



Access Health Connecticut

April 18, 2019 Board of Directors Meeting

Board Agenda

- A. Call to Order and Introductions
- B. Public Comment
- C. Vote
 - Review and Approval of Minutes
- D. CEO Report
- E. Finance
 - FY 2019 – 3rd Quarter Budget Report – Operating - (Vote)
 - FY 2019 – 3rd Quarter Budget Report – Capital - (Vote)
 - FY 2020 Proposed Budget - (Vote)
- F. Health Plan Benefits & Qualifications Advisory Committee Recommendations - (Votes)
- G. Navigator Program - (Vote)
- H. Future Agenda Items
 - SHOP
 - Uninsured Rate Survey
 - Reinsurance Study
- I. Adjournment

Public Comment

Vote

- Review and Approval of Minutes:
February 21, 2019

CEO Report



Board of Directors

FISCAL YEAR 2019
3rd Quarter (Q3) Budget Report
(as of March 31, 2019)

&

FISCAL YEAR 2020
Proposed Budget

April 18, 2019

Fiscal Year 2019

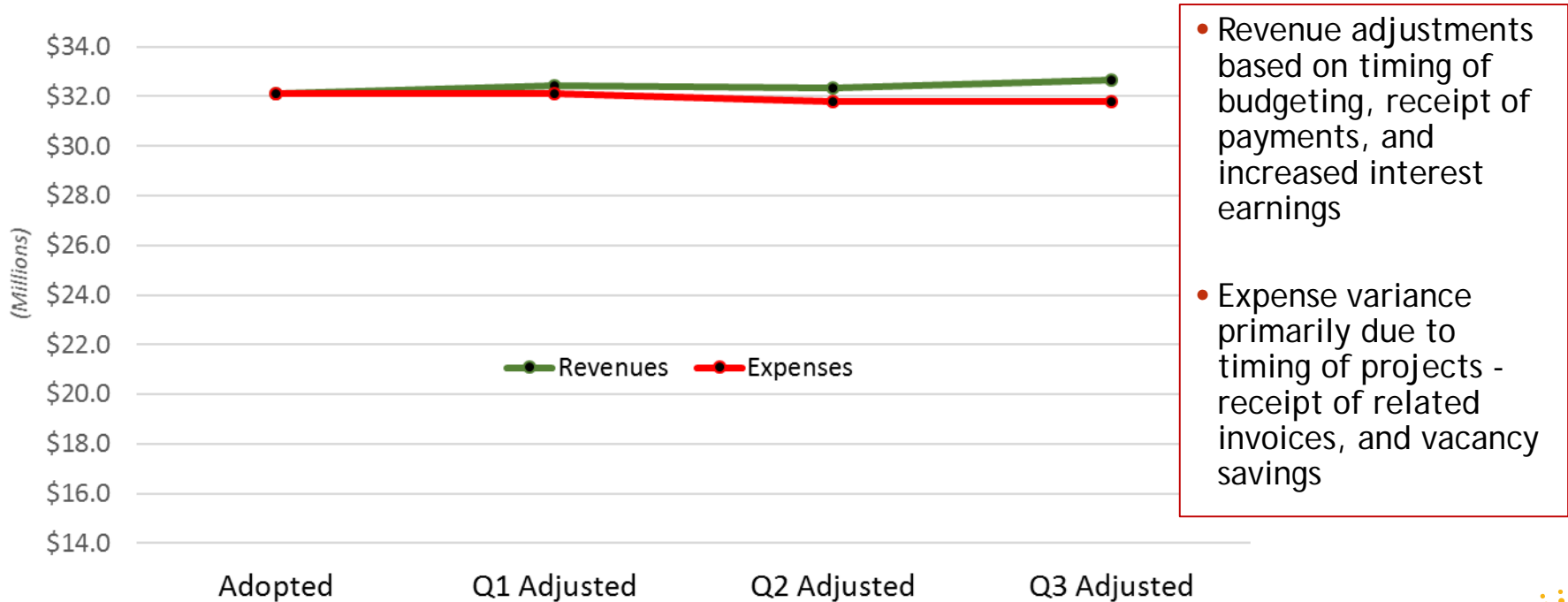
(as of March 31, 2019)

OPERATING

3rd Quarter (Q3) Budget Report

FY 2019 Operating Budget Overview

(3rd Quarter Budget Report)



FY 2019 Budget vs Actuals

(3rd Quarter Budget Report)

OPERATING BUDGET			
July 1, 2018 through March 31, 2019			
	Budget	Actuals	Variance
Revenues			
Marketplace Assessments	\$23,805,353	\$23,954,713	\$149,360
Interest Income	261,273	294,752	33,479
Total Revenue	\$24,066,625	\$24,249,464	\$182,839
Expenses			
Salaries	\$5,250,937	\$5,126,812	(\$124,125)
Fringe Benefits	1,848,014	1,791,023	(56,990)
Temporary Staffing	469,462	476,129	6,667
Contractual	11,610,884	9,257,651	(2,353,233)
Equipment and Maintenance	2,414,863	2,192,613	(222,249)
IT Enhancements	968,997	978,684	9,687
Supplies	14,524	16,946	2,422
Travel	79,573	45,423	(34,151)
Other Administrative	727,683	686,500	(41,182)
Total Operating Expenses	\$23,384,935	\$20,571,781	(\$2,813,155)
Costs Shared with DSS	15,655,608	13,866,477	(1,789,131)
AHCT and DSS Total Expenses	\$39,040,543	\$34,438,257	(\$4,602,286)

- **Assessments:** Increase due to timing of budgeting and receipt of payments
- **Interest Income:** Investment interest rate increases and improved management provides for additional income and decreased exposure
- **Expenses:** variance due to timing of projects - receipt of related invoices and vacancy savings

FY 2019 Adjusted Operating Budget

(3rd Quarter Budget Report)

