Connecticut Health Insurance Exchange
Board of Directors Regular Meeting

Legislative Office Building, Room 1D
300 Capitol Avenue, Hartford

Thursday, October 17, 2019
Draft Meeting Minutes

Members Present:
Paul Philpott; Victoria Veltri; Cecelia Woods; Grant Ritter; Yvonne Addo on behalf of Commissioner Miriam Delphin-Rittmon, Department of Mental and Health Addiction Services (DMHAS); Paul Lombardo on behalf of Commissioner Andrew Mais, Connecticut Insurance Department (CID); Sharon Condel, Interim Deputy Commissioner, on behalf of Commissioner Deirdre Gifford, Department of Social Services (DSS); Cara Passaro; Thomas McNeill; Theodore Doolittle, Office of the Healthcare Advocate (OHA); Anne Foley on behalf of Melissa McCaw, Secretary of the Office of Policy and Management (OPM)

Members Absent:
Steven Hernandez; Commissioner Renee Coleman-Mitchell, Department of Public Health (DPH)

Other Participants:
Access Health CT (AHCT) Staff: James Michel; Anthony Crowe; Susan Rich-Bye; Robert Blundo; John Carbone; Andrea Ravitz
Wakely Consulting: Brittney Phillips
BJM Solutions: Frederick McKinney

A. Call to Order and Introductions

The Regular Meeting of the Connecticut Health Insurance Exchange Board of Directors was called to order at 9:02 a.m.
Paul Philpott called the meeting to order at 9:02 a.m.

B. Voting-in Presiding Officer

A motion was requested to appoint Paul Philpott to act as a Presiding Officer at the October 17, 2019 Meeting of the Board of Directors in absence of the Chair and Vice-Chair. Motion was made by Cecelia Woods and seconded by Thomas McNeill. **Motion passed unanimously.**
Theodore Doolittle arrived at 9:03 a.m.

C. Public Comment

No public comment.

D. Votes

Presiding Officer Paul Philpott requested a motion to approve the September 19, 2019 Board of Directors Regular Meeting Minutes. Motion was made by Cara Passaro and seconded by Victoria Veltri. **Motion passed unanimously.**

Anne Foley arrived at 9:04 a.m.

James Michel, Access Health CT CEO, explained the need to elect an Interim Vice-Chair of the Board of Directors. A motion was requested to appoint Paul Philpott as the Interim Vice-Chair of the Access Health CT Board of Directors. Motion was made by Thomas McNeill and seconded by Victoria Veltri. **Motion passed unanimously.**

Susan Rich-Bye, Director of Legal and Governmental Affairs, explained the need to appoint new members to the Standing Board Committees. The Interim Vice-Chair, Paul Philpott, requested a motion to appoint Cara Passaro to the Audit Subcommittee; Thomas McNeill, Dr. Deidre Gifford, and Renee Coleman-Mitchell to the Finance Subcommittee; Thomas McNeill, Steven Hernandez, and Theodore Doolittle to the Human Resources Subcommittee; and Steven Hernandez and Cara Passaro to the Strategy Subcommittee. Motion was made by Deidre Gifford and seconded by Cecelia Woods. **Motion passed unanimously.**

E. CEO Report

James Michel, CEO, provided an update on Access Health CT activities. Mr. Michel thanked the Board for participating in the training session. Mr. Michel pointed out that AHCT is in the final preparation stages for the upcoming Open Enrollment (OE). Mr. Michel remarked that one of the most interesting and important undertakings was the Uninsured Research Study. The results of this study allow AHCT to better understand and reach the uninsured populations in Connecticut. The uninsured rate stands at 5.3 percent, significantly less than the national rate of 8.9 percent. Mr. Michel emphasized that the uninsured population needs AHCT's guidance to enroll in

coverage. Mr. Michel noted that approximately half of AHCT's customers will experience a net decrease in their premiums when they purchase medical plans through the Exchange during the upcoming Open Enrollment (OE). Mr. Michel reminded the Board that premium cost is not the only component to consider when choosing the right health insurance. The customers are encouraged to shop, compare, and enroll to choose the best option available for them and their families. Mr. Michel emphasized that a number of website enhancements will be visible when the OE begins.

