



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

Remote Meeting

Thursday, January 20, 2022

Meeting Minutes

Members Present:

Charles Klippel (Chair); Paul Philpott (Vice-Chair); Claudio Gualtieri on behalf of Melissa McCaw, Secretary, Office of Policy and Management (OPM); Grant Ritter; Theodore Doolittle, Office of the Healthcare Advocate (OHA); Cecelia Woods; Thomas McNeill; Paul Lombardo, on behalf of Andrew Mais, Commissioner, Connecticut Insurance Department; Colleen Harrington on behalf of Nancy Navarretta, Interim Commissioner, Department of Mental and Health Addiction Services (DHMAS); Deidre Gifford, Commissioner, Department of Social Services (DSS); Manisha Juthani, Commissioner, Department of Public Health (DPH); Matthew Brokman; Steven Hernandez; Victoria Veltri

Other Participants:

Access Health CT (AHCT) Staff: James Michel; Anthony Crowe; Susan Rich-Bye; Robert Blundo; Caroline Lee Ruwet; Daryl Jones; John Carbone; Glenn Jurgen; Daniel Maloney; Tammy Hendricks; Marcin Olechowski

Wakely: Julie Andrews

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.

Chair Charles Klippel called the meeting to order at 9:00 a.m.
Attendance roll call was taken.

B. Public Comment

No public comment.

C. Votes

Chair Charles Klippel requested a motion to approve the November 18, 2021 Regular Meeting Minutes. Motion was made by Cecelia Woods and seconded by Victoria Veltri. Roll call vote was ordered. **Motion passed unanimously.**

Matthew Brokman joined the meeting at 9:05 a.m.

Susan Rich-Bye, Director of Legal and Governmental Affairs, explained that the Exchange's By-laws require the annual election of a vice-chair in January. Motion was requested to elect Paul Philpott as Vice-Chair of the Board. Motion was made by Thomas McNeill and seconded by Victoria Veltri. Roll call vote was ordered. **Motion passed.** Paul Philpott abstained.

D. CEO Report

James Michel, Chief Executive Officer, presented the CEO Report. Mr. Michel pointed out that Open Enrollment (OE) ended this past weekend on Saturday, January 15 with a total of 112,634 enrollees, which represents a 7.3% increase in enrollment compared to last year. Mr. Michel added that the increase is in large part because of the American Rescue Plan Act and the newly available financial help for many of our customers.

Mr. Michel outlined the Board Agenda for this meeting stating that the report on OE will include the impact of the American Rescue Plan Act. Mr. Michel provided a brief description about additional items for discussion and votes on proposed updates to the procurement policies and proposed changes to the Advisory Committees.

Mr. Michel also added that the Health Plan Benefits and Qualifications Advisory Committee met last week in order to start the work for the standard plans for OE 2023. Mr. Michel also enumerated other agenda items, which included the Adverse Selection Study, status of the Broker Academy development, ACA Policy/Legal Update and Future Agenda Items.

Mr. Michel emphasized that the Broker Academy is an important strategic initiative that will be launched to help address health disparities throughout Connecticut. He added that the successful press conference with Governor Lamont indicates wide support of this initiative and the Governor's support continues the positive feedback AHCT has received from preliminary conversations with potential funding sources and community partners. Mr. Michel stated that the Exchange continues to work on its strategic initiatives including the business plan for the subsidiary and the future growth and success plan.

E. Procurement Policies (Vote)

Susan Rich-Bye, Director of Legal and Governmental Affairs, presented the proposed revisions to the existing procurement policies. Ms. Rich-Bye noted at the November Board meeting, proposed revisions for the procurement of goods and services as well as personal property were provided and were posted in the Connecticut Law Journal for the 30-day public comment period. There were no comments received. Ms. Rich-Bye stated that the proposed revisions are ready for a board vote now.

Ms. Rich-Bye noted that it relates to both of the policies for procurement of real and personal property, as well as for personal services. Ms. Rich-Bye added that the policies provide that contracts shall be awarded by the Exchange in such a manner, including the basis for sole-source procurement as the Chief Executive Officer determines to be appropriate and in the best interest of the Exchange.

