



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

Remote Meeting

Thursday, May 19, 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); Commissioner Manisha Juthani, 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; Caroline Lee Ruwet; Daryl Jones; Robert Blundo; John Carbone; Glenn Jurgen; Tammy Hendricks; 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

No public comment.

C. Vote

Chair Charles Klippel requested a motion to approve the April 21, 2022 Regular Meeting Minutes. Motion was made by Grant Ritter and seconded by Cecelia Woods. Roll call vote was ordered. Michael Gilbert abstained. **Motion passed.**

D. CEO Report

James Michel, Chief Executive Officer, presented the CEO Report. Mr. Michel briefly described travel to Washington D.C. by the Senior Leadership Team (SLT) to attend a conference organized by the National Academy for State Health Policy (NASHP). Mr. Michel noted that while at the Conference, he met with the leadership teams of 16 other State-Based Marketplaces (SBMs). The SBM CEOs and Executive Directors also met with Congressional leadership-including Democrats and Republicans concerning the need to extend the enhanced federal subsidies.

Mr. Michel noted that the leaders of other SBMs shared similar discussion points as well as their perspectives about when the best time would be to end the Public Health Emergency (PHE) and begin the unwinding process. Mr. Michel stressed that it is the shared belief of all the SBMs that late winter/early spring date in 2023 would be in the best interests of Americans that will be affected by the redetermination process.

Mr. Michel emphasized that a bright spot during the conference was the ability to share AHCT's approach to addressing health disparities, including the Broker Academy more broadly, and it was well-received.

Mr. Michel thanked the Board for attending the Budget Training and stressed that AHCT always wants to be very transparent about its budget. Mr. Michel noted that a few Board members have expressed concerns about the proposed increase in the marketplace assessment at this point in time and given the uncertainty of the extension of the American Rescue Plan's enhanced subsidies, AHCT is no longer requesting an increase in the marketplace assessment for the upcoming Fiscal Year (FY). Mr. Michel added that AHCT will utilize reserves to support any gap in funding its operations as well as the All Payer Claims Database (APCD) mandate.

Mr. Michel added that operational costs continue to rise and despite AHCT's comprehensive efforts to reduce costs and increase efficiencies, including the usage of grants and reserve funding, there are numerous factors that would make the continuous use of reserve funding for the operating budget unsustainable. Mr. Michel stated that the Connecticut General Assembly enacted legislation that requires AHCT to assess the industry to support the APCD at the Office of Healthcare Strategy (OHS), which would be an ongoing expenditure that would have to be covered by AHCT.

Mr. Michel stated that there is a shifting trend in the small group market with more small businesses moving to a self-insured model where the premiums are not subject to the Exchange's assessment. Mr. Michel pointed out that critical security mandates required

by CMS, IRS as well as an overall increase in the cost of technology add to the financial obligations to the Exchange. Mr. Michel indicated that AHCT is heavily dependent on technology to service its customers. Mr. Michel stressed that AHCT will continue to seek operational efficiencies and more grant opportunities will be explored as well as any other funding that could become available. Mr. Michel also asked the Board members to let the organization know about any funding opportunities that could help the Exchange.

Chair Charles Klippel stressed that the proposal to defer the marketplace assessment rate increase is not an easy decision. Mr. Klippel added that Connecticut is very fortunate to have one of the best, if not the best Exchange in the country that is run very efficiently.

Mr. Klippel emphasized that due to the efficient work by the Exchange, it does have a reserve fund that it would allow a deferral of the marketplace assessment increase at this time. Mr. Klippel added that he understands the reasoning behind deferring the assessment increase but also stressed that the Board should also be sensitive to its fiduciary duties to the Exchange that it should be funded adequately going forward. Mr. Klippel agreed with Mr. Michel with some reluctance, however, that the Board would need to revisit this issue. Mr. Klippel also commended the Exchange for creating financial efficiencies, but the diminished revenues cannot be made up by the usage of reserve funds in the long run.

Victoria Veltri stated that as a fiduciary, the Exchange needs to be supported and the Board needs to do its due diligence with the organizational sustainability for the future. Ms. Veltri noted that it might have been helpful if the Board was involved earlier in the Fiscal Year 2023 Budget process, which would have made it easier to understand it better. Ms. Veltri suggested an earlier involvement of the Board in the budget planning process in the future. Ms. Veltri added that members of the Board assured the Exchange that other avenues of revenue for the Exchange will be explored by its Board members.

