



## Connecticut Health Insurance Exchange Board of Directors Regular Meeting

Remote Meeting

Thursday, April 16, 2020

### Meeting Minutes

#### **Members Present:**

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

#### **Members Absent:**

Renee Coleman-Mitchell, Commissioner, Department of Public Health (DPH)

#### **Other Participants:**

***Access Health CT (AHCT) Staff:*** James Michel; Robert Blundo; Susan Rich-Bye; Andrea Ravitz; John Carbone; Anthony Crowe; Glenn Jurgen; Kathleen Tallarita; Daryl Jones; Ann Lopes

***Wakely Consulting:*** Julie Andrews; Brad Haywood

#### **A. Call to Order and Introductions**

**The Regular Meeting of the Connecticut Health Insurance Exchange Board of Directors was called to order at 9:08 a.m.**

Vice-Chair Paul Philpott called the meeting to order at 9:08 a.m.

#### **B. Public Comment**

No public comment.

Vice-Chair Paul Philpott stated he would postpone the vote on approving the Minutes until necessary quorum was reached and asked Access Health CT (AHCT) Chief Operating Officer (CEO), James Michel to provide his CEO Report first.

#### **D. CEO Report**

Mr. Michel began his remarks by expressing condolences to Victoria Veltri on the passing of her mother.

Mr. Michel praised the work of Daniel Maloney, the new Information Technology Director and his team and their extensive experience which is very helpful in conducting remote meetings.

Mr. Michel provided the Board with an update pertaining to remote employee engagement. The Senior Leadership Team (SLT) meets biweekly and an hour weekly meeting is held with the entire staff on Monday mornings to connect and share information. Directors of individual departments have set their own meeting schedules with their team members. Mr. Michel indicated that with the leadership of Governor Ned Lamont, Connecticut Insurance Commissioner, Andrew Mais, Department of Social Services Commissioner, Dr. Deidre Gifford and the carriers, ConnectiCare and Anthem and many others, access to quality affordable healthcare has been increased through the Special Enrollment Period (SEP) for the uninsured. Mr. Michel pointed out that over 25,000 Connecticut residents were assisted in enrolling in healthcare coverage, including both Qualified Healthcare Plans (QHPs) through AHCT and Medicaid. AHCT continues to be a resource for individuals who recently lost their employment.

Mr. Michel conveyed to the Board that AHCT has a new director of Finance. Mr. Michel indicated that Mr. Daryl Jones is a former Comptroller for the City of New Haven and has extensive experience in municipal government finance. Mr. Jones joined the AHCT Finance team in early March. The Board will be presented with the FY 2021 operating budget today, and Mr. Michel stated that the focus of the organization for the foreseeable future will be on three distinct areas which include IT system enhancements, cybersecurity as well reducing health disparities which is core to the AHCT's mission. Mr. Michel added that \$350,000 is allocated to supporting the All Payer Claims Database (APCD). Proposed legislation is currently being considered at the Connecticut General Assembly to allow AHCT to raise assessment funds to support this initiative for the Office of the Healthcare Strategy (OHS).

Mr. Michel expressed his deepest words of appreciation to all of those who are helping AHCT in this difficult moment in time.

**Steven Hernandez joined at 9:17 a.m.**

#### **C. Vote**

Vice-Chair Paul Philpott requested a motion to approve the February 20, 2020 Board of Directors Regular Meeting Minutes. Motion was made by Grant Ritter and seconded by Victoria Veltri. Roll call vote was taken. ***Motion passed unanimously.***

## **E. Finance Update**

Daryl Jones, Director of Finance, presented the Finance Update. Mr. Jones presented the FY 2021 3<sup>rd</sup> Quarter Budget Report – Operating. Mr. Jones provided an overview of the 3<sup>rd</sup> Quarter Fiscal Year-to-Date information. Mr. Jones also provided FY 2020 Budget vs. Actuals from July 1, 2019 through March 31, 2020. Mr. Jones noted that total revenue is slightly above budget mainly due to adjustments in carrier premiums and interest income that has decreased due to declining interest rates. Mr. Jones pointed out that total operating expenses are lower by over \$2.8 million which was a result of the timing of projects, vacancy savings as well as travel expenses due to the COVID-19 crisis. In addition, the variance in cost-sharing with the Department of Social Services (DSS) is lower by \$1.3 million mainly due to the timing of projects. The Operating budget is expected to be on budget by the end of this fiscal year.

