



**Connecticut Health Insurance Exchange
Health Plan Benefits and Qualifications Advisory Committee
(HPBQ AC) Special Meeting**

Holiday Inn, Salon A
100 East River Drive, East Hartford

Thursday, April 11, 2019
Meeting Minutes

Members Present: Grant Ritter (Chair); Robert Tessier; Theodore Doolittle; Neil Kelsey, Tu Nguyen; Jill Zorn; Ellen Skinner; Paul Lombardo

Other Participants: Access Health CT (AHCT) Staff: James Michel; Anthony Crowe; Ann Lopes; Charmaine Lawson; Ellen Kelleher; Robert Blundo
Wakely Consulting: Julie Andrews (on the phone)

A. Call to Order and Introductions

Chair Grant Ritter called the meeting to order at 3:00 p.m.

B. Public Comment

No public comment

C. Vote

Chair Ritter requested a motion to approve the March 28, 2019 Health Plan Benefits and Qualifications Advisory Committee Special Meeting Minutes. Motion was made by Robert Tessier and seconded by Theodore Doolittle. ***Motion passed unanimously.***

D. Follow-Ups from Prior Meeting

Anthony Crowe, Chief Operating Officer, summarized the follow-up items from the prior meeting of the Committee that are also topics of conversation at this meeting.

E. 2020 Plan Offering Review

Chair Grant Ritter asked for a motion to defer the 2020 Plan Offering overview until after review of the standard plans. Motion was made by Neil Kelsey and seconded by Robert Tessier. **Motion passed unanimously.**

Mr. Crowe noted that if the Committee decides to choose the single silver offering, the carriers will not be taking full advantage of the non-standard plans. It would leave the bronze metal tier for any innovation or creativity within the designs. The move would consist of from up to three plans to only one required. Ann Lopes, Product Carrier Manager, indicated that because of the co-pay maximums that were in place for the past few years, there was not much flexibility in terms of design for the bronze. Ms. Lopes added that the possibility exists that since the caps on copays like PCP and generic drugs are eliminated, it could open the door for new alternatives. Currently only one carrier is taking advantage of offering a non-standard gold so there are a total of three gold plans. Mr. Tessier inquired whether there is value in the Board considering mandating a bronze at a high Actuarial Value (AV) range and a low AV gold plan that is toward the bottom of the AV range as this goes to choices for consumers. Dr. Ritter indicated there are open slots for non-standard plans and hopefully carriers will take advantage of those. Discussion ensued around various health plan options, including the co-insurance plans.

Ms. Lopes stated that among the current standard bronze plans, one is primarily co-pay based and it is close to the top of the AV range, as well as the standard HSA Bronze at 63.7% AV. Mr. Crowe asked if instituting one silver plan to try to maximize the Advanced Premium Tax Credits (APTCs), whether consumers would be steered to purchase the bronze plans. Dr. Ritter stated that some consumers may move to bronze while others may be moving from bronze back to silver since they would be receiving a higher APTC with a plan that has lower out-of-pocket costs. Mr. Kelsey stated that more people will move to bronze because a lot of people buy on price only. Ms. Lopes stated that during the last meeting, features of the standard silver coinsurance and also the non-standard silver plans were discussed. Both of the non-standard silver plans as well as the standard coinsurance silver plans require deductibles to be met for specialist office visits, but one plan has a \$0 copay for Primary Care visits at a specific clinic.

Ms. Lopes explained the enrollment scenarios reviewed over the past few meetings. The first scenario involves enrollees in terminating plans being auto-enrolled into their current carrier's remaining Silver plan, per federal re-enrollment regulations, including hierarchy of product/plan assignment. The second scenario involves auto-enrollment, where an enrollee not already assigned to the lowest premium Silver plan available, switches to the lowest premium Silver plan – moving to the other carrier's Silver plan. The last scenario states that after auto-enrollment, enrollee selects the lowest premium Bronze plan. The consumer may end up moving to the other carrier. These three scenarios are based on membership as of end of 2019 OE and is based on premium, although plan selection would be unique for each individual.

