



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

Remote Meeting

Thursday, September 15, 2022

Meeting Minutes

Members Present:

Charles H. Klippel (Chair); Paul Philpott; Cecelia Woods; Grant Ritter; Theodore Doolittle; Office of the Healthcare Advocate (OHA); Paul Lombardo on behalf of Commissioner Andrew Mais, Connecticut Insurance Department (CID); Commissioner Manisha Juthani, Department of Public Health (DPH); Thomas McNeill; Steven Hernandez; Matthew Brokman; Nicholas Venditto on behalf of Deidre Gifford, Commissioner, Department of Social Services (DSS)

Other Participants:

Access Health CT (AHCT) Staff: James Michel; Anthony Crowe; Susan Rich-Bye; Caroline Lee Ruwet; Daryl Jones; Jynelle Maloney; John Carbone; Glenn Jurgen; Tammy Hendricks; Marlude Pierre-Louis; 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 June 16, 2022, Regular Meeting Minutes. Motion was made by Cecelia Woods 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 noted that AHCT is preparing for its tenth annual Open Enrollment (OE) Period that will commence on November 1 and will end of January 15, 2023.

Mr. Michel stated that Robert Blundo, the longtime director of Technical Operations and Analytics, has left the organization. Mr. Michel stated that Mr. Blundo was not actively seeking other opportunities but after several attempts, he was recruited by another organization. Although AHCT regrets his departure, the Exchange wishes him the very best and expresses its gratitude and appreciation for his dedication to the success of the organization. Mr. Michel noted that two very strong internal candidates applied for this vacant position and a decision will be reached very soon.

Mr. Michel reviewed media events that AHCT participated in, including joining Governor Ned Lamont, Senator Richard Blumenthal and Congressman John Larson at press conferences pertaining to the passage of the Inflation Reduction Act and its benefits to Connecticut residents. Mr. Michel added that AHCT joined Congressman John Larson at the Inflation Reduction Act public forum in Bloomfield. Mr. Michel expressed his gratitude to Connecticut's elected officials for their advocacy for this important legislation. Mr. Michel went on to provide brief information on the reports being provided to the Board during this meeting. Mr. Michel informed the Board that the success of the Broker Academy was mentioned in various media outlets and stated that other states have expressed interest in developing similar programs.

E. Committee Update

James Michel, CEO, provided a brief update on the Strategy Committee's work. Mr. Michel pointed out that the Strategy Committee was provided an update on a number of items, including the preparation for Open Enrollment 10 (OE10), the progress in developing the Subsidiary, the Broker Academy, the new Informational Technology (IT) platform that has been developed for the Small Business Health Options Program (SHOP) as well as the revamping of the Mission and Vision of the Exchange, which the Committee adopted and will be taken up by the Board at this meeting.

Glenn Jurgen, Director of Human Resources, provided the Human Resources (H.R.) Committee update. Mr. Jurgen noted that an H.R. Committee informational session was held on September 8. It was not a public meeting due to the lack of quorum, but staff provided the members with information about the organization.

Mr. Jurgen provided demographical data on the workforce make-up of the Exchange. Mr. Jurgen stated that AHCT has a very diverse group of employees and added that many of the employees are bilingual which helps in providing exceptional customer service.

Mr. Jurgen pointed out that in terms of ethnicity, 45.8 percent of employees declare themselves as white, 28.1 percent as Hispanic, 20.8 percent as Black, 4.2 percent as

Asian and 1 percent as two or more races. Mr. Jurgen then provided additional breakdown by generation, pay type and gender. Mr. Jurgen added that the current growth rate is 6.7 percent while the turnover rate stands at 7.5 percent and average tenure is 5 years.

Mr. Jurgen emphasized that AHCT has a very robust fringe benefits package that is attractive to job seekers. Mr. Jurgen added that AHCT is a mission-driven organization and employees feel that they can make a difference in people's lives. Mr. Jurgen noted that it does help with recruitment of talented individuals to join the organization.