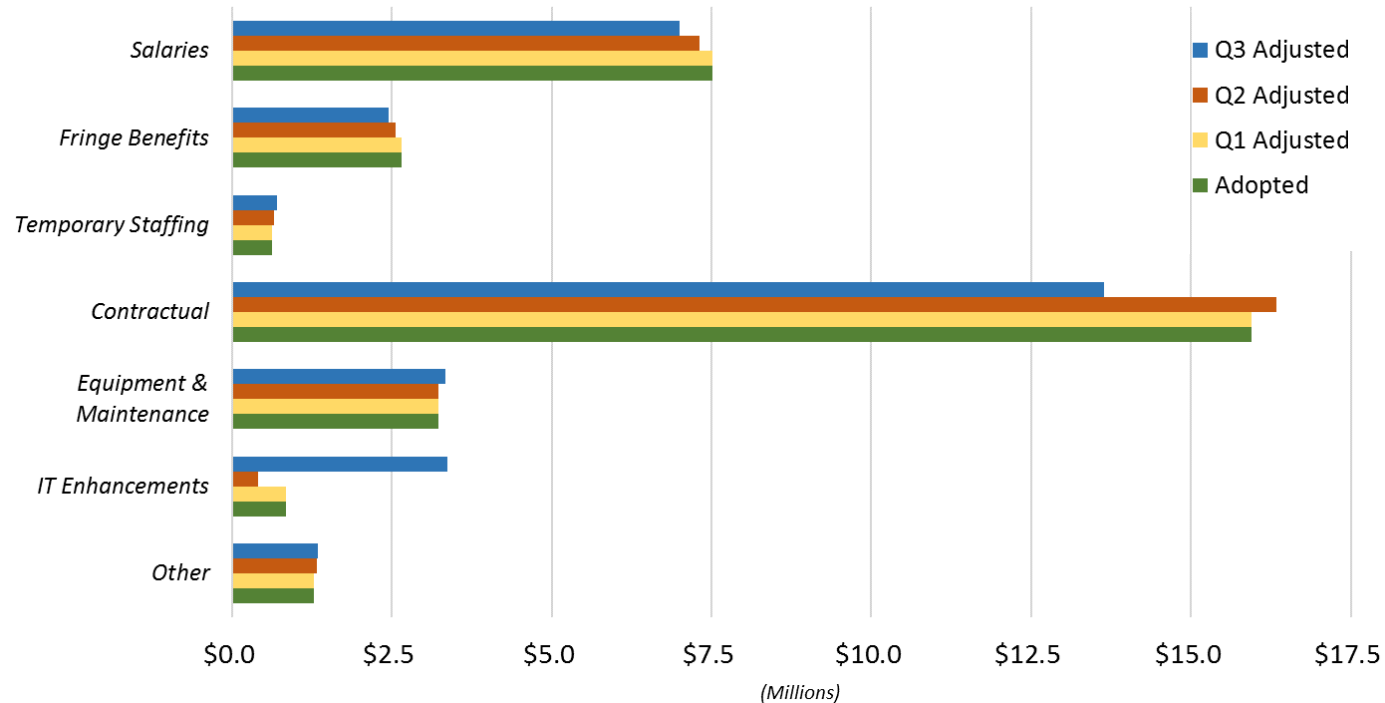
<u>Full Fiscal Year</u>	Prior Year (FY 2018) Actuals	FY2019 Adopted	FY 2019 Q3 Changes	Cummulative Changes	FY 2019 Adjusted (Q3)Budget
Revenues					
Investment Income	\$29,200	\$168,975	\$34,689	\$198,886	\$367,861
Other Income		0	6,700	12,000	12,000
Marketplace Assessments	31,229,615	31,933,214	286,860	342,499	32,275,713
Total Revenue	\$31,258,815	\$32,102,189	\$328,249	\$553,385	\$32,655,573
Expenses					
Salaries	\$6,909,678	\$7,509,312	(\$321,012)	(\$514,710)	\$6,994,602
Fringe Benefits	2,343,400	2,647,414	(109,232)	(202,952)	2,444,462
Temporary Staffing	554,048	629,610	52,209	75,337	704,947
Contractual	15,675,119	15,953,791	(2,698,409)	(2,319,680)	13,634,112
Equipment and Maintenance	3,387,679	3,234,885	108,965	96,549	3,331,434
IT Enhancements	363,820	847,370	2,956,723	2,518,361	3,365,731
Supplies	14,179	17,918	8,516	9,010	26,928
Travel	100,773	100,740	(364)	11,989	112,729
Other Administrative	1,099,960	1,161,150	2,605	38,677	1,199,827
Total Operating Expenses	\$30,448,656	\$32,102,189	(\$0)	(\$287,417)	\$31,814,771
Costs Shared with DSS	18,228,584	22,089,203	(1,378,433)	(1,910,893)	20,178,310
AHCT and DSS Total Expenses	\$48,677,240	\$54,191,392	(\$1,378,433)	(\$2,198,311)	\$51,993,081

- **Revenues:**
adjustments based on timing of budgeting, receipt of payments, and increased interest earnings
- **Contractual:** migrating AHCT IT Enhancements from Contractual and Call Center true-up
- **Salaries and Fringe:**
positive variance due to timing of filling vacancies

FY 2019 Budget vs Actuals

(3rd Quarter Budget Report)

FY 2019 BUDGET - EXPENSES (Full Year)



FY 2019 Analysis of Shared Costs with DSS

(3rd Quarter Budget Report)

	Gross Expense	DSS Allocable FY 2019 Budget		
	Adjusted Budget	Original Budget	Changes	Adjusted Budget
BEST Staffing (86%)	\$974,056	\$1,001,074	(\$163,386)	\$837,688
Temporary Staffing	\$974,056	\$1,001,074	(\$163,386)	\$837,688
IT Maintenance (86%)	\$3,835,749	\$3,551,816	(\$253,072)	\$3,298,744
Security (86%)	817,319	931,233	(228,334)	702,898
Testing (86%)	396,429	843,598	(502,669)	340,929
Development	\$5,049,497	\$5,326,647	(\$984,076)	\$4,342,571
Call Center (70%)	\$16,482,837	\$11,540,134	(\$2,148)	\$11,537,986
Call Center (80%)	156,786	359,020	(292,910)	66,110
Operations (86%)	2,579,708	2,451,774	(233,225)	2,218,549
Operations	\$19,219,330	\$14,350,928	(\$528,284)	\$13,822,644
Total - DSS State Funding	\$25,242,883	\$20,678,649	(\$1,675,746)	\$19,002,903
DSS Only Projects (100%)	\$550,316	\$800,000	(\$249,684)	\$550,316
IT Development (86%)	726,850	610,554	14,537	625,091
Total - DSS Federal Funding	\$1,277,166	\$1,410,554	(\$235,147)	\$1,175,407
Capital Improvements (84%) CIP-R	\$6,712,515	\$4,370,012	\$218,501	\$4,588,513

Fiscal Year 2019

(as of March 31, 2019)

CAPITAL IMPROVEMENTS

3rd Quarter (Q3) Budget Report

FY 2019 Capital Improvement Plan Summary: *CIP-R*

(3rd Quarter Budget Report)

- CIP-R projects are financed from accumulated equity (Reserves) authorized by project name and amount for expenditure by the Board of Directors.
- Updated DSS CIP-R allocation from 80% to 84% per Memorandum of Agreement
- 100% AHCT CIP-R projects completed for less than original estimates

FY 2019 Capital Improvement Plan: CIP-R				
	Original Budget	Adjusted Budget	Variance	%
AHCT	\$2,342,503	\$1,791,343	(\$551,160)	-23.5%
DSS Shared Cost	4,370,012	4,588,513	218,501	5.0%
Total Budget	\$6,712,515	\$6,379,856	(\$332,659)	-5.0%

FY 2019 Capital Improvement Plan Update: *CIP-R*

(3rd Quarter Budget Report)

