



Connecticut Health Insurance Exchange Board of Directors Regular Meeting

Holiday Inn, East Hartford
Salon CD

Thursday, January 17, 2019
Meeting Minutes

Members Present: Robert Tessier (Vice-Chair); Commissioner Roderick Bremby, Department of Social Services (DSS); Cecelia Woods; Grant Ritter; Anne Foley on behalf of Secretary Melissa McCaw, Office of Policy and Management (OPM); Victoria Veltri; Acting Commissioner, Paul Lombardo, Connecticut Insurance Department (CID); Robert Scalettar, MD.; Commissioner Raul Pino, Department of Public Health (DPH); Sean King on behalf of Theodore Doolittle, Office of the Healthcare Advocate (OHA); Commissioner Miriam Delphin-Rittmon, Department of Mental and Health Addiction Services (DHMAS)

Members Absent: Nancy Wyman, Chair; Paul Philpott

Other Participants: Access Health CT (AHCT) Staff: James Michel; Rajiv Chawla; Robert Blundo; Susan Rich-Bye; Andrea Ravitz; Gary D'Orsi; Anthony Crowe; Glenn Jurgen; Darrell Hill

I. Call to Order and Introductions

The Regular Meeting of the Connecticut Health Insurance Exchange Board of Directors was called to order at 9:00 a.m.

Vice-Chair Robert Tessier called the meeting to order at 9:00 a.m.

II. Public Comment

No public comment.

III. Votes

Vice-Chair Robert Tessier requested a motion to approve the November 15, 2018 Board of Directors Regular Meeting Minutes. Motion was made by Cecelia Woods and seconded by Victoria Veltri. ***Motion passed unanimously.***

The Exchange By-laws require the election of a Vice-Chair yearly in January. Victoria Veltri requested a motion to re-elect Robert Tessier as vice-chair of the Board. Motion was made by Victoria Veltri and seconded by Cecelia Woods. ***Motion passed unanimously.***

Miriam Delphin-Rittmon arrived at 9:02 a.m.

Vice-Chair Robert Tessier introduced Susan Rich-Bye, Director of Legal and Governmental Affairs, who requested that the Board consider adding Jill Zorn to the Health Plan Benefits and Qualification (HPBQ) Advisory Committee. Ms. Rich-Bye explained the important role that the HPBQ Advisory Committee plays in assisting both staff members and the Board with recommendations on standard plan designs, and other factors that are included in the annual plan certification process. Ms. Zorn's role as the consumer advocate along with her knowledge and experience regarding the ACA can aid the committee with its work.

Vice-Chair Robert Tessier requested a motion to appoint Jill Zorn to the Health Plan Benefits and Qualifications Advisory Committee. Motion was made by Robert Scalettar and seconded by Grant Ritter. Mr. Tessier praised the role of Ms. Zorn as a healthcare advocate for many years. ***Motion passed unanimously.***

IV. CEO Report

James Michel, Chief Executive Officer, provided the CEO Report. Mr. Michel introduced two new members of the Senior Leadership Team (SLT): Darrell Hill, AHCT's Finance Director, and Glenn Jurgen, Human Resources Director. Mr. Michel pointed out that the 2019 Open Enrollment period (OE) has ended. AHCT encountered many challenges, which included, but were not limited to, the significant health plan changes and the Texas Court ruling. Despite those challenges, the teams executed a successful strategy which resulted in the retention of over 80,000 customers and acquisition of 30,000. Mr. Michel stressed that a successful educational campaign was carried out via multiple platforms. Mr. Michel emphasized that it is crucially important for the enrollees to submit their first premium payment in order to become effectuated. He thanked business partners, brokers, carriers, media, Connecticut Insurance Department (CID), the Department of Social Services (DSS), and customers for their continued trust and support.

Robert Scalettar, MD., inquired about the court ruling in Texas, and encouraged discussions with Connecticut's Congressional Delegation. Susan Rich-Bye, Director of Legal and Government Affairs, indicated that court activity following the Texas ruling, which invalidated, pending appeal, the Affordable Care Act, is delayed due to the partial government shutdown. It is important to note that the judge did not issue an injunction to the law. Nothing has changed. Mr. Michel added that AHCT is in continuous contact with our State's Congressional Delegation. Mr. Michel

remarked that AHCT has submitted comments on the Proposed Rule on the Patient Protection and Affordable Care Act: Exchange Program Integrity to the Department of Health and Human Services (HHS) in opposition to the proposed rule.