Ms. Lopes then provided information on the most popular plans from the last OE cycle in terms of enrollment. Mr. Kelsey stated that the Choice Alternative plan design was very different in 2018 vs. 2019. In addition, Ms. Lopes provided information that was submitted by Wakely in

evaluating the proposal as an ‘end to end’ summary of the past few meetings. Dr. Ritter added that more people would benefit – 40% with an estimated average reduction of \$135 – compared to an average increase for 27% of \$52. Discussion ensued around the occurrence of some market disruption and member confusion in plans that would be terminated. That accounts for approximately 31.9% of policyholders. More theoretical examples in the Appendix were reviewed with varying ages, counties of residence as well as different income levels. Neil Kelsey pointed out that for consumers who are currently in the silver metal category, bronze will be more attractive for them due to the cost of premiums but a person at the 94% CSR level in a silver plan would be getting a very rich design so there are probably not a lot of those people choosing bronze. For those at other federal poverty levels, bronze will be attractive. Mr. Lombardo added that for next year there may be value in knowing the average claims per member per month (PMPM) for both Rx and other buckets as this may give a better indication of how people are using insurance and the health of those who are making a choice of premium over cost sharing. Ms. Andrews stated that this could be challenging due to the movement in bronze and some of this has been gathered through other work that was done. Mr. Kelsey has brought some statistics. It seems that people are putting more weight on the up-front premium. Mr. Nguyen is open to this depending on how it is collected and provided. Mr. Tessier indicated that the data could be submitted to Wakely and that way any type of proprietary disclosure is avoided. Mr. Kelsey indicated that it would need to be aggregated for both carriers for standard plans. Dr. Ritter suggested collecting the data by categories such as hospitalization vs drugs vs specialist care.

Mr. Crowe provided a summary of high-level considerations reviewed in evaluating the proposal which include, for the second year in a row, a large migration of enrollees to a different plan. Additionally, there may be fewer plans limiting consumer choice as well as possible reduction of number in innovative plan designs as well as anticipating further migration to lower premium Bronze plans and having less competitive on-exchange plans, among others. Mr. Tessier would like the minutes to reflect that the second and third items mentioned “might” occur and stated that advantages, such as an increase in the APTCs were not presented at this point. Mr. Crowe pointed out that the issue of the potential increase in the APTCs was discussed earlier. Dr. Ritter expressed his concern that increasing premium with minimal improvement for the Cost Sharing Reduction (CSR) enrollees is not fully accurate. Mr. Kelsey noted that the 94% and 87% CSR plans are close in design for both years in terms of the overall benefit package, where the deductible and maximum out-of-pocket would be close, although the plan design format of copay vs. coinsurance differs. Dr. Ritter stated that these are some of the considerations and that there would probably be less choice and less innovation, but the benefit improvement might be great for some enrollees.

Robert Blundo, Director of Technical Operations and Analytics provided a summary of the on-Exchange marketplace premiums and APTCs and compared plan years 2017, 2018 and projected for 2019. 2019 sees a reduction in APTCs when compared to 2018. Ms. Skinner asked how many enrollees historically drop out between March and December. Mr. Blundo stated that typically

it is a 15% to 20% drop. Ms. Skinner noted that this could be driving the change in member months. Mr. Blundo stated that the total responsible PMPM kept on increasing from 2017 to 2019. The denominator includes both subsidized and non-subsidized enrollees. Mr. Blundo provided an in-depth explanation for various aspects, including, but not limited to total premiums, total responsible amounts and others. Mr. Kelsey stated that the 2018 APTC increase was driven by Silver loading due to non-funding of CSRs. Dr. Ritter pointed out that compared to the previous OE, a significant reduction in the APTCs received occurred. Mr. Blundo indicated that a lot of different variables contributed to that outcome. The Committee discussed the APTC levels.

