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

Connecticut Historical Society Auditorium
1 Elizabeth Street, Hartford

Thursday, March 21, 2019
Meeting Minutes

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

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

A. Call to Order and Introductions

Chair Grant Ritter called the meeting to order at 9:00 a.m.

B. Public Comment

No public comment

C. Vote

Chair Grant Ritter requested a motion to approve the March 14, 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

Jill Zorn arrived at 9:02 a.m.

E. Anthony Crowe, Chief Operating Officer, summarized activities at the prior meeting of the Committee that are also topics of conversation at this meeting. **Summary of Prior Meeting Topic: 2020 Plan Offering Review**

Mr. Crowe provided the Committee with an overview of the 2020 Plan Offering Review that was also a major theme at the last meeting. Mr. Crowe noted that the proposal would result in from up to three plans offered at the Silver metal level to one required standard Silver Co-pay Plan. Currently, the carriers must submit two standardized Silver plans and can submit one additional non-standard Silver plan. This resulted in six plan options for consumers to select from at that metal level. If the single Silver plan proposal is adopted, there would be two Silver plan options, one from each carrier, and since they would be the same standardized plan, cost sharing for most of the covered services would be equivalent, and consumer comparisons would be determined on a few data points, including premium cost, any additional services that may be covered by the plans but are not required, provider network, carrier service and the carrier branding. Mr. Crowe noted that at the prior meeting, Julie Andrews of Wakely Consulting walked us through the scenario where, enrollees in a Silver plan that would be eliminated, would be mapped into the remaining standard Silver co-pay plan of their selected carrier. If this approach is implemented, consumers' premiums would be impacted differently depending upon the household composition, income level relative to the Federal Poverty Level (FPL), county they live in and the enrolled plan.

Mr. Crowe stated that the bottom-line results of the analysis of the scenario showed that approximately 32,000 to 33,000 members would be disrupted, meaning they would be required to change plans. Mr. Crowe stated that four of the current plans used by this group would be eliminated. Some households would benefit through a net premium decrease while others would not see any change in premium. Approximately 27 percent of the households would see an increase in net premium when mapped from one of the four lower premium current Silver plans. Mr. Crowe stated that net premium increases may be minimal for some family situations and age groups due to the Advanced Premium Tax Credits (APTC). Mr. Crowe stated that overall, the risk for member disruption as well as the termination of their coverage exists, especially since the individual penalty has been eliminated. Mr. Crowe stated that the Committee's objective for the meeting is to determine if the Committee wants to recommend to the Board to consider the change that would result in the reduction of the number of the Silver plan offerings. Mr. Crowe outlined questions to be considered in this evaluation, including whether this change would be consistent with the mission and vision of AHCT and whether reducing the number of Silver plans would be in the best interest of the Exchange's customers. Mr. Crowe added that the modeling as presented could differ from what actually occurs after carriers submit filings to the Connecticut Insurance Department (CID) and a determination is made on the rate requests. Individuals who are eligible for Cost Sharing Reduction (CSR) plans, will not be receiving significantly richer plans if these four plans were to be eliminated. Mr. Crowe pointed out that those who are not receiving financial assistance will see their premiums increase.

Mr. Crowe remarked that that since some of the current standardized plans will no longer comply with 2020 Actuarial Value (AV) and Mental Health Parity requirements, that the second objective of the meeting is to review the proposed plan options for the standardized plans at the Gold, Silver and Bronze metal levels and select the options to recommend to the AHCT Board as the standard plans for 2020 . Mr. Tessier requested clarification of the timeline for Board approval. Mr. Crowe stated that recommendations for changes are to be reviewed during the April 18 Board meeting. Ellen Skinner expressed her concern about consumers who are not eligible for APTCs getting a significant increase in premium. Mr. Crowe indicated that an option for them would be to go down to a Bronze plan, which we saw happen more this year, so the alternative might be less expensive premium-wise.

Tu Nguyen arrived at 9:22 a.m.