The Small Business Health Options Program (SHOP), under the leadership of John Carbone, is expanding. The SHOP team is working with business partners to develop new business and marketing approaches to offer small businesses quality and affordable medical coverage options for their employees.

F. Consumer Impact Study

Brittney Phillips from Wakely Consulting presented the Consumer Impact Study. Ms. Phillips presented an overview of the premium changes to consumers in the individual market and summarized the effects of those changes. Ms. Phillips pointed out that 50 percent of policyholders will experience a decrease in premiums, with an average decrease of $75 a month, while the rest of the customers are expected to see premium increases, with an average of $45 more per month. The decrease in premiums takes into account the increase in the financial aid that those customers will receive. It also includes the impact of aging as well as the possible cross walking into a different plan if their previous coverage option has been discontinued.

Ms. Phillips detailed the 2020 rate changes for impacted policyholders by the metal levels. Ms. Phillips went on to describe the summary of the 2020 Plan Offerings in the Individual market. The same two issuers, Anthem and ConnectiCare Benefits Inc. (CBI), are participating on the Exchange in 2020 with 17 proposed plans. The total number of plans available is unchanged from 2019, however some plans were discontinued, and some are new. All 2019 plans are cross walked to a 2020 plan. Both issuers offer plans in all metal tiers, including catastrophic. Ms. Phillips added that all plans are available statewide. Ms. Phillips described permissible Actuarial Value (AV) ranges, along with the filed AV ranges for all metal tiers in the individual market. Statistical data were presented, describing the enrollment distribution by metal level from 2016 to 2019.The summary of the Small Group offerings was presented.

Ms. Phillips elaborated that, similar to the Individual market, the same two issuers are participating on the Exchange in 2020 with 14 proposed plans. The plan offerings are the same as 2019, with no discontinued or new plans in 2020. All 2019 plans are cross walked to a 2020 plan. Ms. Phillips pointed out that all plans are available statewide. Ms. Phillips outlined the individual market observations as they pertain to the 2020 rate changes. The weighted average rate increase for AHCT enrollees (before premium subsidies) is 10.2%. Rate changes across all

plan and area combinations range from -7.3% to 27.5%. Ms. Phillips added that by county, average rates are increasing the most in Hartford and Middlesex counties. In addition, by carrier, premium weighted rate changes average 8.2% for Anthem, and 10.8% for CBI for continuing and cross-walked enrollees. Rate changes are consistent across the counties for Anthem, and CBI made changes by county ranging from -3.0% to +3.4%. Silver plans continue to be loaded for the defunding of cost-sharing reductions at about 10-14%. Ms. Phillips added that each carrier reflected an increase of +1.0% in their rates for market deterioration.

Ms. Phillips explained the rate increase drivers and conveyed that the Moratorium on the Health Insurance Provider Fee has ended. Rates are increasing 2.6% to 2.8% for coverage of the fee. Combined medical and pharmacy cost and utilization trend ranges from 7.50% to 7.75% for 2019-2020. The Risk Adjustment program is the only remaining market stabilization program after expiration of transitional reinsurance and risk corridors at the end of 2016. The program has two components: Risk Adjustment Transfers and the High-Risk Pool (HRP), which reimburses issuers for 60% of paid claims over $1 million. In addition, the experience as measured by projected Medical Loss Ratios (MLR) show continued improvement in the State. Ms. Phillips discussed the Individual Market Rate Changes by Plan with mapping.

Ms. Phillips stated that no plans are being added or terminated in 2020 in the Small Group Market. The overall proposed rate increase is 14.3% for Anthem, with plan specific rate changes varying from 3.3% to 27.6%. The increase reflects a mix of on- and off-exchange plans. Ms. Phillips pointed out that for CBI, the overall proposed rate increase is 4.8%. Rate changes across all plan and area combinations range from -17.7% to 13.1%.