V. Finance Update

Darrell Hill, Finance Director, provided the Finance Update. Mr. Hill summarized the Fiscal Year 2019 2nd Quarter Budget Report with the ending date of December 31, 2018. The variance of \$3.3 million between AHCT and DSS is primarily due to timing and project invoicing. It is important to note that a positive variance is showing below the budget. The timing of projects is important. The positive variance of \$880,000 in the FY2019 Operating Budget is primarily due to vacancy savings and Call Center true-up. Per the Memorandum of Agreement between DSS and AHCT, the updated DSS CIP allocation went up to 84 percent. Mr. Hill stated that there will be no change in the projects, but direction of the allocation. Mr. Hill presented Budget vs. Actuals through December 31, 2018. Mr. Hill provided an overview of the revenue and budgeted revenues and expenses, as well as cost-sharing with DSS. Mr. Hill pointed out that the increase in assessments is due to timing of budgeting and payments. In addition, investment interest rate increases provide for additional income. Variance in expenses is due to timing of projects and invoicing. AHCT and DSS total expenses amounted to \$22,817,172, a positive variance of \$3,328,192.

Mr. Hill went on to describe the FY2019 Adjusted Budget. Mr. Hill summarized budget line items, such as administrative expenses and compared them with a prior FY. The FY2019 total operating expenses, when adjusted, amounted to \$31,814,771. The cost-share with DSS was \$21,556,743. Mr. Hill provided an in-depth analysis of the cost share with DSS. AHCT and DSS total expenses are \$53,371,515.

Mr. Tessier requested a motion to approve the FY2019 -2nd Quarter Budget Report as presented by Exchange Staff. Motion was made by Anne Foley and seconded by Cecelia Woods. ***Motion passed unanimously.***

Mr. Hill briefly described the FY2019 Capital Improvement Plan Update. Two projects have been completed, and one is in progress, while the remaining two have not started, pending DSS funding approvals due to partial shutdown of the federal government. Anne Foley stated that these projects, the outsourcing of services, along with the 2nd Quarter Budget Report, were discussed at the Finance Committee meeting. Grant Ritter inquired whether these outsourced services are Connecticut-based. Rajiv Chawla, Director of Information Technology, indicated that these companies are not state-based. Dr. Scalettar inquired about the timing of obtaining federal government-approval for those DSS-related projects that have not started. Roderick Bremby, DSS Commissioner, emphasized that the timing is unknown due to the inability to determine when the partial federal government shutdown will end. Mr. Michel indicated that enhancements to the system will not only make it easier to serve customers, but also will save the Exchange \$4-6 million going forward. The inability to make prompt corrections to the notices has diminished the customer experience. This project will allow AHCT to serve customers more efficiently.

Mr. Tessier requested a motion to approve the FY19 2nd Quarter Capital Improvement Plan Update as presented by Exchange staff. Motion was made by Anne Foley and seconded by Victoria Veltri. ***Motion passed unanimously.***

VI. 2019 Open Enrollment Update

Robert Blundo, Director of Technical Operations and Analytics provided the 2019 Open Enrollment (OE) Update. Mr. Blundo indicated that an in-depth report and analysis on the 2019 OE will be available at the next Board Meeting. Mr. Blundo conveyed that lower price 2019 benchmark plans resulted in the reduction of Advanced Premium Tax Credits (APTCs). Eighty-six percent of enrollees were projected to have a net premium increase if auto-renewed, and 52 percent were expected to see a greater than \$100 a month premium increase. Mr. Blundo explained that 80 percent of the AHCT customers opted into automatic renewal of their plans.

This OE was more challenging than the previous OEs. AHCT experienced a much higher need to provide customer assistance in choosing the right plan. Mr. Blundo pointed out that customer education about plans being offered played a significant role and emphasized that AHCT's aim was to change shopping habits, reduce price shock and confusion, promote informed purchasing, and increase customer assistance. Mr. Blundo provided statistical data on the AHCT customer service activities that were undertaken. Customer engagement, assistance and decision support were all part of the extensive effort to educate consumers about their choices.

