Access Health Connecticut

January 18, 2024, Board of Directors Meeting

Board of Directors Meeting Agenda

A. Call to Order and Introductions

B. Public Comment

C. Votes

D. CEO Report

E. 2024 Open Enrollment Update

F. Individual Coverage Health Reimbursement Arrangements (ICHRA)

G. Leaver Survey Results

H. Adverse Selection Report

I. Two Month Premium Assistance

J. Health Plan Benefits and Qualifications Advisory Committee Update

K. Future Agenda Items for Reference Only

L. Adjournment

access health CT

Public Comment

access health CT

Votes:

- Review and Approval of Minutes

- Elect Vice-Chair

access health CT

CEO Report
James Michel

access health CT

2024 Open Enrollment Update

access health CT

2024 Key Open Enrollment Metrics

OE Enrollment/Eligibility Activity:

- The Call Center has handled ~260K calls and ~24K chat sessions
- 129,000 enrolled into a Qualified Health Plan (QHP)
- 27,393 enrolled into the Covered Connecticut Program (CCT)
- 14,050 enrolled into a Stand-Alone Dental Plan (SADP)
- 88.3% of enrollees eligible for financial help
- 49,969 determined eligible and completed application for Medicaid

access health CT

2024 Key Open Enrollment Metrics

Demographics:

- Average age of enrollees is 43 years old for medical
- 54.9% of enrollees are female
- Average number of covered enrollees per household is 1.4
- 75.7% of enrollees reside in one of the following counties: Fairfield, Hartford, New Haven

Plan Selections and Premiums:

- Overall, 48.8% of enrollees associated with a broker
- 53% of 2024 enrollees selected a Silver plan (23% of these are new to QHP)
- Median monthly gross premium $833 / Median monthly net premium $78
- 86% Retention with 91% of those remaining in the same Metal-level plan for 2024

access health CT

Upcoming Dates and Deadlines

- Initial Premium Payments Due
  - January policy invoices delivered to enrollees
  - Estimated 15% of 2024 medical policies and 38% of dental policies are currently pending effectuation
- 1095A Preparation
  - ~95k 1095As to be mailed out starting January 24th
  - Electronic 1095A download available through AHCT Consumer Portal account
  - Dedicated outreach and resolution staff available

2024 Open Enrollment Summary Report To Be Released February 2024

access health CT

Individual Coverage Health Reimbursement Arrangements (ICHRA)

access health CT

access health CT

What is an ICHRA

In 2019, the Internal Revenue Service and the Departments of Treasury, Labor and Health and Human Services issued final rules to expand individuals' access to health care by allowing health reimbursement accounts to be integrated with individual health insurance coverage. These arrangements are known as individual coverage HRAs (or ICHRAs). Employers offering an ICHRA reimburse employees with pretax dollars to cover the cost of individual health insurance premiums and qualified medical expenses.

CHALLENGE

Mike’s employer wants to offer health insurance. But with rising annual costs, it’s no longer affordable. Mike also struggles to pay for a health plan.

OPPORTUNITY

Changes to rules under various provisions of the Public Health Service Act, the Employee Retirement Income Security Act, and the Internal Revenue Code allow Mike's employer to help him get individual health coverage with an ICHRA.

Mike's employer can use pretax dollars to fund an ICHRA to reimburse employees for the cost of premiums for individual health plans offered through Access Health CT. Employees may also qualify for subsidies, including Advanced Premium Tax Credits and Cost-Sharing Reductions that reduce the cost of health insurance, if the ICHRA offered by the employer is not affordable and the employee opts out of receiving the ICHRA.

