Access Health CT – Board of Directors

January 21, 2021

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Board Agenda

A. Call to Order and Introductions

B. Public Comment (please submit to Marcin.Olechowski@ct.gov by 4 p.m. on January 20)

C. Votes
- Review and Approval of Minutes
- Elect Interim Vice-Chair
- Appoint Matthew Brokman to HPBQ Advisory and Audit Committee
- Appoint Mark Schaefer to HPBQ Advisory Committee
- Remove Members from the HPBQ Advisory Committee

D. CEO Report/Mid-Year Report

E. 2021 Open Enrollment Update

F. 2022 Plan Certification Update

G. Adverse Selection Report

H. Legal Update

I. Future Agenda Items

J. Adjournment

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Public Comment

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Votes

- Review and Approval of Minutes
- Elect Interim Vice-Chair
- Appoint Matthew Brokman to HPBQ Advisory and Audit Committee
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CEO Report/CEO Mid-Year Report
James Michel

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2021 Open Enrollment (OE) Update

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2021 Key Open Enrollment Metrics

Customer Interactions:

- 313k unique AccessHealthCT.com visitors (Up 37%)
- 258k calls handled through call center (Down 2%)
  - 32.6k customer web chat sessions (Up 14%)

OE Enrollment/Eligibility Activity:

- Started OE 8 with 98,874 enrollees (Up 4.6%)
- 104,946 enrolled into a qualified health plan (Down 2.7%)
- 28% eligible for APTC (Up 1.7%), 42% eligible for APTC/CSR (Down 1.5%)
- 34,012 determined eligible and completed application for Medicaid (Down 35%)

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2021 Key Open Enrollment Metrics

Public Health Emergency Efforts and Impact:

- PHE recently extended by HHS through April 20, 2021, maintaining coverage for current HUSKY members through April 30.
- Any further extension is not likely to be announced by U.S. Department of Health & Human Services until we are closer to that date.
- Over 123k with HUSKY coverage extended since start of PHE.
- Verification requirements extensions continue for enrollees for the duration of the PHE.
- Updated guidance for COVID-Related Tax Relief Act of 2020 underway.
- Planning and strategy needed for eventual PHE end.

Customer Acquisition And Churn - End Open Enrollment (OE) & Annual Comparison[1]:

	OE7	OE8	YOY Change
QHP Enrollment Outflow			
QHP Transition To HUSKY (Annual)	10,910	17,518	60.6%
QHP Attrition (OE)[2]	7,177	6,684	-6.9%
QHP Enrollment Inflow			
SEP Enrollments (Annual)	8,189	10,888	33.0%
Re-Acquired Enrollees (OE)	18,511	12,290	-33.6%
Brand New Enrollees (OE)	6,769	6,766	0.0%
Transition From HUSKY (Annual)	12,124	2,493	-79.4%
HUSKY Enrollment			
Total HUSKY Enrollment[3]	720,327	836,898	16.2%
Acquired Enrollees (OE)	52,714	34,012	-35.5%
Acquired Enrollees (Annual)	110,607	156,110	41.1%

1) Metrics with the label "(Annual)," contain enrollment between calendar years. Metrics with the label "(OE)" contain enrollment within respective open enrollment period.
2) Excludes enrollee attrition related to transitions to HUSKY or Medicare age out
3) All Part A, B, and D active enrollees processed through Access Health CT portals at end of OE.

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2021 Key Open Enrollment Metrics

Demographics:

- Average age of enrollees is 44.4 years old (Up .5 Years)
- 53.5% of enrollees are female (Down .6%)
- Average number of covered enrollees per household is 1.9 (Unchanged)

Plan Selections and Premiums:

- 44.2% of enrollees associated with a broker (Down 1.8%)
- 46.8% 2021 enrollees selected a silver plan (Up .5%)
- Median monthly gross premium $631 (+$17) / Median monthly net premium $142 (-$9)
- 92.7% retention rate into 2020 policies (Up .7%)
- 56% reduction in high probability detrimental plan selections by new enrollees (87% and 94% CSR enrollment in non-silver plans)

