



STATE OF CONNECTICUT  
**LIEUTENANT GOVERNOR NANCY WYMAN**

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

Legislative Office Building  
Room 1D

Thursday, September 22, 2016

**DRAFT Meeting Minutes**

**Members Present:**

Lt. Governor Nancy Wyman (Chair); Demian Fontanella, Acting Healthcare Advocate (OHA); Secretary Benjamin Barnes, Office of Policy and Management (OPM); Paul Philpott; Commissioner Miriam Delphin-Rittmon, Ph.D., Department of Mental Health and Addiction Services (DMHAS); Paul Lombardo, on behalf of Commissioner Katharine Wade, Connecticut Insurance Department (CID); Robert Scalettar, MD; Victoria Veltri; Commissioner Roderick Bremby, Department of Social Services (DSS); Robert Tessier; Maura Carley; Cecelia Woods

**Other Participants:**

Deremius Williams, Anthem; David Gordon, ConnectiCare Benefits, Inc.; Dr. Wayne Rawlins, ConnectiCare Benefits, Inc.; Julie Andrews, Wakely Consulting

Access Health CT (AHCT) Staff: James R. Wadleigh, Jr., Shan Jeffreys; James Michel, Tamim Ahmed

**Members Absent:**

Commissioner Raul Pino, Department of Public Health; Grant Ritter

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

**I. Call to Order**

Lt. Governor Nancy Wyman called the meeting to order at 9:00 a.m.

## II. Public Comment

Deb Polun from Connecticut Health Center Association provided a public comment. Ms. Polun shared her concerns about the consistent training of the call center representatives. Ms. Polun also expressed her concern about the possibility that the Exchange would not have brokers during the Open Enrollment Period. Mr. James Wadleigh, CEO of AHCT, briefly responded, indicating that more information about the call center would be explained later in the meeting, and information regarding brokers will be released in the coming days.

## III. Votes

Lt. Governor Wyman commented that Victoria Veltri had recently been appointed to serve on the Board of Directors by Governor Dannel Malloy, and that she sworn the oath prior to this meeting.

Lt. Governor Wyman requested a motion to approve the July 14<sup>th</sup> 2016 Board of Directors Special Meeting Minutes. Motion was made Victoria Veltri and seconded by Cecelia Woods. ***Motion passed unanimously.***

Lt. Governor Wyman summarized the need to elect a new Vice-Chair, and thanked Victoria Veltri for her past service as the Board's Vice-Chair. Lt. Governor Wyman nominated Robert Tessier to serve as a Vice-Chair.

**Benjamin Barnes arrived at 9:09 a.m.**

Lt. Governor Wyman requested a motion to elect Robert Tessier as a Vice-Chair of the Board. Motion was made by Dr. Scalettar and seconded by Paul Philpott. ***Motion passed with Robert Tessier abstaining.***

## IV. CEO Report

James Wadleigh, CEO, updated the Board on AHCT activities. Mr. Wadleigh provided perspective on the continuous changes and challenges in the healthcare environment. Mr. Wadleigh explained that as of this meeting, there were only 39 days left before Open Enrollment on November 1. While the insurance carrier rate increases dominated the news, Mr. Wadleigh indicated that there are other factors that contribute to driving up premium costs. Increases are being sought by the hospitals, pharmaceutical companies and consolidated provider groups. Next year, the Exchange will ask carriers to explain the reasoning behind proposed rate increases and why the medical trend is at 10%. Mr. Wadleigh stated that one of the major developments in the health insurance market was the decision of Aetna and United Healthcare to depart from the CBIA Exchange. He stressed that individual markets are not the only ones susceptible to the challenges in the market. Mr. Wadleigh emphasized that AHCT is continuing its outreach program to small businesses. The outreach program consists of community meetings with the key message of brand awareness. As the organization is preparing itself for the 4<sup>th</sup> Open Enrollment, it will be accomplished with the help of a new call center vendor. Faneuil has been

contracted as the new call center vendor and has been taking calls for the last two weeks. Mr. Wadleigh thanked the Board for their continued support.

Dr. Robert Scalettar praised Mr. Wadleigh for his leadership and inquired about the All Payer Claims Database. Dr. Tamim Ahmed, Executive Director of the APCD, responded that his department is proceeding with data collection, explaining that there are some issues with one carrier, but everything else is working smoothly. Dr. Ahmed added that the APCD website will be launched by the end of September or very shortly thereafter. Dr. Scalettar inquired about data collection results from the government agencies. Mr. Ahmed replied that a meeting is being planned with the Department of Social Services IT Department, with the purpose of facilitating the improvement in data collection. The Federal government should be sending their Medicare data soon.

Dr. Scalettar asked about possible challenges that may be faced by the new call center vendor, and the release date of the long-awaited IMPACT program. Commissioner Bremby replied that the complex system has 54 interfaces, and needs to be tested. Further, it is crucial that the system rolls out on October 10 without any compatibility problems. Commissioner Bremby added that IMPACT will replace a 30-year-old system called EMS. Noticeable improvements in customer support outcomes should be seen as a result of introducing IMPACT. Commissioner Bremby added that he does not anticipate any negative effects on the Open Enrollment period due to the release of the new system. He added that eligibility determinations will continued to be made by the Integrated Eligibility system.

