



# Board of Directors

January 15, 2026





# Meeting Agenda

A. Call to Order and Introductions	
B. Public Comment.....	3
C. Votes.....	4
D. CEO Report.....	5
E. Adverse Selection Report (Vote).....	6-24
F. 2026 Open Enrollment Update.....	25-28
G. Enhanced Subsidy Changes that Impact Connecticut Residents.....	29-32
H. Health Plan Benefits and Qualifications Advisory Committee Update.....	33-34
I. Future Agenda Items for Reference Only.....	35
J. Adjournment.....	36

# ↳ Public Comment

## ⋮ Votes:

- ***Meeting Minutes (November 20, 2025)***
- ***Vice-Chair Election***
- ***Committee Membership***

# CEO Report

# AHCT 2025 Adverse Selection Study

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**Ren Zhong, ASA, MAAA**



# Introduction

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

# Introduction

## SCOPE OF ANALYSIS



Grandfathered vs.  
non-grandfathered  
plans



On vs. Off  
Exchange –  
Individual and  
Small Group  
Market



Self-funding in the  
Small Group  
Market

# Methodology

## 1 Defining

Adverse Selection is 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

- Difference in risk scores between market segments.
- Difference in loss ratios between market segments before and after risk adjustment transfer payments.

# Methodology

## Quantitative Analysis

- Analysis based on demographics, plan enrollment, claims experience.
- Federal risk scores and risk adjustment transfer payments.

## Qualitative Analysis

- Subjective comments based on survey responses from carriers.
- Publications and market data available to Wakely.