Ms. Phillips went on to explain the Consumer Impact Analysis. Numerous factors are used by consumers when choosing the best plan option. They include the premium cost, the network, county, drug formulary, benefit cost-sharing, age, family size, income, and health care needs. All of those factors need to be evaluated by the consumer before a final decision on the insurance plan is made. Changes in the benchmark plans were described, and theoretical examples for different households were provided. Consumers' share of premium by the Federal Poverty Level (FPL) was also described.

Theodore Doolittle thanked Ms. Phillips for the report. Mr. Doolittle, however, expressed his concern that this report does not examine the full cost of having medical insurance. He added that while the report was well-prepared, it was, in his view, incomplete. Mr. Doolittle pointed out that he has asked for the full cost-impact analysis to be included in the report in past years, but it has not occurred, and he encouraged staff to begin including all consumer costs in future reports. Mr. Michel pointed out that it is the Exchange's aim to obtain that information. This report was a premium impact study, excluding other components that contribute to the overall cost of medical coverage. The Exchange will continue to work with the carriers to obtain accurate data. Mr. Doolittle pointed out that Connecticut Insurance Department has these data from the

rate filings. Mr. Doolittle expressed his hope that it is possible to average out the median out-of-pocket cost for the consumer.

Paul Lombardo stated that the difference between allowed claims and paid claims is called cost-sharing. The carriers' experience is part of the rate filings that the carriers submit. The information provided is not by each plan design. Mr. Doolittle suggested that the carriers should be asked to provide that information going forward. Victoria Veltri stated that the APCD data may be helpful in that regard. The main challenge would be to present the data as the entire cost of the consumer impact study when it varies by individual. Ms. Veltri pointed out that an inquiry will be made by the Office of Health Strategy to determine if the APCD data are sufficient enough to be used to determine a total cost impact to the consumer. Vice-Chair Paul Philpott concurred with Mr. Doolittle about the importance of this issue and encouraged a possible motion for the next meeting to address it. Robert Blundo, Director of Technical Operations and Analytics stated that the eligibility file submitted by the payers to the APCD does not account for the out-of-pocket accumulations. In addition, the detail at the plan level is challenging. Mr. Blundo stated that too many assumptions would have to be made in order to have accurate results.

Grant Ritter inquired about the minimum value allowable under the medical loss ratio, and what happens when that number is too low. Ms. Phillips pointed out that the federal requirement is 80 percent medical loss ratio, and it is a three-year average. Mr. Lombardo emphasized that for the Plan Year 2020, 2018 Plan Year Experience is used. Mr. Lombardo added that last year's rate increases were reduced significantly. The carrier experience contains not only the trend, but also claim experience. Over the three-year period, the carrier experience has improved, and it is seen by the lower premium increases approved by the CID. Dr. Ritter expressed his optimism that the carriers' participation on the Exchange does not seem to be at risk, given their better financial results with the business conducted through this platform.

Dr. Ritter inquired about the impact of going to the single standard silver plan, instead of having the non-standard silver plans. It appears that it has raised the premiums for silver plans, and the net effect would have a very small effect for the consumers who are receiving financial assistance. Based on the data provided, the average decrease in premium for the silver plan APTC recipients was approximately $30. Dr. Ritter pointed out that those silver plan customers who do not receive financial assistance may have some other options, including purchasing plans off of the Exchange, or upgrading their choice to obtain a gold plan with more benefits on the Exchange, which could cost them less than a silver plan.

Paul Lombardo left at 10:03 a.m.

Dr. Ritter inquired whether the shopping portal blocks out a silver plan from first appearing on the website if the gold plan is less expensive. Mr. Michel stated that the option of blocking out more expensive silver plans is not currently done. Mr. Michel encouraged everyone to shop,

compare, and enroll. The shopping portal also consists of the decision support tool, which allows consumers to choose a plan that best fits their needs. Mr. Blundo added that by default, the plans are listed from the top to the bottom, based on the premium on the shopping portal. Ms. Rich-Bye added that only the Cost Sharing Reduction-eligible customers will see the silver plans first.