Jill Zorn pointed out that another alternative that they may be faced with would be to leave the Exchange. Ms. Zorn inquired why the Silver plans outside of the AHCT were more expensive than on-Exchange despite the fact that the off-Exchange plans did not have to have Silver-loading. Neil Kelsey pointed out that in the case of ConnectiCare, there are separate companies operating on- and off-Exchange so the risk adjustment program affects them differently. Mr. Kelsey noted that more flexibility is experienced off-Exchange, and a higher cost structure exists for off-Exchange.

Grant Ritter pointed out that the analysis focuses on premium costs and it does not fully take into consideration the full cost, including the deductibles and other cost-sharing expenses. Mr. Crowe stated that based on experience with consumers, premiums are the largest driver when deciding if they want to be covered

Mr. Kelsey noted that in examining the individual market and taking into consideration plans with deductibles higher than $2000, only 7.5% of members in 2018 fulfilled their full deductible. For the remaining 93% who did not fulfill their deductible, their average spend was $797. Deductibles and out of pockets do not mean a lot to that group who may only see their doctor a couple times per year. Paul Lombardo asked why not give people the choice. Mr. Lombardo stated his opposition to the notion of the Committee choosing what is the best plan for them and eliminating choices that are currently available. He stated that there are people who may understand that they don't need services and they would balance premium with expected cost sharing, rather than dictating the cost sharing for only one plan. Dr. Ritter commented that he would be in favor of taking the two plans that would be eliminated by selecting only one standard Silver co-pay and provide additional choice at the Bronze level. Silver plans are CSR- eligible and they have the Silver-loading. Dr. Ritter expressed his support for tweaking the lower AV Silver plans into Bronze plans and they would constitute a choice. Dr. Ritter supported the idea of maximizing the APTCs.

Mr. Kelsey noted that the APTCs do not go to consumers, but they go to insurance companies. If the APTCs are increased, it means a bigger portion of that is paid to the insurance company but the member is still paying the same amount. Dr. Ritter noted that some consumers had to choose a lesser quality Silver plan options for 2019 since their net premiums were going up due to reductions in APTCs. If the APTCs were to increase, these consumers would be able to move back up to their previous plan with better benefits. Mr. Kelsey suggested that this scenario would be restricting consumers to only buy a plan design that this Committee considers to be in their best interest.

Ann Lopes, Product Carrier Manager, pointed out that Paul Lombardo commented during a Committee meeting last year, that for the 87 and 94 percent CSR population, moving to a richer Silver plan does not get them very much in terms of additional coverage. Mr. Lombardo added that for someone who purchased a 66 percent AV plan this year who has an 87 or 94 percent CSR, still gets 87 or 94 percent CSR, but also gets a lower premium compared to higher AV Silver plans. In retrospect, the only individuals who are receiving the 66 AV plan are those who are not eligible for the CSRs. Mr. Kelsey concurred with Mr. Lombardo's statements and outlined some of the cost sharing differences between the Silver copay and the Silver coinsurance plans at the 87 and 94 percent CSR levels. He reflected on Ms. Zorn's statements from the March 14 meeting and added that the focus is on people between the FPL levels of 250 to 400 percent. These individuals are buying non-standard plans for a variety of reasons, such as they may have just become unemployed, have funds in a Health Spending Account (HSA) that can be used to cover a plan with a $3500 deductible.

Mr. Kelsey reiterated that it comes down to choice if the Committee wants to dictate what people can buy or provide them with choices. Dr. Ritter stated that he is not against providing choices, just moving the current low AV Silver plans into the Bronze category and in that way more choices could be created. Theodore Doolittle stated that consumers focus on premiums and the Committee should not cater to that because it is misleading in terms of a total cost of having medical insurance. Mr. Doolittle added that consumers should be able to balance their decisions by providing them with all necessary information pertaining to a total possible cost of medical insurance. Mr. Doolittle expressed his support for providing consumers with choice, but stated it is imperative to give them enough information about the total cost of the insurance so they can make an informed decision, such as data presented as an interquartile range that would include an estimate on the number who would pay less versus more. Premium prices should be available but should not be the most important element in the decision-making process. Mr. Doolittle added that consumers are not aware of the meaning of AV ranges, particularly since plan design structures could differ, but they need to be aware of the financial implications of choosing a particular plan option.