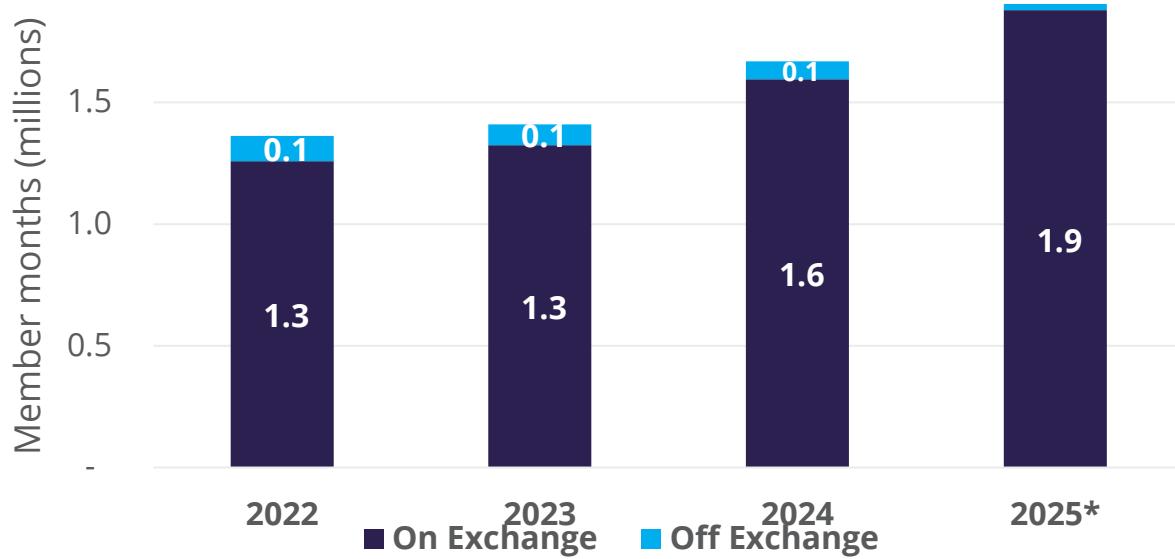
# On vs. Off Exchange



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# Individual Market

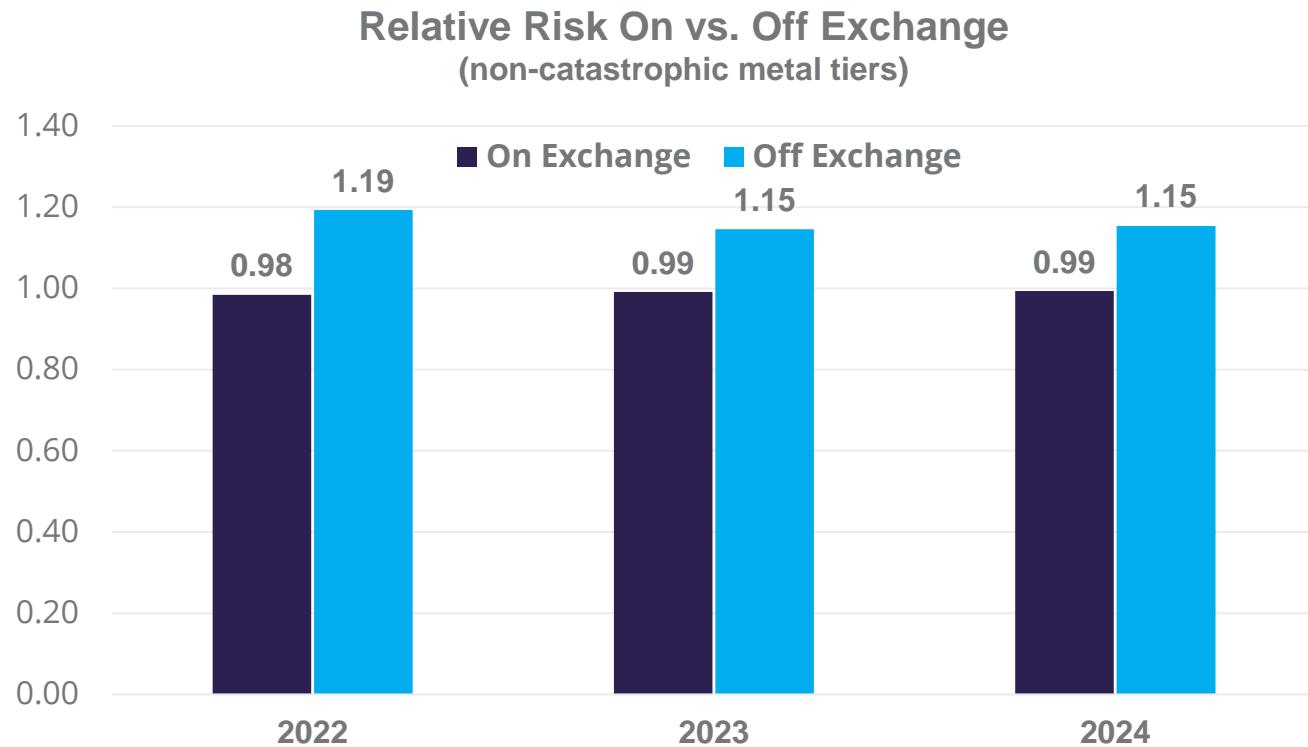
