



Connecticut Health Insurance Exchange
SHOP Advisory Committee
Special Meeting

Connecticut Historical Society
Dangremond Meeting Room
1 Elizabeth Street, Hartford

Tuesday, April 9, 2019

Meeting Minutes

Members Present:

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

Other Participants:

Access Health CT (AHCT) Staff: James Michel; Anthony Crowe; John Carbone; Alexandra Dowe

Business Partners: Amanda Garner; Kara Mitchell (Mintz + Hoke); Frederick McKinney (BJM Solutions, Inc.)

The Meeting of the SHOP Advisory Committee was called to order at 4:02 p.m.

I. Welcome and Introductions

Chair Grant Ritter called the meeting to order at 4:02 p.m.

II. Vote: March 12, 2019 Meeting Minutes

Chair Grant Ritter requested a motion to approve the March 12, 2019 Special Meeting Minutes. Motion was made by Kevin Galvin and seconded by Grant Ritter. **Motion passed unanimously.**

III. D.C. Visit Recap

James Michel, Chief Executive Officer, provided information on the visit to Washington D.C. Mr. Michel noted that he attended a meeting of all of the state-based marketplaces in March. At the meeting, the Executive Director of the DC Health Link spoke about the success of their SHOP platform. AHCT set up a meeting with DC Health Link, and several members of AHCT, attended, including Anthony Crowe, Chief Operating Officer; and John Carbone, SHOP Sales Manager. Mr. Michel emphasized that valuable input has been shared by DC Health Link, and the AHCT team also shared their experiences about the SHOP program.

One of the most important steps that the DC Health Link has undertaken was to use Open Source software, which provided a cost-efficient and safe approach. It also streamlined their operations. Mr. Michel stressed that they rely on local businesses to perform their operations. There is a merged market for small employer coverage in D.C., so it is all purchased through the Exchange. A tour was provided to show their technology and marketing techniques. One of the most innovative approaches includes the DC Health Link inviting all of the businesses that they serve to a networking event that their Exchange sponsors. It may be an idea worth considering on our Exchange.

Mr. Michel indicated that their membership is about 78,000, and on the individual side it amounts to approximately 18,000. Mr. Michel pointed out that only 1,000 individual customers get help in paying for their premiums in the form of the Advanced Premium Tax Credits (APTC) because D.C. has higher income eligibility thresholds for Medicaid. The DC Health Link's primary focus is on the SHOP business. Mr. Michel pointed out that they have eight carriers on the Exchange between the individual and SHOP markets. They also customize their EDI transactions.

John Carbone indicated that the DC Health Link has 155 different plans across all of their carriers. Anthony Crowe pointed out that the DC Health Link has a larger staff than AHCT. They dedicate a lot of resources to the outreach team. In addition, the DC Health Link has contracted with the Mass Connector and will be performing all of the latter's SHOP business. The Mass Connector has approximately 5,000 members in SHOP.

Paul Philpott inquired about the percentage of broker involvement on the small business side in Washington, D.C. Mr. Carbone stated that it is over 80 percent. Mr. Crowe added the Washington D.C. uninsured rate is about 4 percent. Mr. Philpott indicated that a small number of customers on the individual side receive APTCs, it could be indicative of a different level for Medicaid eligibility. Mr. Crowe confirmed that Medicaid eligibility levels in Washington D.C. are much higher than in Connecticut.

Discussion ensued around the topic of solutions from the DC Health Link's SHOP operations that can be incorporated in the AHCT's SHOP platform. Mr. Michel emphasized that the most important goal for the SHOP in Connecticut is to make sure that it grows and becomes a successful program serving the needs of its customers. Mr. Michel pointed out that AHCT's leadership is also planning a trip to visit the Mass Connector. The discussion touched upon other markets that offer SHOP programs.

Mr. Philpott encouraged AHCT staff to look at the markets where no SHOP program monopoly exists, such as California. DC Health Link does have a monopoly in its marketplace, and no competition exists. Mr. Philpott added that some areas of DC Health Link's business and operational models may be worth considering.

Mr. Michel added that DC Health Link and AHCT share some similarities. Both of the entities are quasi-public agencies, their main governing bodies are the Board of Directors appointed by public officials. The connection between both Exchanges and their respective Medicaid organizations exists as well. There are also other similarities, such as a shared call center between their operations and Medicaid. Matthew Katz encouraged AHCT staff to look at DC Health Link's technological advancements that AHCT's SHOP program may successfully utilize. However, from the marketplace perspective, Connecticut's SHOP platform may not be able to take advantage of the DC Health Link's experiences too much because those two markets are different.

IV. SHOP Strategy Development Team - Introductions

Alexandra Dowe, Business Process Analyst, introduced the business partners. Dr. Fred McKinney from BJM Solutions, Inc, and Amanda Garner along with Kara Mitchell from Mintz + Hoke were introduced. Both of the companies were selected through the Request for Proposals (RFP) process to partner with AHCT in order to facilitate the SHOP's growth.