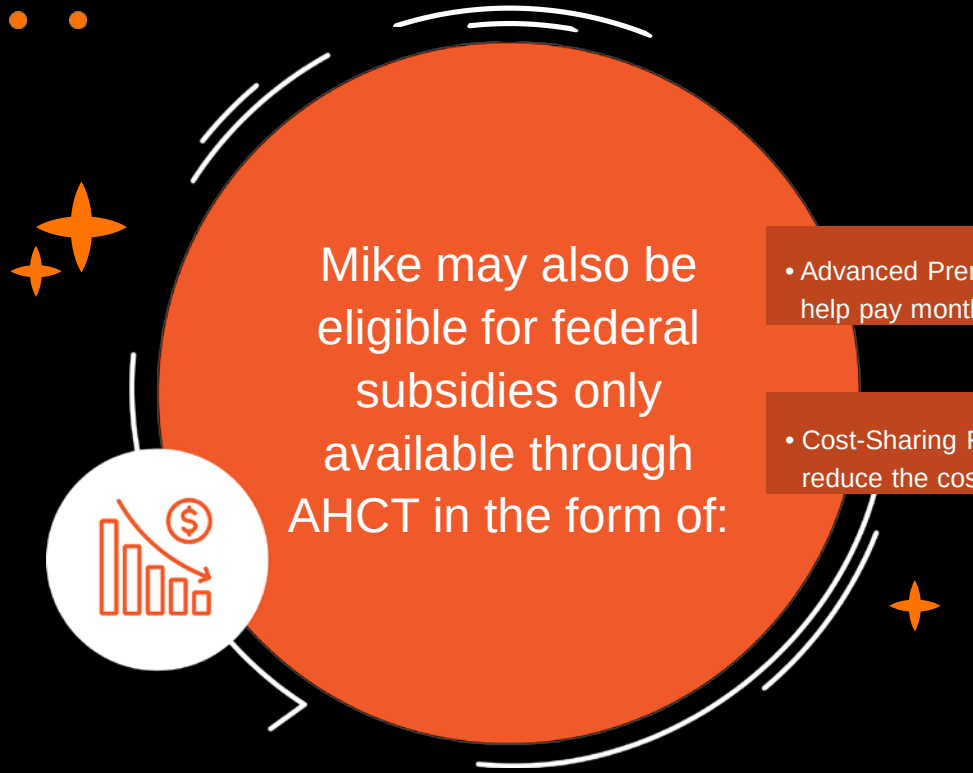
HOW IT WORKS

Mike’s employer works with Access Health CT to set up an ICHRA that is funded with employer pretax dollars to reimburse employees for the cost of individual health insurance premiums.

HOW IT WORKS


The Access Health CT ICHRA platform will help employees shop, compare and enroll in a plan through AHCT.

HOW IT WORKS

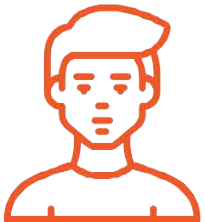


Mike may also be eligible for federal subsidies only available through AHCT in the form of:

- Advanced Premium Tax Credits (APTCs) that help pay monthly health insurance premiums.
- Cost-Sharing Reductions (CSRs) that help reduce the cost of care and prescription drugs.

MIKE'S ICHRA JOURNEY

1. Health coverage options are evaluated by the employer, who chooses to set up an ICHRA.
2. Employees get set up on the platform.
3. Employer classifies each employee based on Internal Revenue Service (IRS) defined classes.
4. If the ICHRA is not affordable and Mike opts out, the ICHRA platform will help Mike determine if he qualifies for financial help through the Exchange.
5. Employer and employee education begins on the ICHRA platform.
6. Mike shops the AHCT portal and chooses a plan that is right for him and his family.



MIKE'S BENEFITS

Mike enjoys reduced health coverage costs thanks to his employer's pretax contributions into an ICHRA, or if Mike opts out and is eligible, federal subsidies through the Exchange.

With 22 plans to choose from, Mike has the freedom to choose health coverage that is right for him.

EMPLOYER BENEFITS

Businesses stay competitive and reduce the risk of employees like Mike leaving.

Pretax employer contributions reduce the amount the employee must pay for individual health care premiums.

Employers can stay in the fully insured market, while reducing costs and offering richer health coverage options for employees.

AHCT NEXT STEPS

How AHCT is activating ICHRA to help employees like Mike and reduce the rate of uninsured:

- AHCT will issue a Request for Proposals (RFP) to select a vendor to create a platform for brokers to use when working with small businesses.
- That platform will help brokers conduct evaluations with small business owners to determine if ICHRA is right for their business and employees.
- If ICHRA is the right option, that platform will enable eligible employees to enroll through AHCT's application.

Medicaid Unwinding
Leaver Survey Summary

access health CT

Leaver Survey: Objectives & Methodology

What did we learn?

- If consumers had health coverage and how they got it.
- Why some consumers do not have health coverage.
- If consumers knew about the HUSKY redetermination process and what they needed to do to retain coverage.

How was the survey conducted?

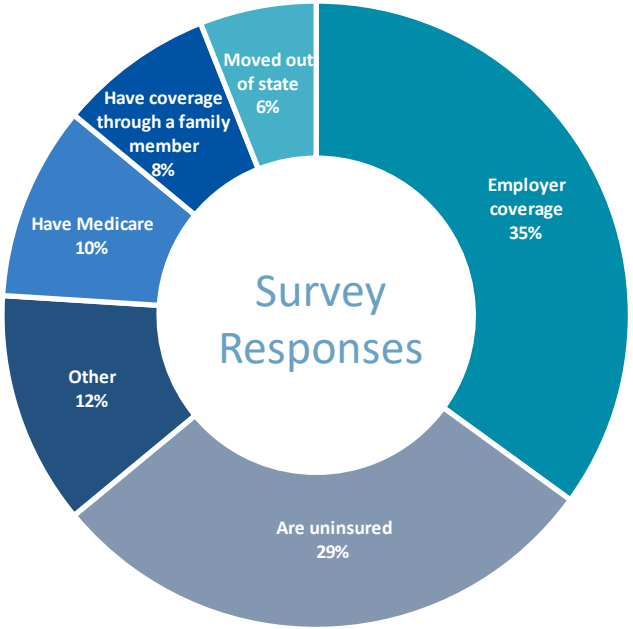
- Access Health CT (AHCT) partnered with Market Street Research (MSR) to develop and administer the survey.
- Survey was available online and over the phone in both English and Spanish.
- Data was collected between November 6 and December 4.