## Enrollment Exposure (Member Months) On vs. Off \*\* Exchange



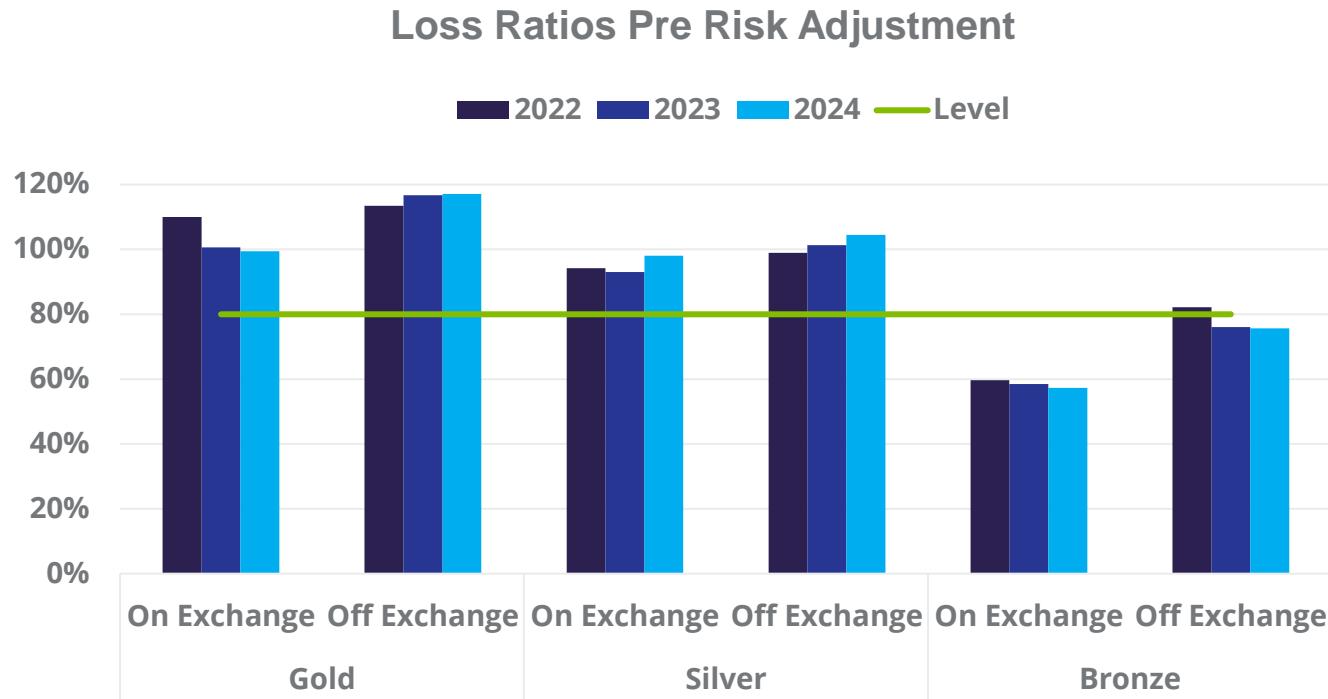
\* 2025 member months estimated as mid-year member count times 12.

