

Health Insurance Exchange Advisory Committee Small Employer Health Options Program “SHOP” **MEETING MINUTES**

Location: Legislative Office Building
300 Capitol Avenue, Room 1C, Hartford, CT
Date: Wednesday, July 11, 2012
Time: 1:00 p.m.

Members Present

Pam Russek (Co-Chair), PCR Consulting; Grant Ritter (Co-Chair), Schneider Institutes for Health Policy; Antonio Paulo Pinto, Ellen Skinner, Yale University School of Management; John Fleig, United Healthcare Mid-Atlantic Health Plan; Lynn Marie Janczak, Learning Dynamics; Marta Maciuba, Aetna; Tim Pusch, Burns, Brooks & McNeil Agency; Chris McKiernan, Abercrombie, Burns, McKiernan & Co. Insurance, Inc.; Marjorie Cole, Hartford HealthCare; Matthew Katz, CT State Medical Society;

Members Absent

Michael Devine, Founder and CEO, Earth Energy Alliance; Patricia Pulisciano, TrueCare Insurance, LLC; Mary Ellen Breault, Connecticut Insurance Department (CID);

Other Participants

Kevin Counihan, Health Insurance Exchange (HIX); Julie Lyons, HIX; Christine Cappiello, Anthem Blue Cross Blue Shield (BCBS) of CT; Jim Auger, Anthem BCBS of CT; Karen O’Connell, ConnectiCare; Jason Martiesian, United Healthcare; Craig Bauer, Aetna; Bill Donahue, Healthy Connecticut; Bob Carey, RL Carey Consulting

Meeting Facilitator

Nellie O’Gara, HES Advisors

I. Call to Order and Introductions

Chairperson Grant Ritter called the meeting to order at 1:00 p.m. Chairperson Ritter introduced new committee member, Kevin Galvin. Staff, carrier representatives, and members introduced themselves.

II. Approval of Minutes

Chairperson Pam Russek requested a motion to approve the minutes from the previous meeting. John Fleig made the motion. The motion was seconded. All members were in favor. Tony Pinto pointed out that in the transcript ‘CBIA’ was referred to as ‘CDIA’.

III. Health Plan Representative Panel Discussion

Julie Lyons provided an overview of the meeting agenda. During the last meeting it was suggested that the committee have the health care carriers address the group on various topics of interest. The Committee submitted questions to carriers on the following topics:

1. Purchasing Models
2. Participation Requirements
3. Employer Contribution Requirements

4. Plan Designs

Nellie O’Gara initiated the open discussion/Q&A by health plan representatives ([Discussion questions](#)). Ms. O’Gara first asked carriers about their experience in working with health insurance exchanges here or in other states. Representative provided a brief summary of their experiences. Bill Donahue stated that he has helped start a couple of co-cops across the country; he has had to talk to multiple Exchanges across the country. Jim Auger, representing Anthem, noted that CBIA is a type of Exchange in Connecticut, which serves many small employers throughout the state. Mr. Auger stated that Anthem does business with Choice Administrators out of California. Mr. Auger noted that he would suggest that one of the concerns in managing risk pools in the small group market would be at the employer choice point. Discussion ensued around the model for better risk management. Jim Fleig commented that he echoes Mr. Auger’s thoughts on employer choice, noting that it helps preserve a better risk pool. Discussion developed around CBIA’s role/relationship to the Exchange.

Some members asked if the carriers have entertained the concept of the insured going in and out of the individual and small group markets due. Chairperson Russek stated the importance of passing this issue as an ongoing issue onto the QHP Committee to make sure that there is sufficient action relative to that and that they keep this committee apprises of what their progress is.