- Updated DSS CIP allocation from 80% to 84% per Memorandum of Agreement
- 100% AHCT CIP-R projects completed for less than original estimates

Project Number	Project Name	DSS Allocation	Original Budget	FY19 Q3 Changes	Cummulative Changes	Adjusted Budget	DSS Allocation	DSS YTD Estimated Spend	AHCT Allocation	AHCT YTD Estimated Spend	Status	Comments
2019.001	Technology refresh, move to open source from IBM products (WAS and DB2)	DDI (84%)	\$1,600,000	\$0	\$0	\$1,600,000	\$1,344,000	\$0	\$256,000	\$0	Not Started	Pending DSS Funding Approval(s)
2019.002	Technology Refresh move to user friendly Notices Engine and convert existing Notices to new technology	DDI (84%)	2,000,000	0	0	2,000,000	1,680,000	0	320,000	0	Not Started	Pending DSS Funding Approval(s)
2019.003	Verify Lawful Presence (VLP) Steps 2 and 3	DDI (84%)	1,862,515	0	0	1,862,515	1,564,513	338,023	298,002	233,617	In Progress	Progressing through development
2019.004	Deliver new Policy Based Payment (PBP) and reconciliation solution	None	750,000	(307,174)	(557,174)	192,826	0	0	192,826	192,826	Completed	In closeout
2019.005	Implement general improvements to existing EDI process	None	500,000	(25,485)	224,515	724,515	0	0	724,515	724,515	Completed	In closeout
Total			\$6,712,515	(\$332,659)	(\$332,659)	\$6,379,856	\$4,588,513	\$338,023	\$1,791,343	\$1,150,958		

Net Position – Fiscal Year Projection

<u>As of June 30, 2018</u>	<u>Amount</u>	<u>Months of Working Capital</u>
Unrestricted:	\$20,481,998	7.3
Less: Authorized CIP Use (FY 2019):	<u>(2,124,002)</u>	
	\$18,357,996	6.5
<u>Projected FY 2019 End</u>		
Completed CIP Projects (Savings):	\$332,000	
Net Operating Surplus:	<u>840,000</u>	
Plus: FY 2019 Increase	\$1,172,000	
Projected at June 30, 2019:	\$19,529,996	7.0

Fiscal Year 2020
PROPOSED BUDGET

Operating & Capital Improvements

Budget Development Overview

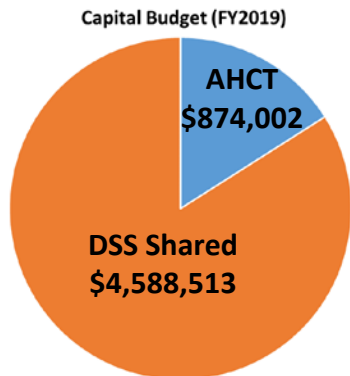
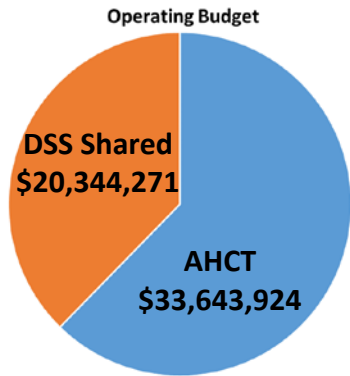
Revenues

- Market Assessments based on calendar year.
- Fiscal Year (July 1st – June 30th) budget based on six (6) months of Market Assessments from current calendar year (i.e., known) and six (6) months from the next calendar year (i.e., estimated).

Expenses

- Personnel and benefits based on review of current staffing levels, skillsets, and ability to meet organization-wide goals and objectives.
- Contractual obligations are managed and evaluated to further Mission through efficient deployment of resources, improve operational effectiveness, and enhancement to systems.
- Continued maintenance and evolution to technology infrastructure, architecture, and interface is largest expense driver.

FY 2020 Proposed Budget Overview



	FY 2020 Operating Budget				
	FY2019 Adopted Budget	FY2019 Adjusted (Q3) Budget	FY2020 Proposed Budget	Variance (FY2020 vs FY2019 Adopted)	Variance (FY2020 vs FY2019 Q3)
AHCT	\$32,102,189	\$31,814,771	\$33,643,924	\$1,541,735	\$1,829,152
DSS Shared Cost	22,131,835	20,178,310	20,344,271	(1,787,564)	165,961
Gross Expenses	\$54,234,024	\$51,993,081	\$53,988,194	(\$245,830)	\$1,995,113

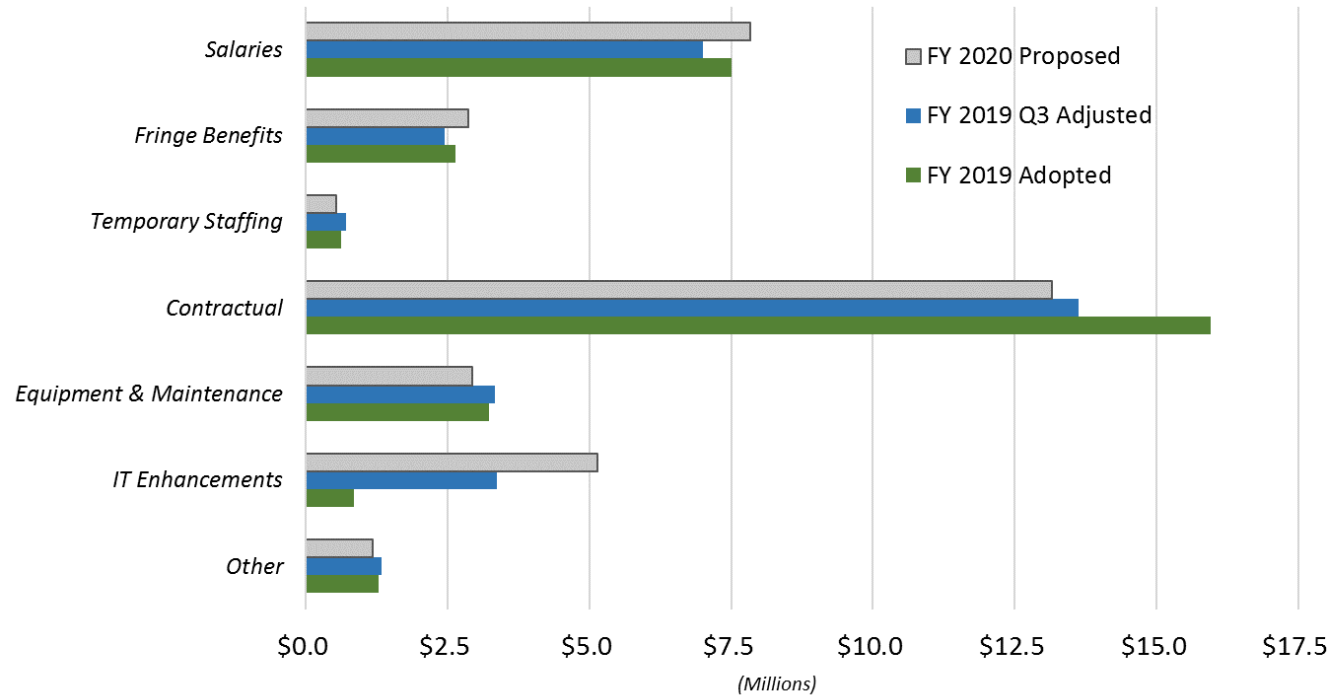
	FY 2020 Capital Improvement Plan Update (<i>Ongoing Reserves Funded</i>)				
	FY2019 Adopted Budget	FY2019 Adjusted (Q3) Budget	FY2020 CIP-R Budget	Variance (FY2020 vs FY2019 Adopted)	Variance (FY2020 vs FY2019 Q3)
AHCT	\$2,342,503	\$1,791,343	\$874,002	(\$1,468,501)	(\$917,341)
DSS Shared Cost	4,370,012	4,588,513	4,588,513	218,501	0
Gross Expenses	\$6,712,515	\$6,379,856	\$5,462,515	(\$1,250,000)	(\$917,341)