The 2019 OE had been extended by 30 days, and it ended on January 15. Mr. Blundo pointed out that 4,081 enrollees changed plans during extension, and 10,059 consumers enrolled for coverage starting in February. Mr. Blundo outlined that 111,066 consumers enrolled in Qualified Health Plans (QHP) through the Exchange. Seventy-one percent of them qualify for APTCs, and 80,812 enrollees renewed their coverage. Over 30,000 new QHP enrollees were added, and of that number, over 9,600 are first-time customers. Almost 50,000 individuals qualified for Medicaid using the Integrated Eligibility System (IES). Mr. Blundo provided further analysis of the statistical data, which were divided into three categories: new acquisition customers, re-acquired customers, and retained customers. Reasons for attrition included enrolling in Medicaid, becoming eligible for Medicare, as well as not automatically renewing coverage, and cancelling the coverage due to various reasons.

Metal tier preferences and customer shopping and migration trends were briefly described. Forty-nine percent of QHP customers selected their plan in a silver tier. In addition, the popularity of bronze plans continues to increase across all age bands. Enrollees who shopped for plans experienced lower premium increases compared to non-shoppers. In the Pre-OE period, 52 percent of enrollees were projected to pay \$100 or more in their net monthly premium, while in the post-OE, 28 percent of renewals are going to pay a net premium of \$100 or more. Thirty-six percent of renewing households' 2019 net premium is less than their 2018 net premium. Mr. Blundo described upcoming activities that are directly related to the post-OE period, including

1095A preparation, reaching out to customers to help with their post-OE concerns, and year-round communications and outreach.

Dr. Scalettar praised Mr. Blundo and AHCT for extraordinary work and inquired about steps AHCT will take with those individuals who have yet to provide verification documents. Mr. Blundo pointed out that when consumers enroll for coverage, they have 90 days from that time to provide verification documents if they cannot be verified electronically.

Cecelia Woods asked about the year-round communications. Andrea Ravitz, Director of Marketing, indicated that every year, AHCT reaches different milestones. This past OE, the biggest challenge was changing consumer shopping behaviors. Three main goals were undertaken and achieved – the perceived value of having and keeping medical insurance is one of them, as is making sure that consumers come back. A multi-platform campaign will be organized in order to make sure that AHCT and the services it provides do not become irrelevant after the OE ends.

Victoria Veltri congratulated AHCT on the outstanding year, given all of the challenges with the ACA. Ms. Veltri inquired whether there is any indication that some people eligible for the cost-sharing reductions dropped their coverage to the bronze metal tier. Mr. Blundo pointed out that communication to these individuals is vital in order for them to make an informed choice. The more in-depth report will be provided at the next Board meeting. The discussion ensued around the customer satisfaction survey, the overall statistical results and success, given the circumstances, of the just completed OE.

VII. 2020 Plan Certification Update

Gary D’Orsi, Director of Product Development, provided a 2020 Plan Certification Update. Mr. D’Orsi described the process that involves numerous steps and approvals.

Roderick Bremby left at 10:15 a.m.

Each year the process begins with the release of regulations and guidance including the Actuarial Value Calculator (AVC) and ends once the OE commences. Paul Lombardo, Acting CID Commissioner, outlined the challenges encountered with the partial government shutdown. Mr. Lombardo indicated that the biggest concern is the issue of silver-loading, which would have a significant impact on APTCs. The premiums would drop, but as a consequence, the APTCs would diminish also. Discussion ensued around various scenarios that could become challenging if the guidance from the federal government is not received in time.

Raul Pino left at 10:22 a.m.

Mr. D’Orsi pointed out that additional meetings of the Health Plan Benefits and Qualifications Advisory Committee are scheduled and explained the key milestones in the plan development and certification process. Ms. Woods inquired whether the Proposed Rule on the Patient

Protection and Affordable Care Act, Exchange Program Integrity to HHS, if approved, would go into effect next year. Ms. Rich-Bye stated that it would go into effect upon approval.

VIII. Adjournment

Vice-Chair Robert Tessier requested a motion to adjourn. Motion was made by Anne Foley and seconded by Victoria Veltri. ***Motion passed unanimously.*** Meeting adjourned at 10:28 a.m.