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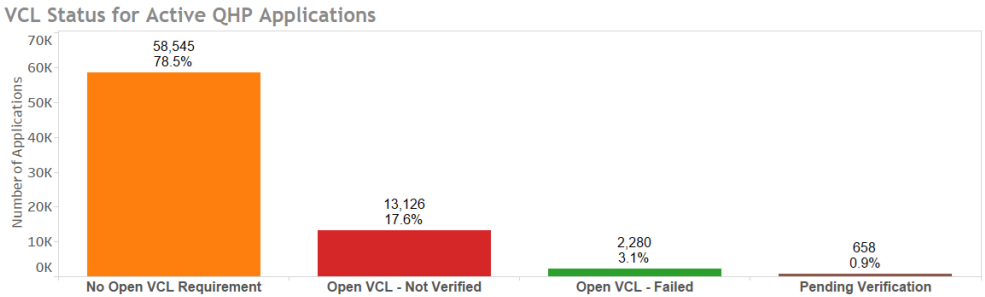
Upcoming Dates and Deadlines

- Post Enrollment Verifications Deadlines
  - Due to Public Health Emergency, verification period extended for all enrollees.
  - Outstanding verification activity remaining for 15k households
  - Easier documentation submission experience for mobile users
  - Dedicated website to guide customers available on *learn.accesshealthct.com/verification-help/*



- Outstanding Premium Payments Due
  - •January policy invoices delivered to enrollees
  - •14.9% of 2021 policies currently pending effectuation
- 1095A Preparation
  - •86k 1095As to be mailed out by Jan 27th
  - •Electronic 1095 download available through Access Health CT website
  - •Dedicated outreach and resolution staff available

2021 Open Enrollment Summary Report To Be Released February 2021

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Marketing Update

OE8 Wrap-Up & Next steps

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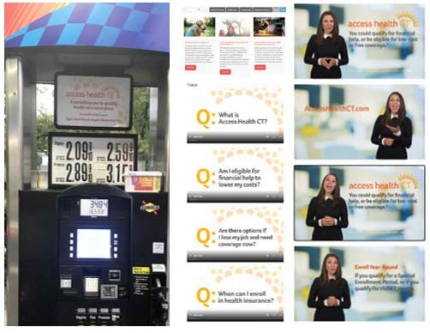
Looking Back at 2020

- **Research (Focus Groups)**
- **New SEP Campaign (March)**
- **OE8 Campaign**
  - Advertising
  - Community Outreach
  - Strategic Partnerships
  - Public Relations
  - Enrollment Help
  - Education & Information



Multi-Platform: Digital, Search, Social, Print, Radio, Public Relations, TV, Direct Mail, Community Outreach, Text, Email, Blog.

New: Gas stations, Bus, Hand Sanitizers

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Ongoing Efforts & Looking Ahead

- **Strategic Partnerships:**
  - Dept. of Labor (WARN notices)
  - Food Share: print materials
  - Testing sites
  - Community Partners
- **Education:**
  - Webinars/Healthy Chats
  - Regional Planning meetings
- **In-Person Help:**
  - Navigator Locations (New Haven & Hartford)

- **Enrollment Messaging:**
  - Special Enrollment Qualifying Life Events
  - Medicaid eligible
  - Year-round branding (Who's AHCT)
- **1095 Forms**
- **Post-enrollment Messaging:**
  - Paying your Bill
  - Plan Usability & Choosing a Doctor (Choose.Use.BeWell)
  - Highlight important dates (e.g., Black History month)
  - COVID vaccine awareness

2022 Plan Certification Update

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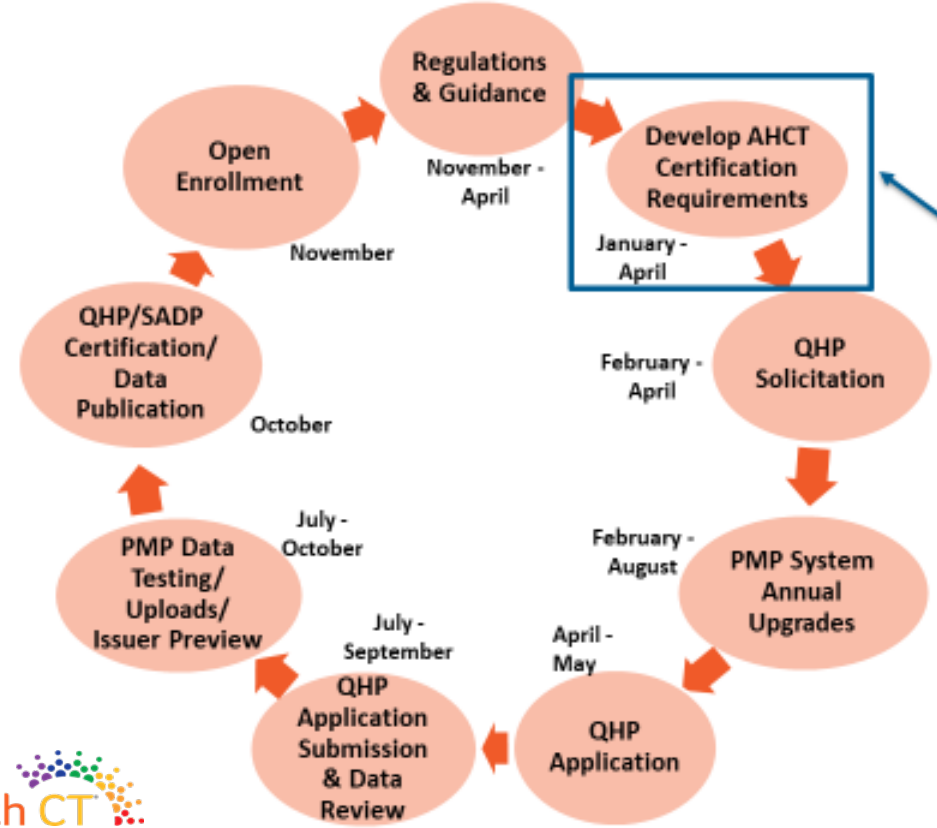
Plan Management Certification Life Cycle



