



**Connecticut Health Insurance Exchange
Board of Directors Regular Meeting**

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

Thursday, January 16, 2020
Meeting Minutes

Members Present:

Paul Philpott (Interim Vice-Chair); Victoria Veltri; Cecelia Woods; Grant Ritter; Yvonne Addo on behalf of Commissioner Miriam Delphin-Rittmon, Department of Mental and Health Addiction Services (DMHAS); Commissioner Deidre Gifford, Department of Social Services (DSS); Thomas McNeill; Theodore Doolittle, Office of the Healthcare Advocate (OHA); Steven Hernandez; Paul Lombardo on behalf of Commissioner Andrew Mais, Connecticut Insurance Department (CID); Heather Aaron on behalf of Commissioner Renee Coleman-Mitchell, Department of Public Health (DPH); Anne Foley

Members Absent:

Other Participants:

Access Health CT (AHCT) Staff: James Michel; Edith Lortie; Robert Blundo; Susan Rich-Bye; Andrea Ravitz; John Carbone; Anthony Crowe; Ann Lopes; Glenn Jurgen

A. Call to Order and Introductions

The Regular Meeting of the Connecticut Health Insurance Exchange Board of Directors was called to order at 9:00 a.m.

Vice-Chair Paul Philpott called the meeting to order at 9:00 a.m.

B. Public Comment

No public comment.

C. Vote

Vice-Chair Paul Philpott requested a motion to approve the November 21, 2019 Board of Directors Regular Meeting Minutes. Motion was made by Grant Ritter and seconded by Victoria Veltri. **Motion passed unanimously.**

D. CEO Report

James Michel, CEO, provided an update on Access Health CT activities. Mr. Michel outlined undertakings occurring within the organization, that include but are not limited to conducting a leaver survey as well as the post Open Enrollment (OE) initiatives aimed at constantly improving customer experience. Mr. Michel emphasized that based on those surveys, the majority of customers who chose not to return to obtain Access Health CT services, have obtained medical coverage through their employers. Mr. Michel provided a synopsis of the Board agenda. Mr. Michel emphasized that the 10 Anniversary of the signing of the Patient Protection and Affordable Care Act will take place on March 23. Mr. Michel added that the success of the law is tremendous, but the work continues to lower the uninsured rate in Connecticut noting that the importance of the relationship with the Department of Social Services is crucial to achieving that goal.

E. Finance Update

Mr. Michel, the CEO and the acting Director of the Finance Department, presented the Budget Report. Mr. Michel noted that AHCT is in the process of conducting the recruitment process for the new Director of the Finance Department.

Mr. Michel presented the FY Q2 Budget Report. Mr. Michel described the FY 2020 Budget vs. Actuals through December 31, 2019. Mr. Michel noted that the total operating expenses that were budgeted were \$16,112,354, the actuals were \$15,080,487 which presented a positive variance of \$1,031,867. Budgeted cost share with the Department of Social Services was \$10,067,703 and the actual was \$8,531,957. Revenues were attributable to carrier assessments and the favorable interest rate environment, while on the expense side the variance was due to the timing of invoices and improved budget management. The FY 2020 Operating Budget includes the cost share with DSS in the amount of \$53,988,194. Mr. Michel went on to describe details of the operating budget. One of the biggest variances exists in both salaries and temporary staffing. While the salaries decreased due to existing vacancies, temporary staffing has increased. In terms of fringe benefits, a positive variance exists due to higher than anticipated medical insurance costs.

Commissioner Deidre Gifford arrived at 9:10 a.m.

Vice-Chair Paul Philpott requested a motion to approve the FY 2020 Q2 Budget Report as presented. Motion was made by Grant Ritter and seconded by Thomas McNeill. **Motion passed unanimously.**

Mr. Michel provided an analysis of shared costs with DSS. Mr. Michel went on to provide the Board with an update on capital improvements. Mr. Michel stated that three capital improvement projects were originally funded in 2019. At this point, all of them are still in progress. System enhancements accounted for \$1.6 million spent. The other two projects include System Redesign and Improvements as well as SHOP and Subsidiary Research. Over \$2.1 million has been spent to date while close to \$1.5 million is the remaining balance for those projects. Mr. Michel pointed out that carry-forward amounts represent purchase orders encumbered during FY 2019 but not liquidated at June 30, 2019.