Mr. Jurgen continued with information on the preparations for succession planning, which involves creating ad hoc committees and other elements that are crucial to this aspect. Mr. Jurgen also announced that the current Enterprise Management Office Associate Director, Marlude Pierre-Louis, has decided to join the Army Reserves and will be leaving the organization for seven months. Mr. Jurgen thanked Ms. Pierre-Louis for her exceptional work and dedication to the organization and pointed out that the recruitment process to fill her vacancy has started. Mr. Jurgen also provided the Board with information on salary benchmarking.

Tammy Hendricks, Director of Health Equity and Outreach, provided an update on the Health Equity, Outreach and Consumer Experience Advisory Committee. Ms. Hendricks stated that AHCT has been working with the Chair of the Committee, Theodore Doolittle, throughout the summer to prepare for its first meeting.

Ms. Hendricks added that the Committee membership is very diverse, and members have great expertise in their subject areas. Ms. Hendricks noted that the first meeting of the Committee will take place on September 22, and it will be a hybrid meeting allowing members to meet in-person as well as remotely. Ms. Hendricks stated that the new mission of the Committee is currently being discussed. Mr. Michel expressed his words of gratitude and appreciation to Theodore Doolittle for making himself available throughout the summer to organize for this crucial committee. Mr. Doolittle thanked the staff for its support. Mr. Doolittle added that he has completed interviews with all of the Committee members.

F. Connecticut Insurance Department Presentation: 2023 Rate Review

Paul Lombardo, Assistant Deputy Commissioner and the Director of Life and Health Division with the Connecticut Insurance Department, provided the 2023 Rate Review. Mr. Lombardo stated that the scope of the review consisted of nine companies, thirteen rate filings for the individual and small group markets with approximately 206,000 covered lives in Connecticut.

Mr. Lombardo enumerated items that contributed to 2023 rate increases. Mr. Lombardo pointed out that annual trend and experience adjustments contributed to the 2023 rate increases. Mr. Lombardo announced that this year, trend has risen to an average of 8.8 percent.

Mr. Lombardo informed the Board that COVID-19 was also a factor with a 1.5 percent increase in rates due to vaccinations, future boosters and continued testing. Mr. Lombardo explained that the federal government has sent indications that they will at some point in the near future stop paying for the vaccines and boosters. Currently, the carriers have been required to reimburse providers for the administration of the vaccine and booster. Mr. Lombardo stated that at some point in the future, carriers would have to pay for both, the administration and the vaccines themselves. Mr. Lombardo stated that there is a general concern that in the open market, pharmaceutical companies that manufacture vaccines may change the price for the vaccines and the boosters that they have been charging the federal government.

Mr. Lombardo also noted that a general concern exists that providers who will be able to purchase vaccines directly from the manufacturers, will implement a markup which will add to the price of the vaccine. Mr. Lombardo emphasized that the Connecticut Insurance Department (CID) would like the Centers for Medicaid and Medicare Services (CMS) to issue guidance on a cap on the cost of the vaccine and booster shots. Mr. Lombardo noted that if that is not possible, then CID would like to work with the Connecticut General Assembly (CGA) during the 2023 Legislative Session to address this issue.

Mr. Lombardo stated that a normalization of the 2021 experience as a result of the impact of COVID-19 also added to the rate increases as well as deteriorating morbidity. Mr. Lombardo pointed out that as the small group market continues to shrink, the overall risk of the fully insured small group market continues to deteriorate.

Mr. Lombardo provided a summary of the rate increases in the Individual market: for the on-Exchange carriers, Anthem plan premiums will increase on average 6.3 percent; ConnectiCare Benefits Inc. as well as ConnectiCare Insurance Company Inc. will increase 15 percent. Mr. Lombardo provided information for the on-Exchange Small Group Market. Anthem Health Plans approved average request was -1.4 percent while ConnectiCare Benefits Inc. average increase will be 15 percent.

Mr. Lombardo also provided information on the rate increases in the off-Exchange Individual Market as well as the Small Group Market. Mr. Lombardo stated that the overall average rate increase requests and approvals were as follows: Individual Market: request was 20.4 percent and CID approved 12.9 percent; in the Small Group Market, the average increase request was 14.8 percent and CID approved an average of 7.9 percent. Mr. Lombardo stated that it translates to \$138.4 million less than was requested by the carriers for both the individual and small group markets.