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 (HPBQ AC) assesses the need for certification requirement changes each year

Any recommended modifications to certification requirements presented to Board for review and approval

Note: timeframes subject to change

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Adverse Selection Report

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Board of Directors Meeting

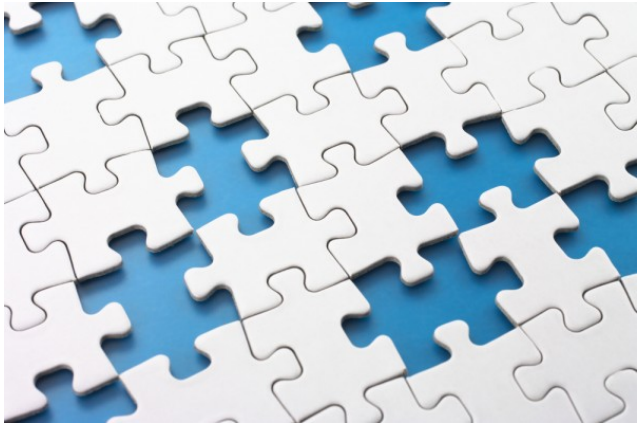
Access Health CT
2020 Adverse Selection Study

PRESENTED BY
Julie Andrews, FSA, MAAA
Senior Consultant

January 21, 2021

Access Health CT 2020 Adverse Selection Study

January 21, 2020 Board of Directors Meeting



Scope of Presentation

AHCT retained Wakely Consulting Group (Wakely) to perform the adverse selection analysis. This presentation provides a high level summary of the analysis, results and recommendations. The full report can be found in Appendix A.

Access Health CT 2020 Adverse Selection Study

January 21, 2021 Board of Directors Meeting

Purpose of Study

Access Health Connecticut (AHCT) is required by legislation to:

- Report annually on the impact of adverse selection on the exchange
- Provide recommendations to address any negative impact reported
- Provide recommendations to ensure sustainability of the exchange

Disclosures: Wakely relied on data provided by others to complete this study. Data was reviewed for reasonability and appropriateness. The Study and results are intended to fulfill the legislative reporting requirements; any other use of this information may not be appropriate