Ms. Rich-Bye added that for any contract for personal services, requiring an expenditure of over 75,000 dollars during a 12-month period or for a particular project, wherever possible the policy provides that the contract be awarded on the basis of a competitive process which includes the solicitation of proposals, from at least three qualified parties.

Ms. Rich-Bye noted that AHCT has been using certain requirements for any sole source procurements, however, the language has not been included in AHCT's procurement policies. Ms. Rich-Bye stated that based on the recommendation of the State Auditors, AHCT is proposing to make revisions to those policies by outlining the four categories that the Exchange would permit a sole source award of a contract: (1) an immediate need for an emergency situation for services that are needed in three weeks or less and the services are required due to an emergency that exists that will adversely affect the Exchange's operations; (2) specialized skills and services for which there is only one documented accepted service such as transactions involving vendors that have unique services; or skills due to the existence of patents or certain proprietary rights; (3) because of unusual conditions and contingencies that could not be reasonably foreseen or because of unusual trade or market conditions and, (4) a scenario in which AHCT is in receipt of less than three proposals. Ms. Rich-Bye added that there are also two very minor wording revisions listed in the proposed revisions.

Commissioner Deidre Gifford inquired whether the Board receives notification when a sole source contracting decision is made. Ms. Rich-Bye stated that it would not happen in the regular course of business, and it would always be within the CEO's discretion under the current policy to award the contract. Ms. Rich-Bye added that a notice to the Board can be sent if the Board would like when those instances arise. These revisions would delineate the cases when the CEO would be able to use that executive discretion delineated in the policy itself. Commissioner Gifford encouraged the notification to the Board to keep track of when it occurs. Chair Charles

Klippel inquired about how often it takes place. Ms. Rich-Bye noted that it does not occur often, but it occurred more often in the early stages of AHCT's implementation. Mr. Michel concurred and added that whenever a sole source contract is awarded, a notification to the Board will follow with the explanation.

Chair Charles Klippel requested a motion to approve the revisions to the Policies for the Procurement of Real and Personal Property and for Personal Services with the amendment. Motion was made by Thomas McNeill and seconded by Theodore Doolittle. Roll call vote was ordered. **Motion passed unanimously.**

F. Proposed Changes to Advisory Committees Structure (Vote)

Susan Rich-Bye, Director of Legal and Governmental Affairs, presented Proposed Changes to the Advisory Committee Structure. AHCT staff is not proposing any changes to the Health Plan Benefits and Qualifications and SHOP Advisory Committees. Ms. Rich-Bye stated that changes are recommended for the Consumer Experience and Outreach Advisory Committee to change its name to Health Equity, Outreach and Consumer Experience Advisory Committee and broaden its focus.

Ms. Rich-Bye noted that the aim would be to revise the committee membership to include members of the Board, stakeholders with experience in Health Equity work, consumer advocates and community serving organizations, as well as brokers specifically focused on the individual market. Ms. Rich-Bye indicated that staff also recommend dissolving Brokers, Agents and Navigators Advisory Committee at this time. Several stakeholder representatives have been moved to the SHOP and Consumer Experience and Outreach Advisory Committees and others could be added for the proposed Health Equity, Outreach and Consumer Experience Advisory Committee. Ms. Rich-Bye added that these proposals were approved by the Strategy Committee.

Mr. Michel enumerated areas of assistance that currently active advisory committees provide to the Exchange. Theodore Doolittle provided his view on the past functioning of the Consumer Experience and Outreach Advisory Committee. Mr. Doolittle indicated that when the new advisory committee is created significant support from both the staff and Board will be required in order to make sure that shortcomings from the past are not repeated. Mr. Michel noted that AHCT has been at a different stage of its development and ensured the Board that the organization is becoming more engaged with various community organizations throughout the state and the creation of the new advisory committee will reflect that dedication to serve all communities.