FY 2020 Proposed Operating Budget

	FY 2019 Adopted Budget	FY2019 Adjusted (Q3) Budget	FY 2020 Proposed Budget	Variance (FY2020 vs FY2019 Adopted)	Variance (FY2020 vs FY2019 Q3)
Revenue					
Investment Income	\$168,975	\$367,861	\$359,924	\$190,949	(\$7,937)
Other Income	0	12,000	0	0	(12,000)
Marketplace Assessments	31,933,214	32,275,713	33,284,000	1,350,786	1,008,287
Total Revenue	\$32,102,189	\$32,655,573	\$33,643,924	\$1,541,735	\$988,351
Budgeted Expenses					
Salaries	\$7,509,312	\$6,994,602	\$7,829,218	\$319,906	\$834,616
Fringe Benefits	2,647,414	2,444,462	2,866,843	219,430	422,381
Temporary Staffing	629,610	704,947	540,211	(89,399)	(164,736)
Contractual	15,953,791	13,634,112	13,163,128	(2,790,664)	(470,984)
Equipment and Maintenance	3,234,885	3,331,434	2,934,268	(300,616)	(397,166)
IT Enhancements	847,370	3,365,731	5,133,941	4,286,571	1,768,210
Supplies	17,918	26,928	21,482	3,564	(5,446)
Travel	100,740	112,729	124,383	23,643	11,654
Other Administrative	1,161,150	1,199,827	1,030,450	(130,699)	(169,377)
Total Operating Expenses	\$32,102,189	\$31,814,771	\$33,643,924	\$1,541,735	\$1,829,152
Costs Shared with DSS	\$22,131,835	\$20,178,310	\$20,344,271	(\$1,787,564)	\$165,961
AHCT and DSS Total Expenses	\$54,234,024	\$51,993,081	\$53,988,194	(\$245,830)	\$1,995,113

- **Contractual:** increased expenditures for AHCT IT Enhancements reflected in migration from Contractual
- **Maintenance:** APCD Agreement with OHS expires June 30, 2019
- **Salaries and Fringe:** pro-rated 3% salary increases based on individual performance reviews; and health insurance increase

FY 2020 Proposed Operating Budget



FY 2020 Proposed Budget

Overview of Shared Costs with DSS

	TOTAL EXPENSE					DSS ALLOCATION				
	FY2019 Adopted	FY2019 Q3	FY2020 Proposed	Variance (FY2020 vs FY2019 Adopted)	Variance (FY2020 vs FY2019 Q3)	FY2019 Adopted	FY2019 Q3	FY2020 Proposed	Variance (FY2020 vs FY2019 Adopted)	Variance (FY2020 vs FY2019 Q3)
BEST Staffing (86%)	\$1,164,040	\$974,056	\$974,380	(\$189,660)	\$324	\$1,001,074	\$837,688	\$837,967	(\$163,108)	\$279
Temporary Staffing	\$1,164,040	\$974,056	\$974,380	(\$189,660)	\$324	\$1,001,074	\$837,688	\$837,967	(\$163,108)	\$279
IT Maintenance (86%)	\$4,092,806	\$3,835,749	\$4,344,930	\$252,124	\$509,181	\$3,519,813	\$3,298,744	\$3,736,640	\$216,827	\$437,896
Security (86%)	1,120,041	817,319	884,964	(235,077)	67,645	963,236	702,898	761,069	(202,167)	58,171
Testing (86%)	980,928	396,429	555,000	(425,928)	158,571	843,598	340,929	477,300	(366,298)	136,371
Development	\$6,193,775	\$5,049,497	\$5,784,894	(\$408,881)	\$735,397	\$5,326,647	\$4,342,571	\$4,975,009	(\$351,638)	\$632,438
Call Center (70%)	\$16,485,906	\$16,482,837	\$16,490,000	\$4,094	\$7,163	\$11,540,134	\$11,537,986	\$11,543,000	\$2,866	\$5,014
Call Center (80%)	448,775	156,786	112,194	(336,581)	(44,592)	359,020	66,110	89,755	(269,265)	23,645
Operations (86%)	2,850,900	2,579,708	1,989,000	(861,900)	(590,708)	2,451,774	2,218,549	1,710,540	(741,234)	(508,009)
Operations	\$19,785,581	\$19,219,330	\$18,591,194	(\$1,194,387)	(\$628,136)	\$14,350,928	\$13,822,644	\$13,343,295	(\$1,007,633)	(\$479,349)
Total - DSS State Funding	\$27,143,396	\$25,242,883	\$25,350,468	(\$1,792,929)	\$107,585	\$20,678,649	\$19,002,903	\$19,156,271	(\$1,522,379)	\$153,367
DSS Only Projects (100%)	\$800,000	\$550,316	\$500,000	(\$300,000)	(\$50,316)	\$800,000	\$550,316	\$500,000	(\$300,000)	(\$50,316)
IT Development (86%)	726,850	726,850	800,000	73,150	73,150	610,554	625,091	688,000	77,446	62,909
Total - DSS Federal Funding	\$1,526,850	\$1,277,166	\$1,300,000	(\$226,850)	\$22,834	\$1,410,554	\$1,175,407	\$1,188,000	(\$222,554)	\$12,593
Capital Improvements (84%) CIP-R	\$6,712,515	\$6,712,515	\$5,462,515	(\$1,250,000)	(\$1,250,000)	\$4,370,012	\$4,588,513	\$4,588,513	\$218,501	\$0



Access Health Connecticut

Health Plan Benefits & Qualifications Advisory Committee (HPBQ AC) Recommendations for 2020
April 18, 2019

