



Connecticut Health Insurance Exchange
SHOP Advisory Committee
Special Meeting

Connecticut Historical Society
Dangremond Meeting Room
1 Elizabeth Street, Hartford

Tuesday, May 7, 2019
Meeting Minutes

Members Present:

Grant Ritter (Chair); Kevin Galvin; Timothy Pusch; Paul Lombardo; Paul Philpott; Shelly Sweatt

Other Participants:

Access Health CT (AHCT) Staff: Anthony Crowe; Alexandra Dowe; Susan Rich-Bye; Andrea Ravitz

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

The Meeting of the SHOP Advisory Committee was called to order at 4:00 p.m.

I. Welcome and Introductions

Chair Grant Ritter called the meeting to order at 4:00 p.m.

II. Vote: April 9, 2019 Meeting Minutes

Chair Grant Ritter requested a motion to approve the April 9, 2019 Special Meeting Minutes. Motion was made by Paul Philpott and seconded by Timothy Pusch. **Motion passed unanimously.**

III. State SHOP Planned Visits

Anthony Crowe, Chief Operating Officer, provided information on the planned visits to the MassHealth and DC Health Link. Mr. Crowe stated that James Michel, CEO, and John Carbone, SHOP Sales Manager, are both in Washington, DC., participating in a small business program that the DC Health Link sponsors. One of the main reasons for their trip is to determine whether some elements of their business model and infrastructure may be replicated for use

in Connecticut. On May 20, AHCT will be visiting the Massachusetts Exchange, the MassHealth Connector. The DC Health Link has contracted with the Mass Connector and will be performing all of the functions of the Mass Connector's SHOP business. The Mass Connector has approximately 5,000 members in SHOP. The D.C. Health Link is trying to determine if that could be a revenue stream for them from other exchanges as well. Paul Philpott encouraged the AHCT SHOP delegation to ask the Mass Connector about their vision for their SHOP business.

IV. Strategic Development Update

Dr. Gerald Jaynes from the BJM introduced himself to the Committee and provided a synopsis of initial work for the SHOP platform. Dr. Jaynes indicated that a meeting with another business partner, Mintz + Hoke, already took place to establish a great relationship with the purpose of working collaboratively for the SHOP platform.

Analysis of the initial data was the first component of the meeting. Dr. Jaynes indicated that all of the initial hypotheses about data seem to be on track with what was expected. One of the first and most important elements of the study is that over 80 percent of customers nationwide on the individual side obtain financial assistance in paying their premiums. It defines the reason for people to be in the exchange market.

Paul Lombardo arrived at 4:11 p.m.

Dr. Jaynes continued describing the approach that BJM will undertake in analyzing the data, which included some possible elements from the individual market that can be utilized on the SHOP side, as well as certain currently existing aspects that can be eliminated or improved.

Dr. Jaynes described the issue of the small business tax credit, which is not appealing to potential small employers to offer SHOP products for their employees. Timothy Pusch stated, based on the experience of his own customers, that there are not a lot of companies in Connecticut that qualify for these tax credits.

Dr. Jaynes provided information about the cost-analysis approach, based on the data received. Dr. Jaynes pointed out that based on the initial data, about 90 percent of the clients have 1-5 employees enrolled. Firms with 1-10 employees who have employer-supplied policies usually have highly skilled and educated employees, and most likely their salaries are on a higher scale. Dr. Jaynes remarked that various hypotheses will be tested in the near future to come to conclusions.

Paul Philpott commented that a lot of people were concerned about the small business group market when the Affordable Care Act was put into place. There is a reason why remaining semi-groups are still there. Dr. Frederick McKinney from BJM indicated that these are the types of businesses that do not desegregate. They tend to be higher wage entrepreneurs. They also have a comparison perspective. Kara Mitchell from Mintz and Hoke added that to tie it up with the small business, the employees who are making a choice in working in a small business environment consider their benefits to be a second paycheck. Mr. McKinney added

that BJM found no correlation between SHOP and Individual Qualified Health Plan (QHP) markets.

Kevin Galvin pointed out that there are very few landscaping or painting companies in Connecticut who might be willing to consider the SHOP platform, but someone needs to talk to them about it. It is important to get people away from emergency rooms and into primary care. There is a whole group of micro-businesses who hire entry level individuals. Mr. Pusch added that the key to try to resolve this issue is cost.

Dr. McKinney stated that his firm was given a task to find out how to grow SHOP and identify where the potential growth is located. Based on the preliminary analysis, there are no homogenous types of businesses. Discussion ensued around types of businesses that should be targeted by SHOP, as well as the reasons why they would consider joining the platform. These reasons included, but were not limited to, the issue of whether SHOP should offer plans that are price-attractive or benefits-attractive. In addition, the discussion included the value of having medical insurance, the perceived shortcomings of the ACA, and the threat imposed by other plans that do not have to abide by the ACA's limitations.

Paul Philpott inquired about how the SHOP platform can retain the current book of business, and make sure that a product is available that would target the market that is still being defined. Amanda Garner from Mintz + Hoke pointed that the tax credit itself is not enough to attract more businesses.

Mr. Galvin commented that the Exchange walks a fine line between being seen as exclusive and elitist. Dr. McKinney mentioned SHOP as a separate entity from the rest of the Exchange in terms of branding. Paul Lombardo emphasized that the Actuarial Value Calculator has to be used, and that Mental Health Parity is an integral component of plan compliance. Mr. Philpott encouraged more innovation, within the ACA rules, that would potentially be attractive to new employers.

Mr. Lombardo pointed out that a disintegration of the fully insured small group market is taking place. All of the carriers are playing in the stop-loss market. Andrea Ravitz, Director of Marketing, added that based on past research, the tax credit was never a major factor. Ms. Ravitz added that one of the elements that proved to be effective was the face-to-face service that they received from the Exchange, and emphasized that two years from now, AHCT may be offering additional products and services that may be of value to them.

Kara Mitchell provided next steps to the Committee, which will include the assessment of the hard data. Conversations with stakeholders have started and will continue.

Mr. Galvin encouraged AHCT to contact those employers who have been SHOP customers, but have left, and added that SHOP should be a trusted advisor. Mr. Philpott stated that it could be bit challenging, since SHOP will be limited by the number of carriers participating. He added that AHCT has built good brand on the individual side of the market, and has substantial equity, which includes engaging and educating customers. Mr. Philpott added that most of the plan distributions will be through the brokers.

As Approved by the SHOP Advisory Committee on June 11, 2019

Mr. Pusch reported that the individual rates have come up to the same level as the SHOP rates. Mr. Pusch explained that no more underwriting exists. When the ACA was established, the individual rates were much better, but over time, it came up to the same level because of the guaranteed issue requirements in both markets. Mr. Lombardo added that the reinsurance market also plays a role in that.

Mr. Crowe pointed out that the draft report by the BJM will be sent out to the Committee members by the end of May and the next meeting of the Committee will be held on June 11.

V. Adjournment

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