Connecticut Health Insurance Exchange

Board of Directors Meeting

February 21, 2013
Welcome and Introductions
Public Comment
Review and Approval of Minutes
CEO Report
Operations and Information Technology Update
Agenda

- Operations Update
- Information Technology Update
- Overall Health of the Program
- IEPMO Operational Dashboard
- IEPMO IT Dashboard
Operations Update

- Operating Model – working with DSS to develop division of labor to effect integrated eligibility
- Call Center – Contract signed and vendor onboarding underway
- Small Employer Health Option Program (SHOP) – Vendor selection underway
- Policy – Finalize Standard Benefit Design
- Human Resources – Updating policy and procedures to provide foundation for growth in staff
- Management team – Stressing interrelationships and integration points with technology
Operations and Information Technology Update

**IT Update**

- Deferral of non-critical functionality
- Approved to be 1 of first 5 states in Wave 1 testing
- Independent Verification and Validation (IV&V) vendor selection underway
- Consumer Experience Demonstration scheduled for March 20th
- Moved into new space at 280 Trumbull Street
Overall Health of the Program

The overall status of the CTHIX Program is currently yellow due to risks which threaten Schedule, Scope and Quality. These risks are primarily attributable to: delays in design completion, funding navigators, resource constraints and incorporating evolving federal guidance.

<table>
<thead>
<tr>
<th>Schedule Risks</th>
<th>Resource Risks</th>
<th>Quality Risks</th>
<th>Scope Risks</th>
<th>Issues</th>
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Overall

<table>
<thead>
<tr>
<th>Not started</th>
<th>Started on track</th>
<th>Minor risk / issue</th>
<th>Major risk / issue</th>
<th>Complete</th>
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**Overall Health of the Program**
**CT HIX / IE PMO Operations Dashboard**

**2/19/13**

**Summary - milestones**

<table>
<thead>
<tr>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
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<th>Jun</th>
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<td><strong>Oversight</strong></td>
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<td><strong>Plan Management</strong></td>
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**Oversight & Support**

1a) Finalize MOU - HIX & BEST (mid Jan) 2013
1b) Draft Organizational Readiness Plan to HIX (Dec 12, now Jan 31)
1c) Final Design Due (Feb 1, 2013)
1d) Board Meeting (Feb 21)
1e) Submit Establishment Design Review & IT consultation/presentation to CMS (mid March)
1f) Development 70% Complete (Apr 1)
1g) Preliminary IRS ACA Safeguard Procedures Report & System Security Plan due (Apr 1)
1h) Last date to enter testing (May 1)
1i) Privacy Impact Assessment Complete (May 15)
1j) Preliminary Interconnection Security Agreement must be provided (May 15)
1k) OIS State Exchange Assessment to CCIIO (Jan 1)
1l) Final State Determination (Jul 1)
1m) Computer Matching Agreements Complete (Jul 1)
1n) Submit Final ACA Safeguard Procedures Report & Final System Security Plan to IRS (Jul 3)
1o) Final Interconnection Security Agreement Due (Sep 1)
1p) Business Partner Agreements Complete (Sep 30)
1q) HIX Go Live (Oct 1)

**Communications**

5a) Document Imaging Go Live [R5] (Feb 18)
5b) EMS Transitions from Case-base to Task-base [R7] (May 5)
5c) Connect
5d) Level 1 Grant Award (Feb 15)
5e) Launch Continuing Education (CE) Credit Courses for CT Brokers (mid Mar)

**Finance**

6a) Agreement of cost allocation and financial reimbursement processes HIX/ DSS/ BEST (late Jan)
6b) Share revenue/project budget with CMS (Feb)
6c) Interviews for HIX Comptroller (Feb 11-22)
6d) Establish Level 1 and 2 Grants Timesheet Distinction (Feb 28)
6e) Procure remaining HIX employee benefits (Mar 1)
6f) Complete Annual 2012 Fiscal Audit (Mar 14)
6g) Present Revenue/ Sustainability Options to Board (Mar 14)

**Legal**

8a) Final agreement with HRA for Reinsurance (Feb 28)
8b) SHOP Terms and Conditions (end of Feb)
8c) Wording for Notices [System Design] (Mar 1)
8d) Finalize all MOU's (end of March)

