



Connecticut Health Insurance Exchange Board of Directors Special Meeting

Upward Hartford
Explore Room
20 Church Street, Hartford

Thursday, April 25, 2019
Draft Meeting Minutes

Members Present: Victoria Veltri; Cecelia Woods; Grant Ritter; Anne Foley on behalf of Secretary Melissa McCaw, Office of Policy and Management (OPM); Theodore Doolittle, Office of the Healthcare Advocate (OHA); Nancy Navarretta on behalf of Commissioner Miriam Delphin-Rittmon, Department of Mental and Health Addiction Services (DHMAS); Paul Philpott; Paul Lombardo on behalf of Commissioner Andrew Mais, Connecticut Insurance Department (CID); Commissioner Renee Coleman-Mitchell, Department of Public Health (DPH)

Members Participating by Phone: Robert Scalettar, MD

Members Absent: Robert Tessier (Vice-Chair); Commissioner Roderick Bremby, Department of Social Services (DSS)

Other Participants: Access Health CT (AHCT) Staff: James Michel; Susan Rich-Bye; Andrea Ravitz; Glenn Jurgen; Ann Lopes; Robert Blundo

Wakely Consulting: Julie Andrews (by phone)

A. Call to Order and Introductions

The Special 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.

Recess was ordered at 9:01 a.m. in order to obtain a quorum.

Meeting was reconvened at 9:03 a.m.

A motion was requested to appoint Victoria Veltri to act as presiding officer at the April 25, 2019 meeting in the absence of the Chair and Vice-Chair. Motion was made by Grant Ritter and seconded by Cecelia Woods. **Motion passed unanimously.**

B. Public Comment

Jill Zorn, from the Universal Healthcare Foundation of Connecticut provided a public comment.

C. 2020 Plan Offering Review – (Proposed Vote)

Ann Lopes, Product Carrier Manager, presented the 2020 Plan Offering Review, with the recommendation of the Health Plan Benefits and Qualifications Advisory Committee.

Anne Foley arrived at 9:10 a.m.

Ms. Lopes pointed out that over the past few months, the Health Plan Benefits and Qualifications Advisory Committee has evaluated a proposal for the Individual Market in 2020 which would require carriers to submit only one standardized Silver plan. Ms. Lopes indicated that based on the review, the Committee is recommending that AHCT revise its certification requirements regarding the number of plans that can be submitted by carriers participating with AHCT at the Silver metal level in the Individual market, in an effort to maximize the amount of premium tax credits. As part of this effort, Wakely Consulting conducted a study to determine the potential impact on consumers. There were three different scenarios reviewed.

Ms. Lopes emphasized that based on certain assumptions included, the analysis demonstrated that a greater percentage of enrollees would see a reduction in net premium, if this change were implemented, compared with enrollees who would see an increase in net premium.

Robert Blundo, Director of Technical Operations and Analytics provided an analysis of the on-Exchange marketplace premiums and the Advanced Premium Tax Credits (APTCs) for 2017 and 2018, as well as the projections for 2019. Mr. Blundo pointed out that the 2019 projection is the high estimate. Mr. Blundo explained the big differences in the APTC category for 2018, and a drop for 2019, respectively. There are a number of factors involved in these changes, including increased premiums and tax credits for 2018, due to Silver loading that began for that plan year to account for elimination of federal funding for Cost Sharing Reduction plans. And for the projection for 2019, there were a number of lower-premium Silver plans introduced for this year, which impact the amount of APTCs that are payable.

Paul Philpott inquired about the total average premiums for 2019, which is \$615.70, versus an average of \$683.59 for 2018, and the possible reasons for the drop. Mr. Blundo stated that the largest contributing factor was the fact that lower cost plans were introduced for 2019, and there was a subsequent drop in APTCs, because they are associated with the second-lowest cost silver plan. The lower PMPM is aggregated across all of the plans. Each year, customers are migrating from richer plans to lower cost plans.