\*\* Data is presented as "On Exchange" however products sold on Exchange may also be purchased off the Exchange. Off Exchange refers to plans sold only off Exchange.

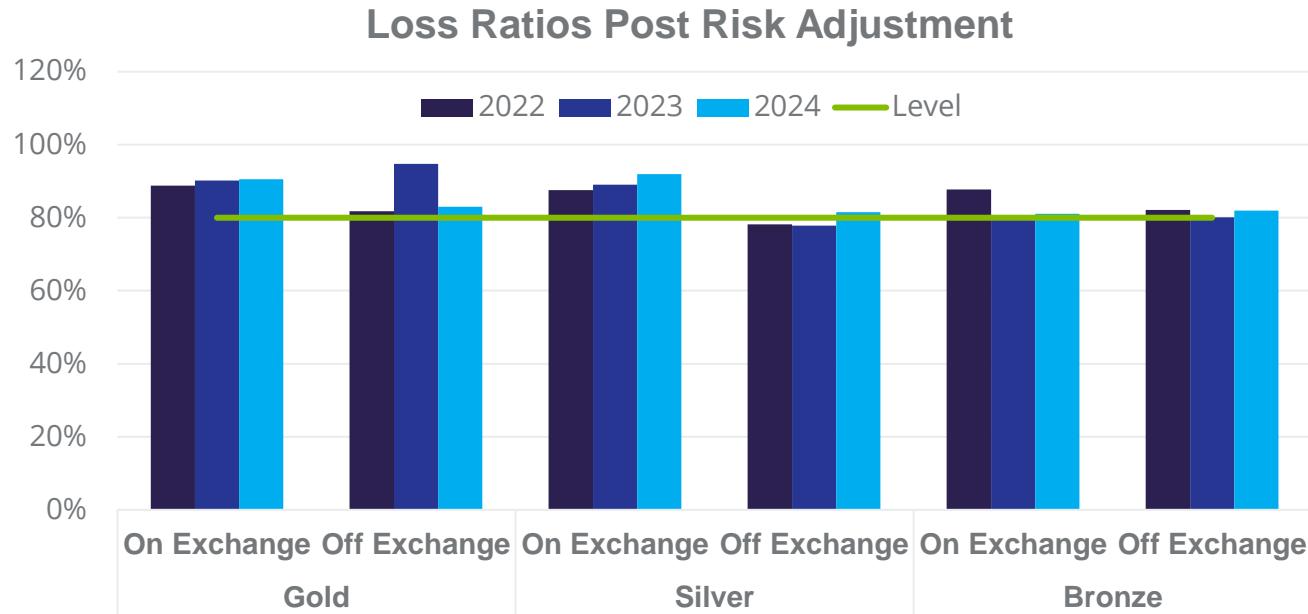
# Individual Market



# Individual Market



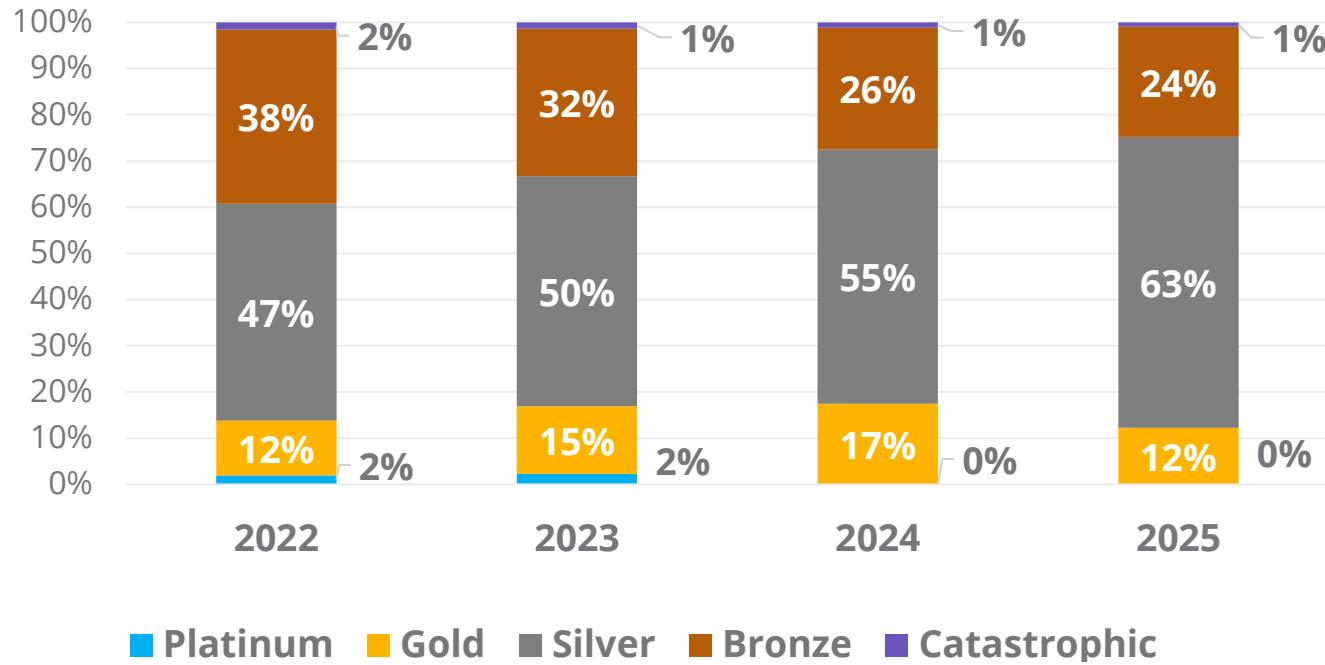
# Individual Market



Risk adjustment has been efficient at leveling market risk.

# Individual Market

Enrollment Distribution by Metal Tier  
(Combined On and Off Exchange)



## Conclusions:

- Aggregated data indicate that off Exchange enrollees have higher relative risk than on Exchange enrollees, suggesting potential adverse selection.
- However, carrier-level results vary, with some carriers experience higher-risk enrollment on Exchange while others see higher risks off Exchange. This suggests that adverse selection is not uniform across carriers or the market.
- The ACA risk adjustment mechanism mitigates most financial impacts, so the overall sustainability of the Exchange is unlikely to be affected.

# Small Group Market

## OVERVIEW

Small group on Exchange enrollment is low and not fully credible to make any conclusions regarding adverse selection.



Low enrollment should be monitored outside context of adverse selection to ensure sustainability of market.