## **V. Carrier Membership**

### **Anthem**

Shan Jeffreys, Director of Marketplace Strategies, introduced the Carrier Membership speakers. Mr. Jeffreys expressed gratitude to the carriers for their continuous commitment to the marketplace and their willingness to present their own data analysis to the Board. Mr. Jeffreys introduced Deremius Williams, Vice-President of Provider Network Activities at Anthem. Ms. Williams thanked the Board for the opportunity to present the evaluation of data and factors that are driving trends pertaining to the population being covered by Anthem's policies on the Exchange. Ms. Williams added that Anthem would like to start conversations, based on their analysis, as to how to manage the population that is covered by Anthem's on-exchange plans. Ms. Williams answered Dr. Scalettar's question about the trends that are driving the healthcare costs, indicating that they are universal for all the markets, on and off-exchange, however, she added that Anthem sees differences with the Exchange's population. Ms. Williams concluded her presentation by thanking the Board for listening to Anthem's analysis. Ms. Williams also thanked Anthem's members and medical providers, as well as Access Health CT.

Mr. Barnes asked a question about more in-depth analysis of the utilization rate differences for on and off-Exchange customers. Ms. Williams responded that there are certain factors such as analyzing customers who are in different metal levels of coverage, and these analyses are the starting points of understanding these differences. Ms. Williams indicated Anthem's willingness to share more data with the Board. Dr. Scalettar asked for more clarification of Anthem's greater flexibility for carriers to

innovate and provide solutions that meet customer needs and control costs. Ms. Williams answered, indicating that Anthem is advocating relaxing some of the requirements in standard plans and to develop network arrangements with the providers. Mr. Philpott asked about possible impediments that prevent Anthem from achieving progress in the area of plan design. Ms. Williams indicated that her focus is on the positive approach, but certain items may need some improvement. Mr. Tessier echoed Mr. Barnes' comments and expressed appreciation for Anthem's participation on the Exchange. Mr. Tessier added that the Exchange has a Health Plan Benefits and Qualifications Advisory Committee, and urged Anthem to send representatives to their meetings. Mr. Jeffreys added that the Exchange has been working to include carrier representatives on the Advisory Committees. Ms. Carley asked about the time period for medical trends to be reflected in the analysis. Ms. Williams responded that it does take some time for the data to be compiled and reflected. Ms. Veltri asked about population health strategies, and if there have been attempts in other states to entice providers into them. Ms. Williams stated that Anthem's national program is structured to include all of their members.

### **ConnectiCare Benefits, Inc.**

Shan Jeffreys introduced David Gordon and Dr. Wayne Rawlins of ConnectiCare Benefits, Inc. Dr. Wayne Rawlins thanked the Exchange on behalf of ConnectiCare for the opportunity to present to the Board. Dr. Rawlins and Mr. Gordon outlined ConnectiCare's commitment to the Exchange. Dr. Rawlins and Mr. Gordon also provided statistical analysis of the carrier's Exchange's customers. An explanation of the differences in utilization of services between on and off-Exchange members was presented. They also outlined ConnectiCare's plans for patient outreach. Demian Fontanella asked about plans by the carrier for any additional community outreach. Mr. Gordon responded that it is a community effort. Paul Philpott asked about the effectiveness of reducing the costs of healthcare in connection with the healthcare management programs. Dr. Rawlins stated that if utilization, quality and outcomes are managed, then costs will follow. Mr. Wadleigh added that some states may be ahead of Connecticut in cost containment, citing the success of Molina and Centene Insurance. Mr. Wadleigh thanked the carriers' representatives for their presentation to the Board. He added that a significant percentage of the population is transitioning from Medicaid to the private market around the country. Social determinants such as housing and food are very important. Collaboration is crucial in providing common customers with the best healthcare choices. Ms. Veltri asked about ConnectiCare's business model to see how they can impact the health initiatives attempting to eliminate health inequities in the state. Mr. Gordon replied that the intent is for both the medical centers and retail centers to track their customers. Over time, those data will be analyzed. Commissioner Bremby inquired whether there are any plans for ConnectiCare centers to accept Medicaid members. Mr. Gordon responded that ConnectiCare is willing to have conversations about it.

Lt. Governor Wyman thanked both carriers for their presentations and participation in the Exchange.

## **VI. CID Rate Review**

Lt. Governor Wyman introduced Paul Lombardo, Connecticut Insurance Department Actuary. Mr. Lombardo explained the analysis from the actuarial point of view in the rate increase requests, adding that some of those rate increase requests were quite large. Mr. Lombardo analyzed CID's findings in the presentation and summarized the contributing factors to the rate increase requests. Mr. Lombardo indicated that there is hope that, if people fully understand how to use their insurance, there may be a stabilization of claim costs over time. He added that 2016 claim levels are still accelerating. There is uncertainty about the risk adjustment volatility from year to year. It is difficult to predict if the carrier will be required to pay or eligible to receive money from the Federal government. Mr. Lombardo added that 2017 prices are being set using 2015 data. Changes in the carrier membership can also affect rates. Beneficial changes to the risk adjustment will come in 2018.

