



Connecticut Health Insurance Exchange Board of Directors Regular Meeting

Connecticut Historical Society
Auditorium

Thursday, April 18, 2019
Meeting Minutes

Members Present: Victoria Veltri; Cecelia Woods; Grant Ritter; Anne Foley on behalf of Secretary Melissa McCaw, Office of Policy and Management (OPM); Robert Scalettar, MD.; Theodore Doolittle, Office of the Healthcare Advocate (OHA); Commissioner Miriam Delphin-Rittmon, Department of Mental and Health Addiction Services (DHMAS); Paul Philpott; Robert Scalettar, MD.; Michael Gilbert on behalf of Commissioner Roderick Bremby, Department of Social Services (DSS); Paul Lombardo on behalf of Commissioner Andrew Mais, Connecticut Insurance Department (CID)

Members Absent: Robert Tessier (Vice-Chair); Renee Coleman-Mitchell, Commissioner, Department of Public Health (DPH)

Other Participants: Access Health CT (AHCT) Staff: James Michel; Rajiv Chawla; Susan Rich-Bye; Andrea Ravitz; Anthony Crowe; Glenn Jurgen; Darrell Hill; Ann Lopes

Wakely Consulting: Julie Andrews

Department of Social Services: Janel Simpson, Deputy Commissioner

A. Call to Order and Introductions

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

Victoria Veltri called the meeting to order at 9:00 a.m.

A motion was requested to appoint Victoria Veltri to act as presiding officer at the April 18, 2019 meeting in the absence of the Chair and Vice-Chair. Motion was made by Anne Foley and seconded by Theodore Doolittle. **Motion passed unanimously.**

B. Public Comment

Victor Villagra, MD., from the University of Connecticut Health Disparities Institute provided a public comment.

Commissioner Miriam Delphin-Rittmon arrived at 9:11 a.m.

Lynn Ide, from the Universal Healthcare Foundation of Connecticut provided a public comment as a proxy for Jill Zorn.

C. Vote

Victoria Veltri requested a motion to approve the February 21, 2019 Board of Directors Regular Meeting Minutes. Motion was made by Cecelia Woods and seconded by Grant Ritter. ***Motion passed unanimously.***

Ms. Veltri asked for a motion to defer the vote that, effective for the 2020 Plan Year, Qualified Health Plan issuers be required to offer only one Standardized Silver Plan for the Individual Exchange, and no non-standard Silver Plans. Motion was made by Anne Foley and seconded by Grant Ritter. Theodore Doolittle abstained. **Motion passed.**

D. CEO Report

James Michel, Chief Executive Officer, provided the CEO Report. Mr. Michel welcomed two new members to the Access Health CT Board of Directors, Andrew Mais, the Connecticut Insurance Department (CID) Commissioner; and Renee Coleman-Mitchell, Commissioner of the Department of Public Health (DPH). Neither of them could attend this meeting due to other commitments. Paul Lombardo is attending on behalf of the CID Commissioner.

Mr. Michel informed the Board that former Lt. Governor, Nancy Wyman, has resigned as both chair and member of the Access Health CT Board of Directors. Mr. Michel emphasized that as Board Chair, Ms. Wyman set the example of serving communities in meaningful ways and has also shown what it means to be a good government leader in the best manner. Mr. Michel stressed that Ms. Wyman has played critical roles in her capacities as Board chair and Lt. Governor and helped lead the way for the Exchange since our inception and the successful implementation of the Affordable Care Act (ACA) in Connecticut. Mr. Michel stressed that, thanks to Ms. Wyman's relentless efforts, AHCT has become a very successful Exchange. Mr. Michel, on behalf of the AHCT staff and the Board, expressed his deep appreciation and gratitude to Ms. Wyman for her extraordinary leadership. Mr. Michel added that Governor Ned Lamont is aware of her departure from the Board of Directors, and efforts are underway to appoint a Chair.

Mr. Michel explained that AHCT is moving forward in improving its Small Employer Health Options Program (SHOP) platform, including developing a new strategy. SHOP is currently working with new business partners to assist with the new approach.

Mr. Michel announced that earlier in the month, a group of AHCT leaders visited the Washington D.C. Exchange to gain insights about their operations. It was a very productive and informative session. AHCT also shared with them successes and challenges that the Exchange experiences in Connecticut. Mr. Michel added that the Leadership Team met with some members of the Connecticut Congressional Delegation during the trip as well.

Mr. Michel informed the Board that a reinsurance feasibility study is being conducted by the Wakely Consulting Group to determine what is possible in Connecticut. This study will assist policy makers in considering whether a reinsurance program would be a good option for Connecticut.