Cara Passaro expressed her agreement with Mr. Doolittle that consumers should be able to view the entire projected cost of having medical insurance, not only the premium projection. Ms. Passaro inquired about the issue that the subsidies cannot be used for non-essential health benefits, how it operates, and whether a certain percentage of the premium is designed to go to that purpose. Ms. Phillips pointed out that it is based on the Essential Health Benefits (EHB) that are mandated. There are very few services that are considered non-essential, and the carriers do include them in their filings. Ms. Rich-Bye explained that one of those non-essential services is an elective termination of a pregnancy, and federal funds cannot be used for this service.

Mr. Philpott asked for the definition of market deterioration. Ms. Phillips explained that it is a general term describing the change in the health of consumers who are entering the market. Mr. Philpott posed a question for future meetings pertaining to the number of silver metal tier consumers who would be better off in a gold plan, and how many of them moved to the higher tier. Mr. Philpott added that it is the area for the Exchange's improvement. Mr. Michel remarked that last year, the Marketing Team created an aggressive campaign encouraging consumers to shop, compare and enroll. During this OE season, a similar approach will be undertaken. This information will be tracked and reported to the Board early next year. Mr. Philpott encouraged staff to provide this information in the broker training, since a large book business for the Exchange is conducted through them. Mr. Michel emphasized that specific outreach to these consumers will be undertaken.

G. Uninsured Research Study

Robert Blundo, Director of Technical Operations and Analytics, and Andrea Ravitz, Director of Marketing, provided the results of the Uninsured Research Study. Mr. Blundo reminded members of the Board of the organization's mission, which included the aim of increasing the number of insured residents. AHCT partnered with Mintz and Hoke to understand, quantitatively and qualitatively, the uninsured residents in Connecticut. One of the purposes of the study was to build a data-driven profile of the uninsured population. Additionally, it would allow AHCT to build better internal tools for the outreach and communication campaigns. The study was conducted to improve the understanding of the barriers that the uninsured people have that prevents them from obtaining medical coverage. Mr. Blundo explained the methodology used in the study. The current uninsured rate in Connecticut is 5.3 percent, with a margin of error of 0.3 percent. Mr. Blundo provided in-depth details of the report.

Mr. Blundo noted that the Final Uninsured Research Study will be posted on the AHCT's website following the meeting. Mr. Blundo emphasized that educational materials are being prepared in cooperation with community partners to provide to the uninsured populations. These materials will outline that AHCT can be their trusted healthcare coverage advisor.

Mr. Philpott inquired about the possible percentage of intractable uninsured people who would be always unwilling to obtain healthcare coverage. Mr. Blundo pointed out that this number is difficult to pinpoint. He mentioned that the Commonwealth of Massachusetts has the lowest uninsured rate, which stands at around 2.5 percent, and this number should serve as a benchmark. Mr. Doolittle asked whether the study was analyzed by gender. Mr. Blundo noted that it will be potentially included in the report.

Ms. Ravitz indicated that AHCT will be focusing on populations with a high propensity of being uninsured. AHCT will have three navigator sites that are located in Bloomfield, Hartford, and Waterbury. They will be assisting AHCT all year long. Hundreds of Brokers and Certified Application Counselors (CACs) will also be assisting in many communities. Numerous home events will be held throughout the state. Ms. Ravitz emphasized that AHCT will be implementing the Pilot Program of Home and Business Canvassing in Hartford. Another Pilot program that involves in-home events and businesses, particularly barber shops or beauty salons, will be implemented.

Ms. Ravitz stated that the residential canvassing program in Hartford resulted in knocking on 6,000 doors and talking to 1,000 people. Building brand-awareness is part of this approach. Canvassers, if they cannot reach anyone at home, leave door hangers with important information. Canvassing locations will be expanded to Bridgeport, Norwalk, and Fairfield, where the percentage of residents who are uninsured is on the higher end. The canvassers will be equipped with electronic devices that would allow them to demonstrate potential consumers' eligibility for medical coverage, either through QHP or Medicaid.