Access Health CT 2020 Adverse Selection Study

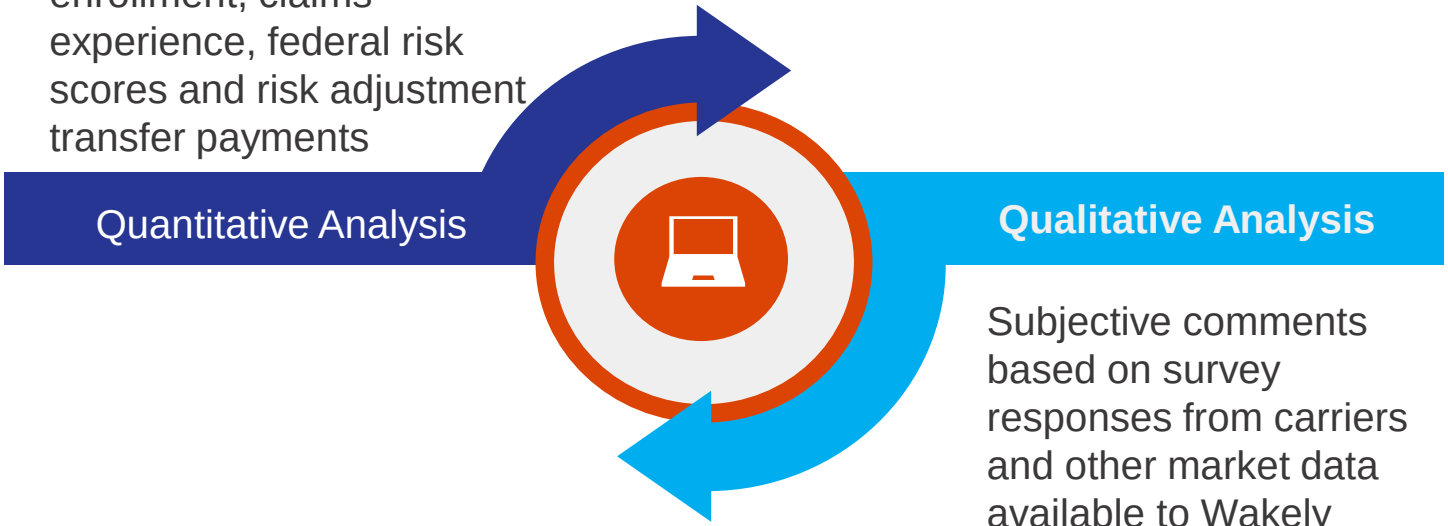
January 21, 2021 Board of Directors Meeting

Defining, Identifying, & Measuring Adverse Selection

Access Health CT 2020 Adverse Selection Study

January 21, 2021 Board of Directors Meeting

Analysis based on demographics, plan enrollment, claims experience, federal risk scores and risk adjustment transfer payments



Subjective comments based on survey responses from carriers and other market data available to Wakely

Access Health CT 2020 Adverse Selection Study

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Areas of Potential Adverse Selection

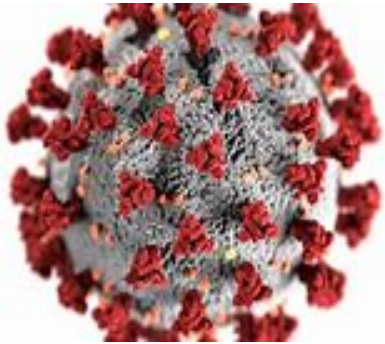
Nature of adverse selection:

- Impossible to completely remove adverse selection in any insurance market where there is a choice of coverage
- Impact of adverse selection can be created, managed or mitigated through regulation and policies

Access Health CT 2020 Adverse Selection Study

January 21, 2021 Board of Directors Meeting

Other Adverse Selection Considerations The past year has brought changes to the individual and small group market that impact overall market selection not just the Exchange.



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Grandfathered vs. Non-Grandfathered

2017
% Enrolled
(Member Months)

2018
% Enrolled
(Member Months)

Mid-2019
% Enrolled
(Member Months)

Mid-2020
% Enrolled
(Member Months)

Individual Market

Since there was no individual grandfathered plan enrollment as of Mid-2020, no analysis of adverse selection was performed.

Small Group Market

Since there was no small group grandfathered plan enrollment as of June 2015, no analysis of adverse selection was performed.