### **Anne Foley joined at 9:22 a.m.**

Mr. Jones described the FY 2020 Budget vs. Actuals through March 31, 2020 in the 3<sup>rd</sup> Quarter budget report. Revenues are slightly above budget due to adjustments in carrier premiums. Overall, AHCT is under budget by about \$4.2 million mainly due to the timing of projects. AHCT is expected to be on budget pertaining to the operating expenses. The contractual line item shows expenditures over budget which was a result of the investment in SHOP marketing and other supportive activities. Mr. Jones explained the FY 2020 Projected Year-End Shared Cost with DSS. The cost-share with DSS is slightly under budget with a variance of \$353,000 due to achieving efficiencies with temporary staff, improved Software Contract Management and budget adjustments for printing and scanning.

Mr. Jones provided information on the COVID-19 impact on FY 2020 Projected Year-End Budget. AHCT is tracking the potential unspent FY 2020 Operating Budget at the end of this fiscal year. The primary driver is the timing of projects and related invoices, and the revenues are expected to be more than \$928,000 over budget mainly due to adjustment in carrier premiums. Mr. Jones directed the Board's attention to savings that the organization is achieving through contractual, equipment and maintenance as well as IT enhancements. Reduction in travel due to COVID-19 is also part of the savings. Those savings are directed toward the investments in the SHOP program. Mr. Jones outlined that the current projected range of potentially unspent FY 2020 Operating Budget is \$1.5 million to \$2.5 million and stressed that AHCT is planning to spend up to the

budgeted amount. However, all projects may not be completed but they will be started and encumbered before the end of the Fiscal Year.

Mr. Jones went on to provide information about carry-forward projects from FY 2019 to FY 2020. These include system enhancements, redesign, and development as well as SHOP and subsidiary research with the last one being completed and the remaining continuing to be in progress. Mr. Jones enumerated one-time projects funded from AHCT's reserves. Two of those projects are currently on-hold pending assessments from DSS, while the third one, the Economic Analysis for a State Reinsurance Program is in progress. Mr. Jones added that the Projected End-Year Reserves are \$22,541,389, which is an increase of over \$900,000 and constitutes 7.7 months of operating funding.

Vice-Chair Paul Philpott requested a motion to approve the FY2020 3<sup>rd</sup> Quarter Budget Report - Operating as presented by Exchange Staff. Motion was made by Cecelia Woods and seconded by Grant Ritter. Roll call vote was taken. **Motion passed unanimously.**

Mr. Jones presented the FY 2020 – 3<sup>rd</sup> Quarter Capital Improvement Plan Update. Mr. Jones commented that three projects were initiated and funded in FY 2019 but not completed by the end of the fiscal year and are still ongoing in FY 2020. These include system enhancements, redesign, and development as well as SHOP and subsidiary research with the latter being completed and the remaining continuing to be in progress. The total amount is \$2.7 million. Mr. Jones reviewed one-time projects funded from AHCT's reserves. Two of those projects are currently on-hold pending assessments from DSS, while the third one, the Economic Analysis for a State Reinsurance Program, is in progress.

Mr. Jones presented the FY 2020 Proposed Budget. Mr. Jones noted that in terms of revenues, marketplace assessments have increased by close to \$1.8 million as compared with the prior year. It was a result of increased premium costs while the rate remained unchanged. The expected interest income from reserves is lower by close to \$300,000 due to a decrease in interest rates. Mr. Jones pointed out that the Proposed FY 2021 Budget is \$55,132,676 with a DSS shared cost of \$19,990,688. Mr. Jones provided an in-depth analysis of the proposed budget which included costs associated with budgeted expenses such as salaries, contractual and other elements. Mr. Jones went on to explain the investment details of the FY 2021 Capital Improvements funded from the Operating Budget. They total \$4.73 million.

Vice-Chair Paul Philpott requested a motion to approve the FY 2021 Proposed Budget as presented by Exchange Staff. Motion was made by Thomas McNeill and seconded by Steven Hernandez. Roll call vote was taken. **Motion passed unanimously.**

#### **F. Qualified Health Plan Certification Requirements for 2021 Plan Year**

Ann Lopes, Product Carrier Manager, and Julie Andrews of Wakely Consulting provided the Qualified Health Plan Certification Requirements for the 2021 Plan Year. Ms. Lopes indicated that during the January Board of Directors meeting, the Plan Management Certification Life Cycle was reviewed. In addition, information was provided for the key milestones that need to occur in order for AHCT to be ready to load plan and rate data into the system for consumer shopping and open enrollment for the 2021 plan year to commence on November 1st.