Mr. Philpott inquired about the impact of the annual rate changes approved by CID. Paul Lombardo pointed out that there were significant rate increases, beyond the silver loading, from 2017 into 2018, and there were significantly lower increases from 2018 to 2019. Mr. Philpott inquired whether those smaller rate increases were a result of better experiences. Mr. Lombardo responded that CID estimated the trend from 2018 to 2019, and to a certain degree, there were additional factors that were taking place in the marketplace.

Ms. Lopes provided a visual representation of the recommendation made by the Committee.

Ms. Lopes indicated that the current certification requirements, regarding the number of plans that are required and optional, are displayed for each of the metal levels.

These were modified effective with the 2019 Plan Year, by:

- removing the requirement that AHCT develop a standardized Platinum plan that was optional for carriers to submit,
- including an additional standardized plan at the Silver metal level, and
- limiting the number of non-standard plans at the Silver metal level to one (previously three).

Ms. Lopes summarized the recommendation, stating that carriers who participate with AHCT in the individual market would be required to submit 4 standardized plans within the Gold, Silver, and Bronze metal levels, and would have the option to submit up to 9 non-standard plans (including one at the Catastrophic level).

Grant Ritter inquired about the number of plans that are offered now. Ms. Lopes stated that currently, seventeen plans are available for AHCT enrollees, which also includes two catastrophic plans.

Ms. Lopes then went on to explain the results of the proposal if it moves forward for 2020: the current 6 Silver plans offered by the 2 participating carriers would be collapsed to two standardized Silver plans offered by each carrier. Ms. Lopes pointed out that the HPBQ AC has talked through a number of items in consideration of the proposal.

Mr. Philpott indicated that he understands the concept of maximizing the APTCs. Mr. Philpott inquired about the impact those changes will have on customers who are not receiving Financial Assistance (FA). Ms. Lopes declared that currently, there are approximately 1,200 consumers who are enrolled in the silver plans that would be terminated and who do not receive any subsidy.

The Wakely Consumer Impact Study considered three different scenarios. In one scenario, the terminated plan would be mapped into the standard silver plan that the carrier would have. This would result, on average, in an increase in premium of \$222. Mr. Philpott emphasized that this would be a very significant premium increase. Ms. Lopes stated that on the opposite side, the FA-eligible enrollees would see, on average, a \$135 reduction. This would consist of all three

metal levels. The other scenarios would have a less costly plan into which an enrollee would be mapped into. The scenario of an enrollee moving to the remaining silver plan was also discussed.

Mr. Philpott informed the Board that AHCT has over 20,000 customers who do not receive any FA. Mr. Philpott inquired about where they will fall as a result of this proposed change. Ms. Lopes stated that, for the Bronze tier enrollees, if nothing else changes, they would not be impacted. Mr. Philpott expressed his serious concern about the impact of those changes on the customers who are not the recipients of FA. Mr. Blundo added that approximately 31,000 AHCT customers do not utilize FA in paying their premiums. Mr. Philpott continued that 31,000 is 30 percent of the AHCT enrollment. Mr. Philpott expressed his concern, especially for those customers who are just above the financial threshold of receiving FA, since they would have to pay the full premium.

Renee Coleman-Mitchell arrived at 9:23 a.m.

Mr. Philpott pointed out that an unintended consequence of this plan could be that a new cohort of uninsured people may be created and suggested that an outreach effort would need to be made in order to enroll them in a more cost-effective plan. James Michel, Chief Executive Officer, stated that last year, when significant changes in plan designs were implemented, a successful outreach and educational campaign was conducted. AHCT, if this plan is approved, will execute a similar approach. AHCT anticipates being successful in the effort this year as well.

Anne Foley inquired whether there would be personal outreach to the 1,200 individuals not receiving FA who would be impacted by the change. Mr. Michel stated that, similarly to last year, direct outreach to each enrollee will be made. Ms. Veltri added that brokers also play a crucial role. Mr. Michel added that each year, brokers go through the certification process with AHCT, and they are required to help clients select the best plan available to them.