On vs. Off-Exchange

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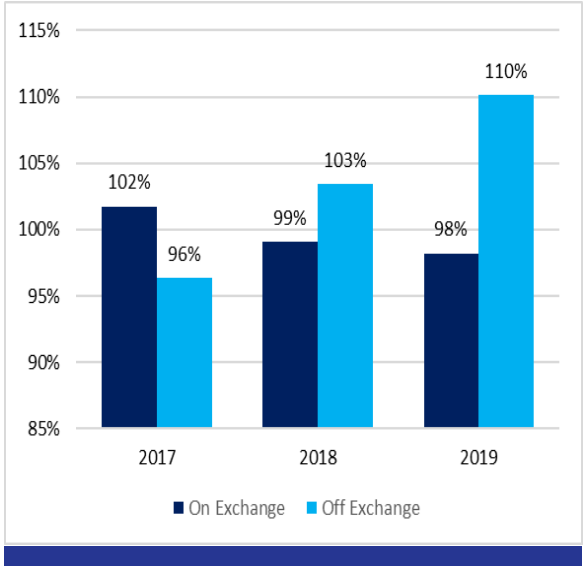
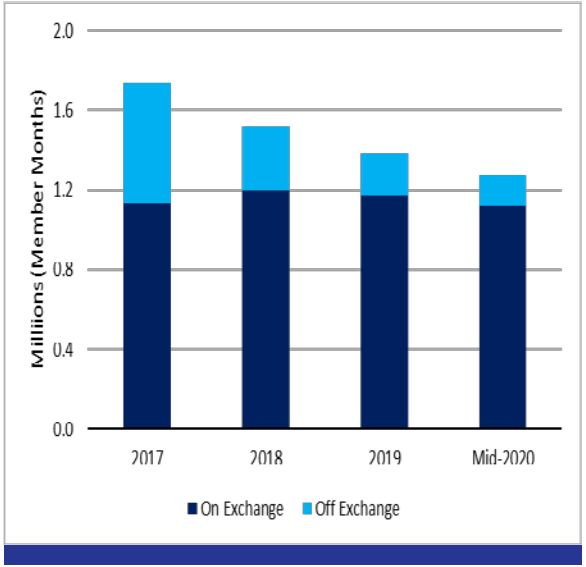
Individual Market On vs. Off Exchange: The variation in risk on vs. off exchange has widened from 2018 to 2019.



Risk Transfer Amounts as % of Statewide Premium (non-catastrophic metal tiers)



Enrollment Exposure by Year (Member Months)*

*2020 Member Months estimated as twelve times mid-year enrollment.
Off Exchange refers to plans sold only off-exchange

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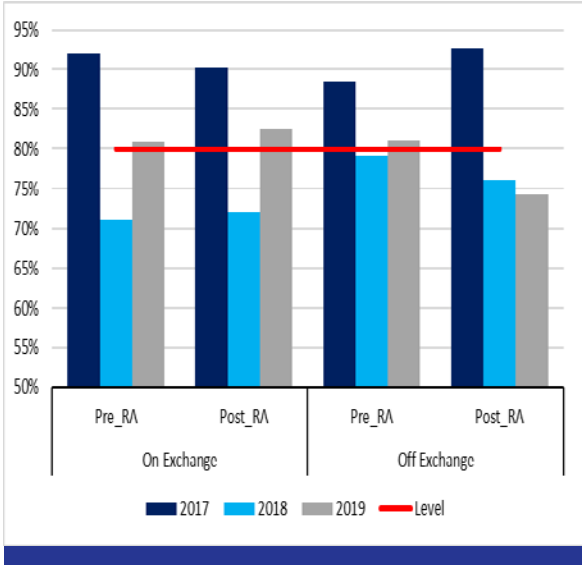
Individual Market On vs. Off Exchange: Risk adjustment has been relatively efficient at leveling market risk.

Market Drivers:

- 2017 – First year after Federal Transitional Reinsurance Program
- 2018 – CSR Defunding/Silver Loading On-Exchange
- 2019 Elimination of Individual Mandate



Loss Ratios*
Pre & Post Risk Adjustment
(non-catastrophic metal tiers)

*2017 results do not reflect cost-sharing reduction reimbursement.
Off Exchange refers to plans sold only off-exchange

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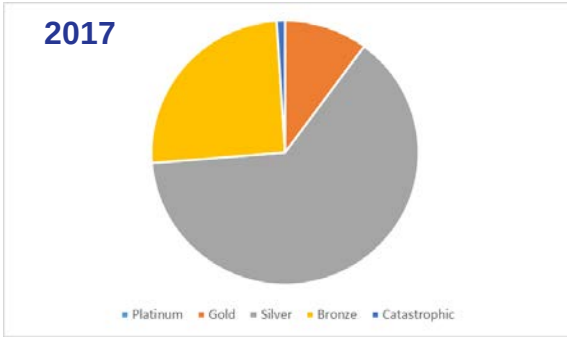
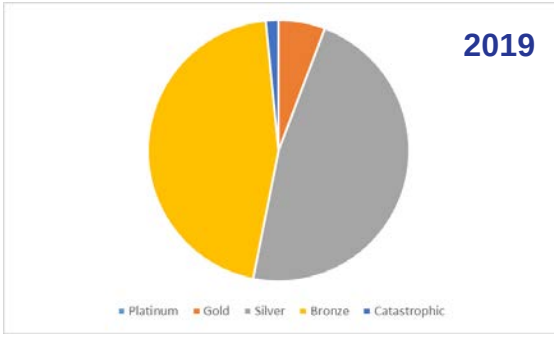
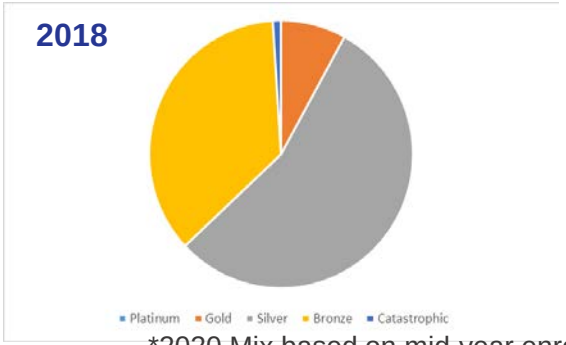
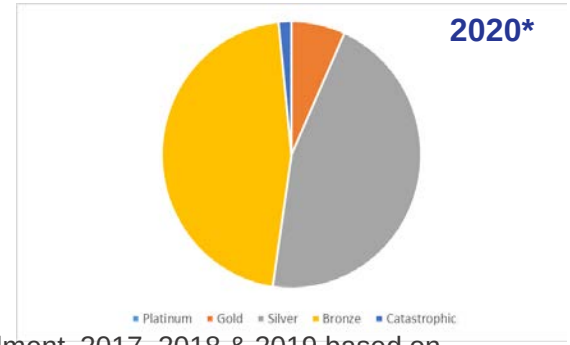
On Exchange Metal Enrollment Mix

