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Connecticut's Health Insurance Marketplace

MEMORANDUM

To: Dr. Robert McClean; Steve Frayne; Kevin Galvin; Arlene Murphy; Alta Lash; Steve Glick; and Grant Ritter

From: Peter Van Loon – COO

Date: May 7, 2013

Re: Plan Design Update

Thanks again for all your work since December. We need your continued input.

We set our standard plan designs in March. This past week we received emergent input on our Bronze plans and completed an actuarial review of our Stand Alone Dental Plans. I wanted to write to inform you of what we have learned. I would like your input.

Bronze Plans:

The CT Insurance Department has done some additional review of our Bronze plans. The Bronze Plan 1 home health care(HHC) benefit was approved at $0 after meeting the annual deductible of $3,250. We now understand that our plan cannot have a deductible for HHC of greater than $50 unless we can verify the enrollee to have an HSA. Rather than incur the expense and liability of that verification capability, we advocate changing the HHC benefit to a member paying 25% coinsurance after a $50 annual deductible specific to HHC. This does not have an impact on actuarial value. See attached Bronze Plan Design for our updated plan.

CID determined they must review our current Bronze Plan 2 as an officially defined Catastrophic plan, not a Bronze. We will recommend to our Board that we pull that plan as a standard option, and reiterate that the carriers can offer a Catastrophic plan as an option. We will offer one standard Bronze plan, our Bronze Plan 1.

Stand Alone Dental

We proposed our Dental plans in March with the note they were under actuarial review. There is no Actuarial Value Calculator provided for dental benefits as there was for medical. Our initial actuary felt they did not have the expertise necessary, so we engaged their suggested dental actuary and got their input this past weekend. To ensure the standard(AV 70%) and high plan(AV 85%) are within the two points required by the ACA, we made minor adjustments to the plans approved in March. We made the high plan a richer benefit and the standard slightly lesser.

Exhibit 9 - Standard Dental Plan AV 70%
Changed deductible from $50 to $75

Exhibit 10 - High Option Dental Plan AV 85%
Changed OOP from $500/$1,000 to $300/$600

Summary

We on staff feel these changes are needed to incorporate new facts and information, and are planning to recommend that the board approve these changes.

We will recommend to the Board to accept these changes to the Stand Alone Dental standard plans.

I will piggy-back on the meeting this week addressing network adequacy to review these new developments with the consumer and health plan ACs. That meeting is being planned for 5:30 on Thursday.