Ms. Skinner agreed with Mr. Doolittle, but the mission of the ACA is to bring affordable healthcare to people and added that this will differ from one individual to another, so providing information on a quartile range may not help to identify a person's individual needs, but a decision support tool would be able to do this and help people select the plan that best suits their needs. Ms. Zorn added that a significant number of individuals eligible for APTCs purchased a Bronze plan during the last Open Enrollment (OE) according to information presented in a previous meeting, and it is a very important metric to consider. If this option is selected, the hope is that more people would move back to Silver from Bronze and obtain much better protection. It may not be the best option for consumers eligible for subsidies to purchase Bronze plans since they would not have money available to pay the deductible, and the Silver copay plan is designed so many services are not subject to it. Mr. Kelsey stressed that if the APTCs were increased, more consumers would be attracted to the Bronze metal tier, as they do focus on premium costs. The big shift to the Bronze metal tier started at the time when the Silver loading was implemented. Tu Nguyen stated that choice is important and added that he reviewed the 2019 filings and noted that one of the two non-standard Silver plans had an AV of 66 percent. A Bronze plan can be structured at 65 percent. The line between these metal tiers now is blurred. Mr. Kelsey noted that it may be the case if the Silver loading stays in place, but if it comes out, the premium differential between the 65 percent Bronze and 66 percent Silver is much less. Mr. Lombardo added that the federal budget announced does include funding for the CSRs. Most likely it will not take place this year. Mr. Kelsey noted that through the risk adjustment mechanism, with the formula currently in place, carriers get more credit for the same individual with the same diagnosis if they are in the Silver plan versus a Bronze plan. Mr. Kelsey noted that in order for the Exchange to be a viable marketplace and possibly attract more carriers, this needs to be taken into consideration. Mr. Nguyen noted that while he agrees with the risk adjustment statement, he indicated that it is an even playing field since it is applied to both carriers. Mr. Kelsey stressed that if customers are driven off-Exchange, then the off-Exchange block will get the credit.

Mr. Tessier commented that he fundamentally disagrees with the statement about whether the proposed change is dictating what is best for people and what they should purchase. Mr. Tessier reminded the Committee that the Chair of this Committee has stated that its focus should be to maximize federal funding of APTCs and secondly the carriers should be encouraged to innovate in the Bronze and Gold tiers. He stated that the Exchange is doing the right thing to help consumers, such as through the decision support tool. Mr. Tessier stated he understood the decision that was made last year resulting in not maximizing APTCs, although he opposed it at the Board level as well as the Committee level. Mr. Tessier expressed his support of changing to maximize APTCs and then identify what AHCT needs to do to assist consumers in navigating through the plan selection process.

Mr. Lombardo noted that CID's perspective is that it is not an aim to generate one dollar of premium per month for the people who get subsidies and extremely high premiums for those who do not qualify for financial assistance. Mr. Lombardo suggested creating a blend and leveling off and helping everybody would be a good approach. For those individuals eligible for CSRs in the levels of 87 and 94 percent, their cost sharing is set, and this proposal does not impact them as much. It could be made more affordable for individuals who do not qualify for those CSRs, those facing a financial cliff. Mr. Lombardo stressed what should be taken into consideration is to make healthcare insurance more affordable for people who are above the 250 percent FPL and over 400 FPL versus trying to get to a $1 net premium per month for subsidized enrollees. The APTC in Connecticut is artificially increased due to the Silver loading.

Mr. Kelsey noted that he supported the changes implemented last year. CBI sees the Exchange as a marketplace not only for subsidized individuals, and the steps that were taken last year were necessary to do that and made insurance more affordable for people. Mr. Kelsey noted that if this change did not work, he would agree to go back, but he is in favor of keeping the current structure in place at least for one more year. People are just starting to use their plans and there is no experience data at this point. Mr. Kelsey noted that over the next year or two, the marketplace environment may change. Mr. Kelsey strongly suggested keeping this current approach in place for another year. Otherwise, there could be another major disruption to the marketplace. Ms. Zorn noted that it appears as if there is a fundamental disagreement with this. Dr. Ritter stated that it should be possible to revise the current non-standard Silver and standard Silver coinsurance plans to Bronze to offer choices, although CSRs would not be available to people.