Dr. McKinney indicated that he is an economist by training, and earned his doctorate at Yale University, specializing in health insurance markets. Dr. McKinney mentioned his business partner, Dr. Gerald Jaynes, who is a professor of economics at Yale, and the acting chair of the African American Studies at the Yale University. Dr. McKinney provided an overview of the company's profile that would help in the growth of the SHOP program.

Kara Mitchell from Mintz + Hoke indicated that the firm specializes in marketing complex products to demanding customers. Ms. Mitchell pointed out that many carriers have not paid enough attention to the small business market in Connecticut. There is an opportunity to address this issue. The company specializes in the so-called soft data. It will be working closely with BJM Solutions to understand the hard data.

Timothy Pusch asked Dr. McKinney to explain the preliminary plan to achieve the desired results. Dr. McKinney pointed out that at this stage, understanding the stakeholders, especially small employers and what drives their actions, is crucial. One of the elements that would need to be explored is how to convince small employers that AHCT's SHOP products are of great quality with competitive pricing.

Paul Lombardo inquired whether there are any data which show why smaller employers are continuing to make decisions to move into stop loss, and away from fully insured products. Mr. Pusch pointed out that all of the alternative funding provides a guaranteed situation for the employer each year. Discussion ensued around insurance options for small employers and how to make the SHOP program more attractive to the prospective small business employers.

Ms. Mitchell provided an overview of the company (Mintz + Hoke), including its history along with its strategic planning process. Mr. Pusch pointed out that one of the most important elements would be to convince the carriers to provide a product that has great appeal to small employers.

Kevin Galvin added that he is cautiously optimistic about the plan of action in the SHOP platform. Mr. Galvin added that one of the main obstacles facing the SHOP business is that small business owners do not fully understand the insurance market and are not aware of the brokers' role in the process. Price is the driver in trying to entice small businesses. Mr. Galvin emphasized that AHCT SHOP needs to build more trust in the small business community. Dr. McKinney added that the most valuable asset of the small business owners is their time.

Mr. Philpott added that 94 percent of broker activity is with the small business community. The broker's role is crucial. Mr. Philpott noted that the SHOP program that was designed by the ACA is an anachronism. The SHOP platform is still bound by those rules that were developed a few years ago. Mr. Pusch added his opinion that the ACA puts too many stringent rules both on small businesses and individuals. Mr. Michel stressed that AHCT needs to be more creative in growing the SHOP business. Mr. Philpott referred to the AHCT mission and vision statements, which include the goal of reducing the cost of health insurance in Connecticut. Mr. Philpott added that the individual health questionnaire seems to be contrary to the idea that healthcare underwriting is not being used anymore.

Paul Lombardo explained various aspects that affect the health insurance market, including a set of requirements and rules that have to be followed. Action needs to take place in order to save the fully insured market from disappearing. Mr. Lombardo added that the Connecticut Insurance Department (CID) wants to have a competitive option-based market that provides small employers with a myriad of choices, along with creating a situation where one may purchase small businesses that want to move into the state. Providing high quality health insurance with competitive pricing may attract small businesses to move into the state. Mr. Lombardo added that as a state-based Exchange, AHCT should have more latitude than the Federally Facilitated Marketplaces (FFM) have. Mr. Galvin noted however that it may be a bit problematic, since the carriers are not willing to develop less expensive plans and in the last few years, more businesses closed their doors in Connecticut than opened them. Mr. Pusch added that the cost of healthcare may be a detriment to this plan. In addition, some legislative proposals that are currently under consideration in the Connecticut General Assembly may add to the mix.

Matthew Katz added his opinion that the narrow networks do not work well. Discussion ensued around the issue of narrow networks. The Committee members and the staff provided suggestions to the business partners in terms of their possible avenues in data-gathering. Mr. Michel pointed out that lessons learned from the visit in Washington will help bring technological advancements to grow AHCT's SHOP business.

Mr. Pusch inquired about the status of the plan development from both carriers for 2020. Mr. Carbone noted that they are approximately 75 percent done. Mr. Pusch added that price and product are the main points. Now is the time to be creative. Mr. Crowe indicated that more creativity may be achieved for the 2021 plan year. Dr. Ritter asked for the comparison of the SHOP plans offered on and off-Exchange.

Mr. Lombardo provided information about the levels of individual carriers' participation in the small group market in Connecticut. Mr. Lombardo emphasized that every carrier has an indemnity company and an HMO in the small group market. In addition, almost all of their membership is in the indemnity company. Mr. Philpott added that they have a lot more plan flexibility under the indemnity plan, especially in the fifty-plus age category.

V. Adjournment

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 5:50 p.m.