**Plan Management**

9a) Modify QHP Solicitation to re-post online (Feb 11-22)
9b) Post Modified QHP Solicitation to HIX website (Feb 22)
9c) Release QHP Application to Insurers (Apr 2)
9d) Draft Model Contract for QHP Carriers (Apr 30)
9e) Receive QHP responses from issuers (Apr 30)
9f) Define operational procedures for Plan Management manual processes (May 31)
9g) Initiate Contract to QHP Insurers (Jul 31)
CT HIX / IE PMO IT Dashboard

2013

2/19/13

Summary – milestones

Table:

<table>
<thead>
<tr>
<th>Reqs/ Planning</th>
<th>Infrastructure</th>
<th>Design</th>
<th>Development</th>
<th>Testing</th>
<th>Implementation</th>
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</table>

**Requirements and Planning**

1a) *Submit Establishment Design Review & IT consultation/presentation to CMS (mid March)

1b) *Preliminary IRS ACA Safeguard Procedures Report & System Security Plan due (Apr 1)

1c) *Privacy Impact Assessment Complete (May 15)

1d) *Technical Design (Due Feb 1)

1e) *Preliminary Interconnection Security Agreement must be provided (May 15)

1f) *Computer Matching Agreement (Jul 1)

1g) *OIS State Exchange Assessment to CCIIO (Jun 1)

1h) *Final State Determination (Jul 1)

1i) *Submit Final ACA Safeguard Procedures Report & Final System Security Plan to IRS (Jul 1)

1j) *Submit Final ACA Safeguard Procedures Report & Final System Security Plan to IRS (Jul 1)

1k) *Computer Matching Agreement (Jul 1)

**Infrastructure**

7a) UAT VM/OS Environment Built (Jan 30)

7b) UAT Vanilla Software Installation Complete (Feb 28)

7c) UAT Software Configuration Complete (Mar 27)

7d) Procure QRadar for Staging Security (Feb 14)

7e) HIX VM/OS Staging Environment Built (Mar 1)

7f) Start Staging Vanilla Software Install (Mar 5)

7g) HIX VM/OS Production Environment Built (Mar 8)

7h) Start Production Vanilla Software Install (Mar 22)

7i) *Submit Final ACA Safeguard Procedures Report & Final System Security Plan to IRS (Jul 1)

7j) *Submit Final ACA Safeguard Procedures Report & Final System Security Plan to IRS (Jul 1)

7k) *Submit Final ACA Safeguard Procedures Report & Final System Security Plan to IRS (Jul 1)

7l) *Submit Final ACA Safeguard Procedures Report & Final System Security Plan to IRS (Jul 1)

7m) *Submit Final ACA Safeguard Procedures Report & Final System Security Plan to IRS (Jul 1)

**Design**

3a) *Functional Design (Due Feb 1)

3b) *Technical Design (Due Feb 1)

3c) R1 and R2 Design Complete (was Dec 17, now Mar 15)

3d) R1 Development (Dec 3 to Apr 1)

3e) R2 Development (Dec 10 to May 31)

3f) R1 SIT Plan Submitted (Mar 15)

3g) R2 SIT Plan Submitted (Apr 26)

3h) R1 Testing-Unit (Dec 3 to Apr 1)

3i) R2 Testing-Unit (Dec 10 to May 31)

3j) R1 SIT\Reg\Perf (April 2 to May 8)

3k) R2 SIT\Reg\Perf (Jun 1 to Aug 22)

3l) R1 UAT (Apr 15 to May 10)

3m) R2 UAT (Aug 5 to Sep 6)

**Development**

3n) R1 Training (Apr 15 to Jun 4)

3o) R2 Training (Jul 29 to Oct 1)

3p) R1 Deployment (Jun 4)

3q) R2 Deployment (Oct 1)

3r) R1 Warranty (Jun 4, 2013 to Jun 3, 2014)

3s) R2 Warranty (Oct 1, 2013 Sep 30, 2014)

3t) R1 Project Close (Jun 4, 2014)