F. Wakely Consulting: 2020 Plan Design Review

Brittney Phillips from Wakely Consulting provided a high-level overview of the agenda, including a review of material presented last week on the 2020 plan offering at the Silver metal level, and 2020 Individual Market Plan Designs. Ms. Phillip summarized the caveats and disclosed information regarding the scenarios that are being presented under the proposal to require only one standard Silver plan and eliminate the option for carriers to submit non-standard Silver plans. The scenarios are completely illustrative, and include a number of assumptions, such as being based on 2019 premiums and plan designs, and there may be material differences from what actually happens. The conclusions outlined in the report are inherently uncertain since the landscape will be different in terms of benefit design for Bronze and Silver plans, and actual premiums would include trend and benefit adjustments, actions taken by the Connecticut Insurance Department are unknown and certain elements of federal guidance are yet to be released. The information presented is directional regarding potential impact to consumers.

Ms. Phillips reviewed a table that summarizes information presented during last week's meeting, identifying the possible consumer impact if the proposal is implemented for enrollees in plans at different metal levels, and those who are subsidized vs not subsidized. This scenario includes results for the disrupted individuals enrolled in plans that would terminate under the proposal who are auto-enrolled into their selected carrier's remaining Silver plan. Since the impact on the change in cost sharing is dependent on a specific member's own medical situation, the focus here is on premium impact. Approximately 40 percent of policies, or households, would see a reduction in premium, 33 percent would see no impact from this change, and 27 percent would see an increase in premium, with a greater impact on unsubsidized enrollees. A portion of Bronze enrollees eligible for subsidies will not be impacted under this proposal because they have already maximized the amount of APTCs Ms. Zorn expressed her concern about the Bronze population which, in the case of medical emergency, will have to first spend large amounts of money to meet their deductible threshold. Dr. Ritter stated that this is a group of concern, but it is not known how much more Bronze enrollees would have to pay to buy up to a Silver plan. Mr. Kelsey expressed his concern about the 53 percent of the Silver APTC eligible population who may experience, under Scenario 1, premium increases and most likely will be driven down to the Bronze metal tier. Mr. Kelsey noted that if premium is the main factor in determining the plan, Bronze enrollees would not have an incentive to go back to Silver. Dr. Ritter stated that if the difference between the Silver and Bronze plans premium-wise is not great, then there would be a better chance to move to Silver. Mr. Kelsey noted that they did not do it this year. Discussion ensued around various elements of potential premium savings in different plan offering scenarios, representing a subset of the overall population, limited to enrollees age 35 and over who were auto-enrolled into their carrier's remaining Silver plan but then elected to move to the lowest premium Silver plan, as outlined in Scenario 2, compared to Scenario 3 where the enrollee selects the lowest premium Bronze plan. Enrollees at different FPLs are impacted differently. Under Scenario 2, some enrollees may already be in the lowest premium Silver plan, but others would need to switch to the other carrier's Silver plan. Actual results would differ, as some enrollees might not switch to a different carrier.

For Scenario 2, Mr. Tessier inquired if the numbers of people who are already in the lowest Silver plan by county could be identified as a follow-up. For Scenario 3, Ms. Phillips added that enrollees could see a premium decrease by choosing the lowest premium Bronze plan, especially those at 145 and 175 percent FPL levels. These are the members who are in the 94 and 87 percent CSR category. They would be going from those plans to 60 percent AV value. They are less likely to switch to these plans, unless the premium decrease would offset the expected cost sharing increase based on their medical needs. Mr. Doolittle stated that this exhibit shows what Mr. Kelsey mentioned earlier

regarding more people migrating to Bronze to obtain a plan with a reduced premium. Mr. Lombardo stressed that it should be clearly messaged to those consumers who are receiving those CSRs.