AHCT is also conducting a survey of uninsured Connecticut residents in order to determine the population of this group in the state. Once AHCT has this information, the Marketing Department will develop an outreach campaign to this population. The results will also be shared with the Board. Mr. Michel noted that AHCT will be launching a bilingual marketing campaign in May, with the goal of promoting preventative care and using your plan benefits, with a greater emphasis on communities of color.

Mr. Michel emphasized that AHCT continues to be in a sound financial situation, and no need exists to increase the assessment rate, which is one of the lowest in the nation.

E. Finance Update

Darrell Hill, Director of Finance, provided the Finance Update. Mr. Hill summarized the FY2019-3rd Quarter Operating Budget Report. Mr. Hill noted that the revenues are slightly increasing, while the expenditures are decreasing based on the invoices. Mr. Hill provided a summary of revenues in relation to expenses. Revenue adjustments are based on timing of budgeting, receipt of payments, and increased interest earnings. In addition, the expense variance is due primarily to timing of projects, receipt of related invoices, as well as vacancy savings.

Mr. Hill pointed out that marketplace assessments are up close to \$150,000, which is reflective of the adjustment from projections to actual invoicing for the calendar year of 2019. The interest income is reflective of an improvement in the management of funds. Mr. Hill showed that investment interest rate increases and improved management provides for additional income and decreased exposure. The movement of funds is observed between contractual IT-enhancements. Some contractual maintenance and operations are shared with the Department of Social Services (DSS). Mr. Hill emphasized that variance is due to timing of projects, receipt of related invoices, and vacancy savings.

Mr. Hill went on to explain the Fiscal Year 2019 Adjusted Operating Budget. Shared costs with DSS were provided. On the contractual side, AHCT IT Enhancements have been migrating from the Contractual line and the Call Center true-up is taking place. In terms of salaries and fringe benefits, the positive variance is due to timing of filling vacancies. Shared costs with DSS were

summarized, which include both DSS State and Federal funding. The Capital Improvement projects that were funded from reserves were outlined.

Theodore Doolittle inquired whether the AHCT is aware of and in compliance with restrictions on the Exchange's investments. Mr. Hill assured that AHCT is in compliance in terms of the investment restrictions and added that bulk of the money is invested in the State of Connecticut Short Term Investment Fund. AHCT has both, the operating and shop accounts. Adjustments were made in the operating account that increased interest income. The additional security comes from the operating account, which is insured by the FDIC up to \$250,000. AHCT transfers funds that are over that limit to investments within the same bank overnight, which secures the money for the entire amount. Mr. Michel added that it was done partially due to the State Auditor's recommendations.

Victoria Veltri requested a motion to approve the FY 2019 - 3rd Quarter Budget Report – Operating as presented by Exchange Staff. Motion was made by Robert Scalettar and seconded by Grant Ritter. **Motion passed unanimously.**

Mr. Hill provided a report on the FY 2019 3rd Quarter Budget Report – Capital Improvement (CIP-R). Mr. Hill indicated that CIP-R projects are financed from accumulated reserves authorized by project name and amount, for expenditure by the Board of Directors. The updated DSS CIP-R allocation has been changed from 80% to 84% per the Memorandum of Agreement. Adjustments between AHCT and DSS are reflected. The CIP-R allocation will be moving from the current 84% to 86%. Mr. Hill provided a status report on projects that are being, or will be, undertaken. Two of those projects were completed for less than was originally projected. As a result, over \$332,000 will be returned to the AHCT reserve fund.

Mr. Hill emphasized that due to savings achieved, as well as the net operating surplus minus authorized CIP use, the projected reserve at the end of this Fiscal Year stands at \$19,529,996, which translates into 7 months of working capital.

Victoria Veltri requested a motion to approve FY 2019 – 3rd Quarter Budget Report – Capital as presented by Exchange Staff. Motion was made by Cecelia Woods and seconded by Robert Scalettar. **Motion passed unanimously.**

Mr. Hill presented the Fiscal Year 2020 Proposed Budget. Mr. Hill noted that marketplace assessments are based on the calendar year, and therefore the budget is based on 6 months from current calendar year and 6 months from the next calendar year. Mr. Hill noted that personnel and benefits are based on a review of current staffing levels, skillsets, and ability to meet organization-wide goals and objectives. Contractual obligations are managed and evaluated to further the mission through efficient deployment of resources, improve operational effectiveness, and enhancement to systems. Mr. Hill emphasized that continued maintenance and evolution to technology infrastructure, architecture, and interface is the largest expense driver.

