STATE OF CONNECTICUT
LIEUTENANT GOVERNOR NANCY WYMAN

Connecticut Health Insurance Exchange
Board of Directors Regular Meeting

Legislative Office Building
300 Capitol Avenue, Room 1D, Hartford, CT

Thursday, September 27, 2012
DRAFT Meeting Minutes

Members Present:
Lieutenant Governor Nancy Wyman (Chair); Jeannette DeJesus (Vice-Chair), Office of Health Reform & Innovation; Secretary Benjamin Barnes, Office of Policy and Management (OPM); Vicki Veltri, Office of the Healthcare Advocate; Deputy Commissioner Anne Melissa Dowling, CT Insurance Department (CID); Commissioner Jewel Mullen, Department of Public Health (DPH); Commissioner Roderick L. Bremby, Department of Social Services (DSS); Mickey Herbert; Grant Ritter; Dr. Robert Scalettar; Mary Fox; Robert Tessier; and Cee Cee Woods.

Other Participants:
Health Insurance Exchange (HIX) Staff: Kevin Counihan, Peter Van Loon, Steve Sigal, Virginia Lamb, Jim Wadleigh, Julie Lyons, Jason Madrak, Grant Porter and Mary Ellen Breault (CID).

Members Absent:
Michael Devine

The meeting of the Health Insurance Exchange Board of Directors was called to order at 9:03 a.m.

I. Call to Order and Introductions [9:03 am]

Lt. Governor Wyman opened the meeting at 9:03 a.m. and made a motion to amend the agenda as follows:

1. To remove the Tribal Consultation Policy from the 'Policies and Procedures for Publication' portion of the agenda (this item will be deferred to the October 18th meeting due to ongoing substantive conversations with tribal representatives).
2. To add *re-certification* and *de-certification* to certification of qualified health plans, and
3. To remove the Audit Committee portion of the agenda

The motion passed unanimously.

Lt. Governor Wyman asked for a moment of silence to honor the recent passing of Jennifer Jaff, a former member of two Advisory Committees.

II. Public comment [9:05 – 9:10 am]

Sue Goszewski and Nancy Mahmoud provided a public comment.

III. Review and Approval of Minutes [9:10 – 9:12 am]

Lt. Governor Wyman made a motion to approve the minutes from the July 26, 2012 Board Meeting. Dr. Scalettar requested that his name be spelled correctly and Anne Melissa Dowling recommended a wording change to the section about the need for Exchange plans to meet actuarial value. Cee Cee Woods seconded the motion to accept the minutes as corrected, and the **motion passed unanimously**.

IV. Annual Election of Vice Chair [9:12 – 9:14 am]

Lt. Governor Wyman made a motion to re-elect Jeannette DeJesús as Vice Chairperson of the Board of Directors to serve through September 2013. This annual election is required by our enabling statute, CGS 38a-1081(c)(3). The motion was seconded by Bob Tessier, and the **motion passed unanimously**. Lt. Governor Wyman also suggested that the Board consider at a later date electing an additional person, such as a consumer advocate, as Vice Chairperson.

V. CEO Report [9:14 – 9:22 am]

Kevin Counihan, CEO, provided an update on current Exchange activities. Mr. Counihan noted that the Level Two grant award was a significant accomplishment for Connecticut and that the Design review in DC with CCIIO was a success. Mr. Counihan also introduced two new staff members COO, Peter Van Loon and CFO, Steve Sigal. Both will be key contributors to the Exchange meeting its responsibilities and deadlines. At CCIIO's request the deadline for submission of the Blueprint has been moved up to October 10th. The Exchange has completed the Statement of Work (SOW) with the proposed Systems Integrator (SI) vendor and is about to award the contract. The proposed operating budget for the 2013 fiscal year is being presented at this meeting for approval. In addition, work progresses on locating new office space for Exchange staff and consultants, the release of a Request for Proposal (RFP) for the call center, and recruitment of additional staff. An RFP for SHOP services is also scheduled for release in November.

Mr. Counihan noted that the inherent ambiguity in the Affordable Care Act (ACA) makes the jobs of Exchange staff difficult at times, especially when the Exchange is faced with complicated questions from the Board or stakeholders. Maintaining open and transparent communication will be key especially as we begin our 12-month sprint to open enrollment by October 1st 2013. Mr. Counihan expressed his confidence that Connecticut will be among the very small group of states that meet that deadline.

VI. Policies and Procedures for Publication [9:22 – 9:47 am]

Peter Van Loon, COO, introduced the proposed policies and procedures and explained that following Board approval the following policies/procedures will need to be posted in the *Connecticut Law Journal* for a 30-day public comment period prior to adoption by the Board:

1. **Investment Policy**
   Steve Sigal, CFO, explained the investment policy, noting that the policy follows the "prudent investor rule", and referenced materials provided to the Board and members of the public.