3u) R2 Project Close (Oct 1, 2014)

**Testing**

1d) *Last date to enter testing (May 1)

1e) *Test Plan Submitted (Mar 15)

1f) R1 Testing-Unit (Dec 3 to Apr 1)

1g) R2 Testing-Unit (Dec 10 to May 31)

1h) R1 SIT\Reg\Perf (April 2 to May 8)

1i) R2 SIT\Reg\Perf (Jun 1 to Aug 22)

1j) R1 UAT (Apr 15 to May 10)

1k) R2 UAT (Aug 5 to Sep 6)

**Implementation**

2a) ConneCT Document Imaging Go Live [R5] (mid Mar)

2b) EMS Transitions from Case-base to Task-base [ConneCT R7] (May 5)

2c) ConneCT Document Imaging Go Live [R5] (mid Mar)

2d) EMS Transitions from Case-base to Task-base [ConneCT R7] (May 5)

2e) ConneCT Document Imaging Go Live [R5] (mid Mar)

2f) EMS Transitions from Case-base to Task-base [ConneCT R7] (May 5)

2g) ConneCT Document Imaging Go Live [R5] (mid Mar)

2h) EMS Transitions from Case-base to Task-base [ConneCT R7] (May 5)

2i) ConneCT Document Imaging Go Live [R5] (mid Mar)

2j) EMS Transitions from Case-base to Task-base [ConneCT R7] (May 5)

2k) EMS Transitions from Case-base to Task-base [ConneCT R7] (May 5)

2l) EMS Transitions from Case-base to Task-base [ConneCT R7] (May 5)

2m) EMS Transitions from Case-base to Task-base [ConneCT R7] (May 5)

2n) EMS Transitions from Case-base to Task-base [ConneCT R7] (May 5)

2o) EMS Transitions from Case-base to Task-base [ConneCT R7] (May 5)

2p) EMS Transitions from Case-base to Task-base [ConneCT R7] (May 5)

2q) EMS Transitions from Case-base to Task-base [ConneCT R7] (May 5)

2r) EMS Transitions from Case-base to Task-base [ConneCT R7] (May 5)

2s) EMS Transitions from Case-base to Task-base [ConneCT R7] (May 5)

2t) EMS Transitions from Case-base to Task-base [ConneCT R7] (May 5)

2u) EMS Transitions from Case-base to Task-base [ConneCT R7] (May 5)

*Indicates CMS Absolute Minimum Milestone
Plan Management Update
Plan Management: Updated Timeline

<table>
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<tr>
<th>Action</th>
<th>Due Date*</th>
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<tbody>
<tr>
<td>Standard Plan Design Release</td>
<td>3/14/13</td>
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<tr>
<td>QHP Application Sent to Responders</td>
<td>3/18/13</td>
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<tr>
<td>Draft QHP Contract/Agreement Sent to Responders</td>
<td>3/18/13</td>
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<tr>
<td>Responses, Evaluation and Negotiation of QHP Contract/Agreement</td>
<td>3/18/13–7/30/13</td>
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<tr>
<td>Questions from Issuers on QHP Solicitation Due</td>
<td>4/01/13</td>
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<tr>
<td>Exchange Responses to Issuers QHP Questions</td>
<td>4/08/13</td>
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<tr>
<td>Issuers Filings due to Connecticut Insurance Department (CID)</td>
<td>4/30/13</td>
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<tr>
<td>QHP Application Due to Exchange</td>
<td>4/30/13</td>
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<tr>
<td>Evaluation and Negotiation of QHP Applications</td>
<td>5/01/13–7/30/13</td>
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<tr>
<td>CID Review Period Ends</td>
<td>7/30/13</td>
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<tr>
<td>Certification of QHPs</td>
<td>7/30/13–8/14/13</td>
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<tr>
<td>Issue Contract/Agreement between Issuers and Exchange</td>
<td>7/31/13–8/14/13</td>
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<tr>
<td>Issuer Review of Plan Data to be Published via Exchange</td>
<td>8/15/13</td>
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*dates are subject to change
## Plan Management Activities