Robert Blundo, Director of Technical Operations and Analytics stated that last year, AHCT revamped the outreach campaign due to large increases in premiums. AHCT aggressively targeted certain customers who would be affected by the changes. A large portion of AHCT's customers qualify for automatic renewal, and a lot don't like to shop for new plans. Mr. Blundo noted that those customers who shop around, are shown Silver CSR options, if eligible, first. It they wanted to pick a non-CSR plan, they had to manually select those other plans. Mr. Blundo noted that enrollees, particularly those eligible for 87% or 94% CSR plans who decide to buy down from Silver CSR to Bronze, are usually affiliated with and assisted by a broker, so they would be examining the individual situation. Mr. Blundo noted that from a technological standpoint, AHCT is trying to steer people away from downgrading their plans to Bronze if they are eligible for Silver CSR. Discussion ensued around voting on the scenario today, and Mr. Nguyen indicated that the vote would impact what needs to be reviewed in the next part of the presentation. Information on Silver CSRs cannot be developed until the standard Silver plan design is selected. Mr. Kelsey suggested completing the pre-work on all the plans today due to timing. The Board would then need to vote on the requirements recommended by this Committee, including plan cost sharing changes.

The discussion on standardized plan design cost sharing changes required for 2020 included review at the Silver, Gold and Bronze plan levels. Ms. Zorn inquired if there were any significant changes in the AV calculator this year. Ms. Phillips stated that the current AV Calculator is based on the 2015 claim data that is trended forward. The final AV calculator was released yesterday, and it appears as if there were no changes from the draft version, however, the final regulation has not been released yet. If CMS makes changes to the maximum out-of-pocket in the final regulation, such as limiting it to $8,000 as outlined in the proposed regulation, there would be a need to modify the plans where an amount was above this limit and are proposing offsetting this value with that of the plan deductible. This approach will need to be reviewed with the carriers to validate AV and MHP compliance after the plan options are finalized.

Ms. Phillips summarized information related to an approach to include different cost sharing for outpatient hospital services based on place of service and will review options that include this later in the discussion. Ms. Phillips also touched upon Value Based Design Plan (VBID), which is a method used to improve medication adherence, therefore improving health outcomes, by lowering cost sharing for specified prescription drugs for people with certain medical conditions. Mr. Lombardo added that it is theoretically neutral, with a net cost savings over a period of time, but not initially. Mr. Blundo stated

that there is a large churn in AHCT enrollment compared to a typical self-insured employer plan, so return on investment in the Individual market may not materialize at the same level as an employer group. Mr. Tessier noted that he would be in favor of enhancing the value of plans to consumers who have chronic conditions by reducing or eliminating co-pays for maintenance medications. Mr. Nguyen noted that it does have an impact on utilization, particularly on HSA plans with deductibles. Mr. Kelsey stated that holistically, some favorable outcomes are seen through programs such as the State's Health Enhancement Plan. Mr. Lombardo indicated that as the cost-share is lowered, Mental Health Parity still has to be taken into consideration. CID fully supports the VBID concept. Mr. Kelsey conveyed that ConnectiCare also supports VBID and shares concern about enrollment churn.

Ms. Phillips went on to explain how the exhibits were set up for the cost sharing options for the 2020 Individual Market, with some benefits not changing in any of the plans. She reviewed the differences between the options being presented for the Silver Copay plan. The sample plans include options where cost sharing for outpatient hospital differs by place of service. Sample plans 3 and 6 are options where neither non-advanced radiology nor lab services are subject to the deductible, so to offset this, the deductible has increased significantly compared to 2019. In addition, Ms. Phillip provided a summary of the 2020 Individual Market VBID sample.

Ms. Lopes added that at the February 21st Committee meeting, Massachusetts Health Connector VBID options were discussed. Their approach is to allow carriers to implement these types of plans in their standard designs on an optional basis. Massachusetts and California participated in a workgroup to determine how VBID could be incorporated into plan designs offered in the Individual market, and are awaiting a report regarding this, so, due to timing, neither state has modified their approach for 2020 due to timing. Ms. Lopes added that at this point, technological obstacles could be encountered in terms of incorporating the VBID plan options into the shopping portal. Mr. Tessier expressed his interest in the Exchange pursuing the VBID concept and added that he would be supportive of taking some steps to encourage VBID designs and leave it optional for the carriers with possibly some reporting requirements to provide to AHCT.