Matthew Brokman concurred with Ms. Veltri's approach of having the Board involved early in AHCT's budget development process. Chair Klippel added that the Board needs to be engaged in the budget development around the Exchange's revenues as well in order to support AHCT's sustainability.

Theodore Doolittle briefly described the role of the Office of the Healthcare Advocate. Mr. Doolittle stated that he strongly disagrees with the statements presented by the CEO as well as the Board Chair. Mr. Doolittle stated that the budget as presented was created with due diligence by the staff and the Board should also approve the original proposal of a slight increase in the marketplace assessment. Mr. Doolittle stated that even with the originally proposed small increase, the Exchange would have still had the lowest assessment rate in the country. Mr. Doolittle praised AHCT's leadership for creating efficiencies throughout the organization without sacrificing the quality of the services being offered. Mr. Doolittle expressed his strong disagreement with any statements that indicate that it is not a good time now for the assessment rate increase because there would never be a good time for that action. Mr. Doolittle stated that insurance companies are performing well financially, and this slight increase would not have been detrimental

to the carriers' participation on the Exchange. Mr. Doolittle encouraged exploring the stop-loss plans in order to expand the assessment base. Mr. Doolittle also pointed out that insurance companies are moving into the self-insured plans allowing them to avoid state regulation and the Exchange's assessment. Mr. Doolittle expressed his dissatisfaction with the amendment to the budget and stated that he would vote against it and urged the Board members to reject it as well.

Claudio Gualtieri praised the Board for a robust and healthy discussion. Mr. Gualtieri noted that many people around the state and the country are looking for ways to save money and AHCT is leading by example by exploring more efficiencies. Mr. Gualtieri added that AHCT has done a great job in creating efficiencies by implementing many cost-saving measures. Mr. Gualtieri stated if after implementing those efficiencies is still not enough, more equitable ways to find additional resources would need to be found and added that that if there are short term needs, resourcing should be made in short term ways. Mr. Gualtieri noted that the long-term needs should be structured in progressive ways and added that the proposed increased marketplace assessment would have also impacted consumers.

Chair Klippel noted that the assessment is embedded in the law, and it could be difficult to make it less regressive unless a revenue from a different source is acquired. Chair Klippel encouraged members to vote in favor of the amended budget and stated that the Exchange can operate efficiently for one year without the marketplace assessment increase.

E. Finance Update

Daryl Jones, Director of Finance, presented the Finance Update. Mr. Jones provided 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. Mr. Jones provided the FY 2023 Proposed Final Budget Summary. Mr. Jones noted that the total FY 2023 proposed budget is \$54,846,301. Mr. Jones noted that since the Board is not planning on approving the marketplace assessment at this meeting, AHCT would have to utilize the reserves to cover any deficiencies.

Mr. Michel added that \$1,404,347 that was originally anticipated to have been collected from an increase in the assessment, will be taken from the reserves. The use of the reserves would be limited to the mentioned \$1,404,347 as well as \$1,200,000 to fund new IT system enhancements. Mr. Michel explained certain budget line items in detail to provide the Board with more clarity. Discussion ensued around the budget process and motions to be considered.

Chair Charles Klippel requested a motion to approve the FY 2023 Operating Budget as presented with the following amendment: \$1,404,347 associated with the proposed

assessment increase is reclassified as “Other Revenue.” Motion was made by Matthew Brokman and seconded by Victoria Veltri. Roll call vote was ordered. Theodore Doolittle voted “Nay”. **Motion passed.**

Chair Charles Klippel requested a motion to approve the transfer of \$1,200,000 from the reserves to fund new IT system enhancements as set forth in the FY 2023 Budget. Motion was made by Claudio Gualtieri and seconded by Victoria Veltri. Roll call vote was ordered. **Motion passed unanimously.**

Following the votes, Chair Klippel stressed that at some point, the Board will need to re-examine the issue of obtaining additional revenue for the Exchange. James Michel added that as soon as the Exchange needs to use reserve funds for the “Other Revenue” line or receives grant funding, the Exchange will notify the Board.

Chair Charles Klippel requested a motion to change the Agenda to remove the Assessment Revenue discussion and vote from item E. Finance Update. Motion was made by Matthew Brokman and seconded by Victoria Veltri. Roll call vote was ordered. Theodore Doolittle voted “Nay”. **Motion passed.**

F. Broker Academy: In-depth Report

Tammy Hendricks, Director of Health Equity and Outreach, provided an in-depth report on the development of the Broker Academy. Ms. Hendricks described two phases of the Broker Academy progress.