Who did we survey?

- 24,236 households containing 1+ individuals whose HUSKY coverage ended between May 1 – October 31 and did not have active enrollment in the AHCT system as of November 1.

access health CT

Leaver Survey: Key Findings

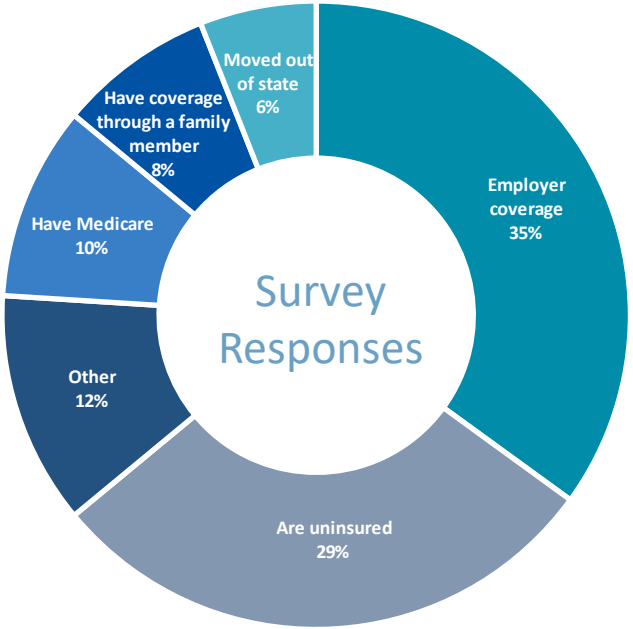


Top Reasons Why Survey Respondents Left:

- Employer coverage (35%)
- Are uninsured (29%)
- Other (12%)
- Have Medicare (10%)
- Have coverage through a family member (8%)
- Moved out of state (6%)

access health CT

Leaver Survey: Key Findings



Why Survey Respondents Are Uninsured:

- Do not qualify for HUSKY
- Too expensive
- Waiting to get coverage through an employer
- Have not gotten around to it
- Do not know how to get it
- Not worth it
- Takes too much time
- Do not like the plans
- Providers not covered

access health CT

Leaver Survey: Recommendations

- **Leverage all available options to make coverage affordable**
  - Continue to address the major barrier of cost, such as providing a range of plans and by promoting financial assistance
- **Continue to drive awareness of redetermination**
  - More than half of respondents indicated that they were aware of the upcoming redetermination via a state agency and the impact of not taking action
- **Expand outreach to groups that are less likely to have health coverage**
  - Nearly 40% of the uninsured respondents indicated that they do not understand health insurance and therefore find it difficult to sign up for coverage

