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

Holiday Inn, Salon A
100 East River Drive, East Hartford

Thursday, March 14, 2019
Meeting Minutes

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

Other Participants: Access Health CT (AHCT) Staff: James Michel; Anthony Crowe; Ann Lopes; Charmaine Lawson; Ellen Kelleher; Susan Rich-Bye; Robert Blundo
Wakely Consulting (on the phone): Julie Andrews, Brittney Phillips

A. Call to Order and Introductions

Chair Grant Ritter called the meeting to order at 10:00 a.m.

B. Public Comment

No public comment

C. Vote

Chair Ritter requested a motion to approve the February 21, 2019 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. Follow-Ups from Prior Meeting

Anthony Crowe, Chief Operating Officer, summarized activities at the prior meeting of the Committee that are also topics of conversation at this meeting. Ann Lopes, Carrier Product Manager, provided information pertaining to a discussion that occurred at the prior meeting regarding the premium difference between the lowest cost Silver and lowest cost Bronze plan in each county available through AHCT for the 2019 plan year.

Ms. Lopes referenced an exhibit included in the Appendix that outlines rates for these plans for a 45-year old enrollee in each county, as well as the differential between the rates. The exhibit also includes the net rate for these plans for a 45-year old at various income levels, to illustrate the impact of applying the maximum premium tax credit for those scenarios. Ms. Lopes reviewed an example of an individual with income at 145 percent of the Federal Poverty Level (FPL), around $17,600, the premium difference between the lowest cost silver plan and the lowest cost bronze plan is $20 in New Haven County versus $56 in Litchfield County. Ms. Lopes added that there is not a uniform differential between the net premium cost for these plans across all counties, household compositions, ages or income levels. Ms. Lopes stated that the HSA-compatible Bronze plans are no longer the lowest cost Bronze plans available through AHCT. Mr. Crowe added that information on a break-out of enrollment for non-subsidized vs. subsidized members is included in the Appendix as requested at the last meeting. Jill Zorn inquired whether the two different types of standard plans are shown together on the chart. Ms. Lopes confirmed. Mr. Crowe stated that a review of plan selection choices by enrollees eligible for 94% Cost Sharing Reduction (CSR) plans who selected a plan at the Bronze or Gold level has not yet occurred, but it is on the list to explore. Tu Nguyen stated that review of historical buying patterns may be useful. Ms. Lopes indicated that one of the factors that may need to be taken into consideration is a differential in premium. Prior to the silver load being implemented, there would have been possibly different purchasing decisions.

E. Wakely Consulting: 2020 Plan Design Review

Julie Andrews, Wakely Senior Consulting Actuary, provided an overview analysis of the 2020 Plan Design Review. Ms. Andrews stated that the 2020 Plan Offering Analysis proposal provides for the elimination of all Silver plans except the standard Silver copay option. Ms. Andrews reviewed assumptions that were included in the review, including no premium rate changes from 2019 to 2020 and members in Silver plans that would be discontinued would be auto-enrolled to the remaining Silver plan offered by the existing carrier. In additions, caveats were reviewed, and Ms. Andrews noted that the conclusions being made are inherently uncertain, and results presented could be materially different from what actually occurs. Ms. Andrews reviewed each of the elements listed that could change the results of the scenario presented, including actions by the Connecticut Insurance Department (CID). Ms. Andrews stated that plan designs will also change for 2020 to comply with federal Actuarial Value (AV) requirements, so while the results may demonstrate some people at the Bronze level are favorably impacted, the magnitude will change as carriers may have to adjust Bronze plans higher than Silver, so with more people moving to Bronze, it is possible that plan relativities will shrink, and that would affect the analysis.. Ms. Andrews noted that subsidized policyholders in the gold and bronze plan metal tiers as well as those situated in the standard copay silver may potentially benefit from the proposal. Customers in the proposed eliminated silver plans that are standard coinsurance and non-standard silver plans may be adversely affected. Mr. Nguyen noted that, for the scenario outlined on the prior slide, members in any Silver plan being eliminated may pick the lowest cost Silver plan among the two carriers. Neil Kelsey noted that some customers might be in the course of treatment and not willing to switch the carriers. It also has to do with brand, service and association with a doctor that they do not want to change. Mr. Nguyen concurred but added that some customers will be likely to choose the lowest premium of the Silver plan available from the two carriers. Dr. Ritter stated this is a good point and suggested further study of this.