Ms. Veltri welcomed Department of Public Health (DPH) Commissioner, Renee Coleman-Mitchell to her first meeting of the AHCT Board of Directors.

Mr. Philpott expressed his appreciation to the members and staff supporting the advisory committees for their work. The inclination is to always support the recommendations of the advisory committees, because there is a lot of work that they put into their final recommendations. Mr. Philpott expressed his hope that going forward, more cognizance would be given to the over 31,000 individuals who are not the recipients of FA, and who pay 100 percent of their premiums. Mr. Lombardo added that when the plans are discontinued, a 90-day notification of that action is sent to the members by their insurance company.

Presiding Officer Victoria Veltri requested a motion that, effective for the 2020 Plan Year, Qualified Health Plan issuers be required to offer only one Standard Silver Plan for the Individual Exchange, and no non-standard Silver Plans. Motion was made by Grant Ritter and seconded by Cecelia Woods. Theodore Doolittle remarked that one of the features of maximizing the APTCs would come in the future, when it could strengthen the 1332 waiver application. **Motion passed unanimously.**

Ms. Lopes stated that during the Board meeting last week, Julie Andrews of Wakely Consulting provided an overview of the standardized plans that were proposed for 2020. They were approved by this Board. However, at the time of the meeting, the Department of Health & Human Services had not finalized its regulation pertaining to the 2020 plan year, known as the Notice of Benefit and Payment Parameters. Therefore, the plans presented were developed using the out-of-pocket maximum, or MOOP, limit based on the proposed regulation.

Ms. Lopes added that because the proposed regulation indicated that it was possible that the proposed MOOP of \$8,200 would be reduced to \$8,000 with the final regulation, Wakely, working with the carriers, came up with an alternative benefit design for the plans that could have been impacted. Those were the Silver Copay and the Bronze non-HSA plan. The alternative designs included a decrease in the MOOP limit of \$200, but an increase in the deductibles of \$200 for the Silver plan, and \$600 for the Bronze plan.

Ms. Lopes continued to say that the final regulation was released last Thursday. There was a reduction in the MOOP, but it was only \$50, rather than the \$200 that had been indicated. Additionally, the proposed regulation hadn't indicated that the MOOP limits for Silver CSR plans might change, but per the final regulation, the MOOP limit for those eligible for Silver 73% CSR plans was reduced by \$50 also.

Ms. Lopes indicated that three of the standardized plans that were presented to this Board now need to be revised to comply with the final regulations. Since the MOOP differential was lower than expected for the Silver and Bronze plans, and there was also a reduction for the 73% Silver CSR MOOP limit, Wakely Consulting assessed the plans to determine the minimal amount of change that would be needed to bring the plans into compliance with federal AV requirements. Wakely then requested that the carriers review these possible revisions to determine if their results were consistent, and also whether the plans would continue to be compliant with Mental Health Parity guidance. Ms. Lopes outlined the changes.

- For the Silver Copay plan at the 70% AV level, the MOOP could be decreased by \$50 with no change to the medical deductible.
- The Silver Copay 73% CSR plan, with a \$50 decrease in the MOOP, needed an increase in the deductible of \$50 to continue to be compliant.
- And, the Bronze non-HSA plan, with the \$50 decrease in the MOOP, needed an increase in the combined medical/prescription deductible from \$6,075 to \$6,200 to be compliant.

Presiding Officer Victoria Veltri requested a motion to approve the plan modifications to the Individual Market Standard Silver 70 AV Copay Plan, the Individual Market Standard Silver 73 AV CSR Copay Plan, and the Individual Market Standard Bronze Non-HSA 65% AV Plan as presented by Exchange staff, to comply with the maximum out-of-pocket amounts in the Final 2020 Notice of Benefit and Payment Parameters from CMS. Motion was made by Grant Ritter and seconded by Cecelia Woods. **Motion passed unanimously.**

D. Adjournment

Presiding Officer Victoria Veltri requested a motion to adjourn. Motion was made by Anne Foley and seconded by Grant Ritter. **Motion passed unanimously.** Meeting adjourned at 9:44 a.m.