



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

Remote Meeting

Thursday, April 21, 2022

**Meeting Minutes**

**Members Present:**

Charles Klippel (Chair); Paul Philpott (Vice-Chair); Claudio Gualtieri on behalf of Jeffrey Beckham, 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; Carleen Zambetti on behalf of Nancy Navarretta, Commissioner, Department of Mental Health and Addiction Services (DHMAS); Heather Aaron on behalf of Manisha Juthani, Commissioner, Department of Public Health (DPH); Matthew Brokman; Steven Hernandez; Victoria Veltri; Deidre Gifford, Commissioner, Department of Social Services

**Other Participants:**

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

**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**

Chair Charles Klippel read a public comment submitted by Wyatt Bosworth, Assistant Counsel from Connecticut Business Industry Association (CBIA).

### **C. Vote**

Chair Charles Klippel requested a motion to approve the February 17, 2022, Regular Meeting Minutes. Motion was made by Paul Philpott and seconded by Thomas McNeill. Roll call vote was ordered. **Motion passed unanimously.**

### **D. CEO Report**

James Michel, Chief Executive Officer, presented the CEO Report. Mr. Michel thanked the Board for its continuous support and guidance for Access Health CT (AHCT). Mr. Michel stated that the *Hartford Business Journal* has awarded AHCT as being one of the best places to work in Connecticut. Mr. Michel praised the AHCT Board of Directors and staff for making the Exchange a place where everyone has a purpose and feels connected to the mission-driven work and contributes to the award-winning company culture.

Mr. Michel added that the Broker Academy has more than 130 applicants for the program and pointed out that preparations are under way to start the classes on June 1. Mr. Michel briefly outlined the meeting's agenda, which includes the topic of a modest increase in the assessment rate and stressed that, if approved by the Board, it would still be the lowest assessment rate in the country. Mr. Michel noted that AHCT has been active in the Quasi-Agency Working Group, which has been closely monitoring Senate Bill 473, An Act Concerning the State Contracting Standards Board. Mr. Michel noted that if implemented, this legislation would create new requirements for the quasi-public agencies that could hinder AHCT's ability to act in a quick and a nimble manner. Mr. Michel thanked the Board for their continuous support of AHCT.

### **E. Finance Update**

Daryl Jones, Director of Finance, presented the Finance Update. Mr. Jones noted that the Finance Committee unanimously approved the Fiscal Year (FY) 2022 3<sup>rd</sup> Quarter Budget Report, the Proposed FY 2023 Budget as well as the assessment recommendation.

Mr. Jones provided a summary of the FY2022 Budget vs. Actuals. Mr. Jones noted that the Approved Adjusted Budget was \$39,286,434 while the actuals were \$36,222,605, which resulted in a variance of \$3,063,829 mainly due to timing. Mr. Jones provided a detailed analysis of the FY 2022 3<sup>rd</sup> Quarter Budget Report and added that variances were also due to assessment decline and timing of grant reimbursements.

Mr. Jones went on to provide the FY2022 Proposed Final Budget Summary. Mr. Jones noted that the total FY2022 Approved Adjusted Budget and the FY2022 Proposed Final Budget would not differ from each other and would be \$54,295,784. Mr. Jones stated that there are changes within this budget that would require the Board's approval. Mr. Jones noted that under the revenue section, grants are increased by \$25,000 for support of the

Broker Academy and the \$440,000 for the All-Payer Claims Database (APCD) which is a legislative mandate. Mr. Jones added that the marketplace assessment value declined by \$442,000 in the second half of the fiscal year.

Mr. Jones went on to provide the Board with AHCT's financial saving measures such as lowering employee salaries by \$345,000 due to the employee turnover and lower medical insurance cost. Mr. Jones indicated that \$189,000 was added to cover a gap in vacant positions by using contract work. Mr. Jones outlined that the APCD cost was added; \$237,000 was saved in IT enhancements and \$50,000 was saved due to the decrease in travel because of the continuing pandemic.

Mr. Jones went on to provide details on the FY2022 Projected Reserve Fund Balance. Mr. Jones stated that as of June 30, 2021, the audited reserve stood at \$23,946,990 which amounted to 8.2 months of operating funding. Mr. Jones detailed various reserve expenses such as the APCD cost and ARPA costs among others, which would result in the reserve projection on June 30, 2022, to stand at \$20,852,496, which amounts to 7.1 months of operating funding.