Chair Charles Klippel requested a motion to Amend the Advisory Committees as follows: To change the Consumer Experience and Outreach Committee to the Health Equity, Outreach and Consumer Experience Committee and revise the committee membership; and to dissolve the Brokers, Agents and Navigators Committee as its members will now be represented through the other advisory committees. Motion was made by Paul Philpott and seconded by Deidre Gifford. Roll call vote was ordered. **Motion passed unanimously.**

F. Open Enrollment 9 Update

Robert Blundo, Director of Technical Operations and Analytics presented the Open Enrollment 9 Update. Mr. Blundo provided key metrics for the just ended OE.

Mr. Blundo noted that the analysis shows how the population of enrollees has changed some of the success metrics as well as some areas where shortcomings were noticed. Mr. Blundo added that a full comprehensive OE report will be provided to the Board at its February meeting. Mr. Blundo noted that each OE period has some challenges and pointed out that AHCT continues to see that the economic impact of the pandemic and shifting employment churn within the consumers are some of those previously mentioned challenges.

Mr. Blundo stressed that AHCT continues to operate in a declared Public Health Emergency (PHE) and has a significant impact on the situation. Mr. Blundo pointed out that due to the American Rescue Plan Act (ARPA), medical insurance coverage has become much more affordable to large portions of the population.

Mr. Blundo provided vital OE statistics and stressed that the enrollment website had 390,000 visitors, which is a 24 percent increase when compared to a prior OE. Mr. Blundo added that AHCT observed a 15 percent drop in calls to the call center and about a 20 percent drop in the handled calls and chat volumes. Mr. Blundo indicated that the Exchange encourages consumers to utilize self-service on the consumer portal. Mr. Blundo stated that the self-service trend was particularly important this year, because of the challenges leading up to OE and through its operation.

Mr. Blundo mentioned staffing shortages at the call center resulting in the self-service function becoming even more important. Mr. Blundo stressed that the past OE period started off with 107,000 active enrollees and it was 8 percent higher when compared to a year prior. Mr. Blundo added that AHCT aligned itself with the federal OE period and stressed that this past OE enrolled a total of 112,634 individuals, which is 7 percent higher compared to the same time last year. Mr. Blundo noted that 47.5 percent were eligible for the Advanced Premium Tax Credits (APTC), 36.2 percent were eligible for a combination of APTCs and Cost-Sharing Reductions (CSR) and the number of enrollees ineligible for Financial Help (FA) went down by 43 percent. In addition, 24,773 were determined eligible and completed applications for Medicaid, which is a decrease of 27 percent.

Mr. Blundo provided brief statistical information comparing Connecticut to other states in this area. Mr. Blundo also noted that over 300,000 more individuals were enrolled in HUSKY due to the PHE efforts. Mr. Blundo noted that, it extended HUSKY coverage to those individuals even if they don't meet eligibility requirements and added that any possible PHE extension may be announced in later March or April. Mr. Blundo pointed out that a major source of attrition within HUSKY would be children.

Mr. Blundo provided information on the Qualified Health Plan (QHP) Enrollment Inflow and Outflow for OE8 and OE9 and pointed out that one of the most interesting aspects is that the Special Enrollment Period (SEP) Enrollments annually increased by 115 percent in OE9 and explained that it is due to the extended PHE. Mr. Blundo also pointed out that the Exchange experienced a 13.4 percent increase in brand new enrollees while the total HUSKY enrollment increased by 6.5 percent to 891,027.

Mr. Blundo added that the pandemic is less severely impacting some industries currently as they are hiring more people and providing them with health insurance coverage which ultimately leads them to cancel plans that they had through the Exchange. Mr. Blundo provides statistical information on demographics and detailed plan selections and premiums. Mr. Blundo pointed out that 43.9 percent of enrollees are associated with a broker. Mr. Blundo stressed that the average median gross premium rose by \$47 to \$678, however, after including the APTCs, the actual average net monthly premium decreased by \$48 to \$94.

