



Connecticut's Health Insurance Marketplace

2014 FINANCIAL SUSTAINABILITY

May 7, 2013

- **Executive Summary**
- **Procedure: Acquiring Operating Funding**
- **Policy: Acquiring Operating Funding**
- **Transitional Revenue Requirement**
- **Capable Health and Dental Marketplace Premium**
- **Recommendations**
- **Next Steps**

Executive Summary

- Self-Sustainability requirement as of 1/1/2015
- Commence transitional market assessment 1/1/2014
- Estimated annual operating costs amount to \$34.5 million
- 2014 operating expenses will combine exhausting grant funds and garnering operating funds
- Increased pace of activity in resolving open items as October 1 approaches results in rapid changes in cost estimates
- Transitional phase requires acceleration of setting the market assessment rate
- Final data sources becoming available later require use of reasonable proxy for marketplace premium
- True up may be necessary
- Requesting approval of market assessment rate; policy and procedure drafts

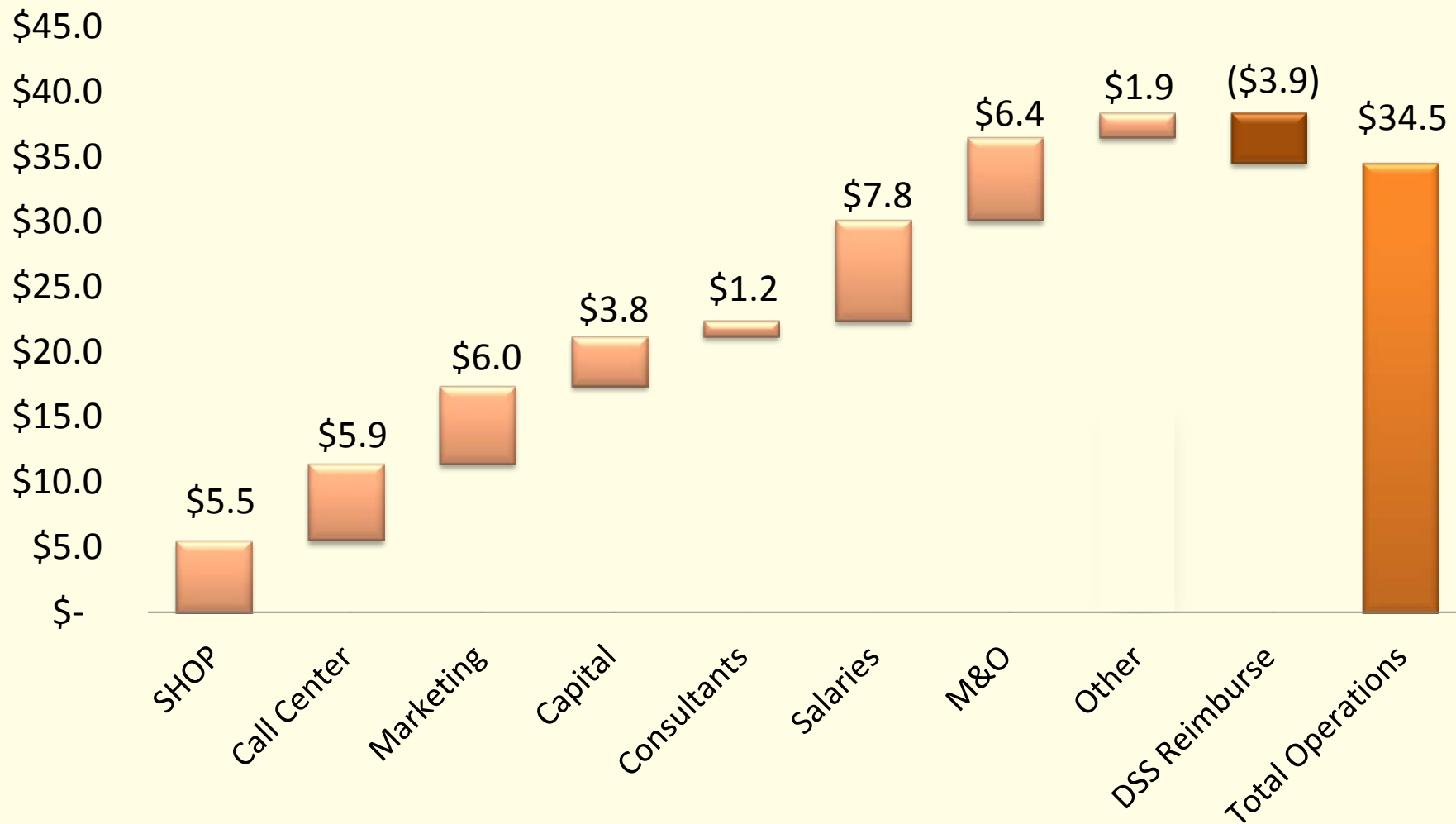
Acquiring Operating Funding - Procedure

- Procedure stipulates use of official data sources
- Dental premium requires inquiries of carriers
- Late payment and penalty provisions
- Timing of data availability provides workable assessment billing process in a steady state