Chair Charles Klippel requested a motion to approve the 3<sup>rd</sup> Quarter Budget Report – Operating and to approve two non-budgeted additional expenses to the FY 2022 Adjusted Budget: \$440,120 to fund the mandated APCD cost, and \$25,000 for the Broker Academy as presented by Exchange Staff. Motion was made by Victoria Veltri and seconded by Paul Philpott.

Grant Ritter inquired about the mandated cost to fund the APCD. Susan Rich-Bye, Director of Legal and Governmental Affairs, answered that the cost was mandated by the Connecticut General Assembly. Mr. Ritter inquired whether any funding to AHCT was provided. Ms. Rich-Bye pointed out that no funding was provided but a requirement was put in place to charge an assessment to fund its operation. James Michel, CEO, pointed out that this year, this funding will come out of AHCT's reserves, however, next year, it will not be the case. Roll call vote was ordered. **Motion passed unanimously.**

Chair Charles Klippel requested a motion to approve a transfer of \$440,120 from the reserves for the mandated APCD cost to the FY2022 Budget. Motion was made by Victoria Veltri and seconded by Thomas McNeill. Roll call vote was ordered. **Motion passed unanimously.**

Mr. Jones presented the Fiscal Year 2023 Proposed Budget. Mr. Jones stated that the FY2023 Proposed Budget is \$54,846,301, of which \$20,486,301 represents the Department of Social Services (DSS) Shared Cost. Mr. Jones noted that compared to the prior FY, the budget increased by \$550,517. Mr. Jones stated that in the proposed budget \$1.2 million will be moved from the reserve to fund new system enhancements. Mr. Jones pointed out that the budget assumes a \$1.4 million increase in assessments based on a new rate beginning in January of 2023.

Mr. Jones provided details of the proposed budget and the expenses, which includes salaries, fringe benefits and other budget line items.

Mr. Jones continued to provide details of the Shared Costs with DSS. Discussion ensued concerning \$688,000 which is proposed to be removed from the budget due to inactivity and was part of the DSS budget for a few years for system enhancements. Since it was not used, AHCT is proposing to remove it from the budget. Matthew Brokman asked for additional information pertaining to this line item and Mr. Michel pointed out that these were federal funds that were to be utilized by DSS for the shared costs pertaining to system enhancements. Mr. Michel emphasized that they are not part of AHCT's budget. Additional details about the proposal for this line item being removed were requested. Mr. Jones went on to say that the DSS funding source was not utilized anymore therefore it was proposed to be removed. Mr. Michel added that once more clarity is provided by DSS, it will be shared with the Board.

In light of the public comment provided, Victoria Veltri requested additional more details on the FY2023 Proposed Budget and time to fully understand it.

Mr. Jones provided details on the proposed marketplace assessment revenue and operating cost outlook. Mr. Jones noted that assessment revenues have declined over the last three fiscal years, while operating expenses have increased and are projected to outpace revenues on average \$2.8 million through FY2025.

Mr. Jones acknowledged that revenues are declining due to the shrinking of the small group market resulting from employers moving to self-insured products. Mr. Jones added that new costly requirements by the Centers for Medicare and Medicaid Services (CMS), State of Connecticut – Department of Revenue Services (DRS) and the Internal Revenue Service (IRS) are part of the proposed budget increase.

Mr. Jones explained that in order to meet the declining revenues and additional demands on the budget, AHCT has lowered operational costs by 10 percent and created efficiencies to meet organizational objectives. Mr. Jones added that AHCT utilized \$2.5 million in reserves for unexpected projects and initiatives and proposed an additional \$1.2 million from reserves for FY 2023. The organization received \$1.1 million in grant funding for projects. Mr. Jones stressed that to sustain the level of support and service to meet its customers' needs and to support the core mission and vision, AHCT recommends additional funding for FY2023.

Mr. Jones emphasized that AHCT recommends increasing the assessment rate from 1.65 percent to 1.80 percent and remarked that it will generate an additional \$2.8 million in revenue in a calendar year which includes \$1.4 million for the FY2023 budget.