Mr. Hill explained the FY 2020 Proposed Budget Overview. The FY 2020 proposed budget is \$53,988,194, and the DSS shared cost of that amount equals to \$20,344,271. Mr. Hill summarized the FY 2020 Capital Improvement Plan, which utilizes AHCT's reserve as well as the DSS shared costs. Mr. Hill provided line item details of revenues and expenditures. While the assessment has not changed and stands at 1.65%, the increase in premiums caused an uptick in assessment revenue. Mr. Hill added that increased expenditures for AHCT IT Enhancements are reflected in migration from the Contractual line. Mr. Hill enumerated proposed budget amounts for salaries, fringe benefits, temporary staffing, contractual, equipment, maintenance, IT enhancements, and other elements. Mr. Hill then explained the total proposed shared expenses with DSS.

Mr. Michel reminded the Board that the AHCT IT system is almost 7 years old and needs to be upgraded. Mr. Michel emphasized that AHCT wants to reduce its operating costs by 25 percent over the next few years. Those savings will be invested in IT enhancements. Investments in the IT infrastructure are already taking place due to the Board allowing the use of some of the Exchange's reserves to upgrade the system. Michael Gilbert reminded the Board that, of the DSS shared portion that is funded with state funding, 75% of that amount is from federal reimbursement funds.

Victoria Veltri requested a motion to approve the FY 2020 Proposed Budget as presented by Exchange Staff. Motion was made by Anne Foley and seconded by Grant Ritter. ***Motion passed unanimously.***

Ms. Veltri thanked Mr. Hill for his presentation and added that a thorough examination of the AHCT finances took place at the Finance Subcommittee meeting on April 11 and praised both Mr. Hill as well as Mr. Gilbert for their work. Mr. Hill added that it was also a collaborative effort. Mr. Hill emphasized that James Michel, CEO, Sinisa Crnkovic, and the entire leadership team played a crucial role in making sure that AHCT finances are presented in a transparent manner. Cecelia Woods added that it is great to see an outstanding working relationship between AHCT and DSS.

F. Standardized Plan Designs and Maximum Out of Pockets (Votes)

Ann Lopes, Product Carrier Manager, provided a summary of the Standardized Plan Designs and Maximum Out of Pocket amounts (MOOPs). Ms. Lopes pointed out that a recommendation of the Health Plan Benefits and Qualifications Advisory Committee (HPBQ AC), regarding the number of plans that carriers submit in the Individual Market in order to participate with AHCT for the 2020 plan year, will be discussed. The proposed changes in cost sharing have been reviewed by the Committee.

Ms. Lopes emphasized that in accordance with the Affordable Care Act (ACA) and federal regulations, health plans, including Stand Alone Dental Plans (SADPs), must comply with specified standards in order to be certified as Qualified Health Plans or QHPs. Some of the standards apply to plans offered both on and off the Exchange in the Individual and Small Group markets, such as inclusion of Essential Health Benefits (EHBs) defined by each State and meeting Actuarial Value (AV) requirements. Others are applied only to plans that are offered through an Exchange, such

as carriers offering a minimum of 2 plans, one at the Gold and one at the Silver metal level per service area.

Ms. Lopes reported that additionally, specific standards can be established by the State's Exchange, with which carriers must comply in order to participate in that State's marketplace. Examples of these for Connecticut include offering a minimum number and maximum number of plans at various metal levels, as well as standardized plans that must be offered by each carrier participating. AHCT's policy regarding certification was adopted by the Board in November 2012 and specifies that AHCT staff and the Health Plan Benefits and Qualifications Advisory Committee (HPBQ AC) are charged with reviewing options and making recommendations for certification requirements to the Board.

Ms. Lopes stated that under a standardized plan option, plan deductibles, out-of-pocket maximums, copays, and coinsurance (collectively referred to as enrollee cost sharing) are defined for a specified set of covered Essential Health Benefits (EHBs). Standardized plan options provide consumers a way to compare similar plans" offered within a metal level by different carriers, giving them an opportunity to focus on other components of the plan, such as the premium, provider network, and drug formulary.

Carriers follow AHCT guidance on how to structure components of these plans, although they have flexibility on certain elements that are not specified. These include optional coverage in addition to EHBs, such as adult vision benefits, inclusion of and cost sharing for prescription drugs obtained through a mail order drug program, programs and services related to Wellness, Disease Management, and Discount programs.

Ms. Lopes noted that the HPBQ AC has established a standard that carriers submit a certain number of standardized plans each year as a certification requirement. The carriers are currently permitted to submit non-standard plans in addition to the required standard plans. These plans allow carriers to develop unique, innovative plans. These would be developed to align with the insurance company's own approach but must meet federal and state requirements. They are submitted for review and approval to the Connecticut Insurance Department (CID) each year, with any standardized plans required by the Exchange, as part of the annual rate and form filing process.