<table>
<thead>
<tr>
<th><strong>TIME PERIOD</strong></th>
<th><strong>MAJOR ACTIVITY</strong></th>
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| February 2013   | • System design sign-off for Plan Management functions (loading of rates and benefits, validations, publishing)  
• Issuer meetings on Plan Management, Enrollment & Question & Answer Sessions on Eligibility, Enrollment and Transactional Data  
• Review of draft documents (QHP Application, Contract) |
| March 2013      | • Responses due to QHP Solicitation Questions from Issuers posted to Exchange Website  
• Identification of manual procedures to support Plan Management  
• Draft of Policy & Procedure Reference Manual for Issuers |
Marketing and Communications Update
Marketing & Communications:
Progress Update

- All initial research and strategy development has been complete
  - Ongoing refinement will occur as need be
- We have officially launched our new consumer brand identify
- New round of “Healthy Chats” have kicked off
  - These will be followed by an increase in the volume of local outreach activities
- Upcoming activities will focus heavily on Navigator –IPA program development
Marketing & Communications:

Name & Logo Launch

access health CT
Connecticut’s Health Insurance Marketplace

Extensive consumer research and testing provided guidance for our new identity

- Appealing and interesting
- Representing something new and fresh
- Welcoming
- Demonstrating choice and quality
- Friendly as opposed to serious
- Should not appear slick or too expensive
Variations have been developed to ensure broad use across multiple sources

**PRIMARY LOGO**

- **access health CT**
  - Connecticut’s Health Insurance Marketplace

**Stacked version:** use for small or restricted spaces

- **access health CT**

**Knock-out versions**

- **access health CT**
Marketing & Communications:

Name & Logo Launch

Additional collateral is also being developed to fully integrate the brand into all aspects of our business.
A new consumer centric site has been developed using our new name as the URL, and our existing site has been revamped to introduce brand elements.

accesshealthct.com
Town Hall Meetings:

Event Dates and Locations

- Norwich - 2/19
- Willimantic - 2/21
- Manchester - 2/26
- Meriden - 2/28
- Torrington - 3/5
- Danbury - 3/14
- Enfield - 3/19
Navigator IPA Program:

Needs Assessment Overview

- **Macro:**
  - Strategies for program implementation
  - Barriers to uptake of QHP
  - Key grassroots messages
  - Connection to existing healthcare outreach initiatives
  - Strategies to eliminate racial and ethnic health disparities

- **Micro:**
  - Approaches in 12 communities
  - Key influencers
  - IPA candidates
  - Marketing partners
  - Training approaches
  - Grassroots marketing approaches/outlets
  - Recommended community supports
Navigator IPA Program:

Needs Assessment Strategy

- Give community-based organizations the opportunity to help people access health care - the grants make it possible for them to do that - they aren’t doing it for the money

- In-depth work in one community - Waterbury - to learn the questions and the concerns and craft the materials

- Identify channels to reach the “people behind the data”

- Access statewide networks - including faith-based, age-based, cultural, ethnic, health-based, nontraditional

- Influencers on specific communities and from different angles
Navigator IPA Program:

Needs Assessment Findings

- Most people and agencies are almost completely unaware of the impact of the changes of the ACA

- Even people who have been involved in the health reform process know nothing about IPAs

- The organizations that we most want to have IPAs are not likely to apply – we will have to reach them during this Assessment process or heavily market the program to them during the RFP process

- IPAs and Navigators will be vital for the successful enrollment of the uninsured.
Finance Update
Finance Update

- Employee Benefit plan assistance
- Prepared, compiled and filed semi-annual (December 31, 2012) Exchange Performance Progress Report with the Center for Consumer Information and Insurance Oversight (CCIIO)
- Commencing business insurance renewals
- Wrapping up FY 2012 financial audit with Whittlesey and Hadley, P.C.
- Commenced project to evaluate revenue options for sustainability
- Establishing grant drawdown rhythm and processes
- Establishing financial management processes with the Department of Social Services (DSS) and the Bureau of Enterprise Systems and Technology (BEST)
- Creating financial metrics
Financial Dashboard
Design, Development and Implementation (DDI) Project