Ms. Hendricks stated that other State-Based Exchanges (SBMs) are very interested in AHCT’s efforts to launch the Broker Academy, especially in terms of addressing health disparities. Ms. Hendricks provided an update of activities to date including marketing and outreach, submitting grant applications for program funding, conducting candidate interviews and undertaking pre-training activities. Ms. Hendricks added that other grant opportunities are also being sought. She stated that candidate interviews started in April and 100 students have been admitted. Ms. Hendricks described the steps undertaken so far for the launch of the Broker Academy on June 1. Brief discussion followed on the aim of new brokers enrolling more individuals in affordable health insurance and reducing health disparities.

G. Covered CT Marketing and Outreach

Caroline Lee Ruwet presented the Covered CT Marketing update. Ms. Ruwet provided the Board with the details of the eligibility requirements for both parents/caretaker relatives as well as Connecticut residents without children. Ms. Lee stated that the Covered CT marketing for Phase II which is set to begin on July 1.

Ms. Hendricks continued with the Covered CT Outreach update, which includes numerous events such as outreach tours, regional planning meetings, enrollment fairs, healthy chats as well as trainings throughout Connecticut. Ms. Hendricks stated that

AHCT is working diligently to expand the Certified Application Counselor (CAC) program. Claudio Gualtieri expressed his words of appreciation for the Covered CT outreach. Mr. Gualtieri inquired about the enrollment goal for the program. Mr. Michel indicated that 8,000 individuals who are currently in the system, would be able to qualify for the program on July 1. Mr. Michel noted that community outreach is crucial to get in touch with the hard-to-reach populations to augment the marketing efforts. Mr. Gualtieri encouraged setting a benchmark number of individuals to be enrolled in the program. Mr. Michel noted that following discussions with OHS and DSS, this number will be reported to the Board at its June meeting. Victoria Veltri noted that OHS does have those projections based on the available data and it will be shared with the Board. Michael Gilbert noted that based on the information that DSS has, the total number would be 18,000.

H. ACA Policy/Legal Update

Susan Rich-Bye, Director of Legal and Governmental Affairs, presented the ACA Policy/Legal Update. Ms. Rich-Bye stated that AHCT started a new Special Enrollment Period (SEP) for consumers with incomes at or below 150 percent of the Federal Poverty Level (FPL). This new SEP was created by the Dept. of Health and Human Services (HHS) in the Notice of Benefit and Payment Parameters for 2022. It is mandatory in the FFM and voluntary for State-Based Exchanges. Ms. Rich-Bye stated that AHCT decided to implement this new SEP allows consumers access to virtually \$0 monthly premium amounts for those eligible under the American Rescue Plan Act.

Ms. Rich-Bye noted that AHCT is preparing for the end of the PHE. Ms. Rich-Bye noted that it appears that the PHE will still be in effect beyond July 1, but no official confirmation from HHS has been received at this point. Ms. Rich-Bye provided details on AHCT's work pertaining to the potential end of the PHE. Ms. Rich-Bye provided information on the proposed federal rule to fix the "Family Glitch" that would allow more families to be eligible for financial assistance. Ms. Rich-Bye provided updates on the Final Notice of Benefit and Payment Parameters for Plan Year 2023 and the continued advocacy by AHCT and the other SBMs for an extension of ARPA Subsidies. Ms. Rich-Bye also mentioned legislation from recently concluded session of the Connecticut General Assembly.

I. Future Agenda Items

James Michel, Chief Executive Officer, presented Future Agenda items. Mr. Michel stated that keeping the Board up-to-date pertaining to the AHCT's finances is one of the future agenda items. They also include the following:

- Health Equity and Outreach Advisory Committee
- Strategic Initiatives: Subsidiary and Broker Academy

Chair Charles Klippel emphasized his pride in AHCT, and that Connecticut's exchange is the benchmark for other exchanges across the country. Chair Klippel expressed his words of appreciation to the Senior Leadership Team of AHCT and to all Board members who provide support to the organization.

H. Adjournment

Chair Charles Klippel requested a motion to adjourn. Motion was made by Paul Philpott and was seconded by Theodore Doolittle. Roll call vote was ordered. **Motion passed unanimously.** Meeting adjourned at 10:53 a.m.