# Self-funding



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# Self-Funding in Small Group Market

## OVERVIEW

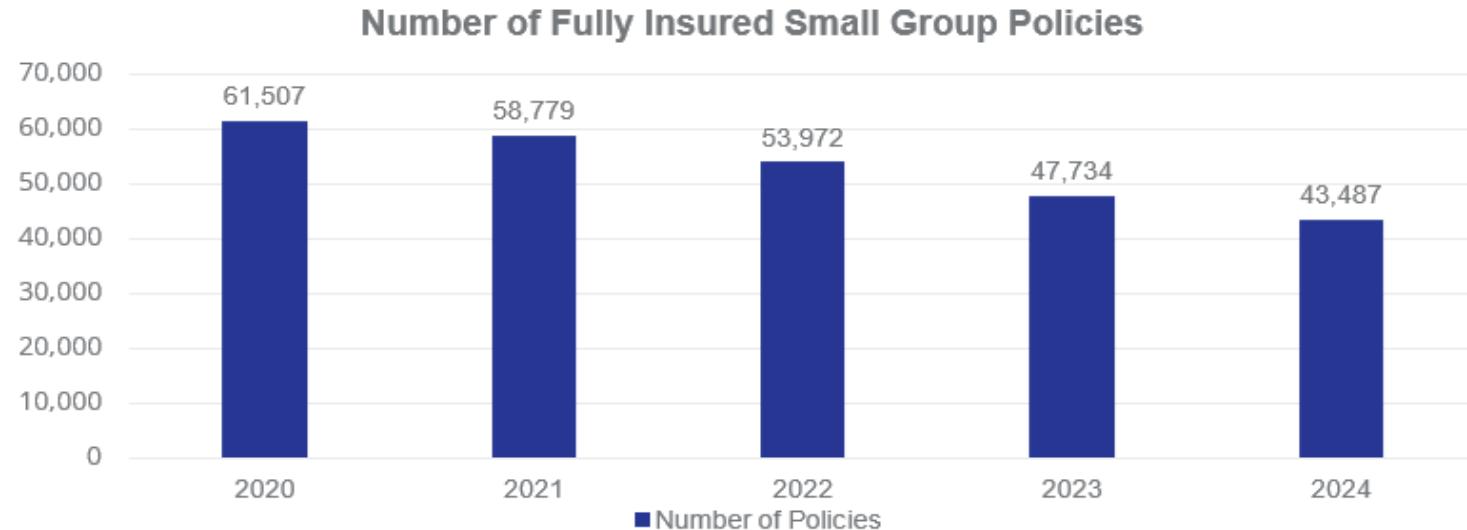
State-specific data on self-funding was not available.

National trends and carrier survey insights provided useful context but were not sufficient to draw definitive conclusions about adverse selection.

# Self-Funding in Small Group Market

## FULLY INSURED SMALL GROUP MARKET

- The number of policies has followed an annual decline of roughly 8% to 12% in recent years, including a 9% decrease in 2024.
- Issuer exits in 2024 and 2025 also would impact enrollment.

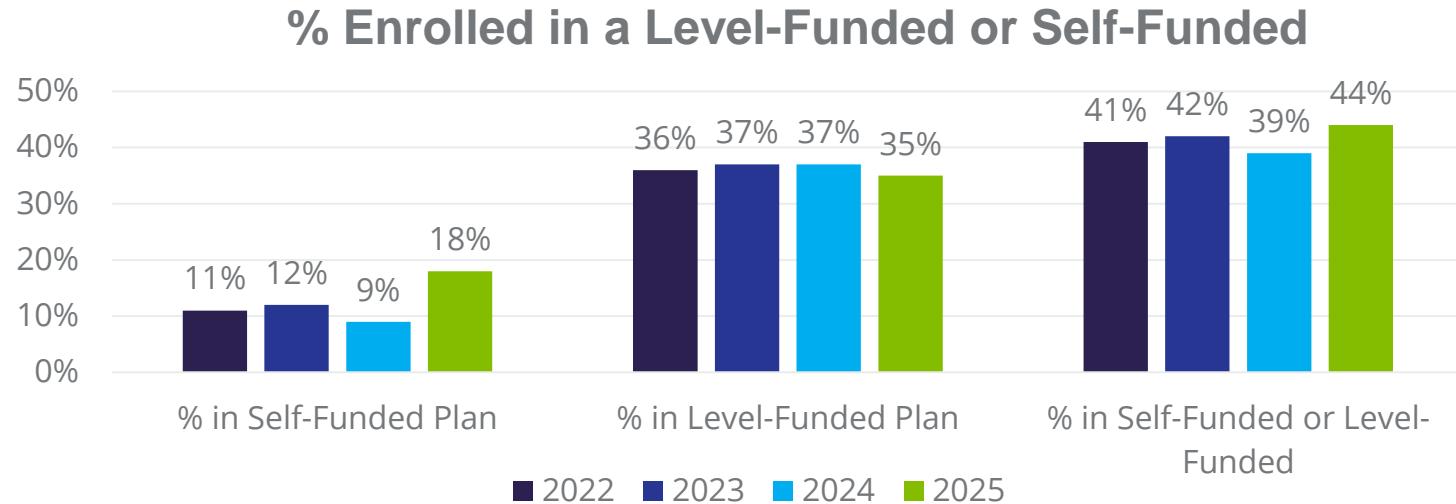


\*Source: SNL, *Supplemental Health Care Exhibits*.