Agenda

- Certification Requirements
 - Standardized Plans Overview
- 2020 Plan Offering Review
- Wakely Consulting: 2020 Plan Design Review
 - Summary of Plan Actuarial Value Calculator (AVC) Results
 - Standard Plan Design Recommendations

Certification Requirements

- Affordable Care Act (ACA) and applicable federal regulations provide that health plans, including Stand-Alone Dental Plans (SADPs), must meet a number of standards in order to be certified as Qualified Health Plans (QHPs)
 - Certain standards apply to plans offered in the Individual and Small Group markets, both inside and outside of the Exchanges
 - Examples: Essential Health Benefits (EHBs) and Actuarial Value (AV) requirements
 - Other standards are specific to health plans seeking QHP certification from a Health Insurance Exchange
 - Federal standards include minimum requirement of one Gold and one Silver plan per carrier within a service area
 - Exchange-specific guidelines, such as the minimum or maximum number of plans a carrier can submit or the defined cost sharing for standardized plans, can be instituted
- AHCT Policy: Establishing Requirements For Certification, Recertification And Decertification Of Qualified Health Plans (QHPs)
 - Adopted by the Board of Directors on 11/29/2012
 - Members of the Exchange staff with the Health Plan Benefits and Qualifications Advisory Committee (HPBQ AC) evaluate options and make recommendations to the Board regarding requirements for certification of QHPs and SADPs

Standardized Plans Overview

- Standardized Plans Defined
 - Cost sharing (i.e., deductibles, out-of-pocket maximums, copays and coinsurance) values within a sub-set of benefits for a select number and type of plans are prescribed by AHCT
 - Uniform cost sharing within standardized plans allows consumers to focus on other unique aspects of the plan, such as, premium, provider network, drug formulary, overall plan quality and customer service satisfaction, as well as carrier brand
 - AHCT does not prescribe inclusion of certain items in standardized plans, including:
 - Non-Essential Health Benefits (EHBs), such as adult vision coverage;
 - Mail order drug coverage;
 - Programs such as Wellness, Disease Management, Centers of Excellence and Discounts.
 - All Issuers that participate with AHCT in the Individual Market must submit the required number and type of standardized plans each year in order to be certified

2020 Plan Offering Review

**HPBQ AC Recommendation to Permit Only One Standard
Silver Plan in the Individual Market**

2020 Plan Offering Review

- HPBQ AC Recommendation to Permit Only One Standard Silver Plan in the Individual Market
 - Intent of Committee throughout this certification requirements review cycle has been to maximize Premium Tax Credits (PTCs) as this has been the AHCT Board of Directors' policy since Plan Year 2014
 - Wakely Consulting Consumer Impact Study
 - Three scenarios reviewed
 - Based on assumptions used, analysis demonstrated a greater percentage of enrollees would realize a reduction in net premium under this recommendation than would realize an increase in net premium

On-Exchange Marketplace Premiums and APTCs

Marketplace Policy Payments			
	2017	2018	2019 ¹
Total Policies With Valid Coverage²	104,170	95,003	80,256
Total Member Months²	1,198,529	1,191,406	1,265,961
Total Premium(\$)	\$630,562,293	\$814,551,292	\$779,450,300
Total APTC(\$)	\$375,885,857	\$533,166,611	\$449,612,425
Total Responsible Amount(\$)	\$254,676,436	\$281,384,681	\$329,837,875
Total Premium PMPM(\$)	\$526.11	\$683.69	\$615.70
Total APTC PMPM(\$)	\$313.62	\$447.51	\$355.16
Total Responsible PMPM(\$)	\$212.49	\$236.18	\$260.54

¹Premium and APTC amounts are projected between March – December 2019. Projected premiums and APTC are traditionally 10% – 20% higher than actual year end observed premium.

²Counts of policies and members include both subsidized and non-subsidized enrollees

2020 Plan Offering Review

- Recommendation to Permit Only One Standard Silver Plan in the Individual Market
 - Move from up to three plans (2 required standard, 1 optional non-standard) to only one required standard (Silver Copay plan)

2019 INDIVIDUAL MARKET		
Metal Level	Standardized Plans	Non-Standard Plans
Platinum	N/A	2
Gold	1	3
Silver	2	1
Bronze	2	3
Catastrophic	N/A	1
TOTAL	5 Required	10 Optional
Maximum per Issuer	15	



2020 RECOMMENDED	
Standardized Plans	Non-Standard Plans
N/A	2
1	3
1	0
2	3
N/A	1
4 Required	9 Optional
13	

2020 Plan Offering Review

- Recommendation to Permit Only One Standard Silver Plan in the Individual Market
 - Rationale: One Silver plan per carrier that remains would result in greater Premium Tax Credits (PTCs), as premium for Second Lowest Cost Silver Plan (SLCSP) is increased compared to 2019

2019 Actual	Anthem Blue Cross Blue Shield			ConnectiCare Benefits, Inc. (CBI)		
Plan Design	Silver PPO Pathway X Tiered	Silver PPO Standard Coinsurance Pathway X	Silver PPO Standard Pathway X	Choice Silver Alternative POS	Choice Silver Standard Coinsurance POS	Choice Silver Standard POS



Recommended: 1 Silver Plan Per Carrier	Anthem Blue Cross Blue Shield	ConnectiCare Benefits, Inc. (CBI)
Plan Design	Silver PPO Standard Pathway X	Choice Silver Standard POS

2020 Plan Offering Review

- Committee Discussion Points
 - Wakely Consulting: Consumer Impact
 - General Customer Experience
 - Carrier Engagement
 - AHCT Mission and Vision
 - Potential Risks
 - Higher APTC could strengthen future waiver requests to federal government by providing additional funding
 - May lead to innovation for the Bronze and Gold metal levels

Further Discussion / Vote

Appendix

2020 Plan Offering Review

- Wakely Consulting 2020 Plan Offering Analysis: Proposal to Remove all Silver Plans except Standard Silver Copay Option
 - Scenario 1 Summary: Impacted AHCT Policyholders (Premium Only)
 - 40% of policyholders would see a premium reduction with an average reduction of \$135 per month
 - 33% of policyholders would not have impact on premium
 - 27% of policyholders would experience a premium increase with an average increase of \$52 per month
 - Wakely Consulting identified disclosures, risks and uncertainties, subsequent events, assumptions and caveats pertaining to illustration
 - Included on subsequent slide

2020 Plan Offering Review

Disclosures: Wakely relied on data provided by others to complete this analysis and presentation. Data was reviewed for reasonability and appropriateness.

Risks and Uncertainties. The assumptions and resulting estimates and conclusions included in this presentation are inherently uncertain. Users of the results should be qualified to use it and understand the results and the inherent uncertainty. Actual results may vary, potentially materially, from our estimates. It is the responsibility of the organization receiving this output to review the assumptions carefully and notify Wakely of any potential concerns.

