



Connecticut Health Insurance Exchange
SHOP Advisory Committee
Special Meeting

Upward Hartford
Design Room
20 Church Street, Hartford

Tuesday, July 10, 2018

Meeting Minutes

Members Present:

Grant Ritter (Chair); Paul Philpott; Matthew Katz; Kevin Galvin; Timothy Pusch

Participants by Phone: Patty Pulisciano; Ellen Skinner

Other Participants:

Access Health CT (AHCT) Staff: James Michel; Gary D’Orsi; Susan Rich-Bye; John Carbone, Leif Fellingner, Caitrina Davies

The Meeting of the SHOP Advisory Committee was called to order at 4:01 p.m.

I. Welcome and Introductions

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

II. Public Comment

No public comment.

III. Vote: May 2, 2018 Meeting

Chair Grant Ritter requested a motion to approve the May 2, 2018 Special Meeting Minutes. Motion was made by Matthew Katz and seconded by Kevin Galvin. **Motion passed unanimously.**

IV. Overview of Current Business

Gary D’Orsi, Director of Product Development, stated that the goal of the meeting is to provide information on existing business, strategy, and goals for the next plan year.

John Carbone, SHOP Sales manager, provided an overview of the current book of business. As of May 1, AHCT SHOP had 261 groups, 891 subscribers and 1598 members. The current retention rate is about 88 percent. Out of this group, Anthem held 1393, ConnectiCare had 205. The average renewal for the book of business in bronze and silver is averaging 20-25%. Most of the current business is concentrated around Fairfield, New Haven, and Hartford. Matthew Katz inquired about SHOP statistics as compared with prior years. Mr. Carbone outlined that SHOP is growing in the low single digits based on year-to-year data. Micro groups, which consist of two to four members, are added more frequently. Mr. Carbone conveyed that a micro group would not move out of the SHOP program if prices increase five to six percent. They will most likely reevaluate their options if the increases are steeper. Groups that are larger in membership will usually start looking for alternatives. SHOP is currently servicing many micro groups.

Leif Fellingner, SHOP Operations Manager, remarked that from a renewal perspective, one of the difficulties encountered includes large premium increases on the renewals. The Platinum and Gold premiums are decreasing for the upcoming plan year. The Bronze tier is expected to experience over 20 percent increases. The SHOP program averages 125 quotes a month. Kevin Galvin asked how many of those quoted end up enrolling. Mr. Carbone replied that less than ten of those quoted end up signing up. United Healthcare and Harvard Pilgrim are SHOP’s main competitors. Paul Philpott inquired about the pricing differential between on and off-exchange medical plans offered by the same carrier. Mr. Carbone commented that some of the ConnectiCare’s off-Exchange plans are priced a bit more aggressively, while Anthem’s off-Exchange plans are richer and priced equally or less. Mr. Philpott called attention to the benefits based on the benefit-adjusted basis, indicating that all of the quotes ought to be the same. Susan Rich-Bye elaborated that small group products off-Exchange have to be ACA-compliant. Ms. Rich-Bye remarked that if the carrier offers an on-Exchange product off-Exchange, they have to sell it at the same rate, but they can also sell a non-Exchange plan at a different rate. Mr. Carbone stressed that all on-Exchange plans are non-standard. Mr. Philpott inquired about the ACA requirements pertaining to SHOP. Ms. Rich-Bye itemized those requirements, which include coverage for the 10 Essential Health Benefits (EHBs). Discussion ensued around various small business plans offered by medical insurance providers.

Mr. Philpott suggested that insurance companies should be asked why there is not a decrease in premiums for plans with the smaller networks. Mr. Philpott recommended that the SHOP staff ask the carriers whether they would be willing to let the SHOP program offer plans with referrals that would yield consumer savings. The Committee engaged in a discussion surrounding structured networks and the CID’s Network Adequacy Requirements.

V. Business Goals and Strategy

Mr. Carbone mentioned that SHOP’s strategy consists of introducing its products to the biotech companies. Mr. Philpott indicated that one of the major challenges for the

community at-large would be that all of the level-premium elements with the assessment going down as a result of the fully-insured block of business is diminishing. It is anti-selection against the remaining group. Mr. Philpott stressed that consumers who remain in this pool will be subject to price increases due to selection, and expressed that in a time of chaos, entrepreneurship finds a fertile ground to flourish.

Timothy Pusch brought up the dental market and stated that it is very aggressive and competitive. Mr. Philpott urged the SHOP staff to take advantage of the existing opportunities in this area, and went on to encourage developing a cost-effective plan that would be appealing to small businesses. In that way, small businesses may be quoted on that plan, and will be able to buy-up to a more comprehensive plan. The employer contribution will be locked in at a lower level. Mr. D'Orsi acknowledged that broker loyalty is a crucial factor in attaining customers.

Mr. Carbone summarized the Web Lead Generation. Mr. Carbone emphasized that there was no paid media in the small business market in 2018. It consisted of strictly organic leads.

Mr. D'Orsi briefly outlined strategic goals. They include increasing current membership by 100 percent, maintaining the current retention rate, and doubling the broker workforce by June 2019. Mr. D'Orsi added that the goals include re-naming the small business offering and executing the direct-to-consumer campaign focused on brokers by the fourth quarter of this year. Mr. Carbone told the Committee that SHOP's book of business stems from veterinarians, medical practices, and law firms. Brokers assist approximately 75 percent of SHOP consumers, and 25 percent came directly into the SHOP's platform and became self-enrolled.

Discussion ensued around association plans that may be introduced in Connecticut. Mr. D'Orsi enumerated opportunities and challenges that the SHOP program is facing. Mr. Philpott inquired whether SHOP has a lead tracking system for brokers. Mr. Carbone explained that this system does exist. Mr. Katz emphasized that an 88 percent retention rate is significant and asked whether a survey was performed to determine why these customers are staying. Mr. Carbone announced that they are mostly staying due to very good customer service. Mr. D'Orsi stated that adding a subsidiary to the platform might be considered.

VI. Future Meetings

Mr. D'Orsi pointed out that the next meeting of the committee will most likely take place in September.

VII. Adjournment

As Approved by the SHOP Advisory Committee on March 12, 2019

Chair Grant Ritter requested a motion to adjourn. Motion was made by Kevin Galvin and seconded by Paul Philpott. Motion passed unanimously. **Meeting adjourned at 5:12 p.m.**