



STATE OF CONNECTICUT  
LIEUTENANT GOVERNOR NANCY WYMAN

Connecticut Health Insurance Exchange  
Board of Directors Regular Meeting

Legislative Office Building  
Room 1D  
Hartford, CT

Thursday, June 19, 2014

**Meeting Minutes**

**Members Present:**

Lieutenant Governor Nancy Wyman (Chair); Vicki Veltri, Office of the Healthcare Advocate (Vice Chair); Secretary Benjamin Barnes, Office of Policy and Management (OPM); Deputy Commissioner Anne Melissa Dowling, Connecticut Insurance Department (CID); Commissioner Roderick Bremby, Department of Social Services (DSS); Maura Carley; Grant Ritter, Dr. Robert Scalettar, Robert Tessier; and Cecilia Woods.

**Members Absent:** Paul Philpott; Commissioner Jewel Mullen, Department of Public Health (DPH); Commissioner Patricia Rehmer, Department of Mental Health and Addiction Services

**Members Participating by Telephone:** N/A

**Other Participants:**

Health Insurance Exchange (HIX) Staff: Kevin Counihan, Peter Van Loon, Steven Sigal, James Wadleigh, Virginia Lamb

**The Meeting of the Connecticut Health Insurance Exchange Board of Directors was called to order at 9:33 a.m.**

**A. Call to Order and Introductions**

Lt. Governor Wyman called the meeting to order at 9:33 a.m.

**B. Public Comment**

Jane McNichol, Legal Assistance Resource Center of Connecticut

**C. Review and Approval of Minutes**

Lt. Governor Wyman requested a motion to approve the minutes from the May 22, 2014 Special Meeting. Motion was made by Vicki Veltri and seconded by Roderick Bremby. ***Motion passed unanimously.***

Lt. Governor Wyman requested a motion to approve the minutes from the May 28, 2014 Special Meeting. Motion was made by Vicki Veltri and seconded by Grant Ritter. Dr. Scalettar requested clarification of statement attributed to him in the May 28 minutes regarding the proposed stand-alone dental plans. The

minutes will be amended to reflect that while he is not in favor of the extended waiting periods for tier 2 services in the proposed dental plans, this is a common practice in dental benefit design and is incorporated in the product's pricing. Dr. Scalettar will submit amended language. **Motion to accept the minutes, as amended by Dr. Scalettar, passed unanimously.**

Lt. Governor Wyman requested a motion to approve the minutes from the June 6, 2014 Emergency Board Meeting. Motion was made by Vicki Veltri and seconded by Robert Tessier. **Motion passed unanimously.**

#### **D. CEO Report**

Kevin Counihan, CEO, provided an update on Access Health CT (AHCT) activities. The anticipated lull in activity following open enrollment did not materialize for AHCT, other state exchanges or the federal exchange. Anthem, ConnectiCare Benefits Inc., and HealthyCT all plan to offer additional individual plans through the Exchange in 2015. In addition, UnitedHealthCare will be expanding its Exchange offerings to include individual plans in 2015. Currently UnitedHealthCare participates on the Exchange only through the SHOP. The total number of plan designs will increase from 75 today to 171 in 2015. This increase is being managed by Julie Lyons and the Plan Management team. A fifth carrier has already committed to come on the Exchange in 2016 and discussions are in progress with a sixth carrier for 2016. Mr. Counihan thanked the AHCT team for their quick and thorough response to the June data breach. Earlier this month, Mr. Counihan spoke on US public exchanges at a consortium event in Europe that included representatives from the health ministries of several industrialized and developing countries.

#### **E. Operations Update**

Peter Van Loon reported that current total membership is now over 240,000 enrollees (approximately 160,000 Medicaid enrollees and 800,000 Qualified Health Plan (QHP) enrollees). Close to twenty-five percent (25%) of QHP enrollees do not receive a subsidy (Advanced Premium Tax Credit (APTC)). It is anticipated that there will be some decrease in QHP membership due to non-payment of premium. AHCT has a sales plan in place aimed at retaining existing business and obtaining new business. With respect to the age makeup of AHCT's enrollees, from December 2013 to June 2014, enrollees in the 18-34 age bands have increased on a percentage basis from 19% to 25% of total enrollees. Over the same period, enrollees in the in the 55 to 64 age band have decreased on a percentage basis from 40% to 30% of enrollees. AHCT continues to add approximately 100-200 new individuals per month due to people moving into Connecticut or experiencing a qualifying event.

