

As approved by the Board of Directors on May 16, 2013

**CONNECTICUT HEALTH INSURANCE EXCHANGE
d/b/a Access Health CT**

POLICY: ACQUIRING OPERATING FUNDING

In accordance with the requirements of CGS §§38a-1080 *et seq.* (the “Exchange Act”), the Exchange is charged with reducing the number of individuals without health insurance in the state. To effect this goal the Exchange is authorized under Section 38a-1083 (c)(7) to “Charge assessments or user fees to health carriers that are capable of offering a qualified health plan through the exchange or otherwise generate funding necessary to support the operations of the exchange.” Section 38a-1083(a) of the Exchange Act further directs the Exchange to interpret its powers broadly to effectuate its purposes and Section 31a-1083(20) directs the Exchange to do all things necessary and convenient to carry out the purposes of the Exchange.

Pursuant to its authority under the Exchange Act, the Exchange acting through its Chief Executive Officer or another duly authorized officer, shall charge assessments or user fees to health and dental carriers that are capable of offering a qualified health plan through the Exchange, or shall otherwise generate funding necessary to support the operations of the Exchange so it may carry out its purposes under the Exchange Act as it may be amended from time to time.

Procedure:

Annually, the Exchange is required to prepare an annual budget that is reviewed and approved by the Board of Directors. The funding required in the approved budget would inform the operating funding that would be required to be raised through market assessments, user fees or other fund generating actions by the Exchange. As a result, the mechanisms or combination of mechanisms would necessarily be variable.

Market Assessments:

In addition to or in place of other available sources of funding, the Exchange may in the sole discretion of its Board, charge a market assessment to all health and dental carriers that are capable of offering a qualified health plan on the Exchange including but not limited to dental carriers. The assessment will be applied to all health carriers licensed to issue individual and small group business in Connecticut. The assessment will be calculated as a percentage of Connecticut gross written premium reported by such carriers for their individual and small group businesses for the previous calendar year as reported to regulators on reports such as the Medical Loss Ratio Reports to the Connecticut Insurance Department and/or to the Centers for Medicare and Medicaid Services in the Health Insurance Oversight System (HIOS).

The assessment for Dental carriers will also be calculated as a percentage of Connecticut gross written premium reported for the previous year, but as reported in Annual Statements filed with the Connecticut Insurance Department for both dental insurance based products, as well as dental maintenance organization (DMO) products.

User Fees:

In addition to or in place of other available sources of funding, the Exchange may in the sole discretion of its Board, charge a user fee to all health and dental carriers that are offering a qualified health plan on the individual and/or small business exchange as a function of premium charged for qualified health plans sold on the Exchange. The charge can be a flat fee, percentage of premium, or any other per sale charge method.

Right to Modification:

The Exchange in addition reserves the right to modify the terms, conditions, amounts or methodology of any market assessment or user fee as necessary to support its operations and in keeping with the Exchange Act.

Special Assessments and Fees

The Exchange may, from time to time, impose special assessment or user fees, as necessary to fund unanticipated operating expenses. The content and methodology of such assessment or fee shall be in the discretion of its Board.

Other Fund Generating Actions:

The Exchange may employ other fund raising actions, as it deems necessary. These may include advertising, cost recovery from Connecticut agencies using the Exchange (e.g., Department of Social Services) or other business endeavors consistent with the purposes of the Exchange under the Exchange Act, as it may be amended from time to time.