Subsequent Events. There are several relevant events that would affect the results of this report. This analysis presents one simplified illustration of 2020 plan offering impacts.


- Assumptions
 - Assume no change in premium rates from 2019 to 2020
 - Members in any plan being eliminated (non-Standard, Standard Coinsurance) are mapped to the applicable carrier's remaining Standard copay plan (unless otherwise noted)
 - Members do not change Federal Poverty Level (FPL) % Advanced Premium Tax Credit (APTC) eligibility
 - Aging of members from 2019 to 2020 is not reflected in analysis
 - Catastrophic plans are not reflected in the analysis
- Caveats
 - The assumptions and resulting estimates and conclusions included in this report are inherently uncertain. Actual results may vary, potentially materially, from our estimates
 - Premium Rate changes driven by market forces and from the proposed removal of silver plan options may materially impact analysis.
 - Actions by the Connecticut Insurance Department may impact analysis
 - Changes in the expected annual contribution level and calculation method are unknown (IRS guidance not yet available for 2020)
 - Plans will change in 2020 to comply with Federal AVC requirements.

Refer to URL below for additional information from Wakely Consulting presentation, including information above:

36 https://agency.accesshealthct.com/wp-content/uploads/2019/03/HPBQAC_Meeting_032819.pdf

Access Health CT

2020 Individual Market Standard Plan Designs

A large, light blue watermark of the wakely logo is centered on the slide, behind the main title text.

April 18, 2019

PRESENTED BY
Julie Andrews, FSA, MAAA – Sr. Consulting Actuary

Agenda

2020 Plan Design Review

- Summary of Plan Actuarial Value Calculator (“AVC”) Results
- Recommended Plan Designs
 - Gold
 - Bronze Non-Health Savings Account (HSA)
 - Bronze HSA
 - Silver Copay and Cost-Sharing Reduction (CSR) Variations
 - Maximum Out-of-Pocket (MOOP) Contingency Plan

Regulation Changes for 2020

- Proposed annual limitation on cost sharing was increased to \$8,200 (from \$7,900 in 2019)
 - Note: This limit does not apply to HSA (Health Savings Account) qualified High Deductible Health Plans (HDHPs). That limit is released by the IRS in the spring.
 - CSR (Cost Sharing Reduction) Variations proposed annual limitation on cost sharing
 - 100-150% *FPL: \$2,700/\$5,400 (single/family)
 - 150%-200% *FPL: \$2,700/\$5,400 (single/family)
 - 200%-250% *FPL: \$6,550/\$13,100 (single/family)
- Expanded bronze “de minimis” range allows bronze plans with certain designs to have an AV between 58% and 65% (compared to 58% and 62% prior to 2018).
 - Applicable plans include HDHP plans, or plans that cover at least one major service, other than preventive, prior to the deductible.

*Federal Poverty Level

Changes to the Federal AVC for 2020

- Data underlying the calculator was not updated from prior year
 - Updated annual trend factors to project 2015 claims to 2018 using 3.25% for medical claims and 11.5% for pharmacy claims.
 - Updated annual trend factors to project 2018 claims to 2019 using 5.40% for medical claims and 11.5% for pharmacy claims.
 - Updated annual trend factors to project 2019 claims to 2020 using 6.1% for medical claims and 9.8% for pharmacy claims.

Notes and Caveats

- Federal HDHP minimum deductible and MOOP limits are not yet released for 2020.
 - The 2019 minimum single deductible and MOOP are \$1,350 and \$6,750, respectively.
 - The recommended plan designs do not make changes to either the HDHP deductible or MOOP.
- The cost sharing shown on the following slides represents costs for in-network services only, unless specified.
- The deductible and MOOP limits shown are for individuals. The family limits are 2x the individual limit for all plans.
- Preventive care is covered at no cost to the member for all plans.
- Mental Health cost sharing is the same as Primary Care for all plans.
- Silver loading for defunded cost-sharing reduction plans expected to persist in 2020.
- All plans include 'embedded' deductible approach (not aggregate)
- All benefit categories shown in the exhibits are included in the AVC except Chiropractic and Urgent Care

Notes and Caveats

- Other services not included in the AVC, but will be specified cost sharing for each standardized plan

In-Network Services
Other Services
Mammography Ultrasound
Chiropractic Services (up to 20 visits per calendar year)
Diabetic Supplies & Equipment
Durable Medical Equipment
Home Health Care Services (up to 100 visits per calendar year)
Ambulance Services
Urgent Care Center or Facility
Pediatric Dental Care (for children under age 19)
Diagnostic & Preventive
Basic Services
Major Services
Orthodontia Services (medically necessary)
Pediatric Vision Care (for children under age 19)
Out-of-Network Services
All services, deductible and maximum out-of-pocket

Maximum Copays

- The CID Bulletin HC-109 specified maximum benefit copays has been withdrawn
- Statutory maximums, such as Physical Therapies remain.

Service Category	Maximum Copay	2020 Applicable
Durable Medical Equipment	\$25	NA
Home Health Care	\$25	NA
Ambulance	\$225	NA
Laboratory	\$10	NA
Routine Radiology Services	\$40	NA
PCP Office Visit	\$40	NA
Specialist Office Visit	\$50	NA
Urgent Care	\$75	NA
Emergency Room	\$200	NA
Inpatient Admission	\$500/day up to \$2,000	NA
Outpatient Surgery/Services	\$500	NA
Generic Drug	\$5	NA
Brand Drug	\$60	NA
Physical Therapy*	\$30	Yes

- Sec. 38a-511a limits physical therapy copays to \$30
- Sec. 38a-550(a) limits advance imaging cost-sharing to \$75 copay, \$375 maximum annually.

Summary of 2020 AV Changes

Individual Market	Gold	Silver Copay	Bronze	Bronze HSA
Permissible AV Range	76.0%-82.0%	66.0%-72.0%	56.0%-65.0% ¹	56.0%-65.0% ¹
2019 AV Range	80.0% to 82.0%	70.1% to 71.9%	64.0% to 64.6%	62.5%
2020 AV Range	82.2% to 82.8%	71.8% to 73.1%	65.4% to 66.0%	63.7%

¹ Bronze plan designs are eligible for expanded "de minimis" range

Individual Market - CSR Plan Variations: Silver Copay	73% AV CSR	87% AV CSR	94% AV CSR
Permissible AV Range	72.0%-74.0% ²	86.0%-88.0%	93.0%-95.0%
2019 AV Range	72.3% to 73.9%	86.9% to 87.9%	93.9% to 94.7%
2020 AV Range	73.8% to 75.1%	88.1% to 88.6%	94.9% to 95.0%

² 73.0% CSR Silver must have a differential of 2.0%+ with Standard Silver

2019 Plan Design Overview with 2020 Plan Recommendations

The 2020 plan recommendations have been reviewed for AVC or
Mental Health Parity compliance by Carriers

2020 - Individual Market Plans

Static Benefit Cost Sharing Features

- No changes are proposed to these features for 2020

Individual Market	Gold	Silver Copay	Bronze Non-HSA	Bronze HSA
Coinsurance	30%	40%	40%	10%
Inpatient Hospital	\$500 per day (after ded., \$1,000 max. per admission)	\$500 per day (after ded., \$2,000 max. per admission)	\$500 per day (after ded., \$1,000 max. per admission)	10% (after ded.)
Advanced Radiology (CT/PET Scan, MRI)	\$65	\$75	\$75 (after ded.)	10% (after ded.)
Rehabilitative & Habilitative Therapy (Physical, Speech, Occupational) Combined 40 visit calendar year maximum, separate for each type	\$20	\$30*	\$30* (after ded.)	10% (after ded.)
Chiropractic Care 20 visit calendar maximum	\$40	\$50	\$50 (after ded.)	10% (after ded.)
All Other Medical	30%	40%	40% (after ded.)	10% (after ded.)