**Theodore Doolittle joined the meeting at 9:38 a.m.**

Ms. Lopes discussed the importance of the work performed by the Health Plan Benefits and Qualifications Advisory Committee in reviewing potential changes in certification requirements each year, including modifications to standardized plans offered through AHCT in the Individual Market. Ms. Lopes discussed the dependency on federal guidance in making changes to standardized plans offered through AHCT in the Individual Market. Ms. Lopes outlined the activities undertaken by the Health Plan Benefits and Qualifications Advisory Committee (HPBQ AC) during the certification requirements review cycle for the 2021 plan year. The review of standardized plans requires coordination between the actuarial consultant, Wakely, and participating carriers, Anthem Blue Cross and Blue Shield and ConnectiCare Benefits Inc., to test plan design options suggested by the HPBQ AC to ensure compliance with federal guidance on actuarial value and mental health parity based on each carrier's own claim information.

Ms. Lopes stated that Value Based Insurance Design, or VBID, is an approach to align cost-sharing for health care services with clinical value by reducing cost-sharing, including waiving deductible for higher value services and increasing cost-sharing for low-value services. Ms. Lopes added that high value services are those that most people will benefit from and have a strong clinical, evidence-based results demonstrating appropriate care. Ms. Lopes remarked that expected results include, but are not limited to, better health outcomes and lower out-of-pocket costs for people with specified chronic conditions. Ms. Lopes further explained VBID, including both, advantages and challenges of that approach. Ms. Lopes mentioned that the topic of reinsurance discussed at the committee level. Ms. Lopes added that another topic of discussion was whether, based on IRS guidance released last year, the AHCT standardized HSA Bronze plan could be adjusted to incorporate a list of 14 additional preventive care benefits for a range of chronic conditions under a high deductible health plan (HDHP). Ms. Lopes went on to describe the IRS guidance for coverage for those services and pointed out that Wakely has reviewed this topic with the carriers. However, based on the information known at that time, Wakely was not able to present any plan options that could include coverage for these services, as neither carrier was able to develop a compliant standardized HSA Bronze plan when adding this to the benefits.

Ms. Lopes also briefly discussed the potential impact of proposed State legislation regarding coverage for diabetes on the standardized plans, and whether there would be a need to modify any of the standard plan designs to incorporate this should it be passed. Ms. Lopes enumerated

provisions impacting the standardized plans. Theodore Doolittle expressed his strong disagreement with the assertion that carriers will not be permitted to develop a compliant standardized HSA Bronze plan. Mr. Doolittle went on to say that the High Deductible Health Plans Task Force that he chairs received two conflicting legal opinions and, in his view, is a closed question. Mr. Doolittle opined that in the final analysis, the carriers' approach will prove to be incorrect.

Julie Andrews, Wakely Consulting Actuary, presented the 2020 Individual Market Standard Plan Designs that have been recommended by the HPBQ AC, to make sure that these plans were in compliance with section 1302 of the ACA, as well as subsequent regulations, including mental health parity. Ms. Andrews described proposed regulation changes for Plan Year 2021. One of the major regulatory changes for 2021 includes proposed annual limitation in cost sharing which was increased to \$8550. Ms. Andrews noted that the Cost Sharing Reduction (CSR) Variations proposed annual limitation on cost sharing also changed for all CSR tiers. Ms. Andrews went on to describe changes to the Actuarial Value Calculator (AVC) and explained that data underlying the calculator was updated from prior year. Ms. Andrews summarized the 2021 AV changes for all metal tiers and described all of the metal tiers and proposed coverage changes for particular services within those plans. The Bronze Non-HSA and Bronze HSA plans do require changes to be compliant with the AVC. Victoria Veltri made a comment about the affordability of plan designs in general.

Vice-Chair Paul Philpott requested a motion to accept the recommendation of the Health Plan Benefits and Qualifications (HPBQ) Advisory Committee to approve the cost sharing adjustments as presented by Wakely Consulting for the two AHCT standardized plans that will no longer be compliant for Plan Year 2021 due to changes in the federal Actuarial Value Calculator tool; the Bronze Non-HSA Plan: Sample Plan 2, and the Bronze HSA Compatible Plan: Sample Plan 1. Motion was made by Grant Ritter and seconded by Thomas McNeill. Roll call vote was taken. **Motion passed unanimously.**

Vice-Chair Paul Philpott requested a motion to accept the recommendation of the Health Plan Benefits and Qualifications Advisory Committee for a contingency plan if forthcoming federal guidance pertaining to maximum out-of-pocket (MOOP) limits results in any of the AHCT standardized plans for 2021 no longer being compliant with the Actuarial Value (AV), Mental Health Parity (MHP) and/or IRS guidance on High Deductible Health Plans (HDHPs):

- Permit the AHCT Plan Management team and its Actuarial Consultant to work directly with the carriers to modify the standardized plans and make necessary, minimal changes without reviewing the results with the HPBQ Committee and/or the AHCT Board of Directors.
- Standardized plans that could be impacted include: Bronze HSA, Bronze Non-HSA and Silver including the 73%, 87% and 94% Cost Sharing Reduction (CSR) Plans.