Mr. Jones stated that this would fund the APCD mandate as well as address declining revenues and rising operational costs. Mr. Jones said that the proposed assessment rate would be effective January 1, 2023. Mr. Jones compared AHCT's assessment rate with other Exchanges, and even if the proposed rate obtains Board's approval, it would still be

by far the lowest assessment rate in the nation. Mr. Jones provided details on the assessment rate increase on customers and indicated that the average premium cost before subsidies will increase by \$1.00 per month for each individual consumer who buys individual, small group and dental plans. Mr. Jones announced that Connecticut consumers receiving Advanced Premium Tax Credits (APTCs) will see an average reduction of 5 cents per month and added that currently, 83 percent of Qualified Health Plan (QHP) enrollees receive APTCs to reduce monthly premiums.

Paul Lombardo asked to identify the actual average premium amounts in the states that are presented on the slide next to the percentage of assessment that they use. Mr. Lombardo added that the actual amounts collected may vary by state, and it could provide a more in-depth information on the actual premium amounts. Mr. Michel stated that each State-Based Marketplace (SBM) is unique and AHCT is completely funded by the assessment. Mr. Michel pointed out that in other states, SBMs receive different types of financial assistance such as perhaps being located in a state office building as well as some SBMs receiving funds from their respective state budgets. Ms. Rich-Bye added that the assessment is levied for plans on and off-Exchange for all fully insured individual, small group, medical and dental plans.

Julie Andrews, Wakely Consulting Actuary, provided additional information on the assessment impact on premiums and stated that overall, differences in applicable assessment on premiums in other states is negligible. Ms. Andrews confirmed Ms. Klippel's statement that the impact on consumers after raising the assessment rate would still be lower than in other states.

Mr. Jones provided the grant update. Mr. Jones noted that AHCT applied for five grants in FY2022, two have been awarded and three are still pending. Mr. Jones stated that the first grant was awarded in September of 2021 for \$1.1 million by CMS to fund certain modernization initiatives. Mr. Jones added that the second grant was awarded in December of 2021 for \$25,000 to fund the Broker Academy outreach and recruiting. Mr. Jones declared that there are three additional grants pending award up to \$425,000 for operation of the program.

Mr. Jones provided a brief update on the Capital Improvement Projects funded from reserves and stated that three carry-forward projects for FY2021 to FY2022 funded from the Operating Budget have been completed and are under budget by \$60,870.

Matthew Brokman asked for a more detailed budget document with a line-by-line version of the budget. Mr. Michel indicated that it will be provided to the Board. Commissioner Gifford expressed her concern that with time, there will be smaller amounts of policies that the assessment will be levied upon and in the future may lead to a situation which may be unsustainable. Mr. Michel noted that the declining base for part of the assessment is the small group market with groups of 50 lives and under. Mr. Lombardo added that at one point, the small group market amounted to about 170,000 members while currently this number stands at between 110,000 and 120,000 members. Brief discussion ensued around the sustainability of funding in the future.

Victoria Veltri asked for more information and requested, if possible, to delay the votes on the FY2023 AHCT Budget until May. Mr. Michel noted that the Budget is normally voted on in April to approve both, the budget and plan designs, however, the budget vote will be moved to May so the members can receive more detailed information. Mr. Michel noted that a Board Budget Training will be held prior to the next Board meeting. Claudio Gualtieri noted that the American Rescue Plan Act (ARPA) subsidies are set to expire at the end of the year and asked the staff to provide information on the premiums in case this financial assistance is no longer available. Mr. Gualtieri also posed a question about a hypothetical scenario with the Exchange operating with the current marketplace assessment rate. Brief discussion took place concerning legislative proposals that may affect premiums that are under consideration at the Connecticut General Assembly as well as additional items that can be included in the Board Budget Training session.

#### **F. Qualified Health Plan Certification Requirements for 2023 Plan Year - (Votes)**

Kelly Cote, Carrier Product Manager, Susan Rich-Bye, Director of Legal and Governmental Affairs and Julie Andrews from Wakely Consulting, presented the Qualified Health Plan (QHP) Certification Requirements for 2023 Plan Year.

Ms. Cote provided historical steps in the development of the standard plans. Ms. Cote reviewed the Health Plan Benefits and Qualifications Advisory Committee (HPBQ) membership and respective members' expertise. Ms. Cote emphasized that this membership allows the Committee to have meaningful conversations and provide thoughtful recommendations to the Board.