Mr. Blundo went on to provide information on specific dates and deadlines. Commissioner Deidre Gifford inquired about individuals who opt out of determining eligibility for Financial Assistance (FA). Mr. Blundo noted that it makes their application shorter and added that for those who are determined eligible for FA, if the attested income is different from federal income sources, then they would be subject to potential verification requirements. However, if they are in line with the threshold for verification, the case would be closed, and they could get through the process without taking any additional action post-enrollment.

Commissioner Gifford commented that some individuals may be reluctant to disclose their income. Mr. Michel stated that enrollees may still claim a premium tax credit when they file their taxes if they qualify for it. Theodore Doolittle inquired whether the pop-up window in the enrollee application process contains information that would provide that person with additional information about potential savings. Mr. Blundo stressed that the intention of the pop-up window was to make it as direct as possible with information that provides how much money they may be saving if they applied and got approved for FA. Matthew Brokman inquired about acquisition and retention information by community. Mr. Blundo answered that exhibit will be added to the 2022 Open Enrollment Summary Report to reflect it.

G. Health Plan Benefits and Qualifications Advisory Committee Update

Susan Rich-Bye, Director of Legal and Governmental Affairs, provided a brief update on the 2023 Plan Certification process. Ms. Rich-Bye noted that the Health Plan Benefits and Qualifications Advisory Committee (HPBQ AC) assesses the need for certification requirement changes each year, including standard plan designs. Ms. Rich-Bye presented the Plan Management Certification Life Cycle and noted that each plan year, the cycle begins with the release of regulations and guidance, including the proposed Actuarial Value Calculator (AVC) tool used to develop standardized plans, and ends once the plans are certified and ready for the annual open enrollment period. Ms. Rich-Bye provided a summary of the HPBQ AC's work, along with the

participating carriers, the actuaries and Plan Management Team. Ms. Rich-Bye noted that it is the Exchange's aim is to present the recommendations to the Board of Directors for approval in April and following that, AHCT will release the application to issuers in late April to provide them with sufficient time to design their plans and proposed rates. Ms. Rich-Bye noted that the plans need to be filed with the Connecticut Insurance Department (CID) as well as AHCT in early July. Ms. Rich-Bye added that final rate decisions are usually issued by CID in mid-September.

H. Adverse Selection Report

Julie Andrews from Wakely Consulting presented the 2021 Adverse Selection Study. AHCT is required by its enabling legislation to report annually on the impact of adverse selection on the Exchange, provide recommendations to address any negative impact reported, and to ensure the sustainability of the Exchange. Data for the study have been collected from various sources. Carriers' perspective was added through the survey responses. Risk factor profiles were presented. The nature of adverse selection, areas of potential adverse selection, and the study methodology were reviewed.

Ms. Andrews stated that three potential areas of adverse selection are reviewed. The first one is grandfathered versus non-grandfathered plans and pointed out that grandfathered plans are those plans that were established prior to enactment of the Affordable Care Act (ACA). Ms. Andrews noted that the second is reviewing selection in the small group market with the interaction of the self-funded plan options and the third is if there is any selection happening on versus off the Exchange.

Ms. Andrews stated that the regulatory environment continues to evolve, and the pandemic continues to affect all elements of healthcare. Ms. Andrews enumerated exceptional circumstances, such as SEPs as well as the testing and vaccination rollouts which have expanded to include additional younger populations. In addition, the long-term impact of the virus and a deferral of health care, and the economic as well as mental health impact of the lockdowns will continue to emerge over the coming years.

Ms. Andrews discussed the new legislation from President Biden in 2021, improving the affordability of the plans through the exchanges under the American Rescue Plan Act. However, regulatory activity will continue to provide program changes such as the recently emerging coverage of home test kits. Ms. Andrews stated that the analysis of the risk transfer payments from the federal risk adjustment program were undertaken. Ms. Andrews stated that the variation in risk for on vs. off Exchange has widened from 2018 to 2020. The federal risk adjustment program seeks to equalize risk in the market amongst issuers. It does not, however reduce adverse risk in the overall marketplace.