2020 - Individual Market Gold Plan, 80% AV

Individual Market	2019 Gold	2020 Recommended Plan
Medical Deductible	\$1,300 (INN)/\$3,000 (OON)	\$1,300(INN)/\$3,000 (OON)
Rx Deductible	\$50 (INN)/\$350 (OON)	\$50 (INN)/\$350 (OON)
Out-of-pocket Maximum	\$5,000 (INN)/\$10,000 (OON)	\$5,250 (INN)/\$10,500 (OON)
Primary Care	\$20	\$20
Specialist Care	\$40	\$40
Urgent Care	\$50	\$50
Emergency Room	\$200	\$400
Outpatient Hospital	\$500 (after ded.)	\$300@ASC/\$500 otherwise (after ded.)
Non-Advanced Radiology (X-ray, Diagnostic)	\$40 (after ded.)	\$40 (after ded.)
Laboratory Services	\$10 (after ded.)	\$10 (after ded.)
Generic / Preferred Brand / Non-Preferred Brand / Specialty Rx	\$5 / \$25 / \$50 / 20% (spec. after ded., \$100 max per spec. script)	\$5 / \$35 / \$60 / 20% (spec. after ded., \$100 max per spec. script)
2020 AVC Results		81.91%

2020 - Individual Market Bronze Non-HSA Plan, 65% AV

Individual Market	2019 Bronze Non-HSA	2020 Recommended Plan
Combined Medical/Rx Deductible	\$6,000 (INN)/\$12,000 (OON)	\$6,075 (INN)/\$12,150 (OON)
Out-of-pocket Maximum	\$7,900 (INN)/\$15,800 (OON)	\$8,200 (INN)/\$16,400 (OON)
Primary Care	\$40	\$40
Specialist Care	\$50 (after ded.)	\$60 (after ded.)
Urgent Care	\$75	\$75
Emergency Room	\$200 (after ded.)	\$450 (after ded.)
Outpatient Hospital	\$500 (after ded.)	\$300@ASC/\$500 otherwise (after ded.)
Non-Advanced Radiology (X-ray, Diagnostic)	\$40 (after ded.)	\$40 (after ded.)
Laboratory Services	\$10 (after ded.)	\$10 (after ded.)
Generic / Preferred Brand / Non-Preferred Brand / Specialty Rx	\$5 / 50% / 50% / 50% (all but generic after ded., \$500 max per spec. script)	\$10 / 50% / 50% / 50% (all but generic after ded., \$500 max per spec. script)
2020 AVC Results		64.98%

2020 - Individual Market - Bronze HSA Plan, 65% AV

Individual Market	2019 Bronze Non-HSA
Combined Medical/Rx Deductible	\$5,685 (INN)/ \$9,200 (OON)
Out-of-pocket Maximum	\$6,550 (INN)/\$ 12,900 (OON)
Primary Care	10% (after ded.)
Specialist Care	10% (after ded.)
Urgent Care	10% (after ded.)
Emergency Room	10% (after ded.)
Outpatient Hospital	10% (after ded.)
Non-Advanced Radiology (X-ray, Diagnostic)	10% (after ded.)
Laboratory Services	10% (after ded.)
Generic / Preferred Brand / Non-Preferred Brand / Specialty Rx	10% / 15% / 25% / 30% (all after ded., \$500 max per spec. script)
2020 AVC Results	63.7%

2020 - Individual Market Silver Copay Plan, 70% AV

Individual Market	2019 Silver Copay	2020 Recommended Plan
Medical Deductible	\$4,300 (INN)/\$8,600 (OON)	\$4,300 (INN)/\$8,600 (OON)
Rx Deductible	\$250 (INN)/\$500 (OON)	\$250 (INN)/\$500 (OON)
Out-of-pocket Maximum	\$7,900 (INN)/\$15,800 (OON)	\$8,200 (INN)/\$16,400 (OON)
Primary Care	\$40	\$40
Specialist Care	\$50	\$60
Urgent Care	\$75	\$75
Emergency Room	\$200 (after ded.)	\$450 (after ded.)
Outpatient Hospital	\$500 (after ded.)	\$300@ASC/\$500 otherwise (after ded.)
Non-Advanced Radiology (X-ray, Diagnostic)	\$40 (after ded.)	\$40 (after ded.)
Laboratory Services	\$10 (after ded.)	\$10 (after ded.)
Generic / Preferred Brand / Non-Preferred Brand / Specialty Rx	\$5 / \$35 / \$60 / 20% (all but generic after ded., \$200 max per spec. script)	\$10 / \$45 / \$70 / 20% (all but generic after ded., \$200 max per spec. script)
2020 AVC Results		71.93%



Potential changes from the 2019 plan design are shown in red font.

*Cost sharing at maximum copay allowable as specified by Statute

ASC = Ambulatory Surgery Center

2020 - Individual Market Silver Copay Plan, 73% AV

Individual Market	2019 Silver Copay, 73% CSR	2020 Recommended Plan, 73% CSR
Medical Deductible	\$3,900	\$3,900
Rx Deductible	\$250	\$250
Out-of-pocket Maximum	\$6,300	\$6,550
Primary Care	\$40	\$40
Specialist Care	\$50	\$60
Urgent Care	\$75	\$75
Emergency Room	\$200 (after ded.)	\$450 (after ded.)
Outpatient Hospital	\$500 (after ded.)	\$300@ASC/\$500 otherwise (after ded.)
Non-Advanced Radiology (X-ray, Diagnostic)	\$40 (after ded.)	\$40 (after ded.)
Laboratory Services	\$10 (after ded.)	\$10 (after ded.)
Generic / Preferred Brand / Non-Preferred Brand / Specialty Rx	\$5 / \$35 / \$60 / 20% (all but generic after ded., \$100 max per spec. script)	\$10 / \$45 / \$70 / 20% (all but generic after ded., \$100 max per spec. script)
2020 AVC Results		73.97%