Julie Andrews, Wakely Consulting Actuary, presented the 2020 Individual Market Standard Plan Designs that have been recommended by the HPBQ AC, to make sure that these plans were in compliance with section 1302 of the ACA, as well as subsequent regulations. Ms. Andrews described proposed regulation changes for Plan Year 2020. One of the major changes includes an increase in the Maximum Out of Pocket (MOOP) cost sharing amount from \$7,900 to \$8,200. It does not apply to Health Savings Accounts or High Deductible Health Plans. Ms. Andrews added that the regulation is under the proposed status. The final regulation is expected to be released soon. Ms. Andrews added that this year, CMS decided to trend the 2015 claims that underly the expected cost sharing.

Ms. Andrews went on to describe the proposed 2020 individual market plans at different metal tiers. Ms. Andrews stated that in 2017 President Trump ceased the Cost Sharing Reduction (CSR) advanced payments to issuers. The CSR elimination had to be reflected in the premium pricing, which included silver-loading. Ms. Andrews added that there is no indication at this time that CMS will make changes to the silver-loading structure for 2020. In addition, several cases are progressing through the Federal Judicial System where the issuers have sued the Federal Government regarding the CSR payments.

Ms. Andrews noted that CID withdrew their Bulletin HC-109 which specified maximum benefit copays for certain services. This created opportunities for the HPBQ AC to look at different levers to bring plans into compliance with section 1302 of the ACA. Ms. Andrews also reviewed the 2020 Individual Market Silver Copay CSR Options and HPBQ AC Plan Recommendations.

Dr. Ritter inquired whether it is permissible to offer HSA-compatible silver plans. Ms. Lopes responded that the Board specifically voted not to allow HSA-compatible silver plans on the Exchange.

Paul Philpott expressed his concern about customers who are not receiving financial assistance. Mr. Philpott stressed that they will be negatively impacted if those changes are implemented. Those changes would affect over 25,000 members who do not get a subsidy. Ms. Veltri pointed out that this issue would be discussed at the next meeting of the Board.

Presiding Officer Victoria Veltri requested a motion to approve the package of Standardized Plan Designs at the Individual Gold, Silver, and Bronze metal tiers for the 2020 Plan Year as presented by Wakely Consulting on behalf of Exchange Staff, including the HSA Bronze plan that does not require a modification in cost sharing. Motion was made by Grant Ritter and seconded by Theodore Doolittle. **Motion passed unanimously.**

Ms. Andrews addressed the potential issue if the Maximum Out of Pocket (MOOP) amount is changed when the Final 2020 Notice of Benefit and Payment Parameters is released.

Presiding Officer Victoria Veltri requested a motion to delegate authority to Exchange staff to modify the Maximum Out of Pocket (MOOP) amount for the Standardized Plans as presented, in the event modification is necessary for compliance with the Final 2020 Notice of Benefit and Payment Parameters when it is released by the Department of Health and Human Services. Motion was made by Grant Ritter and seconded by Robert Scalettar. **Motion passed unanimously.**

G. Navigator Program (Vote)

Andrea Ravitz, Director of Marketing, provided an overview of the Navigator Program for 2020. Ms. Ravitz pointed out that the Navigator Program issue has been in the works for the past few months. The program's intention would be to enhance and improve community outreach, especially to those groups who for the past four years have seen a decline in medical insurance enrollment, as well as those who are underserved. The Black, African-American, Hispanic, and

Asian communities will be targeted with the enhanced program. Ms. Ravitz emphasized that the Navigator Program aims at partnering with four organizations in those communities that already have strong relationships with the targeted groups, and which have two major goals in mind. These goals include engagement and information, as well as help in continuing the enrollment process.

Susan Rich-Bye, Director of Legal and Governmental Affairs, indicated that the Exchange's governing statute assigns to the Board of Directors the responsibility of awarding Navigator grants to organizations. Ms. Rich-Bye pointed out that in order to streamline the process, the Exchange is requesting that the Board delegate that authority to AHCT.

Presiding Officer Victoria Veltri requested a motion to delegate authority to Exchange staff to select the Navigator organizations and award the Navigator grants to these organizations. Motion was made by Grant Ritter and seconded by Miriam Delphin-Rittmon. **Motion passed unanimously.**

H. Future Agenda Items

Mr. Michel provided the Board with a list of possible future agenda items, which include SHOP, the Uninsured Rate Survey, and the Reinsurance Study. Mr. Doolittle asked whether the reinsurance study will include information about the impact on the subsidized and unsubsidized populations. Ms. Andrews indicated that the subsidized population will be segmented, since the impact to the overall market will be analyzed. Mr. Doolittle added that he supports the reinsurance option, but is aware of some criticism of the program, including that more of its benefits would flow toward those who are on the higher income level, which is of concern. Mr. Doolittle requested information about it incorporated into the study.

I. Adjournment

Presiding Officer Victoria Veltri requested a motion to adjourn. Motion was made by Cecelia Woods and seconded by Anne Foley. **Motion passed unanimously.** Meeting adjourned at 10:32 a.m.