- The mix of enrollment by metal has shifted on and off exchange









*2020 Mix based on mid-year enrollment, 2017, 2018 & 2019 based on exposures.

Conclusions: Individual Market On vs. Off Exchange

- Higher off exchange risk scores continue to deteriorate as compared to 2018
- On exchange enrollees are of higher average age than off exchange plan enrollees in individual market
- Loss Ratios after consideration of risk adjustment transfers indicates that on exchange enrollees are currently not financially disadvantaged.

Conclusions: Small Group Market On vs. Off Exchange

- Similar to last year, small group on exchange enrollment is low and not fully credible by metal tier
- Can not make any conclusions regarding adverse selection
- Low enrollment should be monitored outside context of adverse selection to ensure sustainability of market

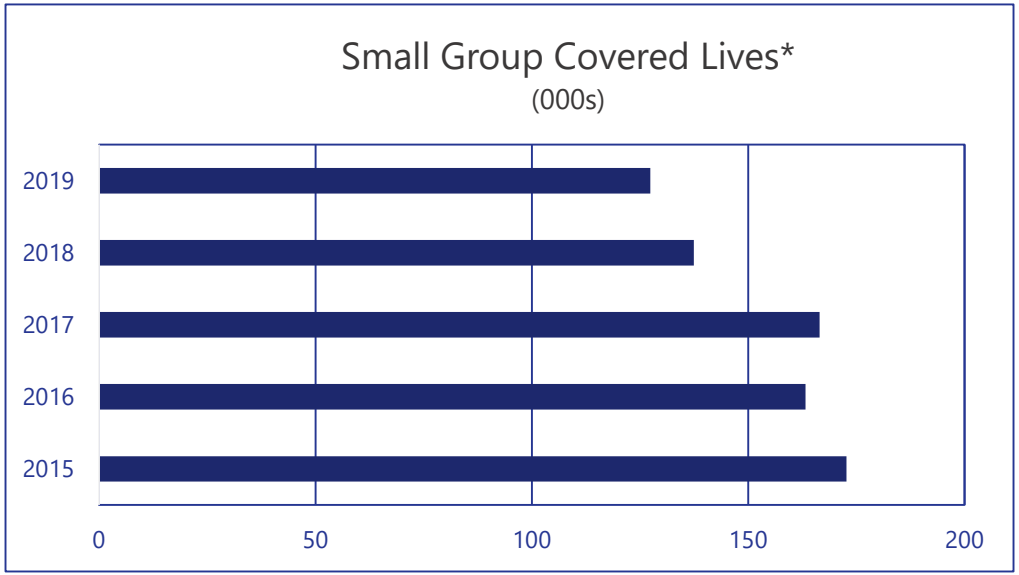
Recommendations: On vs. Off Exchange Adverse Selection

- Monitor overall market enrollment, as the off-exchange market continuing to shrink
- Review impact of shifting metal option enrollment
- Explore mechanisms for stabilizing the individual and small group markets (1332 Waivers)

Self-funding

Self-Funding in the Small Group Market

- After several years of declining enrollment, the small group market grew in 2017 by 2.0% as measured by covered lives, then declined significantly in 2018 and 2019