Robert Tessier pointed out that Ms. Andrews indicated the results of what is being presented is inherently uncertain and asked if some percentage of the enrollees who are strictly considering the cost of premium may end up choosing a Bronze plan. Ms. Andrews stated that barring interventions such as those that occurred last year to encourage enrollees to compare plans and shop, the auto-enrollment assignment would be to the remaining Silver plan available through the existing carrier. She indicated that it is possible to look at these other scenarios. Mr. Kelsey noted that during the past OE, many customers did purchase the bronze plan. Most of them were most likely non-CSR eligible. Mr. Kelsey noted that once people are 87 and 94 percent CSR-eligible, it is doubtful that anyone in that category would make a conscious decision to purchase a Bronze plan. Mr. Nguyen noted that Wakely's observation is strictly based on premiums only. The non-standard Silver plan is lean, as it is about a 66 percent AV; it is very close in coverage to the bronze plan. The lines of coverage are blurry. The standard Silver plan stands at about 72 percent AV. The premiums might be higher, but the benefit design is very different. Ms. Zorn expressed a concern that if a customer must utilize medical services, she/he will not be able to pay for the services even with the medical insurance given out-of-pocket costs. Mr. Kelsey shared Ms. Zorn's concern, however, stated the issue is most impactful with the population that is between 250 to 400 percent of the FPL. Once the FPL is lower, the Silver CSR plan designs will cover most of the medical services.

Ms. Andrews noted that currently, AHCT offers 4 Silver plans in 7 counties & 3 Silver plans in 1 county that are less costly than any of the 'off-Exchange' Silver plans filed w/ CID for 2019. Ms. Andrews added that under the proposed change to 1, the standard Copay Silver plan, there would be no on-Exchange Silver plans that would be less costly than the off-Exchange Silver plans. She further noted this could be adjusted in the 2020 filings. Under the proposed regulation that was released, individuals who purchased an off-Exchange plan could be eligible for a special enrollment period to purchase an on-Exchange plan and be able to obtain a subsidy if they experienced a change in income during the year.

Ms. Andrews went on to explain the results of the analysis to move to one single standard Silver plan. She stated that the policyholders currently enrolled in the non-standard Silver and the standard Silver coinsurance plans that are estimated to experience an increase in premium based on this scenario comprise about 25-27% of AHCT enrollment. Additionally, 31.9% of policyholders will be disrupted due to the elimination of their

Silver plan, affecting between 32,000 and 33,000 members. Eliminated plans have a lower AV, and the increased premium for the standard Silver plan may be offset by the increased coverage, but the evaluation is very complicated since it is specific to a person's health care needs. 16 to 17 percent of policyholders are in 87% and 94% CSR plans and are at a fairly rich benefit level, so might not experience as much in benefit cost savings, however, it is all dependent on the mix of services that are needed. Mr. Nguyen indicated that if the assumption is changed to show enrollees moving to the lowest cost Silver plan, that the result would be more similar to what occurred when the Silver CSR premium loading occurred - there would be fewer people that would see a premium increase because of the increased APTC. Discussion ensued around the 2020 plan offerings and possible impact on the subsidized and unsubsidized populations and utilizing the subsidy to buy down to Bronze. The situation outlined previously was discussed further regarding some on-Exchange Silver plans being lower in premium than some off-Exchange Silver plans. The Exchange may have attracted off-Exchange unsubsidized enrollees for 2019 at the Silver level because of the lower premium Silver plans. Mr. Kelsey stated that the question of the role of Access Health CT came up several years ago in a discussion within this Committee about whether the organization was mainly serving the subsidized population as a delivery system or whether it was to be a solution for the broader individual market. Mr. Kelsey sees the Exchange as the latter. Mr. Kelsey noted that if the public option is adopted in Connecticut, what can be seen on the horizon are cheaper plans that do not have to comply with the Affordable Care Act (ACA) rules. Mr. Kelsey noted that the Committee needs to consider that. Mr. Tessier stated the AHCT Board had a vision that the Exchange would be for all and has tried to avoid any conflict between subsidized and unsubsidized enrollees.