Ms. Ravitz stressed that AHCT will organize 30 enrollment fairs in 23 towns during the OE. Ms. Ravitz enumerated the initial list of organizations with direct touch points, with residents who have lost coverage, or who are actively seeking it after life changing events.

H. Marketing Update

Ms. Ravitz provided the Marketing Update. Ms. Ravitz pointed out that all of the media buys for AHCT are based on the respective target audiences. A large number of AHCT customers are those who are not eligible for financial assistance. These consumers are a target audience in the marketing campaign. AHCT tracks member behaviors by monitoring changes in health plans that they choose. Ms. Ravitz emphasized that consumers will be receiving correspondence from the Exchange, and asked them not to ignore it, since it will contain important information. The plan

that consumers chose during the last OE may not be as beneficial for them for this OE Ms. Ravitz encouraged consumers to shop, compare, and enroll. Ms. Ravitz enumerated numerous platforms through which AHCT is communicating its messages to Connecticut residents.

Cecelia Woods inquired about the Community Conference that AHCT organized. Ms. Ravitz stated that over 200 people attended, many of them brokers. The Conference covered many topics, and it was a successful undertaking.

I. SHOP/BJM Report

John Carbone, Director of SHOP and Product Development, provided the SHOP update. Mr. Carbone noted that AHCT has never been focused on the Small Business portion of its book business as it is today. Mr. Carbone noted that recent efforts have allowed the organization to build a broader role by aligning the Small Business and Individual sides to fulfill the mission statement to reduce the uninsured rate in Connecticut. SHOP is building a strong support team with new hires, who will be an integral part of the improved small business experience.

Dr. Frederick McKinney, co-founder of BJM Solutions, a consulting firm partnering with SHOP, provided the Report on the current status, as well as the possible future avenues that can be undertaken to provide small businesses in Connecticut with more affordable healthcare coverage options. Dr. McKinney provided statistics and shared the results of his research, indicating that many possibilities to grow the SHOP business on the Exchange exist. Dr. McKinney presented the executive summary of the report and went on to explain the ways in which SHOP can expand.

Dr. McKinney noted that there are around 30,000 firms in Connecticut, with 20 employees or fewer, which do not offer medical insurance for their workers. Dr. McKinney noted that 12,000 firms in this category share similar characteristics of firms who are currently being served by SHOP. These companies offer medical coverage for their employees because they operate in the competitive market and want to retain their talented employees. This is the area that SHOP can try to target. In addition, there are approximately 163,000 non-employee firms in the state, and even though they may not currently participate on SHOP, there is a possibility that they will grow and eventually would become eligible to purchase SHOP products. Dr. McKinney provided recommendations that would allow SHOP to grow in a relatively short period of time.

Dr. McKinney stressed that AHCT can grow its SHOP business from 284 small groups to over 750 to 1,000 small group customers in 18 to 24 months, with the proper staffing, messaging, and commitments. This can be accomplished by focusing on currently uninsured small groups, thus growing the assessable pool of insured groups and AHCT revenues. Many of these new small group employers will be companies with higher income employees and professional service types of firms.

Dr. McKinney pointed out that the tax credits don't increase demand for SHOP, as fewer than 20 percent of SHOP customers take the credit. Dr. McKinney noted that retaining and recruiting talent drives Small Business health insurance demand. Most SHOP employers do not even qualify for the credit. AHCT needs to invest in building out a SHOP team in order to grow the program. AHCT needs to develop a strong marketing message that is supported by SHOP team ads, web, social media, et cetera. Dr. McKinney reiterated that credits should not be the focus and added that SHOP needs to improve and develop a stronger relationship with brokers.

