



STATE OF CONNECTICUT
LIEUTENANT GOVERNOR NANCY WYMAN

**Connecticut Health Insurance Exchange
Board of Directors Regular Meeting**

Connecticut Convention Center
Hartford, CT

Thursday, May 16, 2013

Meeting Minutes

Members Present:

Lieutenant Governor Nancy Wyman (Chair); Grant Ritter; Dr. Robert Scalettar; Robert Tessier; Vicki Veltri, Office of the Healthcare Advocate (Vice Chair); Secretary Benjamin Barnes, Office of Policy and Management (OPM), Mary Fox; Paul Philpott; Maura Carley and Cecilia Woods.

Members Absent: Commissioner Jewel Mullen, Department of Public Health (DPH); Deputy Commissioner Anne Melissa Dowling, Connecticut Insurance Department (CID); Commissioner Roderick L. Bremby, Department of Social Services (DSS).

Members Participating by Telephone: None

Other Participants:

Health Insurance Exchange (HIX) Staff: Kevin Counihan, Julie Lyons, James Wadleigh, Steve Sigal, Peter Van Loon, Virginia Lamb, Jason Madrak; Deloitte Staff: Tim Sweeney and Tim Box.

The Meeting of the Connecticut Health Insurance Exchange Board of Directors was called to order at 9:00 a.m.

A. Call to Order, Introductions and Announcements

Lt. Governor Wyman opened the meeting at 9:00 a.m.

Maura Carley was sworn in as a new Board member.

B. Public Comment

There was no public comment

C. Review and Approval of Minutes

Lt. Governor Wyman requested a motion to approve the minutes from the April 1, 2013 Special Meeting.

Motion was made by Vicki Veltri and seconded by Robert Tessier. Cee Cee Woods asked that the April 1 and

April 18 minutes be corrected, to reflect that she is no longer Vice-Chair of the Permanent Commission on the Status of Women. **Motion passed unanimously as corrected.**

Lt. Governor Wyman requested a motion to approve the minutes from the April 18, 2013 meeting. Motion was made by Robert Tessier and seconded by Vicki Veltri. **Motion passed unanimously as corrected.**

D. CEO Report

Kevin Counihan, CEO, reported that the Exchange is doing well with launch approximately 4 ½ months away. Kathleen Tallarita, the Exchange's Government Relations manager, will also now handle public relations. The goal of this program is to educate and correct some myths surrounding the Affordable Care Act (ACA). The Exchange continues to add key staff. Tammy Preisner has joined the Exchange as its Legal Compliance Manager and Phil Boyle has joined the Exchange as its Business-to-Business Outreach Manager. Helga McKinley has joined the staff as the Exchange's call center analyst. The Exchange is being encouraged by the federal government to use the term "marketplace" as opposed to "Exchange."

E. Operations and IT Update

Peter Van Loon, COO, provided an operations update. Risks are being managed so that the Exchange remains on track for an October 1, 2013 go-live date. There are currently two red level risks. The first is receipt of data from the Department of Labor to verify unemployment. The second is the late release of additional federal government guidelines, specifically around the new paper applications and an amended single streamlined application. These issues are being addressed with DSS and Deloitte. Other risks include system development being a little behind and planned code not being complete by May 31. Adjustments are being made to scope to address these issues.

Jim Wadleigh, CIO, provided a more detailed Information Technology Update. Systems integration testing has been completed for Release 1 which is the functionality required to implement plan management. Testing progresses on Release 2 against the federal data Hub. This release is scheduled for October 1, 2013. Code development is 70% complete and is tracking to a two week delay past the May 31st implementation date. This is normal for a project of this scope. The finalized Release 3 is scheduled for December 6, 2013 which will predominately carry the financial management deferred functionality. The finalized Release 4 is scheduled for March 7, 2014 which will have functionality that plan management will need for ongoing operations. A live demonstration was completed at Middlesex Community College. Results of Focus Group testing with various constituencies are due by the end of May.

F. Marketing Update

Jason Madrak, Chief Marketing Officer, provided a marketing update. The primary mission includes: building awareness of the law (ACA) and Access Health CT; educating individuals and businesses on how they can benefit from AHCT; reducing the number of the uninsured; delivering an exceptional customer experience that is easy, simple and transparent; and, fostering long term favorability of AHCT. This plan will use a range of tactics to achieve these goals from media and public relations to targeted individual engagement. Market segmentation, distribution channels, messaging, influencers and stakeholders and enrollment goals as well as tactical development were reviewed.

Research shows that Connecticut's uninsured and underinsured are clustered in a handful of communities with 80% or more of the uninsured in each county contained in 20 zip codes; individuals have little to no understanding of the ACA or how to enroll and purchase health insurance; there is skepticism and confusion fostering inaction and aversion to potential messaging; and, a portion of targeted individuals do not utilize and interact with traditional sales and marketing channels.

The media launch will occur in June. Seven categories of message delivery will be deployed including: TV, radio and print; out of home; digital media; social media and individual and business direct marketing. The Exchange will also use non-traditional methods such as delivering messaging through trusted members of the community. The goal of the navigator and in-person assister (IPA) program is to leverage and empower current community based resources to reach the uninsured. The program will use a hub and spoke system recruiting approximately 300 IPAs and five to 7 navigator groups. The Exchange is developing a training and certification program for navigators and assisters.

Access Health CT plans to partner with several organizations within the state on its broker program and has had substantive discussions with the Chamber Insurance Trust and the Connecticut chapter of the National Association of Health Underwriters, the professional broker association in Connecticut. Access Health CT plans to recruit 250 brokers to participate in the program and will provide a specific training and certification program. Once certified, brokers will have access to: listing in the public Exchange approved broker database; participation in broker lead program and access and participation at Exchange facilitated enrollment events.