2. **Navigator Grant Program Procedure**

Jason Madrak, Director of Marketing and Communications, explained that the approval requested today is for the process for creating the navigator program, and not the actual program architecture itself. Mr. Madrak next highlighted some of the chief concerns raised by the Brokers, Agents and Navigators Advisory Committee in designing a navigator program. Mary Fox asked whether the Exchange and its Advisory Committee(s) were looking into nontraditional distribution of materials and navigators, such as utilizing community leaders. Mr. Madrak explained that while there will be many opportunities for community leaders to participate in the navigator program, the degree of involvement will depend on their desire to participate given the training and certification requirements. Mr. Madrak explained that the Advisory Committee was looking to strategically build enrollment of navigators by targeting certain populations. There are no specific recommendations from the Advisory Committee yet. Mr. Madrak was asked about the involvement of the broker community. Mickey Herbert noted that the broker community is highly engaged and will face challenges of training and logistics. Mr. Herbert added that the level of expertise needed to understand these complex issues is high, so the training will be complex and time-consuming. Mr. Counihan stated that many other states were grappling with similar challenges relating to navigator program design.

3. **Small Employer Health Options Program Procedure**
   Mr. Van Loon presented the process for establishing a SHOP. Following adoption of the process, the actual SHOP design can be presented to the Board for approval.

4. **Certification, Recertification and Decertification of Qualified Health Plans Procedure**
   Julie Lyons, Director of Policy and Plan Management, highlighted the process used by the Advisory Committees for selecting the EHB Benchmark plan. Vicki Veltri noted that in this and other issues, the Board has the opportunity to go above and beyond the minimum standards to shape the certification process of plans.

Lt. Governor Wyman made a motion to approve the following policies for publication in the *Connecticut Law Journal* and 30 days of public comment: the Investment Policy, the Navigator Grant Program Policy, the Small Employer Health Options Program (SHOP) Policy, and the Policy for Establishing Requirements for Certification, Recertification and Decertification of Qualified Health Plans. Motion seconded by Bob Tessier, and the **motion passed unanimously**.

VII. Policies and Procedures for Adoption [9:47 – 9:55 am]

The following policies are proposed for adoption by the Board of Directors:

1. **Ethics Policy**

The Ethics Policy was approved by the Board during the July 26th meeting. The policy was posted in the *Connecticut Law Journal* and generated no comments during the 30-day public comment period.

2. **Essential Health Benefits Benchmark Plan Process**

The EHB Process was approved by the Board during the July 26th meeting. The process was posted in the *Connecticut Law Journal* and generated no comments during the 30-day public comment period.

Lt. Governor Wyman made a motion to adopt the Ethics Policy and the Essential Health Benefits Benchmark Plan Process, and the **motion passed unanimously**.

VIII. Essential Health Benefits (EHB) Benchmark Plan [9:55 – 10:30 am]

Ms. Lyons provided a brief overview on the EHB and the selection approach, highlighting the involvement of the 'Health Plan Benefits and Qualifications' and 'Consumer Experience and Outreach' Advisory committees. The Committees' recommendation for the Essential Health Benefit Benchmark plan was presented at the July Board meeting. The only significant change is that based on new HHS regulations not available at the time the Committees made their recommendations in July, there is no longer a need to look to a supplemental plan for prescription drug coverage. The Benchmark Plan's drug rider will be sufficient. The Board is now being asked to vote to approve the Benchmark Plan and the necessary pediatric vision and pediatric dental supplements.

Mr. Herbert expressed his concern about plan affordability and the impact on small businesses. He asked whether it was possible to offer less-inclusive plans for things like pediatric dental and pediatric vision given the cost burden that would be placed on small employers.

Secretary Barnes of the Office of Policy and Management (OPM) voiced concern over prescription drug coverage, asking if prescription coverage could be purchased separately by an employer to better manage costs, noting that large organizations often mix-and-match components of plans to keep costs down. Secretary Barnes was advised that based on federal guidance this was not an option.

Lt. Governor Wyman asked whether the Exchange had compared the EHB Benchmark Plan with what is currently offered by small businesses, noting that the state's employee plan provides dental coverage separately. This provides state employees the choice of opting in or out of services such as orthodontia, thereby controlling their premium costs. Deputy Commissioner Dowling stated the selected plan covers only medically necessary orthodontia services. It would be possible for the Exchange to provide consumers the option to purchase non medically necessary orthodontia services through the Exchange for an added price from a separate dental contractor.