James Michel, CEO, stated that the Exchange is for all Connecticut residents, regardless of whether someone is a Medicaid recipient or eligible for a QHP. Ms. Andrews went on to explain the analysis of the 2020 plan offerings for the proposed scenario. She provided an overview of the family scenarios that were included in the analysis, including a breakdown of unsubsidized enrollees and subsidized enrollees at different FPL levels. Ms. Andrews provided an overview of the structure of the first graph, as this format was similar for each of the subsequent scenarios.

- The graph is a two-axis graph, showing both the percentage and amount of premium impact after subsidy.
- Each county is represented at the bottom.
- FPL levels are shown using the same color scheme as on the previous slide.
- Bars represent the percentage change.
- Lines represent the dollar change.

Discussion ensued around different scenarios that affect plan designs and options available to consumers. Ms. Andrews went on to explain different variations by region in terms of premium changes.

For the Gold metal level, a weighted average of all family types was used, since the impact was similar for all. Unsubsidized policies (approximately 1,860) at the Gold metal level would see no change in premium, as shown by the yellow line across the top of the graph. All subsidized policies (approximately 2,100) would see a decrease. Ms. Andrews noted that a count of policies is different from a count of all members. For the first five counties, the dollar amount results are the same for subsidized enrollees at all FPLs, so only one line is visible, although the percent change does differ as shown by the bars Ms. Andrews stated the average premium for Gold plans in Fairfield county is about $1500.

There has been a greater migration over time to Bronze plans. There are approximately 18,000 subsidized and 14,000 non-subsidized policies. A weighted average of all family types was used, since the impact was similar for all. Because many enrollees have already bought down to low cost Bronze plans and subsidies have already been maximized, increasing the subsidy has minimal impact for certain households and FPLs. The biggest impact will be for those at 300% of the FPL in the burnt orange color. There will be no impact for the unsubsidized population, because the assumption is that the premium has not changed. There is a lot of variation by county, with less impact in Fairfield, Hartford, Middlesex and New Haven, partly due to the smaller increase in the second lowest cost Silver plan (SLCSP) change. Enrollees at 300% of the FPL in Fairfield county will see about an 80% decrease in premium, which amounts to about a $125 decrease, shown by following the line across to the right axis. For enrollees at the lowest FPLs, it could be difficult from a financial perspective to move to a Silver plan in terms of increased premium, although the benefits would be richer.

For Silver, there are multiple scenarios to review, because the results differ depending on whether enrollees are in a Silver plan that would continue to be available or one that will be eliminated. Additionally, for the scenarios with enrollment in Silver plans that will be eliminated, the impact differs significantly by household type, so those are broken out separately.

- Silver standard copay plan – enrollees are assumed to remain in the plan. Since all family scenarios are similarly impacted, this represents a weighted average for all enrollees. Subsidized policies (approximately 14,000) would benefit for the scenario and assumptions previously outlined, while there would be no change for non-subsidized policies (approximately 2,000). Enrollees at 145% of the FPL in Fairfield county will see about a 70% decrease in premium, which amounts to about a $200 decrease in premium, shown by following the line across to the right axis. There are variations by county.