Ms. O’Gara facilitated the meeting into a discussion with regard to which purchasing model would be most successful in attracting small businesses to the Exchange. The four purchasing model options include:

1. One carrier, one plan
2. One carrier, multiple plans
3. Multiple carriers, one plan
4. All carriers, all plans

Mr. Auger posed the question: what is the definition of *success*? Mr. Auger stated that he defines success as a program that is sustainable over a long period of time and that ultimately gets at the issues of affordable quality health care, noting that for a program to be sustainable, we cannot take our eye off of risk management. Mr. Auger stated that one carrier of multiple plans is a model for greater sustainability and risk management. John Fleig reminded the committee of the language of the law requiring that there be some level of employee choice. Discussion ensued. (See transcript for more details).

Tim Pusch asked if the carriers would want the same underwriting guidelines for submitting a group in the market in the market. Carriers agreed that they should be the same. Discussion ensued. Chairperson Ritter remarked that the ACA seems to be looking at a new model where you are pooling businesses and thinking of them as a total group, as a large, single business—noting that it seems the Act is trying to change the model for risk to something broader than it was before. Conversation ensued.

Kevin Galvin discussed the need to have some ease to process, remarking that more choices are not better for employers, emphasizing the importance of coming up with good choices/good products, further stating that we have to find a way to bring innovation to this or small businesses will not engage. Tony Pinto initiated discussion around the role of the SHOP committee—is it to make it so that the market is more robust and small employers offer more benefits or are we more focused on just trying to get everybody into the Exchange? Discussion developed around the need for the Exchange to be self-sustaining. Mr. Pinto remarked that one of the things to consider is merging the small group market with the individual because the individual should have significant membership, as it does in Massachusetts. John Fleig noted

that carriers are strongly opposed to merging the two markets—at least the first couple of years until these pools stabilize.

Ms. O’Gara reiterated the guiding principles of the committee. Members had a comprehensive discussion around the administrative costs/burden of the Exchange and carriers. Ellen Skinner asked how the Exchange will work effectively with the carriers to ease the administrative burden. Mr. Auger suggested that we not add cost but spread the cost. The question of whether the Exchange would take on some administrative burdens in order for carriers to consider participating. Kevin Counihan noted that California is a good example of where some very prominent health plans are participants. They delegate much administrative work to the private Exchanges and have found that they cut their costs to some degree because of this. Kevin further noted that detailed examples of that by line of function and impact on cost is available and can be supplied to the committee.

Ms. O’Gara initiated discussion on the role of the Navigator in the Exchange. Carriers were in agreement that this should be an important development, strongly emphasizing the importance of the broker/small group relationship. Discussion ensued. (See transcript for more information).

Ms. O’Gara initiated discussion with regard to carrier perspective around how important it will be for the Exchange to encourage the use of some of the new delivery models, the ACOs, the medical homes, limited gatekeepers. Mr. Donahue indicated that reduced networks are something to keep a very close eye on. John Fleig stated that these are all tools that carriers should be able to use. Tim Pusch asked if carriers could envision different networks within the Exchange versus in the open market so that there is a different network you purchase from Anthem within the Exchange than you do outside of the Exchange. Mr. Auger remarked that network development is going to be an important part of the future. Conversation ensued. (See transcript for more information).

IV. Next Steps

Chairperson Ritter thanked the carriers and emphasized that the Exchange is extremely interested in their participation and will really be interested in the suggestions they make. The upcoming meeting agenda will include:

1. A recommendation on a purchasing model, participation requirements, employer contribution requirements; and
2. A review of tax provisions

V. Public Comment

Claudia Epright provided a public comment. Ms. Epright represents consumers as well as the Consumer Experience and Outreach Advisory Committee.

VI. Adjournment

Grant requested a motion to adjourn. Motion was made and seconded. Meeting adjourned at 2:52 p.m.

Resources

[Agenda](#)

[Minutes from previous meeting](#)

[Presentation](#)

[Discussion Questions](#)

[Transcript](#)

Connecticut Health Insurance Exchange

As approved by the Small Employer Health
Options Program Advisory Committee on September 11, 2012