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

Holiday Inn, Salon A
East Hartford

Thursday, December 13, 2018
Meeting Minutes

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

Participants by Phone: Ellen Skinner

Other Participants: Access Health CT (AHCT) Staff: James Michel.; Anthony Crowe; Ann Lopes; Charmaine Lawson; Ellen Kelleher; Susan Rich-Bye; Gary D'Orsi; Alexandra Dowe
Wakely Consulting: Julie Andrews (by phone)
Jill Zorn

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. Votes: Meeting Minutes: March 28, 2018 and April 11, 2018

Chair Ritter requested a motion to approve the March 28, 2018 Health Plan Benefits and Qualifications Advisory Committee Special Meeting Minutes. Motion was made by Robert Tessier and seconded by Theodore Doolittle. ***Motion passed unanimously.***

Chair Ritter requested a motion to approve the April 11, 2018 Health Plan Benefits and Qualifications Advisory Committee Special Meeting Minutes. Motion was made by Robert Tessier and seconded by Theodore Doolittle. ***Motion passed unanimously.***

D. Health Plan Benefits and Qualifications Advisory Committee (HPBQ AC) Requirements Overview

James Michel, Chief Executive Officer, provided the Committee with an overview of the AHCT Vision and Mission statements. Mr. Michel stated that one of the most important roles of this Committee is to help Connecticut residents through the developments of health plans that are affordable and will address their needs. Mr. Michel pointed out that Access Health CT (AHCT) staff adheres to the core values of the company, which include authenticity, integrity, excellence, ownership, one team and passion. These values guide AHCT employees' behaviors.

Gary D'Orsi, Product Development Director, summarized the structure of the Committee along with the roles of the chair and the AHCT Senior Leadership Team (SLT). Dr. Ritter highlighted that one of the major goals includes identifying key emerging opportunities and market trends in healthcare benefit design. Dr. Ritter pointed out that the Committee should also look at other possibilities that may make the health insurance purchased through the Exchange more affordable with benefit designs that would be beneficial to its customers. Dr. Ritter explained that all possible options to enhance the health insurance products and make them more affordable should be thoroughly examined while keeping the mission and vision of the Exchange in mind. Ellen Skinner inquired whether the Board of Directors ever considered fully examining the priorities of the Mission Statement in terms of quality, cost and increasing the number of insured individuals in the state. Dr. Ritter stated that the Board has not touched upon it yet, however, conversations are emerging about value-based plans. It is a complex concept that needs to be studied further. Ms. Skinner added that having a common definition that all members would agree on would help facilitate conversations going forward. Dr. Ritter pointed out that the Exchange's customers can be grouped into two distinct categories – those who receive financial assistance and those who pay the whole premium to have medical coverage. It is challenging to come up with the best plan possible to satisfy both groups.

Discussion ensued around organizational aspects of future meetings as well as the main roles and responsibilities of the Committee. Gary D'Orsi, Product Development Director, added that since some of the Committee meetings are considered Special Meetings, agenda topics cannot be added during the meeting and the discussion should adhere directly to the agenda items. Robert Tessier suggested that the Committee agendas should include one item that invites new issues for discussion in order not to limit conversation unnecessarily. Susan Rich-Bye, Director of Legal and Governmental Affairs, outlined the differences between regular and special meetings as well as the requirements for public meetings. Mr. D'Orsi encouraged the members of the committee to communicate with the Plan Management Team with ideas about upcoming Committee meeting agenda items. Mr. Tessier stated that the Committee was expanded last year to include industry representation, which was helpful. In prior years, the Committee had consisted of many consumer representatives, and they did provide the Committee with an additional perspective. If any members have recommendation for expansion of committee participants, such as an area of industry knowledge that may be helpful, please make a suggestion. Dr. Ritter pointed out that

the Committee's composition has changed due to changing circumstances. Tu Nguyen suggested including a broker on the committee.