KPMG Total DDI Project Costs
- Actual: $1,038,032.50 (26%)
- Estimate to Complete: $2,887,580.00 (74%)
- Burn Rate: 26.44%

KPMG Total DDI Contract Costs
- Actual: $3,199,196.80 (8%)
- Estimate to Complete: $39,343,306.20 (92%)
- Burn Rate: 7.52%

FY 2013 Project Budget
- Total: $47,097,380.50
  - Salaries and Fringes: $305,924.00 (1%)
  - Implementation: $2,244,117.00 (5%)
  - Design: $2,914,161.00 (6%)
  - Development: $24,387,491.00 (52%)
  - Hardware and Software Costs: $13,320,075.00 (28%)
  - KPMG Consultants Fees: $3,925,612.50 (8%)

Hardware and Software Costs
- Actual: $9,625,725.46 (72%)
- Estimate to Complete: $3,694,349.54 (28%)
- Burn Rate: 72.26%

Design and Development Costs
- Design Actual: $646,646.40
- Development Actual: $2,552,550.40
- Design Burn Rate: 22.19%
- Dev. Burn Rate: 10.47%

Remaining Budget as of February 2013
- Total: $33,230,513.60
  - Implementation: $2,244,117.00 (7%)
  - Salaries and Fringes: $302,011.86 (1%)
  - KPMG Consultants Fees: $2,887,580.00 (8%)
  - Hardware and Software Costs: $3,694,349.54 (11%)
  - Design: $2,267,514.60 (7%)
  - Development: $21,834,940.60 (66%)
  - Total: $33,230,513.60
Strategy Committee Update
Standardized Plan Design Recommendations
Agenda

- Out-of-Network Benefits
- Stand Alone Dental Benefits
- Vote
Dental, Standard “High” & “Low” Plans

Recommendation (Appendix A):

<table>
<thead>
<tr>
<th>Proposed Dental Benefits, Standard High and Low Plans</th>
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Adult standard dental benefits that meet the following cost sharing criteria:

<table>
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<tr>
<th>Approximate metal tier</th>
<th>“Low” Plan</th>
<th>“High” Plan</th>
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<tbody>
<tr>
<td></td>
<td>Silver+</td>
<td>Gold+</td>
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<td></td>
<td>75% Actuarial Value</td>
<td>85% Actuarial Value</td>
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<td>Diagnostic &amp; Preventative</td>
<td>100% no deductible</td>
<td>100% no deductible</td>
</tr>
<tr>
<td>Basic Restorative</td>
<td>60% after deductible</td>
<td>80% after deductible</td>
</tr>
<tr>
<td>Major Restorative</td>
<td>50% after deductible</td>
<td>60% after deductible</td>
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<tr>
<td>Deductible</td>
<td>$50 per member (up to maximum of $150)</td>
<td>$50 per member (up to maximum of $150)</td>
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<tr>
<td>Dental Plan Annual Maximum</td>
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<td>$2,000</td>
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Coverage afforded for pediatric dental will be embedded in Medicare plan
Proposed Dental Solicitation, Basic Plan

Access Health CT should allow dental carriers to offer an independent, basic dental plan. These wellness-only plans will be a less comprehensive and lower cost alternative to the “High” and “Low” options. The plan would only cover diagnostic and preventative services and basic restorative care (i.e. fillings and simple extractions after a 6 month waiting period). It would not cover any major services, but the dental carrier could offer discounted rates on in-network providers.

<table>
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<th>Wellness-Only Plan</th>
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<tbody>
<tr>
<td><strong>Approximate metal tier</strong></td>
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<tr>
<td><strong>Diagnostic and Preventative Services</strong> (as defined for comprehensive plans)</td>
<td>100% no deductible</td>
</tr>
<tr>
<td><strong>Basic Restorative</strong> (as defined for comprehensive plans)</td>
<td>50% after deductible</td>
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<tr>
<td><strong>Deductible</strong></td>
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<td><strong>Annual Plan Maximum</strong></td>
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**Recommendation (Appendix B):**

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<td><strong>Co-Insurance</strong></td>
<td>50%</td>
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<td>70%</td>
<td>80%</td>
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<td>$12,500</td>
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**Exceptions to Deductible**
- preventative care services (subject to coinsurance)
- ambulance and emergency room services ($150 copay applies to ER)
- pediatric vision services

**NOTES:**

1. The OON deductible will be integrated and apply to both medical and prescription drug benefits. For Bronze and Silver metal tier it will be set at twice the In-Network deductible. Presumably, $4,000 and $2,500 respectively—subject to potential revisions required by final AV Calculator.