# Self-Funding in Small Group Market

## SELF-FUNDED SMALL GROUP MARKET

Enrollment in self-funding remain relatively level, with slight increase in 2025.



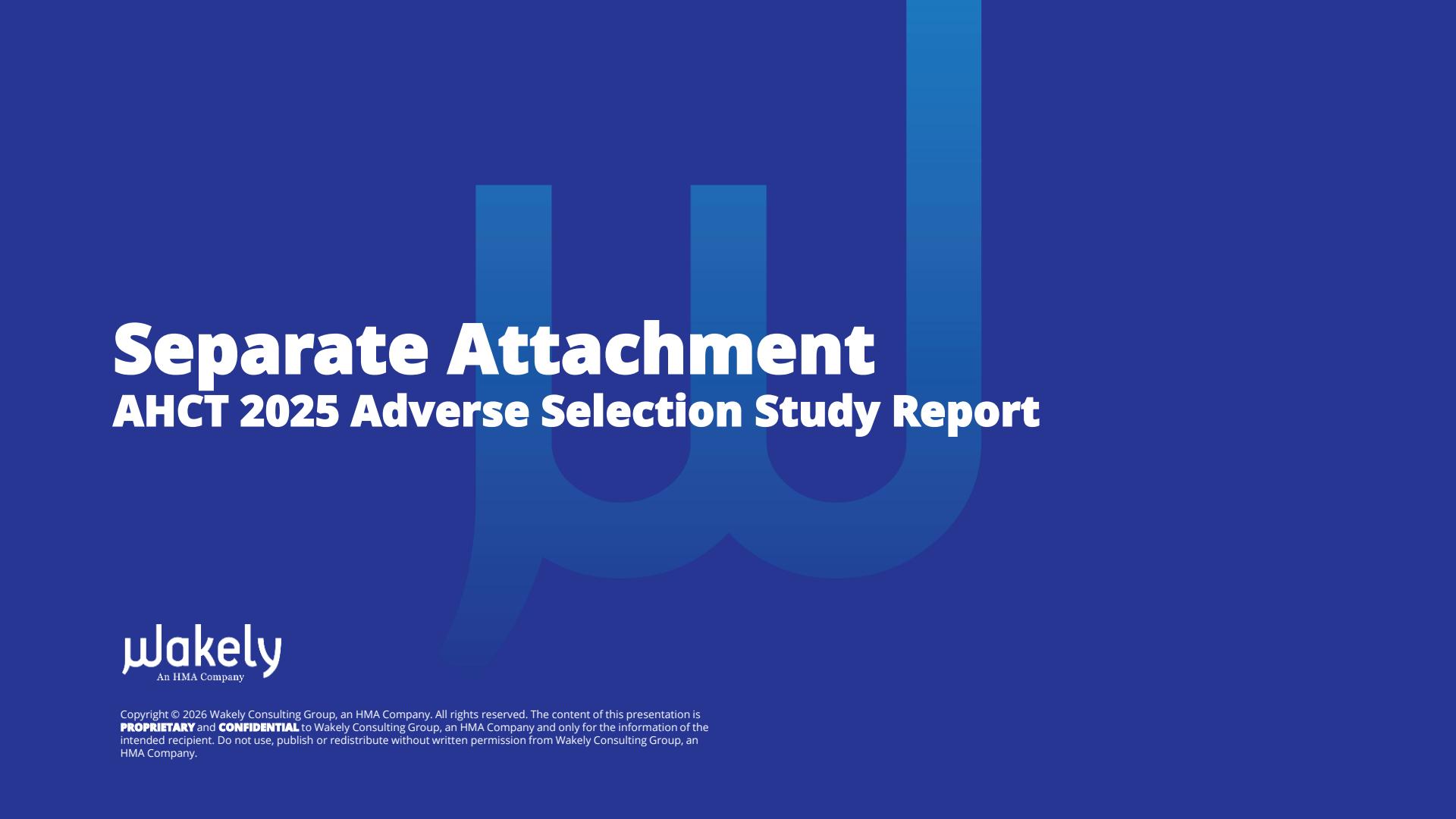
Source: Kaiser Family Foundation 2025 Employer Health Benefits Annual Survey.