Customer service efforts continue. The call center continues to receive approximately 4,000 to 5,000 calls per day. While AHCT's call center vendor, Maximus, is within service level agreements (SLAs), AHCT hopes to reduce call lengths, which are an average of 12 minutes, through education and training and continued system improvements. AHCT's goal is first call resolution of problems.

Commissioner Bremby sought to clarify the statement in the Operations Report, under "Printing/Scanning/Data Entry," that the biggest challenge" faced in reducing the number of documents needing to be entered into the DSS Eligibility Management System by Xerox workers is the defective PDFs received from the AHCT module of the CT integrated eligibility system. This is the root cause of the backlog being reported.

**F. Independent Review of Rate Filings**

Steve Sigal, CFO, reported that in anticipation of the Board's request for analysis of this year's rate filings, he has contacted Wakely Consulting Group, about performing an independent review. Wakely performed similar work for the Exchange last year. Wakely's prior experience with the rate filings of Connecticut carriers is reflected in their \$175,000 proposal pricing. Wakely's analysis may also be used by the Office of the HealthCare Advocate (OHA) in the upcoming Anthem public hearing. AHCT seeks to improve efficiencies in the rate review process by requesting Wakely to review rate filings later in the process. Last year the carriers submitted several rounds of revisions to their rate filings, requiring Wakely to review multiple versions. Having Wakely review the filings later in the process will reduce the need and costs for Wakely to review so many versions of the filings. Secretary Barnes asked whether reviewing rate filings later in the process would result in a missed opportunity to impact rates for consumers. Mr. Sigal responded that CID will still be doing their first rate review early in the process and that Wakely will still be allowed to file comments on CID's website.

**Anne Melissa Dowling arrived at 10:00 a.m.**

Lt. Governor Wyman requested a motion to authorize the expenditure of up to \$175,000 with Wakely Consulting Group to review individual and small group rate filings, report on outliers, inconsistencies, trends, the impact on consumer premium, and provide technical support as requested. Motion was made by Vicki Veltri and seconded by Benjamin Barnes. ***Motion passed unanimously.***

**G. Board of Directors Meeting Schedule Resolution**

Virginia Lamb, General Counsel, presented a proposal to amend the schedule of upcoming regular Board Meetings to hold regular meetings every other month instead of monthly. Ms. Lamb explained that the Freedom of Information Act (FOIA) requires the Exchange to post its schedule of regular board meetings for the year with the Secretary of State not later than January 31<sup>st</sup> of each year. The Exchange posted a monthly schedule for 2014. The Exchange's by-laws require a board resolution to cancel a regular scheduled meeting. Discussion took place regarding the proposed schedule change. Mr. Counihan commented that this proposal takes into account AHCT being in a different implementation phase than previously and that it may be a more efficient use of the Board's time. Special meetings may still be called as needed at any time. In addition, AHCT would continue to report to the Board on a monthly basis on performance and operational metrics and those reports would be posted on AHCT's website.

Mr. Barnes asked how the proposed schedule change would impact reporting back to the Board on the results of the Wakely engagement. Mr. Sigal responded that written comments could be shared with the Board and a special meeting could be called. Mr. Sigal stated that the Wakely conclusions should be finalized by September. Mr. Barnes requested that the Board consider a special meeting to discuss Wakely's conclusions. Based upon the Board's discussion, the Lt. Governor proposed removing this item from the agenda. Mr. Tessier suggested a motion only to cancel the July and August 2014 meetings. Lt. Governor Wyman requested a motion to cancel the July and August Board meetings. Motion was made by Vicki Veltri and seconded by Cecilia Woods. Mr. Tessier reiterated that a special meeting should be called if the need arises. ***Motion passed unanimously.***

**H. Security Review**

Peter Van Loon introduced the security team and their responsibilities and provided a timeline of the June 6, 2014 incident, regarding the found backpack of a Maximus call center employee which contained consumer PII.

AHCT identified the affected individuals and reached out to those individuals in a letter detailing what had happened and measures that were being implemented to remedy the situation and credit protections being extended to all potentially affected parties. Mr. Van Loon outlined specific reporting steps that were taken by AHCT staff in response to the incident and reported that further investigation is ongoing. AHCT's quick response to this incident was as a result of a plan that was implemented over the past two years by Virginia Lamb, General Counsel, and Jim Wadleigh, Chief Information Officer.