Mr. Tessier raised two issues for the scenario outlined for enrollees in the Silver Standard Copay plan. People who are subsidized today who are buying the standard silver co-pay plan would get anywhere between 30 to 80 percent reduction in premium. Mr. Tessier added, for the sake of consideration that the standard silver co-pay plan represents the plan that for most people comes closest to good coverage if people need to use health insurance. Mr. Kelsey noted that the 94 percent CSR plan does not have a deductible, but the out-of-pocket maximum is $900 and on the standard co-insurance plan, it is $750, so for someone at this level, they would be paying more if they had an event. Mr. Kelsey stated that all the plans, including bronze, are much better when compared to the plans that were available in the market before the ACA. Mr. Kelsey added that the non-CSR subsidy eligible people would see a premium reduction, but not as much as enrollees eligible for CSRs.

Ms. Andrews went on to further explain the 2020 Plan Offering Analysis. The next four slides represent different family scenarios for enrollees in the Silver standard coinsurance plan or one of the Silver non-standard plans. Because the results for these differ by family type, they were reviewed separately. The results reflect the premium cost comparison of the current plan compared to the plan enrollees would be mapped to, as outlined in the assumptions previously.

- Family with two children: There are approximately 1,800 subsidized policies and about 200 that are not subsidized. Enrollees at 145% of the FPL in Fairfield, Hartford, Middlesex and New Haven counties would see an increase in premium. Looking at Fairfield for this FPL, there is about a 400% increase in premium, amounting to about an $85 increase in premium. There would still be an increase if the family moved to the lowest cost Silver plan. For New Haven county, there is about a 700% increase in premium, or approximately $100. In other counties, there is a net savings for subsidized enrollees. Unsubsidized enrollees would see an increase since they would no longer have the option of the lower cost Silver plans.

Dr. Ritter noted that this is a group that would be disadvantaged by doing this, and this should be studied closely. Ms. Andrews noted that the subsidized enrollees are maximizing their APTCs by buying down to a lower cost Silver option. Mr. Kelsey stated that last year, he reviewed the cost for a consumer in the standard co-pay, with the changes that were made and found the person could move to the standard co-insurance plan with about the same net premium.

Discussion ensued around pricing differences in the various counties throughout the state and elements that influence them. Ms. Andrews stated that this is due to the percent difference in the cost of the SLCSP by county for the scenario being reviewed. In Fairfield, the difference is 20% compared to the current SLCSP, but in Windham, it is 27%, so where the APTC percentage change is lower, the premium differential across the plans is not as wide, so there is a smaller APTC bump. Mr. Nguyen noted that in some situations, the percent increase could be very large, but the dollar amount might be small. Mr. Kelsey stated that this exhibit is complicated by the family coverage, and in an upcoming slide for a single 35-year-old, the results are much flatter. Ms. Andrews reviewed that scenario.

- Single enrollee under age 35: There are approximately 4,800 subsidized policies and about 200 that are not subsidized. The dollar impact is quite different because the premium is much lower, but the FPL's shown are the same. Subsidized enrollees would pay between $1 and $20 more when auto-renewed into the carrier's remaining Silver standard copay plan.

Dr. Ritter noted that the information on two charts with single enrollees being flatter, but there is a phenomenon in Fairfield and New Haven counties, where they are significantly different compared to the other counties. Ms. Andrews reviewed the next scenario.

- Single enrollee over age 35: There are approximately 12,400 subsidized policies and about 365 that are not subsidized. This makes up approximately 50% of enrollment. Enrollees at 145% of the FPL in Fairfield county would see an increase in premium of about 600%, or about a $50. If they moved to the lowest cost Silver plan, they would pay about $15, but based on current make-up, they would not see a savings to go to the lowest cost Silver plan.

Dr. Ritter asked why the single, over 35 has such higher bars compared to the single, under 35 in two counties. Mr. Nguyen stated that the lines represent the dollar amounts. Ms. Andrews confirmed this, noting the bars represent between $4 and $50, but because the FPL is very low, that could be very significant to the consumer.