Mr. Michel summarized the 1332 Waiver application study that was authorized by the Board of Directors in November 2019 in the amount of \$100,000 to come out of reserves. The study will be completed in February 2020 in case the State Legislature decides Connecticut will apply for the waiver to the Centers for Medicare and Medicaid Services (CMS). Mr. Philpott inquired about the possibility of the 1332 Waiver to lower health insurance premiums. Mr. Michel noted that based on last year's study – the question was raised if health insurance premiums were lowered through a reinsurance program, how much money would the state have to invest and how much money would come from the federal government since savings for the latter would result in reduction of the Advanced Premium Tax Credits (APTCs). The remaining balance would have to come from the state. Theodore Doolittle commented that due to the particularities of the ACA and changes that have occurred over time, in states that have instituted a reinsurance program, premiums for unsubsidized populations dropped while they increased for those who receive subsidies. Mr. Doolittle inquired whether steps are being taken to address this scenario. Mr. Doolittle emphasized that he is in support of the reinsurance program as a whole but would not support it if it negatively affects the subsidized population. Mr. Michel noted that the federal government is doing it to save them money by reducing the APTCs. As the premiums go down, so do the APTCs that help pay premiums for the subsidized customers. Mr. Doolittle noted that part of a possible solution would be to have increased state subsidies to try to fill the gap created by the decrease in the APTC funding. Mr. Michel pointed out that if it becomes the law in Connecticut, it would be the statewide program.

F. 2020 Open Enrollment Update

Robert Blundo, Director of Technical Operations and Analytics provided the 2020 Open Enrollment Update. Mr. Blundo noted that since OE 2020 ended one day prior, no final data was available as of this Board meeting. Mr. Blundo, however, provided the Board with the available

statistical data. Mr. Blundo emphasized that 223,000 unique Access Health CT visitors utilized the website; 244,000 calls were handled through the call center; almost 2,000 visitors attended Enrollment Fairs; and, 2,500 visitors came to enrollment locations. Mr. Blundo added that 106,376 enrolled into a Qualified Health Plan (QHP); 69 percent were eligible for APTCs; and, 43 percent were qualified for the Cost Sharing Reductions (CSR). Those numbers were lower than in previous open enrollments. Potentially, one of the reasons for such an occurrence is that more individuals are earning more which pushes them above the 400 percent of the Federal Poverty Level (FPL), at which point they would not be eligible for financial assistance. In addition, 50,717 were determined eligible and completed applications for Medicaid and the Children's Health Insurance Program (CHIP).

Mr. Blundo summarized demographic characteristics as well as plan selections and premiums that AHCT customers have chosen. Mr. Blundo described numerous trends that were noticed during the OE period, which included improving an economy which generally contributes to the fact that more people find healthcare coverage through their employers. Mr. Blundo discussed upcoming dates and deadlines pertaining to various post OE operations, such as verification completion for consumers to be APTC eligible as well as those who have not made their first premium payment. Mr. Blundo emphasized that the full-detailed OE report will be provided at the February Board of Directors Meeting. Victoria Veltri commented that one of the possible reasons why less APTC eligible people may have obtained coverage through the Exchange and Medicaid enrollment increased was affordability of health care plans. Mr. Blundo noted that affordability is certainly a factor. Deidre Gifford added the state expanded the eligibility for parents by a small amount. It may be contributing to the increased rolls on the Medicaid side. Anne Foley indicated that the projected increase in the Medicaid enrollment due to the expansion of the FPL criteria is approximately 3,600. Mr. Doolittle inquired about the elimination of the individual mandate and if it had any effect on the number of individuals enrolling. Mr. Blundo commented that no definitive data currently exists on this point in Connecticut. He referred to a mix of comments from the focus groups that some consumers were either unaware that the individual mandate have been zeroed out or were confused about it, so it is not clear whether it was a factor.