Theodore Doolittle commented that a possible scenario with the price increases of COVID-19 vaccinations and boosters may show an inability of the market to negotiate prices with pharmaceutical companies, which were funded by various governments. Mr. Doolittle noted that those companies have indicated that the COVID-19 vaccine prices may go up even four-fold and stressed that those original prices were negotiated with the government. Mr. Doolittle, while praising the manufacturers of the vaccines for their

products, expressed his opposition to those potential large price increases and encouraged both, the federal and state governments to oppose these plans.

Matthew Brokman encouraged a more in-depth collaboration between AHCT and agencies, such as CID and other stakeholders about finding the best healthcare plan solutions for consumers at a reasonable cost. Mr. Lombardo commented that CID did a quick survey of the market which indicated that when a small employer moved from the fully insured market to the level-funded market, on average they reduced their premiums by about 15 percent.

Mr. Lombardo added that stop loss and level funded plans are not guarantee issued unlike the fully insured market. Mr. Lombardo stated that theoretically employer groups may siphon off the good risk from the fully insured market and if an employer has bad experience using a self-funded plan and their rates go up significantly, they can return to the fully insured small group market creating real selection issue for the fully insured market. Mr. Lombardo provided additional information on the stop loss and level funded plans and how they affect the fully insured market.

Mr. Michel added that the SHOP Team under the leadership of John Carbone is working creatively in order to provide more solutions to small employers and get their employees medical coverage on the individual market, which generates savings for them. Chair Charles Klippel supported exploring additional ideas on how to help small employers and their employees with plan selection and cost-saving measures.

Steven Hernandez commented on profits are potential harm to public health. Mr. Hernandez noted that CID is pushing back against it. Mr. Hernandez noted Mr. Doolittle's comment on prices rising when government negotiation is not involved. . .

Mr. Lombardo added that in cooperation with the Office of the Healthcare Advocate (OHA) and the Office of Health Strategy (OHS), the Connecticut Insurance Department will be hosting an informational session regarding healthcare cost drivers. Mr. Lombardo added that the main goal is to make the state's population healthier, and the cost of healthcare needs to drop. Mr. Lombardo noted that insurance premiums are a product of the healthcare delivery system and pointed out that it is of huge importance to maintain the quality as well as access to services.

Chair Klippel applauded CID's initiatives on seeking solutions to making health insurance coverage more affordable. Paul Philpott asked whether ConnectiCare Benefits Inc.'s premium increase would assure the company's future viability. Mr. Lombardo noted that CID has multiple-prong responsibilities and added that the rates are not to be excessive, nor they can be unfairly discriminatory. It is also crucially important that the carriers are solvent.

Mr. Lombardo explained that those aspects have to be taken into consideration when approving rates. Mr. Lombardo pointed out that the actuarial review of the rates is performed, and an additional analysis is done within the department to make sure that

the rates that are approved would confirm that the carriers will be financially solvent. Mr. Lombardo also explained claim experience that affects carriers in different ways as well as experience adjustments. Mr. Lombardo also added that Anthem is a big receiver of risk adjustment payment and the primary payer of that is ConnectiCare.

Mr. Philpott inquired about the number of consumers on the Exchange who are not the recipients of any financial assistance. Mr. Michel noted that customers not receiving any financial assistance used to account to about 25 percent of all Exchange's enrollees, and due to American Rescue Plan Act (ARPA) , this number has decreased to approximately 16 percent of exchange QHP enrollees. Mr. Philpott added that these consumers will end up paying 100 percent of the premium costs and inquired whether there are any plans in place to monitor these consumers in terms of possible disenrollment. Mr. Michel stated that AHCT monitors this very closely and will report back to the Board.

