seconded by Theodore Doolittle. Motion passed unanimously. Meeting adjourned at 5:32 p.m.