G. 2021 Plan Certification Update

Ann Lopes, Product Carrier Manager, provided a 2021 Plan Certification Update. Ms. Lopes noted that the Plan Management Team is already working on health care plans for 2021 that will be offered on the Exchange when the new OE starts on November 1. Ms. Lopes described the process that involves numerous steps and approvals. Ms. Lopes noted that for each plan year, the cycle begins with the release of regulations and guidance, including the Actuarial Value Calculator (AVC) tool used to develop standardized plans and ends once Open Enrollment commences. The Health Plan Benefits and Qualifications Advisory Committee is critical with the

development of certification requirements each year. The first meeting of the Committee for the 2021 Plan Year was held on December 18, 2019.

H. Legal Update

Susan Rich-Bye, Director of Legal and Governmental Affairs, provided the Legal Update. Ms. Rich-Bye noted that the Program Integrity final rule dealt with three areas which included the oversight of state exchanges, periodic data matching and separate billing for non-Hyde amendment abortion services. The oversight of state exchanges ruling was aimed at streamlining data reporting from the exchanges to the federal government.

Ms. Rich-Bye summarized the Periodic Data Matching requirement. The Exchanges are required to check the eligibility for other federal programs. Currently, AHCT performs that check once a year during autorenewal. Ms. Rich-Bye added that the new rule would require the Exchange to do it twice a year starting in 2021.

Ms. Rich-Bye explained the new rule on separate billing for non-Hyde abortion services. Ms. Rich-Bye added that based on the Hyde amendment, federal dollars cannot be used to fund those services except in the case a rape, incest, or if the life of the mother is in danger. The ACA has a provision which states that the carriers who cover those services have to provide a separate bill for this coverage. Ms. Rich-Bye explained that previously, the carriers were able to print one bill, but that line item had to be specifically stated with the explanation that no APTCs or CSRs can be used for that purpose. The new rule requires the carriers to create a completely separate bill for the non-Hyde amendment abortion services, but they can be inserted into one envelope if the bill is sent in the mail. For electronic bills, the carrier must send two separate electronic bills. The new billing rule goes into effect for the billing cycle after June 27, 2020.

Ms. Rich-Bye elaborated on the spending bills that affect the ACA. Congress permanently repealed the Health Insurer, Cadillac and Medical Devices taxes, and preserved silver loading for 2021 and maintained automatic reenrollment in the Federally Facilitated Marketplace (FFM) for 2021. It is estimated that the repeal of those taxes will result in a lower collection of taxes of approximately \$373 billion over the next 10 years for the federal government.

Ms. Rich-Bye provided an update on the *Texas vs. Azar* 5th Circuit Court decision. The Court partially affirmed the lower court ruling that the mandate with \$0 penalty is unconstitutional, however, the Court also remanded the case back to trial court to review provisions of post-2017 ACA and determine whether each provision is severable from the Mandate. A coalition of 21 Democratic Attorneys General and Governors, including Connecticut and the House of Representatives appealed to the Supreme Court of the United States and asked for expedited review for the Court to hear the case during the Supreme Court's 2020 term. The Association of

Health Insurance Plans filed an amicus brief in support of the review to be expediated. Ms. Rich-Bye stressed that the amicus brief showed that the insurers are supportive of the ACA. They have adjusted their systems and business models to successfully function within the realms of this law. Ms. Rich-Bye added that once the decision on the expediated review is rendered, it will be known whether the case will be heard in 2020 or in 2021.

Ms. Veltri encouraged the Exchange to undertake outreach to customers on the split billing issue so they better understand it. Mr. Michel conveyed that AHCT will work closely with the two participating carriers to coordinate the efforts to inform customers.

I. Future Agenda Items

Mr. Michel summarized future agenda items, which include preparations for the 10th anniversary of the ACA enactment. The Reinsurance/1332 Waiver report as well as the OE7 results will be provided. In addition, AHCT is planning on holding one of its future Board meetings at the AHCT Call Center in Bristol.

J. Executive Session

Vice-Chair Paul Philpott requested a motion to go into Executive Session to discuss Security matters pursuant to C.G.S. §1- 200(6)(C). Motion was made by Deidre Gifford and seconded by Anne Foley. **Motion passed unanimously.**

Vice-Chair Paul Philpott called the meeting back to order at 11:08 a.m.

K. Adjournment

Vice-Chair Paul Philpott requested a motion to adjourn. Motion was made by Victoria Veltri and seconded by Grant Ritter. **Motion passed unanimously.** Meeting adjourned at 11:10 a.m.