2. The Maximum Out of Pocket (“MOOP”) limit will be set at twice the In-Network MOOP. The above reflect an anticipated reduction in the In-Network MOOPs after release of the final AV Calculator. As originally approved by the Board, the standard QHPs had Max OOP of $6,250 for Bronze/Silver and $5,000 for Gold/Platinum.

3. The OON benefits for the Silver Cost Sharing Reduction plans will be the same as the Silver benchmark. Per federal regulations, the cost sharing reductions exclude reductions in premiums, spending on non-covered services, and balance billing amounts for non-network providers.
Adjournment
Connecticut Insurance Dept.
Health Insurance
Rate Review Process

Prepared for Access Health CT

February 21, 2013
Rate Filing Requirements

- Description of policy forms affected & effective date of requested increase
- Historical experience from inception-to-date
  - Premium
  - Incurred claims
  - Members
  - Actual Loss Ratio and Expected Loss Ratio
- A demonstration that experience data is consistent with financial statement
- Unit cost by service category
- Impact of cost sharing
- Medical technology trend
Requirements (Cont’d)

✓ Cost of new benefit mandates (state and federal laws)

✓ List of PPACA components and pricing impact of each

✓ Benefit buy-down analysis and impact on trend

✓ Claim lag triangles

✓ Carrier’s current capital and surplus

✓ Comparison of proposed retention charge to the most recently filed statutory financial statement
Demonstration that requested increase will generate MLR
- 80% for individual and small group
- 85% for large group

Actuarial certification signed by a Member of the American Academy of Actuaries (MAAA)

Any additional information the Commissioner deems necessary
Transparency

✓ Entire filing posted on the CID Web site upon receipt:
  • All correspondence between carrier and CID
  • Carrier calculations, assumptions, methodology
  • Easy-to-read summary for consumers
  • Section to enter public comment
  • Final detailed disposition

✓ Public also informed by:
  • Carrier notification letter when rate is filed
  • CID e-alerts, CID social media
- No underwriting for health status
- No pre-existing condition limitations
- Tighter limits for age adjustments
- No gender adjustment
- No industry adjustment
- No group size adjustment
- Cost-sharing minimums
Connecticut Insurance Department – Health Insurance Rate Filing

Due to the Connecticut Insurance Department’s Rate Filing section, a comprehensive site that lists all rate increase requests from health insurance companies that serve policyholders in Connecticut. The filings are listed by company name and types of policies within that company.

A concise summary for each request accompanies all data, actuarial tables and correspondence and includes:

- Type of policy (individual, small employer 1-50 employees, large employer, more than 50 employees)
- Number of policy holders potentially affected in Connecticut
- Date of initial request
- Company’s reason for raising rates
- Dates that new rates, if approved, take effect
- Deadline for public comment period for each filing

Sign up for e-alerts to be notified when filings are posted.

- Filings:
  - Now access filings made for major medical/comprehensive health insurance offered by insurance companies or health care centers (HMOs) in Connecticut. Choose individual or group insurance. Depending on the company, all filings will be listed. When you click on a filing, you can view the complete rate filing, a summary of the filing labeled Appendix A, correspondence between the company and the department, and the disposition of the filing if the review has been completed.