Ms. Andrews stated that the slides just presented represented a blend of the four plans that would be discontinued to move to the one standard Silver copay plan, and the next slides represent the impact only on the current enrollment in the non-standard Choice Silver Alternative plans, since this is a substantial portion of the population, with approximately 20,000 policies. The Fairfield County family would see approximately $115 increase in the monthly premium. Other counties will see different variations in pricing, but all will be an increase. Ms. Andrews stated that moving to the lower cost Silver plan could result in some savings. She reviewed a similar example for the adult couple, which has a very small non-subsidized population, which would see about a $300 to $400 increase in monthly premium. The results for the under age 35 population are similar to that of the blended group of all the terminating plans. The over 35 population is the biggest proportion, with approximately 10,200 subsidized enrollees and 200 non-subsidized. There is a similar pattern for this group also, with Fairfield and New Haven counties at about a $60 increase, or about 700% for someone at 145% of the FPL, with Hartford and Middlesex getting an increase of between $10 and $20 and the other counties seeing increases of between $2 and $10.

Dr. Ritter asked if this population might have picked this plan last year and saw a savings, and if this scenario would reverse that, and Ms. Andrews stated the potential for that exists. Mr. Kelsey noted that people who signed up for the lowest cost silver plan are the ones who will be impacted, and this will be undoing what was done last year and moving them back to the higher cost Silver plan.

Robert Blundo, Director of Technical Operations and Analytics commented that 44 percent of renewals shifted into a different plan for the 2019 open enrollment period. This was much higher than in prior years. In addition, among those, the greatest amount of movement was within the subsidized population. Mr. Blundo added that for the non-subsidized population, approximately 25 percent changed their plans, so many of them are still in the standard Silver Copay plan.

Dr. Ritter stated that since there was a lot of time spent on this topic during this meeting, James Michel might want to direct the group on next steps. Mr. Michel advised the group that another meeting should be scheduled sometime next week to finish the presentation and to vote to recommend any changes to the Board. Mr. Tessier suggested using the time slot scheduled for next week's Board meeting, assuming it would be cancelled. Ms. Andrews will not be available, but Brittney Phillips could attend in her place. Other Committee members confirmed their availability for Thursday, March 21st at 9 AM.

Ms. Andrews explained the 2020 Benefit Cost-Sharing MOOP Backup Plan, which could be needed if the regulation as proposed regarding the $8200 maximum out-of-pocket threshold is not included in the final regulation. Ms. Rich-Bye added that the President proposed to fund CSRs in the 2020 Federal Budget. Ms. Rich-Bye added that the proposed regulation from Health and Human Services (HHS) sought comments on eliminating silver loading for 2021, not 2020. Discussion ensued about the ramifications of alterations to CSR funding and eliminating silver loading, which would reduce plan premium and APTCs.

Ms. Andrews summarized information on research done for VBID plan designs, indicating that it is primarily related to employer group plans. She noted that the collection of prevalence data for the Individual market is pending. Additionally, for each standard plan that will be reviewed for the Gold, Silver and Bronze metal levels, there will be an option that incorporates the VBID approach. Mr. Nguyen stated that he looked into data on plans that may have a similar design to what was suggested for the AHCT Individual market, but found that there are none in Connecticut.

Ms. Lopes added that the AHCT contacted the State Comptroller's Office for information on prevalence of certain medical conditions when the state employee health plan introduced the Health Enhancement Program. The percent of members with chronic conditions at the baseline were as follows:

Hypertension	9.70%
Hyperlipidemia	10.70%
Asthma	3.80%
Diabetes Mellitus	3.70%
Coronary Artery Disease	1.50%
COPD	0.50%
Atrial Fibrillation	0.40%
Heart Failure	0.30%

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 11:57 a.m.**