Mr. Kelsey stated that a way to look at this is that the total premium is how much the insurance companies take in for the benefits offered. With changes for the 2019 Plan Year including introduction of lower cost silver plans and having more migration to the bronze levels, this lowers the cost of benefits in terms of what the insurance company pays out which also lowers the premium. The changes made for 2019 were a result of efforts surrounding affordability. Member responsibility has gone up a little year over year because it's a percentage of income and the maximum amount a subsidy eligible consumer would take, so the responsibility goes up each year and there are other factors, including trend. The APTC went down last year because the insurance companies charged less for putting the lower cost plans on the market. The \$355.16 APTC does not go to a member – it goes to the insurance company. It may give them more choice between bronze and silver plans. Ms. Skinner indicated that insurers have the capability of offering lower cost plans that provide more choice and innovation in the marketplace which will drive membership. The APTCs are not needed to lower costs because this is working in the marketplace to lower costs. Mr. Kelsey agreed and added that higher APTCs are not needed to lower premium costs. Mr. Tessier disagreed and added that most of the bronze plans went up in premium and consumers buying them are receiving less financial assistance. The level of benefits in the bronze plans also decreased. Mr. Tessier added that it is true that some consumers purchased the lower cost silver plans. Mr. Tessier stated that a dramatic trend over the past few years is that more people are shifting to lower cost plans out of need and expressed his support to maximizing APTCs to Connecticut consumers in the form of increased financial assistance. Mr. Kelsey stated that higher APTCs drive enrollees into lower cost, less rich plans. Mr. Doolittle cautioned drawing definite conclusions from the APTC chart presented since there are many factors influencing those results, such as the silver load and the CID cutting the rate requests. This table would look a lot different if that did not occur. Mr. Tessier recalled decisions made at the Committee level in 2018 when innovative plans were introduced, and they were supposed to save a lot of money for consumers. Mr. Tessier remarked that it has not occurred. Mr. Tessier added that not a lot of innovation was introduced, and we don't know if people purchasing lower cost plans end up with higher out-of-pocket costs. Ms. Skinner stated that we have not had the benefit of seeing the impact on the changes made for this year since we are only a few months into the year. Mr. Lombardo stated that what needs to be figured out is how to drive down costs, not cost shift to consumers. There are underlying things that generate premium, including

unit costs, severity of claims and utilization of services. It is difficult to do some of the innovative things in Connecticut that national carriers are doing elsewhere in the country because of the provider structure in place in the state. It might help if cost structure and outcome information was available to help drive consumers to make the best choice for themselves. . Mr. Kelsey noted that 80-85 percent of every dollar that carriers collect is sent to providers. Mr. Tessier expressed his appreciation to Mr. Blundo for compiling this data.

F. Wakely Consulting: 2020 Plan Design Review

Julie Andrews, Senior Actuary from Wakely Consulting, provided the Summary of the proposed 2020 plan design changes. Some plans fell out of the AVC requirements or need to be altered to meet Mental Health Parity and need to be adjusted accordingly. In addition, no changes were proposed for certain static benefit cost sharing features. In the Individual Market, the Gold Plan 5 was chosen, with some changes proposed to meet the AVC.

Chair Grant Ritter requested a motion to recommend that the Board of Directors approve Sample Plan 5 presented by Wakely Consulting on behalf of Exchange Staff as the Standard Gold Plan for the 2020 Plan Year. Motion was made by Robert Tessier and seconded by Ellen Skinner. ***Motion passed unanimously.***

Ms. Andrews went on to provide information about the 2020 Individual Market Bronze Non-HSA Plan. The Sample Plan 2 consisted of several changes to meet the AVC.

Chair Grant Ritter requested a motion to recommend that the Board of Directors Approve Sample Plan 2 presented by Wakely Consulting on behalf of Exchange Staff as the Standard Bronze Non-HSA Plan for the 2020 Plan Year. Motion was made by Robert Tessier and seconded by Ellen Skinner. ***Motion passed unanimously.***

Ms. Andrews provided information on the 2020 Individual Market 70% AV for the Silver Copay option that was selected on March 21 so that the Silver CSR variant plans could be developed. Changes were made to fall within the AV range, including increasing the Emergency Room copay after deductible from \$200 to \$450.

Ms. Andrews provided information on the 2020 Individual Market Silver 73%, 87% and 94% AV Cost Sharing Reduction Plans that were reviewed during the March 28 meeting. Proposed changes were described.

Chair Grant Ritter requested a motion to recommend that the Board of Directors Approve the Standard Silver Co-Pay Plan presented by Wakely Consulting on behalf of Exchange Staff as well as the Standard Silver Copay Cost Sharing Reduction (CSR) Plan Variations for the 2020 Plan Year. Motion was made by Robert Tessier and seconded by Tu Nguyen. ***Motion passed unanimously.***

Mr. Michel stated that only one Silver plan will be recommended to the Board.