Ms. Andrews noted that the federal risk adjustment rate remains the key mechanism for adjusting for adverse selection. Ms. Andrews presented the loss ratios for pre- and post-risk adjustment in the non-catastrophic metal tiers. Ms. Andrews added that issuers indicated

potential adverse selection in 2021 emerging from enrollees who joined the Exchange during the enrollment driven Qualified Life Events (QLE) expanded for the PHE and ARPA.

Ms. Andrews stated that higher off-Exchange risk scores continue to deteriorate. On-Exchange enrollees are of higher average age than off-Exchange plan enrollees in the individual market. Ms. Andrews noted that loss ratios after consideration of risk adjustment transfers indicates that on-Exchange enrollees are currently not financially disadvantaged. Ms. Andrews provided recommendations of on vs. off-Exchange Adverse Selection which include monitoring overall market enrollment, as the off-Exchange market continues to shrink.

Ms. Andrews pointed out that these recommendations also include reviewing the impact of shifting metal option enrollment, reviewing the impact of expanded use of exceptional circumstances SEPs, limiting the use and ensuring eligibility for SEPs as well as exploring mechanisms for stabilizing the individual and small group markets through 1332 Waivers.

Ms. Andrews went on to provide information on the impact of self-funding in the Small Group Market. She noted that after several years of declining enrollment, the fully insured small group market decreased by 16 percent as measured by covered lives in 2020. Ms. Andrews further explained that reported mid-year 2021 enrollment indicates a further, 5-10 percent reduction. Ms. Andrews added that issuers and brokers were surveyed.

Ms. Andrews indicated that the lack of credible or comparable data results is the reason why there is no clear conclusion as to whether there is adverse selection in the small group market. Ms. Andrews also provided recommendations for preventing Adverse Selection due to self-funding in the Small Group. They include closely monitoring the small group market to ensure healthier small groups do not move to a self-funded product and monitoring the regulatory environment for the impact of newly proposed regulations.

Grant Ritter commented that employers are utilizing the low experience to get their rates ten percent better but eventually they may run into some challenges. Ms. Andrews noted that unfortunately, when talking with issuers, they are unable to track when the small employer leaves and goes into the self-funded plans and then comes back. Mr. Philpott inquired whether any data exists on the average age of the fully insured small group market over the last five years and what has happened to it. Ms. Andrews noted that it has remained relatively stable, hovering in the mid-forties.

Chair Charles Klippel requested a motion to accept and submit the 2021 Adverse Selection Study to the General Assembly. Motion was made by Paul Philpott and seconded by Victoria Veltri. Roll call vote was ordered. **Motion passed unanimously.**

J. Strategy Committee Update

Tammy Hendricks, Director of Health Equity and Outreach, presented an update on the development of the Broker Academy that was presented to the Strategy Committee. Ms. Hendricks noted that outreach to community partners and organizations has been increased. Ms. Hendricks added that Governor Ned Lamont met with AHCT staff about the creation of the Broker Academy. Ms. Hendricks stated that it was a successful meeting and a press event with the Governor has also taken place adding that the news coverage has been great.

Ms. Hendricks emphasized that following the press event, meetings with the mayors of Hartford, New Haven and Bridgeport will also be organized in order to continue to engage their respective communities. Ms. Hendricks provided a January Outreach Plan which, in addition to conducting a press event with the Governor as well as meeting with the mayors of Connecticut's three major cities, also includes extensive outreach to various community organizations.

Ms. Hendricks noted that presentations for the participating carriers are also part of the outreach plan and emphasized that presentations to various community organizations are ongoing. Ms. Hendricks stated that some of those organizations include The First Cathedral, Connecticut Renewal Team and the American Job Center operated by the Connecticut Department of Labor (DOL). Ms. Hendricks noted the Marketing Team is also engaged in the process.

Ms. Hendricks announced that the first grant award to AHCT to support the first phase of establishing the Broker Academy came from the Connecticut Health Foundation (CHF) in the amount of \$25,000. Ms. Hendricks noted that CHF has been a great ally of AHCT for many years. Ms. Hendricks went on to describe the Broker Academy application process. Ms. Hendricks outlined that there have not been any changes to the timeline for the training and development process.

