



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

Holiday Inn, Salon A
East Hartford

Wednesday, March 28, 2018
Meeting Minutes

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

Participants by Phone: Ellen Skinner; Paul Lombardo

Other Participants:

Access Health CT (AHCT) Staff: James R. Wadleigh Jr.; James Michel; Ann Lopes; Charmaine Lawson; Ellen Kelleher; Gary D’Orsi; Susan Rich-Bye; Alexandra Dowe
Wakely Consulting: Julie Andrews (by phone); Brittney Phillips (by phone)
Cecelia Woods

A. Call to Order and Introductions

Chair Grant Ritter called the meeting to order at 4:01 p.m.

B. Public Comment

No public comment.

C. Vote: January 10, 2018 Meeting Minutes

Ellen Skinner requested revisions to the January 24, 2018 and February 7, 2018 Health Plan Benefits and Qualifications Advisory Committee Draft Special Meeting Minutes.

Chair Ritter requested a motion to approve the January 24, 2018 Health Plan Benefits and Qualifications Advisory Committee (HPBQ AC) Special Meeting Minutes as revised. Motion was made by Robert Tessier and seconded by Grant Ritter. ***Motion passed unanimously.***

Chair Ritter requested a motion to approve the February 7, 2018 Health Plan Benefits and Qualifications Advisory Committee Special Meeting Minutes as revised. Motion was made by Robert Tessier and seconded by Theodore Doolittle. ***Motion passed unanimously.***

D. Meeting Objectives

Gary D'Orsi, Director of Product Development, reviewed the meeting objectives, which include deciding whether to allow carriers the option to offer non-standard Silver Plans in the Individual Market; whether to change the requirement that the lowest cost Individual Market Silver Plan be the AHCT standardized plan and maintaining or changing the existing plan mix for the Stand Alone Dental Plans (SADP). The Committee will also be asked to recommend cost sharing for standardized SADP to Board of Directors.

E. Certification Requirements

Ann Lopes, Product Carrier Manager, summarized the Certification Review Schedule and reminded the committee of prior committee meeting discussions regarding certification requirements. Neil Kelsey of ConnectiCare Benefits Inc. (CBI) discussed retaining an option for the carriers to offer non-standard Silver Plans in the Individual Market. He stated that silver is the most popular plan tier and approximately 15 percent of people buying a silver plan are purchasing the non-standard silver plans. Tu Nguyen of Anthem expressed the idea that eliminating the non-standard plan could be beneficial to the members. Since the carriers are not allowed to price a silver plan below the standard silver plan, they tend to price their non-standard plans just above the standard silver plan. Mr. Kelsey noted that allowing the carriers to offer leaner plan designs at a lower price point could be appealing to a certain segment of the population.

Mr. Kelsey discussed the idea of having multiple standard silver plans but no non-standard silver plans. This requires the carriers to only offering standard plans in the silver market. Grant Ritter indicated that silver plans with a lower price point will most likely have a lower Actuarial Value (AV). Mr. Kelsey noted that there are other ways to design a plan with a lower premium without affecting the AV.

Mr. Ritter stated that both options under consideration are tightly connected, and the committee should consider whether to eliminate or retain both at the same time. If one of them is eliminated, then the other one should be eliminated as well. Mr. Kelsey expresses his opinion regarding eliminating the first option. Mr. Kelsey spoke about eliminating what he considers to be an artificial floor of rates. Mr. Ritter spoke in favor of greater innovation in plan designs by offering appealing plans at the bronze tier. Mr. Kelsey noted the possibility of allowing innovation at all levels so that the carriers may decide on what types of plans to offer. Mr. Nguyen supported the idea of encouraging innovation on the bronze tier level. Mr. Kelsey added that if AHCT decides to eliminate the option for carriers to submit non-standard Silver plans in the Individual Market, and the standard silver plan has an AV around 72 percent, it would remove the possibility of a carrier offering a silver plan around the 68 percent AV range. Paul Lombardo noted that if the board does not change the requirement that the lowest cost Individual Market Silver plan be the AHCT standardized plan and the AV for the standard silver plan remains around 72 percent AV, then it would eliminate the possibility for innovation in alternative plans that CID is working with the carriers for the upcoming HPBQ AC meeting in the silver market. The only direction that would make a significant change to what currently is structured would involve eliminating the silver standard plan being the least expensive.