Ms. Cote added that the HPBQ Advisory Committee also reviewed consumer-specific information, such as present and past enrollment, consumer purchasing behavior year-over-year to analyze the trend of metal selection as well as comparing how Connecticut stands with other states pertaining to the medical premium costs and how many options are offered within a marketplace. Ms. Cote provided information on the requirements that have to be met to offer plans on the Exchange. Ms. Cote stressed that the final Actuarial Value Calculator (AVC), the federal guidance pertaining to the Maximum Out of Pocket (MOOP) as well as the IRS regulations have not yet been released.

Susan Rich-Bye, Director of Legal and Governmental Affairs, presented the update on the 2023 Regulatory Variables. Ms. Rich-Bye noted that on the federal level, the expanded subsidies under ARPA are set to expire at the end of 2022. Ms. Rich-Bye added that there is a proposed regulation eliminating the Family Glitch as well as the upcoming end of the Public Health Emergency (PHE) and Medicaid Maintenance of Eligibility (MOE). Ms. Rich-Bye also described the increased eligibility group for the Covered Connecticut Program starting on July 1, 2022.

Ms. Cote went on to provide the 2022 Plan Mix for the Qualified Health Plans (QHPs) in both the individual market and SHOP, as well as the Stand-Alone Dental Plans (SADPs) also for both individual and SHOP. Ms. Cote noted that the HPBQ Advisory Committee has not recommended changes to for the SADPs for the 2023 Plan Year. Ms. Cote

outlined the standardized plan development including the impact of various factors, such as implementation of legislative initiatives. Ms. Cote pointed out that the HPBQ Advisory Committee has not recommended any changes to the SADPs for the Individual and Small Group Markets for 2023.

Julie Andrews outlined regulation changes for 2023, which include proposed annual limitation on cost sharing to be increased to \$9100 which does not apply to the Bronze Health Savings Accounts. Ms. Andrews also presented the Cost Sharing Reduction (CSR) variation limits as well as proposed changes to the Federal AVC for 2023 which include information on trending data, demographics, as well as proposed changes to metal level de minimis ranges.

Ms. Andrews discussed the summary of the 2023 proposed AV changes in the individual market. Ms. Andrews reviewed the proposed plans for 2023, starting with the Gold Plan and reviewing the two proposed options and added that Option 1 was chosen by the HPBQ Advisory Committee since this year's version does not meet the compliance requirements. Ms. Andrews noted that the Committee recommended Option 1, which while it does not change the medical deductible of \$1300, it increases the Maximum Out of Pocket (MOOP) to \$6000.

Ms. Andrews went on to inform the Board on the HPBQ Advisory Committee recommendation for the Silver Plan 70% AV. Ms. Andrews explained two possible options for the Silver Plan and the changes that need to be made in order for these plans to be compliant. Ms. Andrews noted that this plan required more adjustments than the plans at the other metal tiers as the AV was further outside of the de minimus range for a silver plan. Options include increasing the medical deductible from the current \$4300 to either \$5000 in Option 1 or to \$5500 in Option 2. Ms. Andrews added that the MOOP in Option 1 would need to be increased to \$9100. Ms. Andrews indicated that in addition to the medical deductible of \$5500, Option 2 would have also required increasing the separate prescription deductible to \$300. Ms. Andrews noted that the Committee recommended Option 1 for the Board's approval.

**Claudio Gualtieri left at 10:50 a.m.**

Ms. Andrews continued her analysis with the consideration of the Silver Plan CSR variants. Ms. Andrews added that none of the PY2022 Plans in this category would have been compliant for PY2023 and needed to be adjusted by the HPBQ Advisory Committee.

Ms. Andrews stated that the Committee recommended Option 1 for approval which for the 73 percent CSR plan would have a medical deductible of \$4550 and MOOP at \$7250, while the 87 percent CSR plan would change the medical deductible to \$675 and MOOP to \$3000. Ms. Andrews added that for the 94 percent CSR plan the MOOP would increase to \$950 while the medical deductible would remain unchanged at \$0. Ms. Andrews informed the Board that Wakely and AHCT had received a notification from one of the insurers indicating that for the 73 percent CSR plan approved by the HPBQ Advisory Committee, the carrier would not be compliant. Ms. Andrews added that an alternative

option was developed, and the medical deductible would be \$4750 and MOOP would be \$7250.