Mary Ellen Breault of CID explained that CMS has not specifically defined the services within the 10 categories of care, so that technically the Exchange would be bound by the Benchmark Plan's characteristics when it comes to "supplemental" benefits such as dental/orthodontia. One of the 10 categories is prescription drug coverage, as well as pediatric vision and oral care. Per its guidance, CMS does not want the Exchange to parcel these benefits out, but rather wants the Exchange to select one Benchmark plan that provides a framework for what the carriers will offer. Based on HHS guidance, the Exchange does not appear to have the option of picking and choosing plan components from different carriers.

Mr. Tessier stated that a large percentage of plans offered today provide benefits below the level of requirements for plans that will be offered in and outside of the Exchange. While affordability is important, we need to be careful not to negate the spirit of the ACA and Exchange implementation. Mr. Counihan noted that while the Advisory Committees recommended a package that covered frames for pediatric vision, the State has the option of not requiring this specific benefit in the interest of cost control. Secretary Barnes requested information on the effect of items like eyeglass frames on the actuarial value of these

plans, and asked whether the range of benefits could affect the actuarial value or is it only coinsurance and cost sharing? Secretary Barnes continued by saying that the Board needs to set the "floor" as low as possible so that there is actual competition within the Exchange and the ability to address the diverse needs of the market. The Exchange needs to consider "access", affordability and the viability of the Exchange as a marketplace.

Dr. Scalettar explained that the actuarial value of the plan would not be part of the competition. The price of the premium is determined by the scope of benefits, the size of networks, etc. Secretary Barnes clarified his point by saying that within the marketplace, if the EHB Benchmark is both the floor and, by default because of prohibitive cost, the ceiling, we will severely limit competition in the market. Mr. Ritter agreed, but added that Connecticut is a state with many mandates in place that are carried into the EHB by law, and that the EHB Benchmark Plan cost can only be reduced so much because of this obligatory inclusion. Deputy Commissioner Dowling suggested that the Board submit a formal request to the state legislature to consider reviewing and possibly eliminating some of the state mandates. Lt. Governor Wyman recommended that the Exchange study these options in greater detail. Deputy Commissioner Dowling offered the CID as a resource.

Mr. Counihan agreed with Mr. Herbert's concerns about cost, especially in relation to small businesses but noted that the EHB Benchmark plan had been approved by the Advisory Committees and is in actuality one of the most popular plans in the state of Connecticut today. Secretary Barnes asked what the actuarial value of the plan is today. Mr. Van Loon replied that it is 65-70%.

Vicki Veltri noted that for those who will receive subsidies, the subsidies will help absorb some of the costs to consumers of the relative "richness" of the Benchmark. Mr. Ritter pointed out that the tax credits available to certain small businesses are scheduled to last only until 2016 and suggested that the Board start planning for this impact now. Secretary Barnes asked whether there was any flexibility for reducing the cost of offering the EHB Benchmark Plan package. Mr. Van Loon explained that if the Board failed to act to declare Connecticut's Benchmark Plan, the federally selected default plan would define essential health benefits for Connecticut. Deputy Commissioner Dowling explained that the Committee had examined the plan options in great detail, finding little to no difference between plans.

Secretary Barnes asked whether the Exchange had mechanisms in place to make adjustments to the EHB package in the future should either the federal guidance or the state mandates change. Lt. Governor Wyman asked whether it would be possible to appeal at the federal level based on the potentially negative effect of these regulations on our market, small businesses, etc. Mrs. Fox stated that we could attempt to adjust for affordability through partnerships now, while also identifying our needs for 2016.

Lt. Governor Wyman made a motion to adopt as the Connecticut Health Insurance Exchange's Essential Health Benefits Benchmark Plan, Plan "D", with pediatric dental and vision benefits supplemented by the CHIP/Husky B plan and the largest FEDVIP vision plan. The **motion passed by majority with Mickey Herbert opposing.**

IX. Advisory Committees Update [10:30 – 10:40 am]

The Health Plan Benefits and Qualifications Advisory Committee did not meet during the month of September. All other Advisory Committees met on September 11th through 13th. Committee Chairs reported on progress.