Ms. Andrews briefly described the 2020 Individual Market Silver Coinsurance CSR variant plans at the 73% and 87% AV levels. Ms. Andrews went on to explain the 94% AV Silver Coinsurance Plan, as an additional option was requested that would lower the coinsurance under the plan. Ms. Andrews presented three options for consideration. The first option would maintain the coinsurance rate at 20% but it would increase the out-of-pocket maximum to \$800. The second would decrease the coinsurance option from 20% to 15%, but the out-of-pocket maximum would need to be raised from \$800 to \$925. The third option under consideration would further decrease the coinsurance amount to 10% while it would have to raise the out-of-pocket maximum to \$1400. Discussion ensued about those three options presented. Dr. Ritter expressed his appreciation for the additional options and asked the Committee members for feedback on which one would work best. Mr. Kelsey indicated his preference is Option 2 as when looking at the plans side-by-side, improving the coinsurance by 5% for a small increase in the out-of-pocket seems to be a good trade off.

Chair Grant Ritter requested a motion to adopt Option 2 for the 94% AV Individual Market Silver Coinsurance Plan as presented by Wakely. Motion was made by Theodore Doolittle and seconded by Ellen Skinner. Robert Tessier abstained. **Motion passed.**

Chair Grant Ritter requested a motion to adopt the Silver Coinsurance Plan as packaged. Motion was made by Theodore Doolittle and seconded by Tu Nguyen. Jill Zorn and Robert Tessier abstained. **Motion passed.**

Ms. Andrews presented the 2020 Benefit Cost-Sharing Contingency Plan. The potential exists that the maximum cost-sharing for self-only coverage would need to be changed from the existing \$8200 to \$8000 if employer-sponsored insurance premiums continued to be used in the premium adjustment percentage calculation for the 2020 benefit year. Ms. Andrews indicated that if the originally adopted \$8200 MOOP were to be lowered to \$8000, the medical deductible would need to be raised by \$600 for the bronze and \$200 for the silver to compensate for the change.

Chair Grant Ritter requested a motion to recommend that the Board of Directors designate the authority to Exchange staff to modify the Maximum Out-of-Pocket (MOOP) 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 Robert Tessier and seconded by Ellen Skinner. Discussion occurred regarding the potential release date of the final rule, and also whether any of the CSR variant plans would be impacted by this as well, even though there was no mention of an impact on the CSR variant plans in the proposed rule. **Motion passed unanimously.**

Chair Grant Ritter asked for a motion to recommend to the Board, that effective for the 2020 Plan Year, Qualified Health Plan issuers be required to offer only one Standard Silver Copay Plan for the Individual Exchange. Motion was made by Robert Tessier and seconded by Jill Zorn. Neil Kelsey and Ellen Skinner opposed. **Motion passed.**

Chair Grant Ritter requested a motion to recommend that the Board 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 Robert Tessier and seconded by Jill Zorn. Discussion occurred clarifying that the Silver Coinsurance plans are not part of the package, and that no non-standard Silver plans will be permitted for the 2020 plan year. Neil Kelsey opposed. Ellen Skinner abstained. **Motion passed.**

Discussion ensued regarding an option to have a secondary recommendation as an alternative in the event the Board does not approve moving to only one standard Silver plan. The Committee determined this would not be necessary. Ellen Skinner recommended that the pros and cons of eliminating the Silver coinsurance and non-standard Silver plans to the Board. Mr. Michel stated that could get complicated and a risk of this is that the issue could be debated again, and that they don't have all the information that this group has reviewed. Ms. Skinner stated that in her experience from sitting on other Boards, they would want some background. Dr. Ritter stated that last year we tried to give information and feedback was that the Committee spent six months working on this and it was so complicated. Mr. Tessier indicated that the Committee's recommendation was changed at the Board meeting last year.

G. Future Items for Discussion

H. Action Items

Ms. Lopes provided a timeline for the QHP/SADP Certification Requirements and Submission for Plan Year 2020.

I. Upcoming Meeting Schedule

There are no upcoming meetings scheduled for this Committee, but if the Board does not approve the recommendation voted on today, there is a risk that one would need to be held to come up with an alternative recommendation. There are no take-aways from this discussion other than a recommendation to obtain PMPM claim data to review as part of the standardized plan design development. Mr. Tessier thanked all the staff, Wakely and committee members for their work.

J. Adjournment

Chair Grant Ritter requested a motion to adjourn. Motion was made by Robert Tessier and seconded by Ellen Skinner. Motion passed unanimously. Meeting adjourned at 5:15 p.m.