Ms. Lamb provided further details. She clarified that the incident concerned data contained on paper and did not involve AHCT's IT system. Ms. Lamb also reported on how and when the backpack was found and returned to AHCT and stated that Maximus's employee came forward independently upon learning of the incident in the news. Ms. Lamb explained how both AHCT's and Maximus's IT systems record every person who touches a client's account. Given this capability, AHCT was able to identify all individuals in either IT system whose accounts were accessed by this customer service representative from the time the employee was first hired. AHCT chose to notify and extend credit protection to all 395 of these individuals, even though many of these individuals had not been included in the employee's paper notebooks. AHCT immediately notified the Center for Medicare Services (CMS) and the Office of the Attorney General of the breach, and also notified and worked with the IRS investigations team, the Department of Social Services (DSS), and the Connecticut Insurance Department (CID) to resolve the breach. An emergency Board meeting was held the same day to apprise the Board of the breach and the steps that were being taken. Attorneys from DSS and CID subsequently assisted Exchange legal in drafting the letter sent to affected individuals. In addition, all Exchange carriers were notified and kept apprised.

Ms. Lamb further explained AHCT security policies and procedures which have been in place at the Exchange, its storefronts and in the field, with its Navigators and in-person assisters. Security begins prior to employment with a detailed background check of all employees. These policies and procedures have been in place for more than a year. Ms. Lamb also provided the credentials of Tammy Preisner (Legal Privacy Officer) and Chris Smarz (IT Security Compliance Manager). Ms. Preisner is a HIPAA certified attorney who previously worked in compliance at Aetna and Pfizer. Mr. Smarz is an information security systems specialist and architect. He has worked in this capacity for numerous insurance companies. He is also a former police investigator.

Ms. Preisner and Mr. Smarz developed the privacy and security manual submitted to and approved by CMS and IRS. AHCT's security team also includes AHCT's outside insurance and risk consultant, Eddie Molloy, President of Advent CAT Risk. Mr. Molloy has helped the Exchange to develop its risk management strategy and has also brought in other security experts such as Global Cyber Risk, LLC to audit the security practices of potential Exchange vendors. Mr. Molloy is the former President and Chairman of Aetna Risk Indemnity Company. AHCT plans to security audit all key AHCT's subcontractors who have access to consumer PII (Personally Identifiable Information). Mr. Counihan noted that CMS has recognized AHCT's security, privacy and training policies and procedures as "best practices" nationally.

Mr. Ritter noted that this is a learning experience and commented that it appeared that the Maximus employee did not have a place to securely store items, and asked whether that was an oversight. Ms. Lamb responded that the employee was relatively new, having finished his training in April, and had not yet been assigned to a desk in which he could secure items. What occurred was a violation of Maximus's security protocols. No customer information is ever to be removed from the premises and all customer information on paper is to be shredded when the call center representative finishes working with the customer. On the Monday morning following the breach, Maximus discontinued the use of paper notebooks and now provides its customer service representatives with dry erase boards for any necessary note taking. The AHCT Operations team met with Maximus yesterday regarding additional physical protections including installation of lockers.

Dr. Scalettar inquired whether AHCT policies and procedures provide for termination as a remedy for a policy and procedure violation. Ms. Lamb responded that both AHCT and Maximus have such a policy. Maximus is awaiting results of the Hartford Police Department's ongoing investigation before taking such action so as not to impede the investigation, but in the interim the employee involved has been placed on administrative leave.

Mr. Tessier inquired whether there has been any explanation by Maximus as to how this incident could have occurred. Ms. Lamb responded that there is no current good explanation. This employee had passed the background check and the evidence to date does not point to criminal activity. Lt. Governor Wyman added that the investigation needs to be concluded.

**Roderick Bremby left at 10:42 a.m.**

Chief Information Officer, James Wadleigh, detailed the various security audits that have been performed on AHCT's computer systems by CMS, IRS and by multiple independent third party auditors at the request of AHCT. AHCT has passed all of these audits.

**Roderick Bremby returned at 10:44.**

**I. Executive Session**

Lt. Governor Wyman requested a motion to proceed into Executive Session to discuss matters exempt from disclosure under C.G.S. § 1-200(6)(B) and (C). Motion was made by Vicki Veltri and seconded by Robert Tessier.  
***Motion passed unanimously.***