1. **SHOP Advisory Committee: Co-Chair Grant Ritter**
   Mr. Ritter explained that many small businesses are having a hard time surviving in the current economic climate. Many are also unaware of the tax credits available to them through the ACA. This lack of awareness of tax credits by the public and their accountants, means that many businesses are missing out on tax breaks as high as 35% for health care coverage. There are certain parameters, such as the number of employees and the average salary, that determine the level of tax credit. The Exchange needs to promote this ACA benefit among small businesses. Mr. Ritter explained that since the SOW with the potential SI vendor does not include SHOP functionality, the Board must either add to the SOW or issue an RFP for SHOP functions. Exchange staff recommended a SHOP RFP. After considering the pros and cons of that recommendation, the Committee supported the staff's recommendation. Lt. Governor Wyman asked what kind of companies would receive the RFP? Mr. Counihan explained that there should be a robust market for the Exchange's SHOP business, since there is a pool of about 10-12 vendors that meet the functional requirements for private exchanges.

2. **Consumer Experience and Outreach Advisory Committee: Co-Chair Vicki Veltri**
   Ms. Veltri reported that the Consumer Experience and Outreach Committee viewed presentations from two experts: Terri Shaw from Enroll UX2014 and Lynn Quincy from Consumer's Union. Ms. Shaw provided a walkthrough of UX2014, which is a prototype of a web-based interface for use by exchanges. Ms. Quincy from Consumer's Union presented on choice architecture, explaining how systems can be designed to help people make choices. Ms. Veltri noted the Committee's deep interest in helping create a system that is easy to use and that there are many things to explore on that front. [Materials from these presentations are posted on the Exchange website at http://www.ct.gov/hix/cwp/view.asp?a=4299&Q=506200]

3. **Brokers, Agents and Navigators**
   Mr. Herbert discussed the recommendation of the Brokers, Agents and Navigator's Committee with respect to the design of the navigator program. He highlighted the difficulty in discussing the complex issue of training and certification and indicated that his committee was concerned with inexperienced people taking up the responsibility of the navigator role. The Committee recommends that the program have two tiers: one for education and information, the other for advising on enrollment. Mr. Herbert cited federal guidelines on the navigator role that navigators are not allowed to recommend specific plans to consumers. Therefore, in the next meeting the Committee may vote to create a one-tiered program instead, thereby eliminating complexities around education vs. enrollment. The Committee will also look at other state agencies for modeling the training program. Jeannette DeJesús added that it is important to consider those individuals in the community who can be effective in providing information to their constituents with little education, and asked that we not create a system that would exclude those individuals who can provide assistance to special groups.

X. 2013 Fiscal Year Operating Budget [10:40 – 10:49 am]

Steve Sigal, CFO presented the Exchange's proposed Fiscal Year (FY) 2013 operating budget. This budget was previously presented to the Finance Subcommittee on September 14th and has the Finance Committee's recommendation. This $65.9 million budget for FY13 allows the Exchange to: hire needed staff; lease office space; support the All Payer Claims Database (APCD) initiative; and hire the DSS/SI

vendor. Secretary Barnes stated that the staff had created a realistic and logical projection of where they will be in terms of budgeting and put forth a great effort to balance issues.

Lt. Governor Wyman made a motion to adopt the FY '13 Operating Budget as presented. Dr. Scalettar seconded the motion, and the **motion passed unanimously**.

XI. Business Operations and IT Update [10:49 – 11:12 am]

Jim Wadleigh, CIO gave a summary of current activities at the Exchange and with other state agencies, such as DAS/BEST and DSS. The SOW has been reviewed and finalized; the Integrated Eligibility (IE) steering committee has been briefed; CMS/CCIIO received an update on the SI vendor and they approved the SOW, and with the SOW and budget in place, the Exchange plans to begin on-boarding the SI vendor on October 1st.

The SI vendor is responsible for implementing the Exchange portal and for delivering a multi-channel entry point for consumer engagement including phone, paper, and web access. The SI will build the capability for consumers to perform comparison shopping and for the Exchange to process enrollment, make integrated eligibility determinations and determine Advanced Premium Tax Credits (APTC). The program the SI builds will also enable plan management functions and consumer support through call centers. Mr. Wadleigh provided a high-level process flow explaining the interactions and interrelationships of the Exchange, consumers and navigators, and the technical process of eligibility and enrollment, as well as the required data feeds between the Exchange and DSS, IRS, etc. Ms. Veltri asked about the extent to which the Advisory Committees will be able to influence this design process. Mr. Wadleigh responded that given the time crunch for implementing this system, there will be room for only minor modifications through input from the Advisory Committees. This input will take the form of usability testing and collaboration with consumers to ensure that the portal is effective. Mr. Counihan added that this will be an iterative process, and that the system will be further enhanced in 2014, 2015, 2016, etc. Because of the strict deadlines for implementation, the Exchange does not have as much flexibility as desired, but will work with Jason Madrak and Vicki Veltri to ensure there is a consumer representative in the design sessions. Commissioner Bremby pointed out that design will not be implemented in a vacuum, and states that this product has been tested for usability already and those comments have been incorporated into the product.