Mr. Lombardo stated that as part of the enhanced financial assistance available, there are lower caps for the percentage of the income a consumer is required to contribute towards premium, and stated that many consumers will not see the full premium increase approved by CID due to the enhanced subsidies. Mr. Doolittle praised ConnectiCare as being a mainstay on the Exchange and a great community member. Mr. Doolittle explained that based on the actuarial analysis, this particular carrier needed a rather significant adjustment in order to continue providing services to its consumers. Mr. Doolittle supported CID's explanation that attention needs to be paid to the underlying drivers which principally include the prices.

G. Mission/Vision

Caroline Lee Ruwet, Director of Marketing provided information on Mission/Vision of the Exchange. Ms. Ruwet explained that AHCT has worked with the Strategy Committee to revise the Mission and Vision statements to better reflect the organization's current role and purpose. Ms. Ruwet noted that Board and Strategy Committee suggestions for revisions were included in those two statements. Ms. Ruwet read the suggested revision of the Mission Statement based on the Strategy Committee feedback:

"To decrease the number of uninsured residents, improve the quality of healthcare, and reduce health disparities through an innovative, competitive marketplace that empowers consumers to choose the health coverage that give them the best value."

Ms. Ruwet provided the proposed Vision statement:

"Provide Connecticut residents with access to the most equitable, simple and affordable health insurance products to foster healthier communities."

Ms. Ruwet noted that more time is needed to finalize the Guiding Principles of the Exchange.

Chair Charles Klippel requested a motion to adopt the updated Mission and Vision Statements as proposed by Exchange staff. Motion was made by Paul Philpott and seconded by Grant Ritter. Roll call vote was ordered. **Motion passed unanimously.**

H. Ongoing Initiatives

Caroline Lee Ruwet provided the Board with update on the Covered Connecticut Program Marketing. Ms. Ruwet stated that the Health Equity and Outreach Team has been very active in hosting numerous enrollment fairs throughout the summer, specifically for those who may be eligible for the Covered Connecticut Program. Ms. Ruwet added that geotargeted emails were sent promoting the enrollment fairs. Mr. Ruwet noted that direct mail and text messaging is in progress to an audience of approximately 44,000. Ms. Ruwet added that AHCT is collaborating with Anthem as well as the UCONN Health Provider network to publicize the program.

Susan Rich-Bye, Director of Legal and Governmental Affairs, provided an update on the Public Health Emergency (PHE). Ms. Rich-Bye stressed that AHCT is partnering closely with the Department of Social Services (DSS) on this issue. Ms. Rich-Bye declared that currently, there are nearly 390,000 enrollees benefiting from the extended HUSKY coverage and the Health and Human Services Department is expected to announce a PHE renewal in October of 2022. Ms. Rich-Bye described that the PHE renewal periods have historically been 90-day extensions. Ms. Rich-Bye stated that AHCT continues to delay action on open verification requirements for the Qualified Health Plan (QHP) customers for the duration of the PHE. Ms. Rich-Bye detailed that preparation for the eventual end of the PHE is well underway. Brief discussion ensued around financing of the outreach efforts for Covered Connecticut and the PHE unwind.

Tammy Hendricks, Director of Health Equity and Outreach, provided the Broker Academy Update. Ms. Hendricks emphasized that AHCT continues to work hard on the Broker Academy. Ms. Hendricks noted that currently, the program is in the second phase which includes testing and mentorship. Ms. Hendricks declared that at the time of the Board meeting, 29 students have passed the state exam and a few students are awaiting testing. Ms. Hendricks added that students who have passed the state exam will be assisting consumers in the hard-to-reach areas of Connecticut during the upcoming OE. Ms. Hendricks noted that a grant-funded student stipend has been provided to them. Ms. Hendricks noted that in total, the Broker Academy has received \$127,000 in grant funding and that AHCT Finance Team continues to explore other grants that the organization may be eligible to receive.

Ms. Hendricks added that AHCT has chosen five mentor agencies and the internal mentorship implementation team monitors checking in with both, students and mentors. Ms. Hendricks briefly outlined next steps in the mentorship program as well as the matching of those student with brokerage firms.