Ms. Hendricks enumerated next steps in the Broker Academy development and pointed out that the Broker Academy webpage will go live on January 21, 2022. In addition, AHCT is going through a list of its Certified Brokers for the mentorship program. Ms. Hendricks added that a mass email to partners and Brokers is also part of the outreach program. Ms. Hendricks emphasized that AHCT distributes materials at outreach events and is developing an end-to-end workflow of the candidate experience.

Chair Charles Klippel commented that brokers who graduate from the Broker Academy will probably want to sell products that are not offered by the Exchange, such as Medicare Advantage. Chair Klippel added that carriers who offer those products, do not participate on the Exchange and encouraged AHCT develop materials to be shared with off-Exchange carriers to engage them. Mr. Michel indicated that it is a part of a long-term strategy to also develop and offer products to underserved communities that supplement health insurance.

Mr. Brokman encouraged AHCT to meet with individual legislative delegations to promote the program. Mr. Michel noted that this information was shared with the Insurance and Real Estate Committee and will be shared with every member of the Connecticut General Assembly, but individual legislative delegation meetings will also be planned. Cecelia Woods congratulated AHCT on the Broker Academy development efforts thus far and inquired whether a potential broker who lives outside of the targeted area can still apply to be certified through the Academy. Ms. Hendricks answered that it is possible.

Mr. Philpott inquired about the target number for individuals to apply and the desired estimated number of them to complete the training. Ms. Hendricks stated that AHCT would like to recruit 100 and the same number to complete the training successfully. Ms. Veltri asked about the Broker Academy plan for Eastern Connecticut and for potential inclusion in the outreach efforts at various community organizations information about the Covered Connecticut Program. Mr. Michel answered that currently, the Broker Academy is considered to be a pilot program and as it progresses, the program will be expanded next year throughout Connecticut, including the eastern portion of the State. Mr. Michel added that AHCT has added information on Covered Connecticut in its outreach events.

Steven Hernandez congratulated the AHCT Team for its successful undertaking pertaining to the development of the Broker Academy. Mr. Hernandez noted that it is a multi-prong strategy involving health equity and access but also about workforce strategy, empowering communities from within. Mr. Hernandez emphasized that it is a multi-generational impact.

K. ACA Policy/Legal Update

Susan Rich-Bye, Director of Legal and Governmental Affairs, provided the ACA Policy/Legal Update. Ms. Rich-Bye provided a brief status update on three major items: the Build Back Better Act; the HHS Draft Notice of Benefit and Payment Parameters for Plan Year (PY) 2023; and the HHS Guidance on Insurance Coverage for At-Home COVID-19 Tests.

Ms. Rich-Bye noted that the Build Back Better bill passed the U.S. House of Representatives in November 2021, and it is taking a bit longer than expected to be approved in the U.S. Senate. Ms. Rich-Bye expressed the hope that it gets approved, either in the current form or by compromise by March 1 for the President's State of the Union address. Ms. Rich-Bye added that AHCT will submit comments to HHS on the Notice of Benefit and Payment Parameters.

Victoria Veltri left the meeting at 10:53 a.m.

Ms. Rich-Bye added that insurers and plans must provide coverage for at home-tests and noted that it applies to tests purchased starting on January 15, 2022 to the end of the PHE. Ms. Rich-Bye indicated that it would cover up to eight tests per enrollee per month. Ms. Rich-Bye added that Medicare recipients and the uninsured can order free tests though the Federal Government's website.

Theodore Doolittle commented that if anyone has an issue in obtaining reimbursement from the insurer for the At-Home COVID-19 tests, they are encouraged to contact the Office of the Healthcare Advocate for assistance in getting it resolved.

L. Future Agenda Items

Due to time constraints, Agenda Item L, Future Agenda Items was bypassed.

M. Adjournment

Chair Charles Klippel requested a motion to adjourn. Motion was made by Claudio Gualtieri and seconded by Cecelia Woods. Roll call vote was ordered. **Motion passed unanimously.** Meeting adjourned at 10:57 a.m.