The increase in 2025 need to be dampened due to the change in surveyed population - from employers with 3-49 employees in prior years to 10-49 employees in 2025.

# Self-Funding in Small Group Market

## Conclusions

- Lack of credible data results in no clear conclusion whether there is adverse selection between fully insured and self-funded small groups.
- Carriers reported no clear indications of significant adverse selection.
- The decline in fully insured small group enrollment and the financial advantages of self-funding for lower-risk groups raise reasonable concerns about potential adverse selection. Continued monitoring is recommended.



# Separate Attachment

## AHCT 2025 Adverse Selection Study Report



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# 2026 Open Enrollment Update

# Open Enrollment

- Open Enrollment has been extended to January 31, 2026.
  - The OE deadline has been extended from January 15 to January 31.
- AHCT call center hours have been extended as follows:

OE Extension (Mondays – Fridays)	1/16/26 to 1/30/26	8:00 a.m.	5:00 p.m.
OE Extension (Saturdays)	1/17/26 & 1/24/26	9:00 a.m.	3:00 p.m.
Monday (MLK Day)	1/19/2026	Closed	Closed
Saturday (last day of OE13)	1/31/2026	8:00 a.m.	Midnight

# Open Enrollment

## OE Extension — Marketing and Health Equity and Outreach updates:

- Announced the Open Enrollment extension via press release on January 2, 2026.
  - AHCT interviewed by WTNH, NBC, Fox61 and WTIC-AM NewsTalk radio.
- Announced across other communications channels, including website (homepage alert), social media and email.
- Brokers, Certified Application Counselors and other enrollment partners have been informed via email and newsletters.
- Updated the paid advertising campaign creative to reflect the new enrollment deadline.
- Finalized paid media extension with a focus on digital advertising to leverage existing, readily available assets to drive efficiency, control costs and ensure a seamless execution.
- In-person enrollment assistance is available at enrollment events.

# OE13 Status

Plan/Program	OE12 2025 policy year	OE13 2026 policy year	% Change
Qualified Health Plans (without subsidy)	15,454	31,449	103.5%
Qualified Health Plans with subsidy (includes Covered CT)	131,715	118,647	-9.92%
Covered CT only	40,360	49,597	22.88%
Stand-alone dental plans	16,742	17,697	5.70%

\* Year over year enrollment numbers as of January 13

- Enhanced Subsidy Changes that Impact Connecticut Residents

- **December 31, 2025, expiration of Enhanced Premium Tax Credit**

- Consumers with income over 400% of the Federal Poverty Level (FPL) are not eligible for APTC in 2026 at this time.
- Consumers with income between 100-400% of the FPL are eligible for federal APTC, but under original ACA contribution percentages.
- Increases in Silver premiums for 2026 had positive impact on APTC calculations for many consumers.



## • Potential Federal Action

- On January 8, U.S. House passed a 3-year extension of the enhanced premium tax credits.
- The bill now moves to the U.S. Senate for consideration.



## • State Subsidy

**Governor Lamont announced a State subsidy program for certain consumers to fill in gaps due to the expiration of the enhanced subsidies.**

- Consumers with income between 100-200% of the FPL, and not enrolled in the Covered CT program, to replace expired enhanced subsidy amounts.
- Consumers with income over 400 and up to 500% of the FPL to replace 50% of the expired enhanced subsidy amounts.

# Health Plan Benefits and Qualifications Advisory Committee Update

*2027 Plan Certification*

# • **Health Plan Benefits and Qualifications Advisory Committee Update**

- First meeting held on January 7 for 2027 Cycle.
- Still awaiting release of federal regulatory guidance.
- Review of new state mandate and certification requirements.
- Discussion of focus on affordability with plan designs.
- Update on current broker compensation.

## Future Agenda Items for Reference Only

# Adjournment

*Next Meeting: March 5, 2026*