Key dates surrounding the marketing roll-out were reviewed as well as enrollment targets. The marketing plan is targeted to generate 100,000-130,000 net new enrollments over the course of the first open enrollment period with 80,000 to 100,000 enrolling through the Exchange and 20,000 to 30,000 enrolling in Medicaid.

G. Finance Update

Steve Sigal, CFO, provided a Finance update. The January 2012 and 2013 CEO's Annual Reports have been completed and filed and the quarterly federal financial reporting is complete. A new vendor management program is being developed as an oversight tool to help manage contracts and vendor relationships. The Exchange's proposed "Policy: Acquiring Operating Funding" received no comments during the public comment period. This Policy is being presented today for adoption by the Board.

Federal and state law requires the Exchange to be self-sustaining by January 1, 2015. The Exchange plans to meet this requirement through a carrier assessment and is proposing a transitional assessment beginning January 1, 2014 to build operating reserves. The assessment rate is based on the Exchange's estimated annual operating costs of \$34.5 million. This budget is in line with that of similar sized Exchanges. Funding for 2014 will be realized through a combination of the remaining Level II grant funds and the proposed carrier assessment. The assessment rate of 135 basis points was based on an expectation of \$1.9 billion of total marketplace premium for 2012. The goal is to cover expenses and develop a six to nine month sustainability reserve. In subsequent years, the assessment process will be more appropriately timed to the availability of the data. This year's schedule was accelerated by earlier rate filings. A true up may be necessary to reflect actual data.

The "Procedure: Exchange Assessments and Fees" anticipates the use of official data sources (MLR Reports to the Health Insurance Oversight System of CMS and Annual Statements filed with the Connecticut Insurance Department) so as to not put an additional reporting burden on carriers. The Procedure has late payment and penalty provisions and a special assessment for new market entrants. The finance subcommittee met on May 7 and May 14 to review the sustainability plan and the proposed Procedure and recommends both to the Board for approval.

Secretary Barnes noted that it was the finance sub-committee's intention to develop a fair assessment methodology that spread costs across the entire State of Connecticut health insurance industry. The goal is to not create any incentives for carriers to not participate in the Exchange or any cost advantages for those insurance plans offered outside of the Exchange. The assessment level of 135 basis points creates what is hoped

to be a stable rate that can be maintained to produce an adequate reserve for the organization. Secretary Barnes encouraged support.

The Exchange asked the Board to delegate authority for the quarterly filing of reports required under C.G.S. Section 1-123(B) to Mr. Counihan. The reports would be shared via email with the directors and the annual reports will be brought to the board each year for approval. Lt. Governor Nancy Wyman requested a motion to delegate authority to the Chief Executive Office of the Exchange to submit Quarterly Reports to the Office of Fiscal Analysis for each fund and account of the agency, and on personnel status pursuant to C.G.S. Section 1-123(b). **Motion made by Vicki Veltri and seconded by Secretary Barnes. Motion passed unanimously.**

Lt. Governor Wyman requested a motion to adopt the “Policy for Acquiring Operating Funding” as presented at the March 2013 Board of Directors meeting. **Motion made by Vicki Veltri and seconded by Secretary Barnes. Motion passed unanimously.**

Lt. Governor Wyman requested a motion to approve the “Procedure: Exchange Assessments and Fees” for publication in the *Connecticut Law Journal* and for 30 days of public comment. **Motion made by Vicki Veltri and seconded by Secretary Barnes. Motion passed unanimously.**

Lt. Governor Nancy Wyman requested a motion to approve for calendar year 2014, the Exchange’s Market Assessment Rate of 135 basis points. **Motion made by Vicki Veltri and seconded by Secretary Barnes. Motion passed unanimously.**

H. Tribal Consultation Policy

Mr. Madrak presented a brief history of the Tribal Consultation Policy previously approved by the Board at its December 2012 meeting. This Policy is a requirement of the Affordable Care Act. The Mohegan and Mashantucket Pequot Tribal Councils have reviewed the policy and requested the following modifications: additional clarification to underscore the substantive and proactive nature of the conversations; regularly scheduled meetings to address any relevant issues; and a designated ongoing Tribal Liaison role at the Exchange to serve as the primary contact for tribal health leaders. The Exchange staff revised the policy to incorporate these changes. Lt. Governor Wyman requested a motion to approve the Revised Tribal Consultation Policy as presented by Exchange Staff for publication in the *Connecticut Law Journal* and 30 days of public comment. **Motion made by Vicki Veltri and seconded by Cee Cee Woods. Motion passed unanimously.**

I. Website Demonstration.

Tim Sweeney and Tim Box from Deloitte conducted the web-site demonstration and addressed Board member questions

Dr. Scalettar left at 11:52

Lt. Governor Nancy Wyman left at 12:02

J. Executive Session

Motion made by Secretary Barnes and seconded by Grant Ritter to alter the Agenda to add an Executive Session. Motion passed unanimously

Vice-Chair Vicki Veltri requested a motion to go into Executive Session to discuss an employment matter pursuant to C.G.S. §1-200(6)(A). **Motion made by Benjamin Barnes and seconded by Grant Ritter. Motion passed unanimously.**

K. Adjournment

Vice-Chair Vicki Veltri requested a motion to adjourn the board meeting. Motion made by Paul Philpott and seconded by Robert Tessier. ***Motion passed unanimously.*** The meeting adjourned at 12:30 p.m.

***The next Board Meeting will take place on June 26, 2013 at 9:00 a.m.
Place to be determined.***