Mr. Nguyen stated that the two carriers may have different ideas how to achieve premium savings for a silver plan. One carrier may approach it from the narrow network perspective. Another carrier may approach it from the tiered-products style of design. Ms. Lopes summarized one proposal where the in-network tier would exist where the cost-sharing would be prescribed, and the other in-network tier would be more flexible based on the carrier's preferences. Mr. Ritter expressed his concern about those

proposals due to the changes in the out-of-pocket costs. Some of these innovative plans may not be able to optimize the total cost of healthcare and would be limited to the premium optimization.

Robert Tessier expressed his concern that the committee will not have enough time to review plans that will eventually be proposed. The Committee will need to make a decision at the April 11 meeting to either recommend or not recommend them to the Board of Directors. Mr. Tessier stated that the Committee seemed to have been focusing on maximizing the Advanced Premium Tax Credits (APTC) to allow consumers more affordability for those plans. Mr. Ritter indicated that the Committee postponed discussing the silver plan for further consideration later. Mr. Ritter noted that changes to the silver plans may have to be postponed until to the 2020 plan design year. Currently silver plans have a higher premium due to the federal government ceasing payments to fund the cost-sharing reductions for lower income consumers. Mr. Ritter commented that possibly only those who receive FA should be purchasing the silver plans. Mr. Kelsey noted that a year ago before the silver loading to cover the cost-sharing reduction, a different pricing dynamic existed. The current market dynamic provides a different pricing scenario for the carriers.

Mr. Lombardo inquired whether the committee would be willing to consider presenting with bronze standard plan designs for the Board to select. Mr. Ritter supported this idea with the caveat that the Board obtains this information in a timely manner. Mr. Tessier inquired about possible premium savings expected. Mr. Lombardo stated that based on CID's preliminary analysis, the estimated savings for premium are approximately 10-11 percent. Mr. Lombardo added that he does not believe that this figure includes any network savings. Julie Andrews from Wakely added that those potential premium savings may be even less than 10 percent. Mr. Lombardo stated that if no premium differential exists, then it may not be advisable to alter those plans. There may be the potential for additional network savings, but it still has to be verified with the carriers. Mr. Nguyen encouraged AHCT to prepare a document showing the FA calculations taking under consideration the possible elimination of the non-standard silver plan. Similar reports were made available in the past. Ms. Lopes stated that certain documents would need to be updated to reflect this request. Mr. Nguyen asked for a document showing the subsidy calculation and inquired about the way the way the amount of FA is determined and the possibility of providing a scenario where the non-standard plan is eliminated and the impact on premium subsidies. Mr. Ritter stated that it would most likely drive up the subsidy because there would be only the second plan and by definition, the "second lowest costing silver plan" would be more expensive. Mr. Kelsey indicated that it may not necessarily be the case. It may not benefit the consumer, depending on the circumstances. If the FA is increased for the plan that is already less expensive, consumers will not pay more money to obtain a better subsidy. Mr. Nguyen disagreed with this assumption. Mr. Nguyen provided a theoretical example of someone who is receiving FA, but not enough to purchase a silver plan, but carriers would create a richer bronze plan where instead of purchasing the silver plan, the consumer would choose the bronze plan, which would be less expensive. Ms. Andrews noted that by increasing the FA, the possibility exists of increasing the number of individuals eligible to receive FA. Ms. Lopes added that modelling was done in the past. One of the challenges regarding this aspect is variability. It is based in the percentage of the income as well as the premium. The modelling was performed using the average consumer example forty-five years of age. The modelling for younger or older consumers was not performed. Ms. Lopes noted that the Plan Management Team will synthesize some of the results for the committee to review.