Annualized Expense Breakdown

Operational Expense Breakout

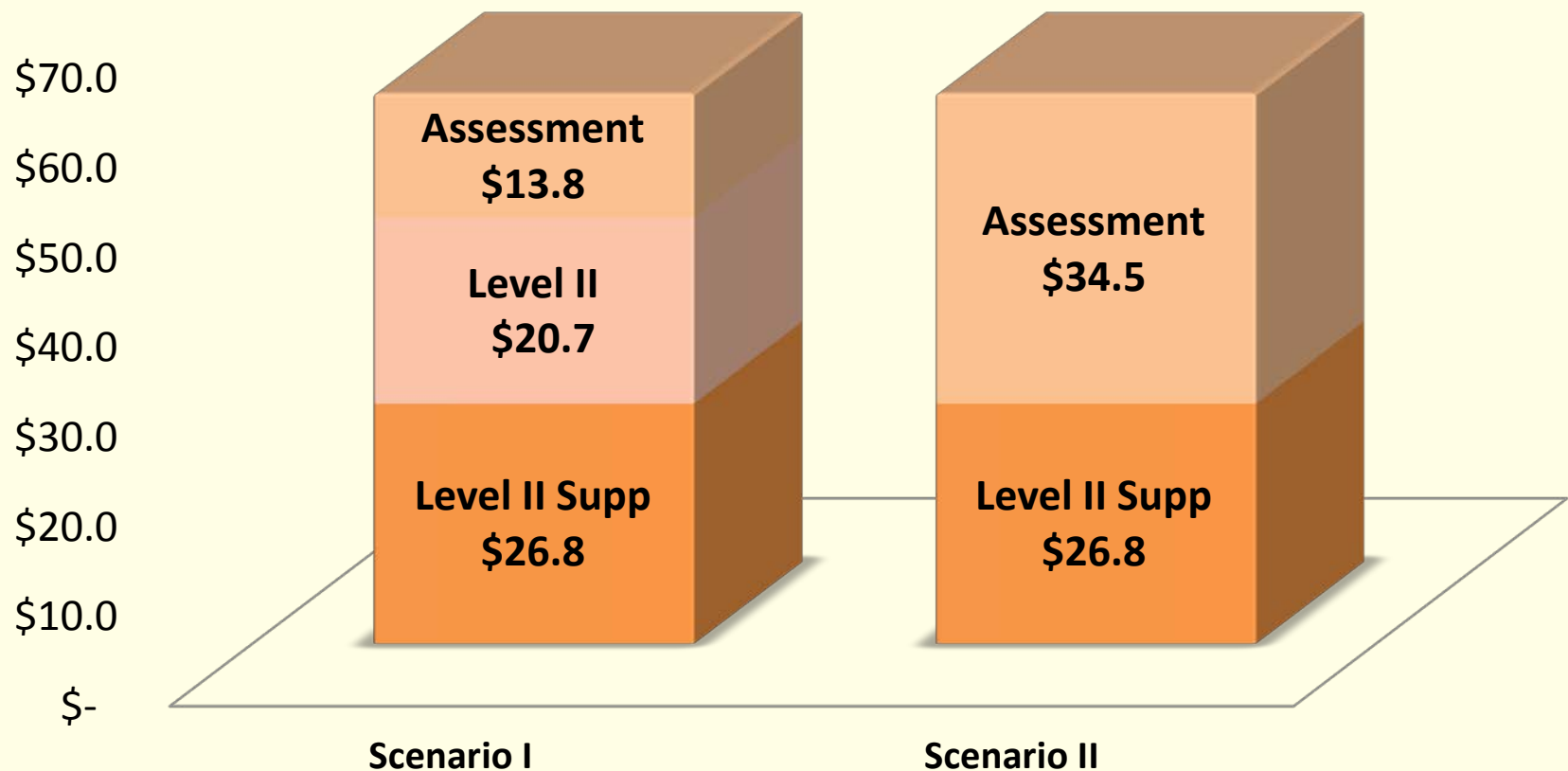
\$ in Millions



Revenue Requirement

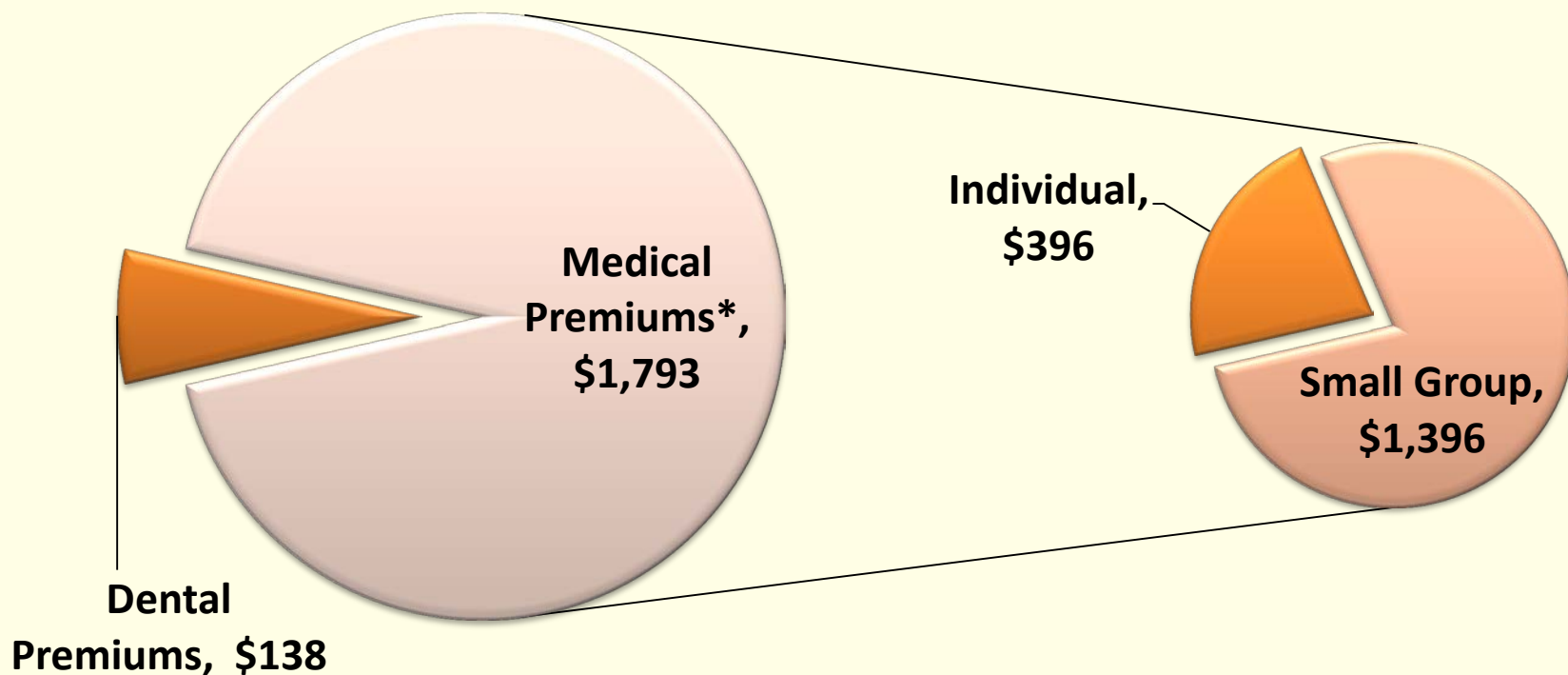
Expense Recovery Scenarios

\$ in Millions



Marketplace Premium

2012 Medical & Dental Earned Premiums \$ in Millions



*2012 Medical Premiums are based on Individual and Small Group earned premiums reported in the 2011 MLR Reports (Section 1. Line 1.4) with 10% year over year growth.

2014 Market Assessment

\$ in Millions

	Scenario I	Scenario II
Earned Premiums	\$1,931.0	\$1,931.0
Required Assessment	\$ 13.8	\$ 34.5
Basis Points	71.5	178.7

Recommendations

- Access Health CT recommends approval of the “Policy: Acquiring Operating Funding”
- Access Health CT recommends approval of the “Procedure: Acquiring Operating Funding”
- Access Health CT recommends approval of a market assessment rate

Next Steps

- **Finance Sub-Committee Review and Approval**
- **Present to Board of Directors for Review and Approval**
- **New Legislative Enforcement Provisions**
- **Data Collection for 2012 Calendar Year – June-July 2013**
- **Billing and Collection of Assessments – September 2013**