- Filing on a Specific Rate Filing:
  - Select a company from the menu below
  - Select a specific filing from that company’s list of filings

All Health Care Reform Website

Rate Filing, Rate Reviews and Approval of Health Insurance Rates in Connecticut

<table>
<thead>
<tr>
<th>COMPANY NAME</th>
<th>NAIC</th>
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<tbody>
<tr>
<td>Aetna Life Insurance Company</td>
<td>60054</td>
</tr>
<tr>
<td>American National Insurance Company</td>
<td>60739</td>
</tr>
<tr>
<td>American Republic Insurance Company</td>
<td>60836</td>
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<tr>
<td>Anthem Health Plans, Inc</td>
<td>60217</td>
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<tr>
<td>AXA Equitable Life Insurance Company</td>
<td>62944</td>
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<tr>
<td>Celtic Insurance Company</td>
<td>80799</td>
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## ConnectiCare Insurance Company, Inc

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>DATE FILED</th>
<th>DATE CLOSED</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 2013 Grandfathered</td>
<td>10/08/2012</td>
<td>12/03/2012</td>
</tr>
<tr>
<td>January 2013 Non-Grandfathered</td>
<td>10/08/2012</td>
<td>12/03/2012</td>
</tr>
<tr>
<td>4th Quarter 2012</td>
<td>07/18/2012</td>
<td>09/13/2012</td>
</tr>
<tr>
<td>Fourth Quarter 2011</td>
<td>07/09/2011</td>
<td>08/18/2011</td>
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<tr>
<td>First Quarter 2011</td>
<td>11/17/2010</td>
<td>12/07/2010</td>
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<tr>
<td>Fourth Quarter 2010</td>
<td>07/15/2010</td>
<td>10/15/2010</td>
</tr>
</tbody>
</table>

You are viewing page 1 of 1
Connecticut Insurance Department - Health Insurance Rate Filings

*** The comment period for this filing has ended and the filing is closed. ***

ConnectiCare Insurance Company, Inc
Filing Description: January 2013 Non-Grandfathered
Date Opened: 10/08/2012
Date Closed: 12/03/2012

DOCUMENT LIST
- Executive Summary
  - Initial Filing
  - Correspondence
  - Disposition
  - Final Filing

Back to Health Insurance Rate Filings
Trend

Trend is the change in claims experience over time

- Cost of medical services
- Demand for medical services
- Type of medical services

Trend varies by each carrier’s book of business based upon demographics and experience
How a Rate is Developed

Actual Claims from Experience Period: $165
Trend Developed from Unit Cost and Utilization: 13%
Expected Claims in Rating Period:
\[ $165 \times 1.13 = $186.45 \]
Retention: Admin. Expenses + Tax + Commissions + Profit
- Admin. Exp.: 9.75%
- Tax: 1.75%
- Commission: 3.00%
- Explicit Profit: 3.00%
  17.50%
Expected Loss Ratio: 82.5% = 1 – 17.5%

New Premium: Expected Claims/Expected Loss Ratio
\[ $186.45/(82.5\%) = $226 \]
Scenario 1: Actual Claims Meet Expectations

Actual Claims – $186.45
Claim trend for next rating period – 15%
Claim projected to rating period – $214.42
Retention – 17.5%
  • Admin – 9.75%
  • Tax – 1.75%
  • Commission – 3%
  • Explicit Profit – 3%

New Premium - $259  Rate Increase – 15%
Rate Request Year 2

Scenario 2: Actual Claims 5% Higher than Expected

Actual Claims – $195.77
Claim trend for next rating period – 15%
Claim projected to rating period – $225.14
Retention – 17.5%
  • Admin – 9.75%
  • Tax – 1.75%
  • Commission – 3%
  • Explicit Profit – 3%

New Premium - $272   Rate Increase – 21%
Scenario 3: Actual Claims 5% Lower than Expected

Actual Claims – $177.13
Claim trend for next rating period – 15%
Claim projected to rating period – $225.14
Retention – 17.5%
  • Admin – 9.75%
  • Tax – 1.75%
  • Commission – 3%
  • Explicit Profit – 3%

New Premium - $246.91    Rate Increase – 9%
• Changes in Underwriting
• 3-to-1 Ratio for Age
• Elimination of Gender
• Tobacco Use Adjustment
• Industry Adjustment
• Case Size Adjustment
• Geographic Adjustment
• Cost Sharing and Metal Plans
• Regulatory Fees
Carriers will begin to submit rate filings in mid-2013 for these changes that will be effective for new business and renewals on or after 1/1/14.

These rating changes are in addition to the impact of trend (i.e. increase in health care costs and use of services).