Mr. Nguyen noted that there are a lot of areas where carriers could be innovative in a VBID arrangement. The Committee discussed various options and shifting some of the cost-shares while still maintaining the required AV. Mr. Doolittle stated that he is not comfortable with the increased deductible for the VBID sample plan. Ms. Skinner asked if the VBID plan was revised to be more like Sample Plan 2, by increasing the cost share for specialist care and bifurcating the cost sharing for outpatient hospital services and

reducing the deductible. Ms. Phillips indicated that the deductible would not be able to go down as far as $4300 in that situation.

Mr. Blundo added that from the shopping perspective, AHCT is trying to keep things as simple as possible for customers. If VBID is incorporated as well, there is another layer of complexity for the customer to evaluate, which may be a challenge. Mr. Tessier encouraged the carriers to implement on the optional basis, in the standard Silver co-pay plan, elements of a VBID design that as long they meet the standards. It would be an enhancement and improvement of benefits to be within the standard plan design. Mr. Doolittle stated that within Sample Plan 2, the Outpatient Hospital cost sharing proposed is a component of VBID.

Chair Ritter requested a motion to approve the Standard Silver Co-Pay Sample Plan 2 Design as presented by Exchange staff. Mr. Kelsey stated that carriers could not incorporate the prescription drug cost sharing shown in the VBID sample into Sample Plan 2. Motion was made by Robert Tessier and seconded by Theodore Doolittle. ***Motion passed unanimously.*** Ms. Lopes stated the next step would be to take this plan and request the carriers validate it continues to be compliant with AV requirements based on the final AVC released yesterday. Also, Wakely would develop standardized CSR plans that align with this selected plan and provide them to the carriers for evaluation. The possibility exists that there may need to be some back and forth in this testing effort. The goal would be to complete this by next Thursday's meeting, but it is possible that the material could not be provided in advance. Dr. Ritter indicated that this is acceptable given the timing.

Ellen Skinner left at 11:30 a.m.

Ms. Phillips described the seven sample 2020 Individual Market Gold Plans with 80 percent AV. The approach was very similar to what was reviewed for Silver. Since the deductible in the Gold plan is much lower than that for Silver, the impact of proposed cost sharing changes is much different. The Committee discussed various options that were presented. The Committee suggested consideration of Sample Plan 5. Ms. Lopes stated that the carriers have the option of offering up to three non-standard Gold plans. The bulk of services in the current standard Gold plan are not subject to the deductible. Dr. Ritter supported Sample Plan 7 as an alternative to Sample Plan 5. Ms. Phillips stated that it may be desirable to have a consistent approach to Outpatient Hospital cost sharing based on place of service between Silver and Gold. She was asked to alter elements in Sample Plan 7 in order to retain the $300 copay for Outpatient Hospital in an Ambulatory Surgical Center after the deductible.

Ms. Phillips described the Bronze Non-HSA Plan with 65 percent AV options that has five sample plans. The approach was similar to what was reviewed for Silver and Gold.

Discussion ensued around deductible amounts in those sample plans and retaining similar structure for Outpatient Hospital to what was selected for Silver. There was a comparison of cost sharing and AVs for Sample Plans 2 and 4, and Ms. Phillips indicated that she would review these and follow-up. Mr. Kelsey stated that the decision would likely come down to either 2 or 4. Mr. Nguyen recommended presenting only those two plans at the next meeting.

Mr. Kelsey stated that the standard Silver Coinsurance plan and the Bronze HSA plan do not need to be modified for 2020. Mr. Nguyen requested that the information included on the bottom of slide 8 of today's presentation be provided for Scenario 2 also.

G, H and I: Future Items for Discussion; Action Items and Upcoming Meeting Schedule

Charmaine Lawson stated this location is available from 9 AM to 12 PM for the upcoming meeting. Committee members confirmed availability for this option.

K. 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 12:01 p.m.***