- Should the MOOP change be greater than a \$300 decrease, this contingency approach will not apply. Motion was made by Grant Ritter and seconded by Thomas McNeill. Roll call vote was taken. **Motion passed unanimously.**

### G. AHCT COVID-19 Response Update

Susan Rich-Bye, Director of Legal and Governmental Affairs and Anthony Crowe, Chief Operating Officer, presented the AHCT COVID-19 Response Update. AHCT has been instituting numerous changes to continue to provide services to the residents of Connecticut.

Ms. Rich-Bye noted that four individual initiatives have been implemented by AHCT, including the new Special Enrollment Period for the Uninsured. Ms. Rich-Bye noted that AHCT worked collaboratively with the Office of the Governor, the Connecticut Insurance Department and the participating carriers to create the Special Enrollment Period for the Uninsured and added that the Health Reinsurance Association also created a special reinsurance program. Ms. Rich-Bye stated that the original dates for the Special Enrollment were from March 19 to April 2 with an April 1 effective coverage date. This SEP was extended by 2 weeks to April 17 with an effective coverage date of May 1 for all who enrolled during the second 2 week. Consumers have also been given extensions in the time allowed to verify information on their applications. Ms. Rich-Bye added that terminations due to not submitting verification documents are currently on hold in order to make sure that customers do not lose their coverage. A Provisional Enrollment for a Qualifying Life Event Special Enrollment Periods was also initiated with assistance from the carriers. There was no pre-enrollment verification for the purpose of enrolling these consumers quickly but added that verification of eligibility is required for all other groups. Ms. Rich-Bye stated that AHCT is working closely with DSS under various federal and state programs. DSS is changing their policies and extending coverage for enrollees in Medicaid and CHIP that might have normally terminated during this time period. Ms. Rich-Bye stressed that the SHOP team is working extensively with the small group market during this time of crisis as well.

Mr. Crowe provided the Board with information on the current staffing levels at the Call Center and emphasized that most of their employees are performing their work from home. Mr. Crowe noted that there were technical and logistical challenges converting call center employees to work from home at the same time that the call volume also increased. As a result, a backlog was created which was eliminated in a short period of time. Mr. Crowe indicated that a person looking to enroll during the SEP had to call the Call Center in order to enroll as the online feature was not available for this SEP.

Mr. Crowe provided statistical data on the enrollment levels during the SEP's first three weeks in comparison with the same time period in the prior year. Mr. Doolittle commented that having close to 2,000 new SEP enrollees is about 2 percent of the entire QHP population and is a success.

Mr. Doolittle expressed his appreciation to the AHCT team, and Mr. Philpott along with Ms. Veltri echoed that. Ms. Veltri pointed out that the unemployment levels went up due to the crisis and encouraged increasing awareness about possible healthcare coverage options. In addition, Ms. Veltri inquired as to whether there was a specific message for individuals who may have to come back to AHCT to report a change of income due to unemployment. Mr. Crowe stressed that these two issues are at the core of the AHCT's messaging and outreach campaign until at least the end of June. Mr. Doolittle inquired whether the extra \$600 unemployment compensation that people may obtain counts towards income in determining APTCs. Ms. Rich-Bye noted that consumers who receive both APTCs and CSRs have to include the supplemental \$600 in unemployment benefits, but Medicaid and CHIP recipients do not have to include it.

#### **H. Future Agenda Items**

Mr. Michel presented future agenda items that included the following items:

- Return to Office Schedule
- FY2020 Audit
- Open Enrollment & Preparedness
- State-Based Marketplace Annual Reporting Tool.

#### **I. Adjournment**

Vice-Chair Paul Philpott requested a motion to adjourn. Motion was made by Cecelia Woods and seconded by Victoria Veltri. Roll call vote was taken. **Motion passed unanimously.** Meeting adjourned at 10:21 a.m.