E. 2019 Plan Year: Certification Review

Ann Lopes, Carrier Product Manager discussed certification requirements that were reviewed for the 2019 plan year. One of the goals of the Committee is to identify and recommend certification requirements. They reflect the standards to be used for determining the carriers and plans from those carriers that can be offered through the Exchange. The certification requirements may be dictated by the Federal Government as well as those established by the Exchange. Ms. Lopes summarized the prior work of the Committee, at the direction of the Board that resulted in reviewing all certification requirements to ensure they were still warranted. Several recommendations for adjustments were made to the Board, which were approved.

F. Looking Ahead to Plan Year 2020/Considerations

Ellen Kelleher, Carrier Product Manager, provided information on the key milestones in considering certification requirements and standardized plan designs for 2020, and uploading plan data for the portal. Regulations and guidance play a key role in this development, as it is critical to understand if there may be a need for systems enhancements to support changes. One of the most important elements is the Actuarial Value Calculator (AVC) that will be provided by the Federal Government. However, it is not known when it will be released. Ms. Kelleher added that once the AVC is released, the Plan Management Team (PMT) would begin its data entry and analysis. Later, the development of plan certification requirements will start taking place. Many of these activities are taking place concurrently. The standardized plans are the blueprints for the carriers, and need to be released to them as soon as possible. The PMT makes sure that all of the plans adhere to the rules and requirements imposed by the Federal and State governments and by AHCT. Ms. Kelleher stated these steps would culminate with Open Enrollment presumably starting on November 1. Dr. Ritter inquired about the expected date for the AVC to be made available to the Exchange. Ms. Kelleher stated it is expected to be released sometime in January. Charmaine Lawson, Carrier Product Manager, stated that during a meeting with CMS held earlier today, a schedule was presented that showed meetings to discuss the Letter to Issuers for Plan Year 2020 and the Actuarial Value Calculator (AVC) tool would take place on January 17th and January 24th, respectively. Mr. Doolittle asked about certification requirements components. Ms. Kelleher stated that, as an example, the carriers have to comply with the plan mix, and their plans must be within the applicable AV range. All these are outlined in the AHCT Solicitation. In addition, there are many others, some of which are supplied by the Connecticut Insurance Department (CID), such as confirming network adequacy. Ms. Rich-Bye stated that the Exchange is required to develop the certification requirements and to certify carriers and plans each year. The AHCT BOD adopted a certification policy in furtherance of this requirement. Mr. Michel asked the PMT how many items are a part of the certification process. Ms. Kelleher stated that on average, there are 35 key areas that are a part of the process. In addition, close to 200

pieces need to be reviewed. Ms. Lawson added that the PMT works hand-in-hand with the carriers to resolve any outstanding issues.

G. Strategic Direction / Standardized Plan Design Development

Ms. Lopes reviewed regulations and guidance that are issued by CID and the Centers for Medicare and Medicaid Services. Ms. Lopes summarized information included in a CID Bulletin released October 24, 2018 which announced the elimination of maximum copayment amounts for specific categories of benefits for health insurance plans. This will provide additional flexibility as the standardized plans for 2020 are examined. Mr. Tessier inquired whether categories of benefits and changes to them would affect the AVC. Ms. Lopes indicated that last year, minimal changes were made in the AVC tool itself. In past years, we tested some of the standardized plans in the tool by inputting cost sharing for certain benefits that exceeded the copay maximum allowed by CID. As an example, we increased the generic drug copay from $5 to $10 for a plan and saw a reduction in the AV of about half a point. So, there are some copay changes that could have a significant impact on the AV. As we review plan cost sharing options for 2020, we will want to consider the impact on the plan premium as well as member cost sharing.