I. Open Enrollment 10 Readiness Update

Marlude Pierre-Louis, Associate Director of the Enterprise Project Management Office (EPMO), provided a summary of 2023 OE Planning. Ms. Pierre-Louis noted that the 2023 OE is scheduled to run from November 1, 2022 to January 15, 2023. She reviewed a number of focus areas for the upcoming OE, which include providing information to consumers on 2023 rates and promoting continued enhanced financial help through the Inflation Reduction Act (IRA).

Ms. Pierre-Louis also reviewed other areas of OE10 focus which include continuing acquisition efforts for the Covered Connecticut Program, retaining and transitioning existing dental enrollees into the new streamlined application process and preparing for the impending end of the PHE. Ms. Pierre-Louis provided a detailed timeline for OE10 preparation and implementation. She acknowledged the annual OE challenges as well as the 2023 OE challenges.

Ms. Pierre-Louis provided information on technology changes that have occurred since OE9 with the aim of enhancing the consumer experience as well as implementing system changes for the new IRS rule, which will make more family members eligible for financial assistance. Matthew Brokman asked for the OE10 enrollment goal projections be provided at the October Board Meeting. Mr. Michel answered that these projections will be distributed to the Board prior to the October Board Meeting.

Caroline Lee Ruwet, Director of Marketing, provided a brief analysis of the OE Readiness from the marketing perspective. Ms. Ruwet discussed the focus group feedback that provides insight on the most effective media campaign choices. Ms. Ruwet noted that individuals from this focus group consisted of people from varying backgrounds and medical insurance status. She emphasized that most members of the focus group stated that the ads should have a modest and realistic tone, not to be over-optimistic. Ms. Ruwet informed the Board about the next steps on OE10 marketing efforts, which include, among many others, preparing press launch materials, including a launch tour at navigator locations and publicizing outreach efforts.

Tammy Hendricks, Director of Health Equity and Outreach, provided information on the OE10 Outreach efforts, which include numerous events and initiatives. Ms. Hendricks noted that a Community Summit Week is planned from October 11 to October 14 in Groton, Hartford, New Haven and Norwalk. Ms. Hendricks indicated that topics during those summits will include OE10 updates, Covered Connecticut, PHE unwind, SHOP, 2023 health plans and coverage for consumers with various immigration statuses. Ms. Hendricks added that Healthy Chats are planned in Willimantic, Danbury and East Hartford. Ms. Hendricks stated that a total of 21 enrollment fairs are planned.

J. New IT Platforms

John Carbone, Director of SHOP and Product Development, provided an update on the new IT platforms for SHOP. Mr. Carbone stated that the SHOP team has been working to create a more effective and efficient customer journey for consumers. Mr. Carbone indicated that the first project that the SHOP team has been working on is the small group

platform with vendor Softheon. Mr. Carbone noted that the objective is to create a more streamlined and coherent technology platform that will allow brokers employers and employees to self-service as much as possible.

Mr. Carbone provided an example showing a new client coming in to enroll. It will take about eight minutes to enroll using the employer application. Mr. Carbone emphasized that previously, it would have taken up to 15 minutes to enroll. Mr. Carbone noted that this platform has been launched with no disruption to the carriers, brokers, employers and employees and the feedback has been positive. Mr. Carbone added that the SHOP team will continue its work on the performance of this new platform.

Mr. Carbone added that the second project is the Individual standalone dental enrollment experience. Mr. Carbone emphasized that there has been consistent growth in this product line, but the customer journey was a little disjointed with enrollment being located on a separate platform from the medical plans. It required members to enroll using multiple platforms to purchase an individual dental plan and a medical plan.

Mr. Carbone noted that for the first time, members will be able to shop for an individual medical and dental plan on the same platform. Mr. Carbone announced that there is a new dental carrier on the Exchange for the upcoming OE10, Connecticut Insurance Company (CiCi). Mr. Carbone added that the new carrier will offer two small group plans and two individual plans, which it will make a total of six individual dental plans and four small group dental plans being available for the upcoming OE. Mr. Carbone expressed his gratitude to both carriers for their continued support to Connecticut residents.