access health CT

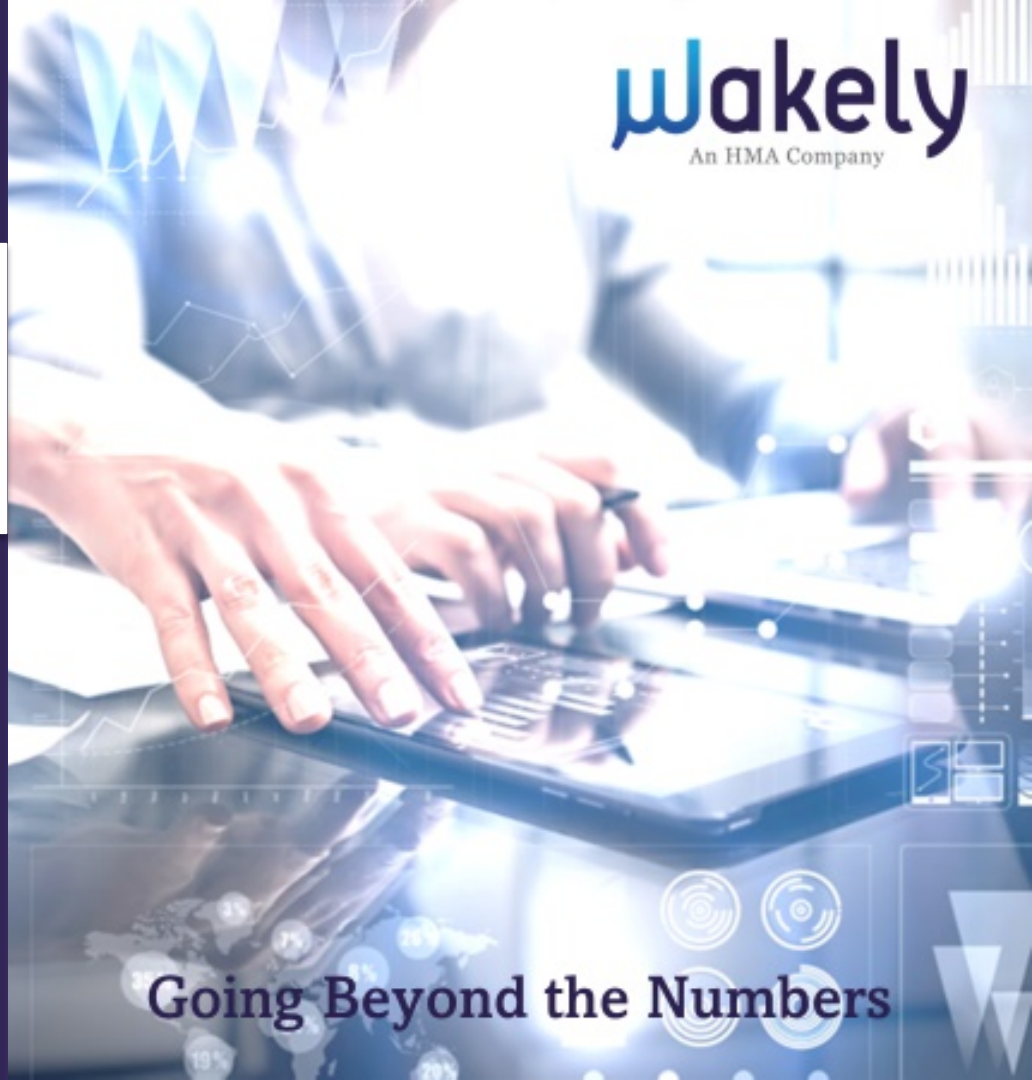
Adverse Selection Report

access health CT

Adverse Selection Study

PRESENTED BY

Julie Andrews, FSA, MAAA
julie.andrews@wakely.com



Introduction

Wakely was retained by Access Health CT (AHCT) to perform the adverse selection analysis.

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

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

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

Wakely
An HMA Company

2023 Adverse Selection Study

January 18, 2024 Board of Directors Meeting

Adverse Selection:

1 Defining

Defined as one segment of the market attracting enrollees with higher health risk than another segment of the market

2 Identifying

Identified by higher risk scores in one segment of the market than another

3 Measuring

- Measured by the difference in risk scores between market segments
- Measured by the difference in loss ratios between market segments (before and after risk adjustment transfer payments)

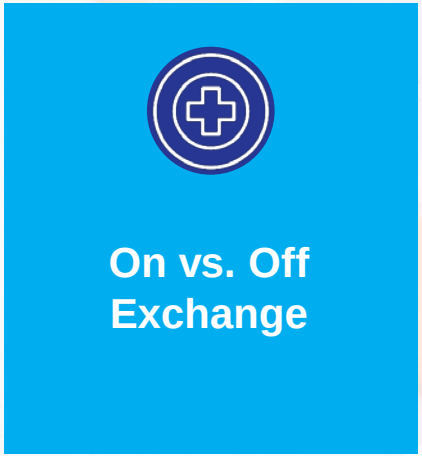
2023 Adverse Selection Study

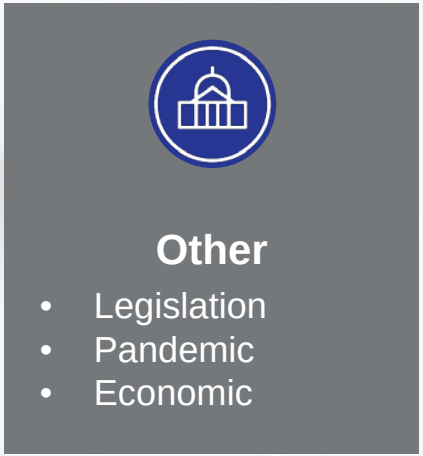
January 18, 2024 Board of Directors Meeting

Quantitative Analysis	Qualitative Analysis
Analysis based on demographics, plan enrollment, claims experience, federal risk scores and risk adjustment transfer payments	Subjective comments based on survey responses from carriers and other market data available to Wakely

2023 Adverse Selection Study

January 18, 2024 Board of Directors Meeting





Nature of adverse selection:

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

2023 Adverse Selection Study

January 18, 2024 Board of Directors Meeting

Other Adverse Selection Considerations

The past year has continued to bring changes to the individual and small group market that impact overall market selection not just the Exchange.