Secretary Barnes agreed that the emphasis should be on building the functionality of the portal, without which the Exchange would not be able to operate. Dr. Scalettar agreed, but further emphasized Ms. Veltri's point that the Exchange would also not be able to function without consumer usability. The Board recognizes that we must strike a balance between technical perfection and a perfect user experience.

Mr. Van Loon provided an overview of the Program Management Office (PMO). Mr. Van Loon explained that the PMO represents "best practices" in the industry. It is a technological, operational and tactical solution to manage schedules, resources and interdependencies inherent to the Exchange implementation task. The Exchange is currently recruiting for a PMO Director, who will work with the PMO Steering committee. PMO Steering Committee members include Commissioner Bremby (DSS), Secretary Barnes (OPM), Mark Raymond (DAS/BEST), and Kevin Counihan (CTHIX). In addition Lou Polzella (CIO, DSS), Peter Van Loon (COO,CTHIX), and Jim Wadleigh (CIO, CTHIX) among others are working with the Committee. The current work plan, which is growing by the day, includes more than 1000 lines of interconnected tasks and work streams.

XII. Marketing and Communications Update [11:12 – 11:35 am]

Jason Madrak provided an update on marketing and communications activities. The Exchange is currently working with Mintz & Hoke to develop and finalize a brand platform, messaging hierarchy, official name and logo. The main goal is to create a public-facing identity that resonates with people. The process of developing a brand identity will help the Exchange craft an overall message that best speaks to the concerns of Connecticut residents and small businesses.

The research involved in this process has allowed the Exchange to gather insight into larger issues of access and affordability, and has helped inform the policy considerations of staff as well as operations and development. Secretary Barnes asked how Mr. Madrak was incorporating the idea of the "mandate" into conversations with, and research on, consumers. Mr. Madrak explained that this research is meant to help identify what our needs are, and that consumers seemed more concerned with access and affordability than debating the "mandate". Research materials for these items, including consumer and small business research reports with an emphasis on geographic organization, can be found on the Exchange's website [http://www.ct.gov/hix/cwp/view.asp?a=4296&Q=506824]. In addition, research provided by Thomson Reuters gives a better idea of how Connecticut's population is broken down by demographics in key zip codes.

Mr. Madrak continued with a discussion on the naming process for the Exchange, noting that our research has shown that there is considerable confusion in the marketplace as to our organization and its purpose. The Exchange is trying to develop a name that is attractive yet clear in expressing our purpose. Mr. Madrak presented a list of possible names, with the caveat that research is ongoing into the legality of using certain names. The Exchange is open to suggestions from Board members and stakeholders alike.

XIII. Strategy Subcommittee [11:35 – 11:47 am]

Mr. Counihan recommended creation of a Strategy subcommittee to help discuss and identify ways to help realize the goals and objectives of the Board's vision and to focus more strategically on ways to promote the success of the Exchange. This committee was proposed by Mary Fox, who raised concerns about product innovation and service and delivery system enhancements, among others. Four members of the Board have already volunteered to be on this subcommittee. Virginia Lamb, General Counsel recommended that the Board amend the current Bylaws to allow for the creation of this subcommittee as a standing committee of the Board.

Lt. Governor Wyman made a motion to amend the Exchange bylaws to create the Strategy subcommittee to discuss and realize the BOD's vision and strategically focus on ways to ensure success of the Exchange. Jeannette DeJesús seconded the motion. The **motion to amend the bylaws to create the Strategy Subcommittee passed unanimously.**

XIV. Executive Session [11:47 – 12:05 pm]

Lt. Governor Wyman made a motion to go into Executive Session pursuant to Section 1-200(6)(E) of the Connecticut General Statutes. Commissioner Bremby seconded the motion, and the **motion passed unanimously.**

Executive Session attendees included: Lt. Governor Nancy Wyman, Jeannette DeJesus, Benjamin Barnes, Vicki Veltri, Anne Melissa Dowling, Roderick L. Bremby, Mickey Herbert; Grant Ritter; Dr. Robert Scalettar; Mary Fox; Robert Tessier, Cee Cee Woods, Kevin Counihan, Peter Van Loon, Steve Sigal, Virginia Lamb, Jim Wadleigh, Julie Lyons, Jason Madrak and Grant Porter.

XV. Adjournment [12:05 pm]

Lt. Governor Wyman made a motion to adjourn the meeting, and **the motion passed unanimously.**

The next Board meeting will take place on October 18, 2012 at 9:00 a.m. at the Legislative Office Building.

DRAFT