Standardized Stand-Alone Dental Plans (SADP)

Ms. Lopes indicated that through the 2019 Payment Notice, CMS has proposed removing the requirement that the plan meet the high or low option AV. If it does get approved, there would be an elimination of any distinction between the high and a low option. A technical correction would be needed. Should the rule be passed as proposed, a recommendation for the Board from this committee is advised. If the rule is not passed as proposed and the Committee feels that nothing should be changed, it can be left in a current format and no recommendation would need to be presented to the Board.

Chair Ritter requested a motion that “Effective for the 2019 Plan Year forward, to require Stand-Alone Dental Plan (SADP) Issuers to offer one Standardized Plan and allow up to three Non-Standard Plans”. Motion was made by Robert Tessier and seconded by Theodore Doolittle. Discussion ensued.

Mr. Tessier inquired, in case the CMS makes this change, whether the AHCT’s standardized plan design would not need to be altered. Ms. Lopes confirmed that it would not have to be changed unless the committee felt otherwise. Mr. Tessier pointed out that it is important that AHCT have a standard plan design of what is currently a high value plan. By allowing up to three non-standard plans, low option plans would be permitted. Ms. Lopes indicated that for the current plan year, one carrier submitted three plans in the individual market. One of them is a standardized plan while the remaining two are non-standard plans. The same issuer submitted two plans in a Small Group Market, which include one standardized, and one non-standard plan. Mr. Ritter inquired whether the non-standard plans are the low option. Ms. Lopes noted that they are and added that AHCT’s standard plan is currently garnering about 20 percent of the overall enrollment. Mr. Lopes stated that a lot of value for consumers having the two non-standard plans. Overtime, the AV will be non-existent. In addition, the enrollment shifts between plans will become more significant. Three plans on the individual market are the only ACA-compliant plans that are currently offered. The pediatric dental component brings the biggest value. A lot of variability exists in the dental insurance market that makes it challenging to compare plans. Ms. Kelleher added that AHCT’s plan allows for the continuation of care. The waiting period is waived. Mr. Ritter inquired about the coverage levels for pediatric dental. Ms. Lopes indicated that in standardized plans, a requirement exists that pediatric dental is included with no out of pocket maximum. According to the available data, only 100 families are utilizing the pediatric dental benefit. Ms. Kelleher added that there may be instances where some people have medical coverage through their employers and purchase dental insurance on the Exchange. ***Motion passed unanimously.***

Chair Ritter requested a motion that “effective for the 2019 Plan Year forward, to approve the Stand Alone Dental Plan for the Individual and SHOP Exchange with in-network coverage only, with an option to include out-of-network coverage at the choice of the carrier subject to form filing approval by the Connecticut Insurance Department.” Motion was made by Robert Tessier and seconded by Theodore Doolittle. Discussion ensued. Ms. Lopes referred to the appendix, page 30, which provides a summary of the current SADP criteria that are required for any carrier who wants to participate on the Exchange. The deductible is set for \$60 per member up to three members with the maximum out of pocket for children only is \$350. Diagnostic and preventive service are at no cost to both adults and children. Ms. Lopes added that this plan does continue to meet the 85 percent AV level. If the final rule is not changed as it was proposed, this plan can be kept. Discussion ensued around the wording of the motion. Ms. Lopes added that the only change between a vote that was approved last year and this motion are the words high option. Ms. Skinner encouraged the committee to include the wording ‘formerly high option plan’ in order to avoid any confusion on the part of consumers who were purchasing it. Ms. Kelleher added that wording on the consumer portal would have to be adjusted accordingly, if the final rule is adopted. Ms. Lopes added that

if the Committee felt strongly about requiring that the plan include the terminology standard, it could be included as a requirement for the carriers. In order to add that transition, the carrier would be also required to perform an AV calculation, and any new carrier would be required to do so.

Motion passed unanimously.

F. Next Steps

Mr. D'Orsi provided the Committee with the possible topics for the upcoming Committee meeting. Certification requirements and decisions need to be made in terms of the bronze and silver standard plans along with silver alternative designs.

G. Adjournment

Chair Grant Ritter requested a motion adjourn the meeting. Motion was made by Robert Tessier and seconded by Theodore Doolittle. ***Motion passed unanimously.*** Meeting adjourned at 5:45 p.m.