Mr. Doolittle inquired about the satisfaction of those customers currently enrolled in the SHOP. Mr. Carbone noted that the current retention rate stands at 84 percent. SHOP is very active in showing its customers various options that best fit their needs. Mr. Philpott inquired about the level of difficulty for SHOP to obtain customers who are in the micro-groups of 4-6 individuals, since a large number of them may be insured individually. Dr. McKinney stated that through research, it is the case. Dr. McKinney explained that in some cases, employers are encouraging their employees to purchase medical insurance coverage on the Exchange individually. In addition, some employers are encouraging their employees to do so by providing them with additional monetary incentives. It does reduce market opportunities for SHOP. Dr. McKinney noted that there are still some small businesses that do grow. An outreach SHOP strategy needs to focus on those businesses, since there may be a time that they will grow to the point when the SHOP products may become attractive to them.

Mr. Philpott inquired about the confidence level of producers who will want to work with SHOP to try to penetrate this market. Mr. Carbone noted that currently, SHOP has about 60 producers who are very consistent with the SHOP book of business and the aim is to increase that number to more than 250. This is one of the roles of the Client Relationship Managers. Mr. Michel added that brokers are the key to success, and AHCT will invest significantly to engage with them. Discussion ensued around the future plans of SHOP in reaching out to prospective customers.

J. High Deductible Health Plan Task Force

Theodore Doolittle stated that high deductibles plans, in his view, have a place among other plans, but their place is limited. Mr. Doolittle mentioned a few legislative proposals from the prior session of the Connecticut General Assembly (CGA). They had public hearings but, ultimately, they were not enacted. Mr. Doolittle stated that one of the legislative proposals that was enacted established a High Deductible Health Plan Task Force with 12 members named by the Governor and the CGA, with the OHA as the ex-officio member, to study and better understand the subject matter. The Task Force is scheduled to produce a report to the CGA on February 1, 2020. Two meetings of the Task Force have taken place, and the group will be meeting once every two weeks until the end of the year. Mr. Doolittle mentioned that a lot of complexities surround the high deductible plans, one of which has to do with the issue that states can only regulate the fully insured plans. Mr. Doolittle noted that 35 percent of insured people in Connecticut are in the

state-regulated plans, and the remaining 65 percent are in the federally regulated plans (self-funded ERISA plans). Mr. Doolittle pointed out that in some instances, the high deductible plans are associated with the Health Savings Accounts (HSA). A lot of complexity exists in the high deductible plan rules and regulations.

K. Legal Update

Susan Rich-Bye, Director of Legal and Governmental Affairs, explained the developments surrounding the Public Charge rule issued by the Department of Homeland Security (DHS) for the Immigration and Nationality Act (INA), regarding the consideration of public charge grounds. The Final rule was set to go into effect on October 15, and several lawsuits have been filed along with the joint lawsuit by Connecticut, New York, and Vermont. The lawsuit states that the new rule is unconstitutional and would hurt the state financially by depriving the state of federal funds and force the states to spend their own money to assist those populations. The preliminary injunction against this proposed rule has been granted for the whole country. The rule is stayed for now, and the ruling also stated that the plaintiff states most likely will prevail on the merits of the case.

L. Future Agenda Items

Mr. Michel briefly described future agenda items, which include the Adverse Selection Study, Fiscal Year 2019 External Audit Report, Fiscal Year 2020 1st Quarter Budget Report, 2021 Plan Designs, and SHOP Marketing Campaign. Mr. Michel stated that the Community Conference was a success, and thanked DSS staff for leading an informative discussion on the public charge issue. Mr. Doolittle inquired about the gender pay equity within AHCT and would like to obtain an update on the progress in this area. Mr. Michel indicated that at the H.R. Committee, data pertaining to gender pay equity will be presented and later to the Board. Mr. Michel indicated that in early 2019, steps were taken to address gaps that were noted.

M. Adjournment

Interim Vice-Chair Paul Philpott requested a motion to adjourn. Motion was made by Cecelia Woods and seconded by Grant Ritter. **Motion passed unanimously**. Meeting adjourned at 11:36 a.m.