Mr. Tessier added that the Board of Directors has the authority to establish new certification requirements that have not been used previously. The Board of Directors, could potentially establish standards for maximum out-of-pocket co-pays or out-pocket payment requirements for any plan that AHCT certifies to be offered on the Exchange. Neil Kelsey referred to the appendix in the presentation, which showed the details of the CID's Bulletin HC-109 indicating maximum cost-sharing thresholds. Mr. Kelsey noted that most of the services indicated affect the AVC. In addition, by eliminating the co-pay maximums does not mean that the standardized plans would have to be changed. We could still abide by what was established if it continues to meet the AV guidelines. Dr. Ritter pointed out that the AVC has been very sensitive to changes in the deductible. Mr. Kelsey noted that the 2014 AVC was based on the pre-ACA experience data. The 2018 AVC was strictly based on experience from the ACA market. Ms. Skinner stated that between premiums and deductibles, many consumers are not accessing a lot of the care that would help them maintain a healthy lifestyle. Ms. Skinner asked if there is any flexibility in managing, for instance, chronic diseases without having to pay the deductible. Ms. Lopes explained that the PMT worked with the Committee and the carriers to determine where the deductible could be waived for certain services. Attempts to do that were made but the Mental Health Parity issue also came into play in the past, whereby the standardized plan had to be changed so that both, labs and x-ray services would a subject to the deductible in order for both carriers to be able to meet Mental Health Parity requirements. There was no other option but to include it for those services. It may be possible to increase some co-pays for 2020 plans, now that the maximums will not apply per CID guidance, and eliminate the deductible for some additional services. Ms. Skinner added that keeping this issue on the forefront is crucial in order to improve healthcare and establish better value. Having medical insurance does not necessarily mean that a consumer will be in good health unless the care that is needed is provided at an affordable

price. Achieving better health for people with chronic conditions may not be accomplished if the plan premium plus cost sharing is not affordable.

Ms. Kelleher emphasized the importance of communication with consumers so they can better understand the benefits in a given health plan. The AHCT team plays a central role in the area of explaining to the consumers the benefits that are offered. The carriers also provide exceptional communication to consumers so there are better educated about their plan options. Ms. Kelleher pointed out that despite these communication efforts, more needs to be done to fully accomplish the goal. Ms. Skinner elaborated that it contains both, education and economics. Mr. Tessier encouraged the PMT and the Committee to develop a list of items to explore that may make it easier for people to better utilize medical services. Ms. Kelleher added that there may be the potential for additional plan innovation, but consumer education plays a key role in this area. Mr. D'Orsi added that conversations with both carriers are ongoing regarding issues discussed here at the meeting. Mr. Ritter stated that enrollees are often challenged in choosing the plan that is best for their own health needs. Ms. Lopes pointed out that beginning in 2014, some of the standardized plans were established with separate medical and drug prescription deductibles, and that continues today. The Committee may want to re-evaluate this design. Dr. Ritter mentioned that it may be helpful to look at the cost sharing for emergency room visits with the elimination of the copay maximums. Mr. Doolittle mentioned that there needs to be a better measure through which the consumer will be able to find out about the total cost she/he will have to pay in order to be covered. The consumer needs to better understand the actual cost of purchasing a given plan.

Mr. Michel commented that the Exchange is on the path to achieve this goal by implementing the consumer decision support tool.

H. Next Steps

Ms. Kelleher provided the possible meeting schedule of the Committee from January through March. This was based on the assumption that the draft AVC tool would be available by late December, so with the information conveyed during the CMS meeting earlier today, this will need to be fine-tuned. Discussion ensued around this topic as well as possible developments that would warrant the Committee meeting prior to receiving the AVC from the Federal Government. Survey will be sent out to the members asking them indicate meeting preferences. Mr. Tessier expressed his concern about the reduced APTCs for many consumers this year and would like to take steps to mitigate or even reverse this experience. Mr. Nguyen added that APTCs are based on the second lowest silver plan. Once the second lowest silver level plan is set low, it decreases APTCs. It has to be considered whenever the financial assistance optimization is examined. Mr. Kelsey cautioned the Committee to be careful in setting the direction for the following year assuming that the rules will not change. As an example, Mr. Kelsey mentioned the expectation of the Committee few months ago was the potential of double-digit rate increases which did not materialize. Also, rate actions that were approved resulted in more dramatic reduction in tax credits than were expected.

I. Adjournment

Chair Grant Ritter requested a motion to adjourn. Motion was made by Robert Tessier and seconded by Theodore Doolittle. ***Motion passed unanimously.*** Meeting adjourned at 5:31 p.m.