*Source: SNL, Supplemental Health Care Exhibits

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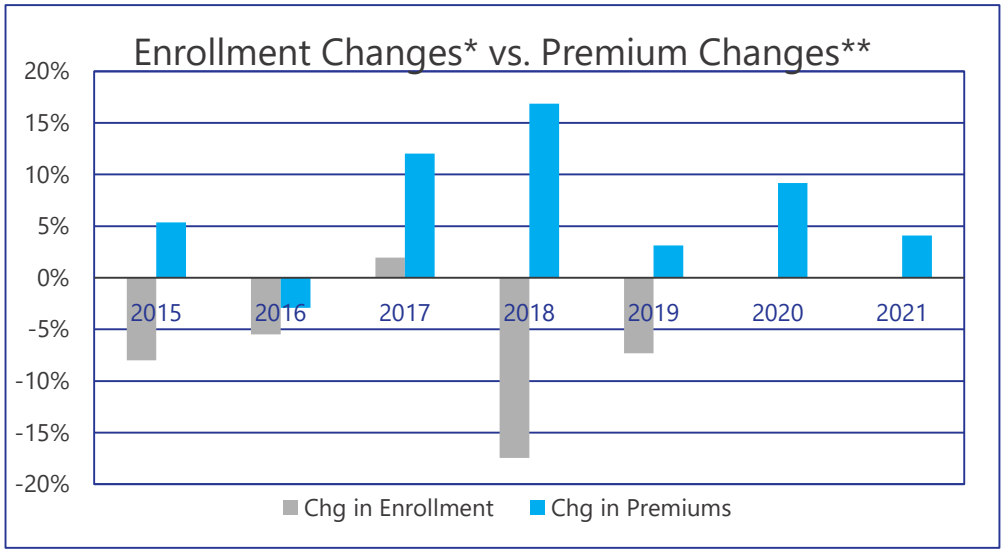
January 21, 2021 Board of Directors Meeting

Self-Funding in the Small Group Market

- A comparison of enrollment changes vs. premium rate changes approved by the Connecticut Insurance Department implies a relationship of rate increases to small group plan disenrollment.



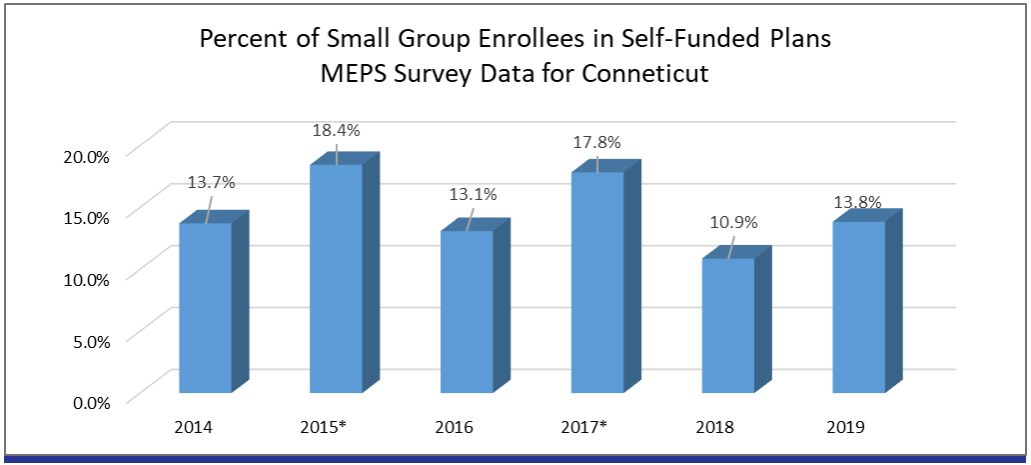
*Source: SNL, Supplemental Health Care Exhibits, information not available for 2020/2021
** Source: Connecticut Insurance Department Final Rate Dispositions

Access Health CT 2020 Adverse Selection Study

January 21, 2021 Board of Directors Meeting

Self-Funding in the Small Group Market

- Connecticut data on small group self-funding prevalence is not readily available
- Survey results from some carriers indicate an increasing interest
- Review of state and national employer health benefit surveys



Source: HHS Agency for Healthcare Research and Quality's (AHRQ) Medical Expenditure Panel Survey (MEPS) employers with under 50 employees
*Data for these time periods is not fully credible