2020 - Individual Market Silver Copay Plan, 87% AV

Individual Market	2019 Silver Copay, 87% CSR	2020 Recommended Plan, 87% CSR
Medical Deductible	\$600	\$650
Rx Deductible	\$50	\$50
Out-of-pocket Maximum	\$2,300	\$2,500
Primary Care	\$20	\$20
Specialist Care	\$35	\$45
Urgent Care	\$50	\$50
Emergency Room	\$75 (after ded.)	150 (after ded.)
Outpatient Hospital	\$100 (after ded.)	\$60@ASC/\$100 otherwise (after ded.)
Non-Advanced Radiology (X-ray, Diagnostic)	\$30 (after ded.)	\$30 (after ded.)
Laboratory Services	\$10 (after ded.)	\$10 (after ded.)
Generic / Preferred Brand / Non-Preferred Brand / Specialty Rx	\$5 / \$20 / \$35 / 20% (all but generic after ded., \$60 max per spec. script)	\$10 / \$25 / \$40 / 20% (non-preferred brand and spec. after ded., \$60 max per spec. script)
2020 AVC Results		87.88%



Changes from the 2019 plan design are shown in red font.

Out-of-network benefits will match the 70% plan.

*Cost sharing at maximum copay allowable as specified by Statute.

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2020 - Individual Market Silver Copay Plan, 94% AV

Individual Market	2019 Silver Copay, 94% CSR	2020 Recommended Plan, 94% CSR
Medical Deductible	\$0	\$0
Rx Deductible	\$0	\$0
Out-of-pocket Maximum	\$900	\$900
Primary Care	\$10	\$10
Specialist Care	\$30	\$30
Urgent Care	\$40	\$40
Emergency Room	\$50	\$50
Outpatient Hospital	\$75	\$45@ASC/\$75 otherwise
Non-Advanced Radiology (X-ray, Diagnostic)	\$25	\$25
Laboratory Services	\$10	\$10
Generic / Preferred Brand / Non-Preferred Brand / Specialty Rx	\$5 / \$10 / \$30 / 20% (\$60 max per spec. script)	\$5 / \$10 / \$30 / 20% (\$60 max per spec. script)
2020 AVC Results		94.98%

2020 - Individual Market Silver Copay CSR Options

Individual Market In-network Benefits	Individual Market Silver 70% Plan – Copay Option	Individual Market Silver 73% Plan – Copay Option	Individual Market Silver 87% Plan – Copay Option	Individual Market Silver 94% Plan – Copay Option
Medical Deductible	\$4,300	\$3,900	\$650	\$0
Rx Deductible	\$250	\$250	\$50	\$0
Coinsurance	40%	40%	40%	40%
Out-of-pocket Maximum	\$8,200	\$6,550	\$2,500	\$900
Primary Care	\$40	\$40	\$20	\$10
Specialist Care	\$60	\$60	\$45	\$30
Urgent Care	\$75	\$75	\$50	\$40
Emergency Room	\$450 (after ded.)	\$450 (after ded.)	\$150 (after ded.)	\$50
Inpatient Hospital	\$500 Per Day (after ded., \$2,000 max. per admission)	\$500 Per Day (after ded., \$2,000 max. per admission)	\$100 Per Day (after ded., \$400 max. per admission)	\$75 Per Day ((\$300 max. per admission))
Outpatient Hospital	\$300@ASC/\$500 otherwise (after ded.)	\$300@ASC/\$500 otherwise (after ded.)	\$60@ASC/\$100 otherwise (after ded.)	\$45@ASC/\$75 otherwise
Advanced Radiology (CT/PET Scan, MRI)	\$75	\$75	\$60	\$50
Non-Advanced Radiology (X-ray, Diagnostic)	\$40 (after ded.)	\$40 (after ded.)	\$30 (after ded.)	\$25
Laboratory Services	\$10 (after ded.)	\$10 (after ded.)	\$10 (after ded.)	\$10
Rehabilitative & Habilitative Therapy (Physical, Speech, Occupational) Combined 40 visit calendar year maximum, separate for each type	\$30	\$30	\$20	\$20
Chiropractic Care 20 visit calendar maximum	\$50	\$50	\$30	\$20
All Other Medical	40%	40%	40%	40%
Generic / Preferred Brand / Non-Preferred Brand / Specialty Rx	\$10 / \$45 / \$70 / 20% (all but generic after ded., \$200 max per spec. script)	\$10 / \$45 / \$70 / 20% (all but generic after ded., \$100 max per spec. script)	\$10 / \$25 / \$40 / 20% (non-preferred brand and spec. after ded., \$60 max per spec. script)	\$5 / \$10 / \$30 / 20% ((\$60 max per spec. script))



Potential changes from the 2019 plan design are shown in red font.

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Further Discussion/Vote

2020 Benefit Cost-Sharing MOOP Backup Plan

- Contingency Planning: Under §156.130(a)(2), CMS proposed a maximum annual limitation on cost sharing of \$8,200 for self-only coverage, whereas they would have proposed a maximum annual limitation on cost sharing of \$8,000 for self-only coverage if employer-sponsored insurance premiums continued to be used in the premium adjustment percentage calculation for the 2020 benefit year.
- The following suggestions were approved by each carrier for AV/MHP
 - Silver: MOOP \$8,200 limited to \$8,000; increase medical deductible by \$200
 - Bronze: MOOP \$8,200 limited to \$8,000; increase medical deductible by \$600

Further Discussion/Vote

Navigator Program

Background

- **Expanding Navigator Program** to improve community relationships (engage, educate, & enroll individuals) in target communities year round.
- **Minority Community Focus** (Black/African American, Hispanic/Latino, & Asian communities).
- **Partner with 4 organizations**
 - Existing relationships with targeted groups, consumers eligible to enroll in a Qualified Health Plan (QHP).
 - Geographic areas with highest QHP visitors/enrollees, or in/near 19 key towns/cities representing 71% of the combined Black/African American, Hispanic/Latino, & Asian communities.

Background

- **Types of entities eligible to receive a Navigator Grant**
 - ✓ Trade, industry or professional association; Community & Consumer-focused Nonprofit group; Chamber of Commerce; Labor Union; Small business Development Center.
- **Awarding 4 grants** \$75,000 each during the Navigator Term.
- **Selection Methodology:** Request for Proposal (RFP) - internal & external evaluators.

Timeline & Next steps

- April 18 BOD vote
- April 18 – May 18 RFP posted for 30 days
- May 18 – May 30 Evaluate proposals & interview finalists
- June 1 – June 30 Select Navigators; contract execution
- July 1 – Sep 31 Training, develop outreach & enrollment plans
- Oct 1 Deliver all materials to Navigators
- Oct 1 – End of OE Outreach, education and enrollment
- Jan – June Outreach and education activities

Future Agenda Items

Adjournment