K. ACA Legal/Policy Update

Susan Rich-Bye, Director of Legal and Governmental Affairs, provided the ACA Legal/Policy Update. Ms. Rich-Bye stated that currently there are two important court cases that may affect the marketplace and AHCT is closely monitored these cases.

Ms. Rich-Bye stated that in *Briarwood Management vs. Becerra*, Judge O'Connor ruled that a key part of the Preventative Services Mandate under the ACA is unconstitutional. Ms. Rich-Bye indicated that specifically, Judge O'Connor ruled that recommendations from the U.S. Preventative Services Taskforce that include numerous screenings for serious illnesses such as cancers, mental and heart diseases were unconstitutional.

Ms. Rich-Bye stated that the judge has not issued a final ruling yet and a status conference with the parties to the case has been scheduled. Ms. Rich-Bye stated that the preventative services mandate is a very important element of the ACA and if it is invalidated, the potential impact could be a reduction of screenings for serious diseases and conditions, worsening the long-term health outcomes as well as increasing health disparities.

Ms. Rich-Bye discussed another case, *Data Management Partnership vs. U.S. Department of Labor*. Ms. Rich-Bye stated that this case was discussed a few years ago,

when it started with an advisory opinion from the US Department of Labor (DOL). Ms. Rich-Bye stated that this opinion held that the Data Management Partnership Group health plan did not qualify as an ERISA qualified plan, and it was trying to group together separate internet marketers, not employees of a company in a group health plan.

Ms. Rich-Bye noted that the Department of Labor had held that they were not employees and not working owners, so they could not be grouped together as an ERISA plan. Ms. Rich-Bye stated that the case has now worked its way through the courts, also with Judge O'Connor in Texas and added that it is up at the 5th Circuit Court of Appeals and the 5th Circuit has largely upheld the decision from the district court to reject the DOL's advisory opinion.

Ms. Rich-Bye stated that AHCT has opened a Special Enrollment Period (SEP) as the other exchanges and the Federally Facilitated Marketplaces (FFM) have done as well for consumers that were involved in a case before the Federal Trade Commission (FTC) against Benefytt Technologies.

Ms. Rich-Bye stated that AHCT had a similar SEP a few years ago with an FTC order involving an entity called Simple Health. Ms. Rich-Bye noted that Benefytt Technologies has been selling products to look like they are health insurance, and they are not, according to the FTC Ruling. Ms. Rich-Bye added that these consumers will now be given an opportunity to enroll in full marketplace coverage. Ms. Rich-Bye said that AHCT has opened this SEP for those consumers in Connecticut and pointed out that the SEP will run to the end of the month.

Ms. Rich-Bye stated that AHCT is awaiting a final rule from the IRS pertaining to the Family Glitch. Ms. Rich-Bye mentioned that it is expected to come out soon and it will be implemented for January 1 2023. Ms. Rich-Bye stated that AHCT has built the functionality into its system for that implementation. This new rule will open up financial assistance for dependents of employees that previously were ineligible for financial assistance through the Exchange, and this is projected to largely impact dependents of low-wage workers.

Chairman Klippel asked for the Court's finding of the unconstitutional aspects in the Braidwood Management case. Ms. Rich-Bye stated that it is a challenge under the Appointments Clause and the plaintiffs also argued for its unconstitutionality on two other grounds. Ms. Rich-Bye stated that the court only found the violation of the Appointments Clause for one of the three bodies that give recommendations that are part of the preventative services mandate under the ACA.

L. Future Agenda Items

James Michel, CEO, provided future Agenda items and they include:

- Open Enrollment 10 Update
- Strategic Initiatives/Subsidiary/Broker Academy

- Consumer Impact Study

Cecelia Woods thanked Marlude Pierre-Louis for her OE update and wished her all the best in the future. Other Board members joined in wishing Ms. Pierre-Louis well.

M. Adjournment

Chairman Charles Klippel requested a motion to adjourn. Motion was made by Cecelia Woods and was seconded by Theodore Doolittle. Roll call vote was ordered. **Motion passed unanimously.** Meeting adjourned at 10:59 a.m.