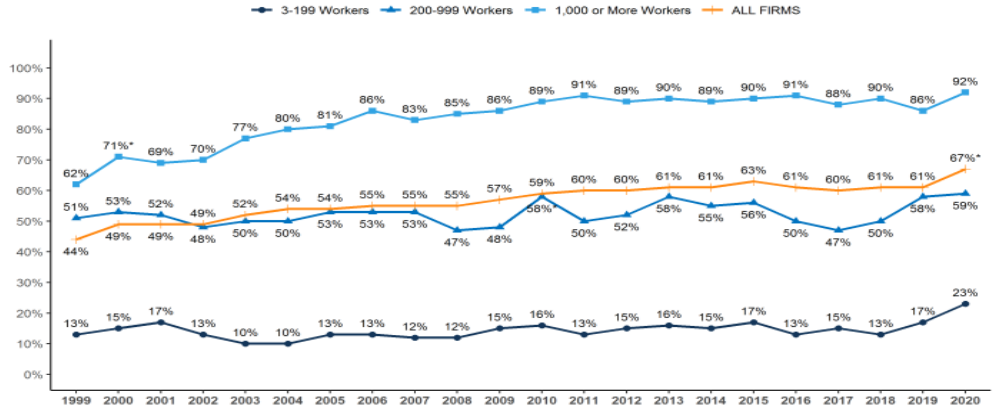
Access Health CT 2020 Adverse Selection Study

January 21, 2021 Board of Directors Meeting

Self-Funding in the Small Group Market

- National survey results for Firm Sizes 3-49 workers for 2018-2020 are: 8%, 14%, and 15% respectively

Figure 10.2
Percentage of Covered Workers Enrolled in a Self-Funded Plan, by Firm Size, 1999-2020



* Estimate is statistically different from estimate for the previous year shown ($p < .05$).
NOTE: Includes covered workers enrolled in self-funded plans in which the firm's liability is limited through stoploss coverage. Overall, 67% of covered workers are in a self-funded plan in 2020. Due to a change in the survey questionnaire, funding status was not asked of firms with conventional plans in 2006; therefore, conventional plan funding status is not included in the averages in this figure for 2006. See the glossary at the end of Section 10 for definitions of self-funded, fully-insured, and level-funded premium plans.
SOURCE: KFF Employer Health Benefits Survey, 2018-2020; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017

Source: Kaiser Family Foundation 2017-2020 Employer Health Benefits Survey – Section 10: Plan Funding

Access Health CT 2020 Adverse Selection Study

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Conclusions: Self-Funding in the Small Group Market

- Lack of credible or comparable data results in no clear conclusion whether there is adverse selection in the small group market

Recommendations: Self-funding in Small Group Adverse Selection Similar to last year:

- Closely monitor small group market to ensure healthier small groups do not move to a self-funded basis leading to adverse selection (i.e., healthier groups opting out of the fully insured risk pool to get lower, experience-based cost options)
- Monitor regulatory environment for impact of newly proposed regulations

Appendix A

AHCT Adverse Selection Study Report
January 21, 2021

Legal Update

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LEGAL UPDATE

- Notice of Benefit and Payment Parameters PY 2022
- Potential Congressional Actions to Strengthen ACA
- Potential Congressional Actions to Cure Mandate Issue

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Notice of Benefit and Payment Parameters PY 2022

CMS Issued Partial Final Rule on January 14, 2021

- Reducing User Fees for FFM
- Changes for Acceptance of Premium Payments for HRAs
- Network Adequacy Standards for Certain QHPs
- New Direct Enrollment Options
- Changes Related to Section 1332 State Innovation Waivers

Provisions to be Finalized

- Verifications for SEPs
- SEP Eligibility for Decrease in Employer Contributions for COBRA
- Untimely Notice of Triggering Event for SEP
- Exchange Enrollee Newly Ineligible for PTC SEP
- Maximum-Out-of-Pocket Amount

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Potential Congressional Action to Strengthen ACA

- Make Subsidies Available to Consumers in Additional Income Brackets
- Make Subsidies More Generous
- Address the Family Glitch
- Provide Funding for State-based Reinsurance or Subsidy Programs
- Create Special Enrollment Period for Healthcare.gov
- Restore Funding for Marketing/Outreach for Healthcare.gov

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Potential Congressional Action to Cure Mandate Issue

Constitutionality of Mandate Issue at Center of *California v. Texas*

- Save the Mandate by Increasing Penalty Above $0
- Sever the Mandate from other Portions of the ACA
- Strike the Mandate from the ACA

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Future Agenda Items

Adjournment

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