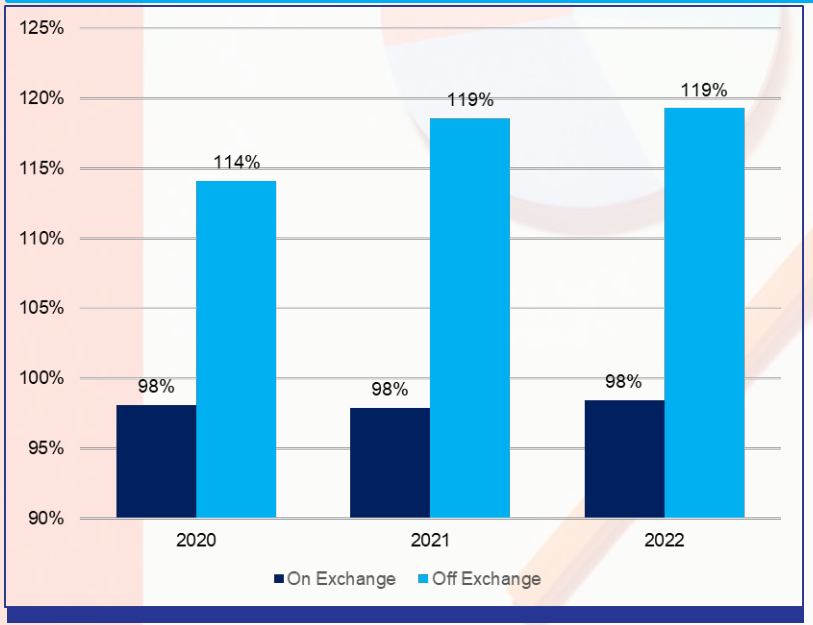
- PHE Medicaid Continuous Coverage Unwinding
- Covered CT expansion

On vs. Off Exchange

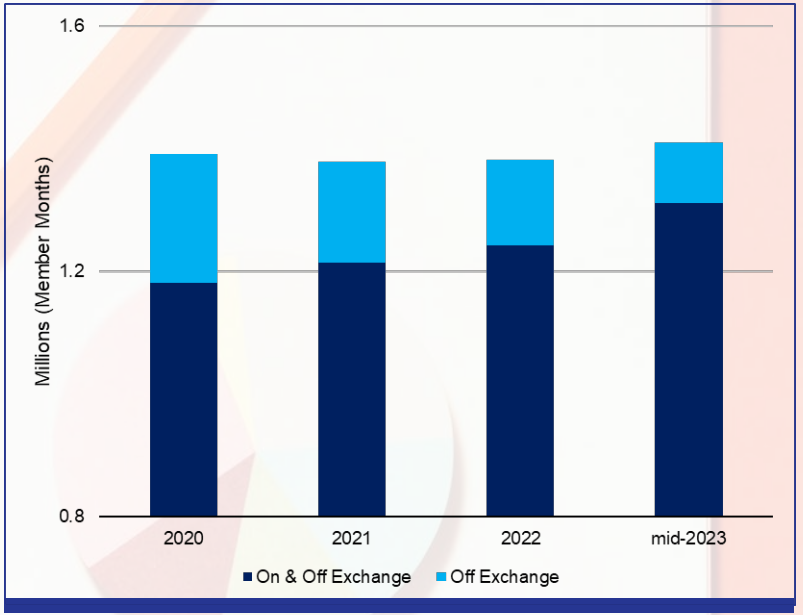
2023 Adverse Selection Study

January 18, 2024 Board of Directors Meeting

Individual Market On vs. Off Exchange: The variation in risk for on vs. off exchange has leveled off in 2022 after widening from 2020 to 2021.