Ms. Andrews continued with the Bronze Non-HSA Plan with the Committee recommending Option 1 with an increase to the medical deductible to \$8800. Ms. Andrews noted that no changes were required or recommended for the Bronze-HSA Plan.

Kelly Cote, Product Carrier Manager, briefly outlined the summary of recommendations.

Commissioner Deidre Gifford noted that the out-of-pocket costs are going up every year and are generally unaffordable. Ms. Gifford added every year cost to the consumers is increasing to meet the compliance issues. Ms. Gifford stated that continuation of this trend would spell continued challenges in the future unless the Board would have some role in advocating for improvements in the rate of cost growth and cost of care. Ms. Gifford encouraged the Board in being more proactive in the area of cost-containment and to make concrete steps in working with the Exchange's partners.

Chair Charles Klippel agreed with Commissioner Gifford's statement and adding that the Board should examine the ways in which it can contribute more toward achieving this goal.

**Commissioner Deidre Gifford left at 11:01 a.m.**

Mr. Doolittle added that as a Healthcare Advocate, he has been encouraging the annual rate review process to be used to bring in specific high-cost providers to justify and explain their prices. Mr. Doolittle said that transparency and accountability of the high-cost providers needs to be examined. Mr. Philpott added that those AHCT customers who do not receive any Financial Assistance (FA) are the ones who suffer the most when premiums rise since they have to pay 100 percent of the premium cost as well as cost-shares.

Mr. Michel added that Office of the Health Strategy (OHS) which is headed by AHCT Board member, Victoria Veltri, also tries to tackle this issue and the Healthcare Cabinet, in which AHCT also participates, discusses it. Mr. Michel stated that AHCT will be more active in this important area. Ms. Veltri added that legislative actions are underway and data collection will be crucial in determining policy decisions that would affect the cost of care.

**Victoria Veltri left at 11:04 a.m.**

Chair Charles Klippel requested a motion to approve Option [1] presented by Wakely Consulting on behalf of Exchange Staff as the Standard Gold Plan for Plan Year 2023. Motion was made by Grant Ritter and seconded by Paul Philpott. Roll call vote was ordered. **Motion passed unanimously.**



Chair Charles Klippel requested a motion to approve Option 1 presented by Wakely Consulting on behalf of Exchange Staff as the Standard Silver Plan for Plan 2023. Motion was made by Grant Ritter and seconded by Cecelia Woods. Roll call vote was ordered. **Motion passed unanimously.**

Chair Charles Klippel requested a motion to approve the Silver 87% Option [1], and Silver 94% Option [1] as presented by Wakely Consulting on behalf of Exchange Staff as the Standard Silver Plan variants for the 87% and 94% CSR Plans for Plan Year 2023. Motion was made by Grant Ritter and second by Cecelia Woods. Roll call vote was ordered. **Motion passed unanimously.**

Chair Charles Klippel requested a motion to approve Option [3] presented by Wakely Consulting on behalf of Exchange Staff as the Standard Silver 73% CSR Plan for Plan Year 2023 as long as all carriers are able to comply with federal regulations with this Plan, and the Health Plan Benefits and Qualifications Advisory Committee recommends this Plan at a subsequent special meeting. Motion was made by Grant Ritter and seconded by Paul Philpott. Roll call vote was ordered. **Motion passed unanimously.**

Chair Charles Klippel requested a motion to approve Option [1] presented by Wakely Consulting on behalf of Exchange Staff as the Standard Bronze Non-HSA Plan for Plan Year 2023. Motion was made by Grant Ritter and seconded by Thomas McNeill. Roll call vote was ordered. **Motion passed unanimously.**

Chair Charles Klippel requested a motion to approve the existing Standard HSA Bronze Plan presented by Wakely Consulting on behalf of Exchange Staff as the Standard HSA Bronze Plan for Plan Year 2023. Motion was made by Grant Ritter and seconded by Cecelia Woods. **Motion passed unanimously.**

Due to time constraints, Chair Charles Klippel bypassed two agenda items (G and H): ACA Legal/Policy Update and Future Agenda Items.

## **I. Adjournment**

Chair Charles Klippel requested a motion to adjourn. Motion was made by Cecelia Woods and seconded by Theodore Doolittle. Roll call vote was ordered. **Motion passed unanimously.** Meeting adjourned at 11:12 a.m.