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



Enrollment Exposure by Year (Member Months)*

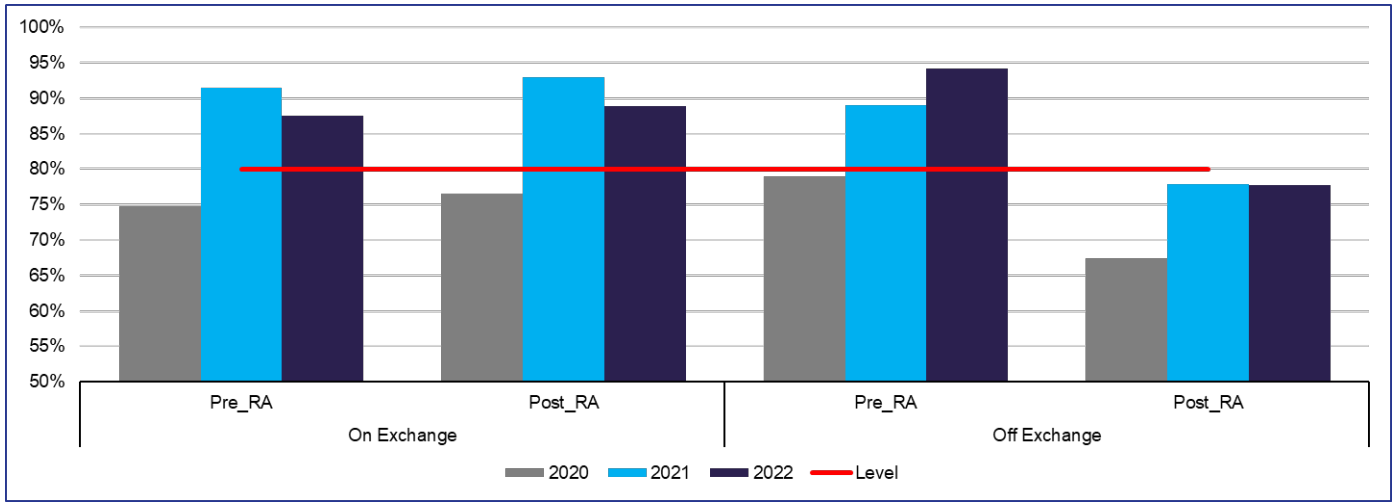
*2023 Member Months estimated as twelve times mid-year enrollment.
**Off Exchange refers to plans sold only off-exchange

2023 Adverse Selection Study

January 18, 2024 Board of Directors Meeting

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

- 2020 – Covid-19
- 2021 – Covid, ARPA, extended open enrollment periods, Covered CT program introduction
- 2022 – Covid, PHE, Covered CT expansion



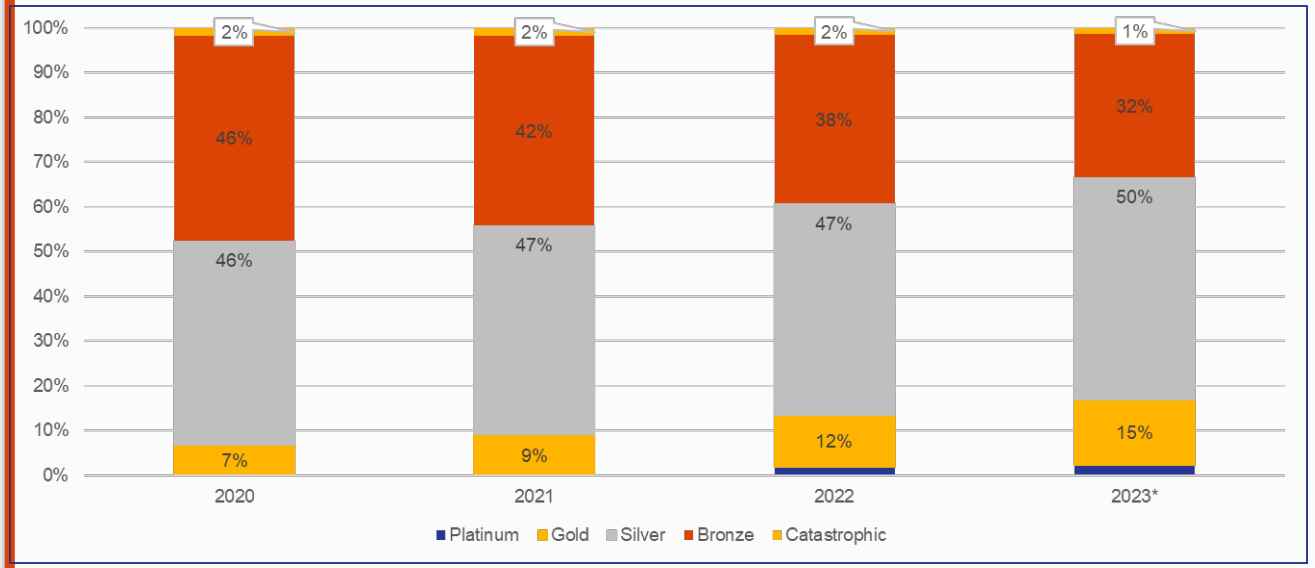
Loss Ratios**
Pre & Post Risk Adjustment
(non-catastrophic metal tiers)

**Off Exchange refers to plans sold only off-exchange

2023 Adverse Selection Study

January 18, 2024 Board of Directors Meeting

Individual Metal Tier Enrollment Mix: The mix of enrollment by metal tier has shifted on and off exchange



*2023 Mix based on mid-year enrollment, 2020, 2021 & 2022 based on exposures.

2023 Adverse Selection Study

January 18, 2024 Board of Directors Meeting

Individual Market On Exchange: Issuers indicated potential adverse selection from events/changes with the potential to destabilize the market:

Special Enrollment Periods
Public Health Emergency
American Rescue Plan Act (ARPA), Inflation Reduction Act (IRA)
Covered Connecticut Program

Conclusions: Individual Market On vs. Off Exchange

Higher off exchange risk scores continue to increase with shrinking enrollment

Loss Ratios after consideration of risk adjustment transfers indicates that on exchange enrollees are currently not financially disadvantaged.

2023 Adverse Selection Study

January 18, 2024 Board of Directors Meeting

Conclusions: Small Group Market On vs. Off Exchange

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

2023 Adverse Selection Study

January 18, 2024 Board of Directors Meeting

Recommendations: On vs. Off Exchange Adverse Selection

Self-funding

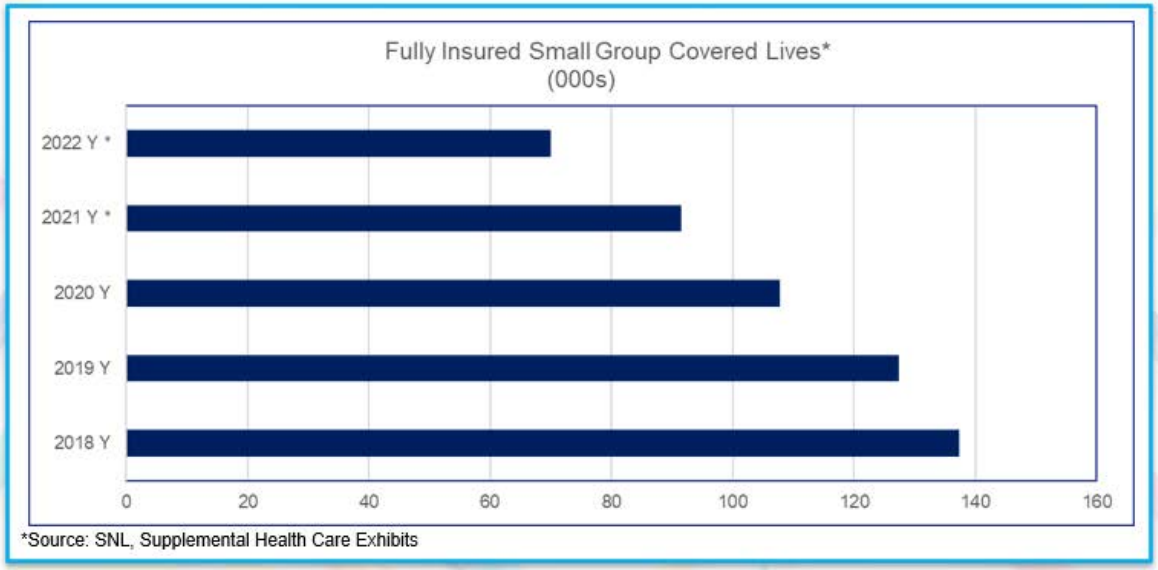
2023 Adverse Selection Study

January 18, 2024 Board of Directors Meeting

Recommendations: On vs. Off Exchange Adverse Selection

The fully insured small group market decreased by 24% as measured by covered lives in 2022. Reported mid-year 2023 enrollment indicates a further reduction.

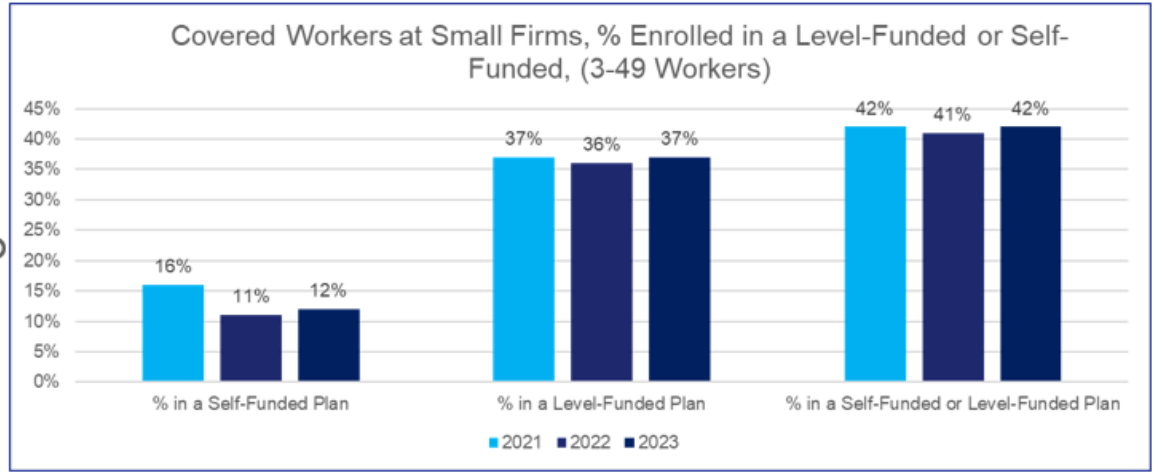
Issuer exits in 2023 and 2024 will impact enrollment



*Source: SNL, Supplemental Health Care Exhibits

2023 Adverse Selection Study

January 18, 2024 Board of Directors Meeting



Source: Kaiser Family Foundation Employer Health Benefits Annual Survey (2021-2023)

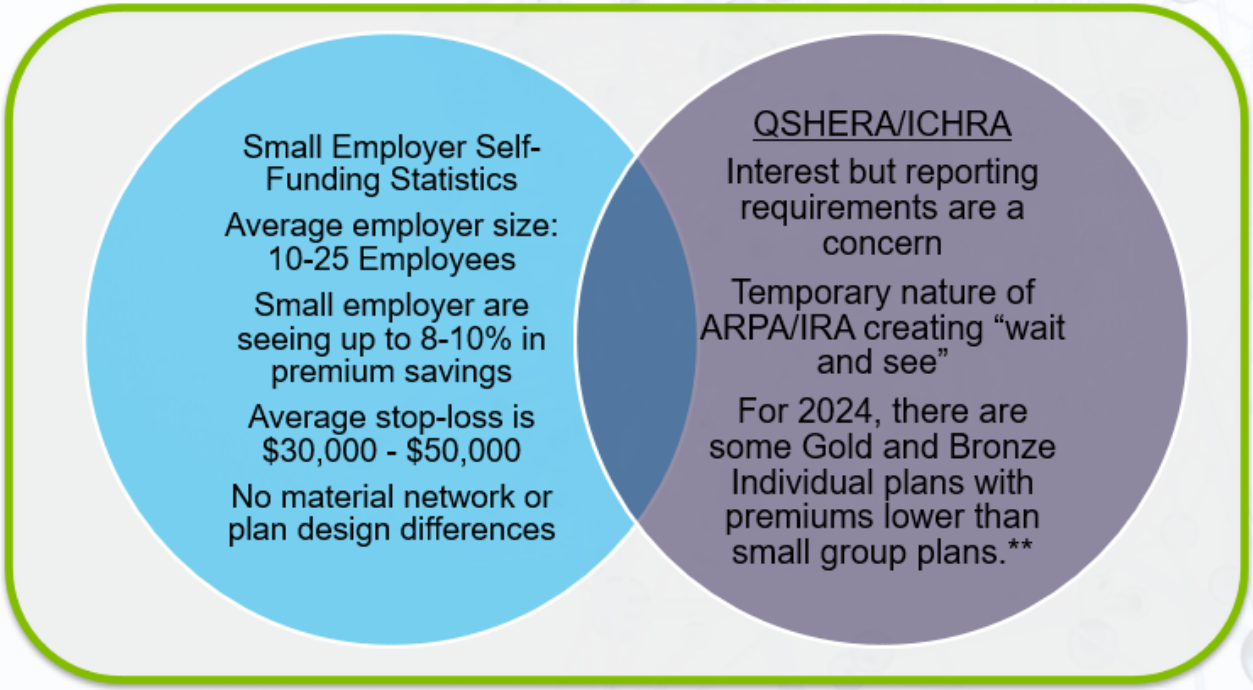
Impact of Self-Funding in the Small Group Market

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

2023 Adverse Selection Study

January 18, 2024 Board of Directors Meeting

Impact of Self-Funding in the Small Group Market: We surveyed issuers/brokers on Connecticut self-funded marketplace and interest in QSHERA/ICHRA* by small employers.



*Qualified Small Employer Health Reimbursement Arrangement (QSHERA) and Individual Coverage HRA (ICHRA)
**http://analytics.ideonapi.com/veristat/hra/lowest-premiums-map/2024/

2023 Adverse Selection Study

January 18, 2024 Board of Directors Meeting

Conclusions: Self-Funding in the Small Group Market

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

Recommendations: Self-funding in Small Group Adverse Selection

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

Separate Attachment

AHCT Adverse Selection Study Report

January 18, 2024

Two Month Premium Assistance

access health CT

Two Month Premium Initiative

Public Act 23-204

- Provide funding for two months of premium assistance through Access Health CT FY 24
  - $10 million funding (ARPA-CSFRF) for Individuals with income above Covered CT threshold of 175% of FPL but below 200% FPL who enroll in a benchmark Silver plan under Access Health CT

access health CT

Two Month Premium Initiative

Discussions with the Office of Policy and Management and the Dept. of Social Services

- **Possible additional uses of the funding**
  - Help small employers with ICHRA contributions
  - Broaden eligible audience to higher FPL level and to include additional eligible plans such as Bronze plans
  - Support infrastructure for new outreach efforts, i.e. new unemployment benefit filers

access health CT

Health Plan Benefits and Qualifications Advisory Committee Update

access health CT

Future Agenda Items for Reference Only

access health CT

Adjournment

access health CT