Mr. Lombardo explained the rate increases for the carriers participating in the Exchange. Mr. Lombardo stated that the numbers come in whether plans are on or off-Exchange. The small group market has stabilized a little bit more than the individual market. Mr. Barnes referred to the contributing factors to rate increases, including the federal reinsurance program sunsetting, and whether the program is built into the existing trend. Mr. Lombardo replied that it is not a part of the trend. Mr. Barnes indicated that the federal reinsurance program that is going away is a big factor in those rate increases, amounting to 25%. Mr. Lombardo agreed and explained how the federal reinsurance program functioned in the first three years of its existence. Mr. Wadleigh stated that CMS indicated they are creating a different attachment point, and will have a different reinsurance program for the very high claims.

Mr. Tessier asked for an explanation of the experience adjustment. Mr. Lombardo explained the experience adjustment may be negative. There is no segmenting of risk pools. There may be changes to benefit relativities that impact a given plan, and it does change on the annual basis. Mr. Tessier asked whether there may be the ability to monitor the claim experience of on-Exchange plans relative to rate request filings. Mr. Lombardo replied that AHCT can request it from the carriers. Mr. Philpott asked about pricing stability for those rates in the future. Mr. Lombardo indicated it is very difficult to predict. There is a lot of instability in the risk adjustment, and in the market as a whole. When new membership is added to a carrier, a huge undertaking for a carrier occurs. Mr. Philpott thanked Mr. Lombardo and his colleagues at the Connecticut Insurance Department for their work. Mr. Wadleigh stated that Anthem's CEO questioned its willingness to stay on both the New York and Connecticut Exchanges. Mr. Lombardo added that it is not particular to Connecticut. The same issues are appearing all over the country. Dr. Scalettar thanked Mr. Lombardo for the presentation and the work. Dr. Scalettar added that of the \$3 trillion that is spent on healthcare, 25% is considered waste, and encouraged stakeholders to find ways to eliminate it. Lt. Governor Wyman thanked Mr. Lombardo for his and the Connecticut Insurance Department's work.

## **VII. Wakely Review of 2017 Rates**

Shan Jeffreys introduced Julie Andrews to present a review of rate filings on the on-exchange business. Ms. Andrews presented Wakely's independent, third party findings based on the information gathered. Wakely was retained to perform a rate filing review, consumer impact analysis, and rate outlier analysis.

## **VIII. 2017 Open Enrollment Update**

Shan Jeffreys presented an update on the 2017 Open Enrollment Process. This is the fourth Open Enrollment for AHCT, and the third renewal period. He added that AHCT is more experienced this year. Mr. Jeffreys stated that technological improvements have been made to make these processes smoother. From a renewal standpoint, AHCT is expecting a lot of changes due to two carriers leaving the Exchange, as well as the existing carriers changing their plans. He indicated that 43% of the current members will not be auto-renewable, and AHCT is very mindful of that. It is a unique situation from the Exchange's standpoint. AHCT will be tracking these individuals to the end of the Open Enrollment. The plan management team is working on this issue with the carriers.

**Miriam Delphin Rittmon left at 11:36 a.m.**

## **IX. Call Center Vendor Update**

James Michel, Director of Operations, provided an update on the new call center vendor. Following an open bid process, Faneuil was chosen. Most of the summer was spent implementing the operations of the new vendor, with a considerable amount of time spent implementing new and better technology. AHCT is collaborating with the Department of Social Services (DSS) and the vendor to create the most effective processes that benefit the customer. Faneuil started training their employees on July 11<sup>th</sup>. As a result of better training, improvements are seen already. Meetings with Faneuil are held daily to analyze their performance. Mr. Michel stated that the vendor will be mostly operating out of Bristol, Connecticut, with the overflow call center located in Virginia. All of their employees are full time with full benefits. Mr. Philpott asked if there was an overlap with Maximus in terms of personnel. Mr. Michel responded that Faneuil offered an opportunity for Maximus employees to apply.

Mr. Wadleigh added that AHCT is already seeing improvements in customer service, but it will probably take three to six months to see real improvements. Dr. Scalettar asked if AHCT is on track with Open Enrollment. Mr. Michel stated that AHCT is on track with technology, training and staff. Adjustments with the call center are made as necessary. He added that AHCT is working closely with DSS as well as Faneuil to address any possible issues. DSS has been onsite monitoring and offering advice. Mr. Fontanella asked about staffing levels with the new vendor. Mr. Michel stated that Faneuil put in place more efficient and effective approaches. As an example, if there is a wait time on the phone, the customer will have an option for a call center representative to call the customer back when their place in line is reached. Faneuil services healthcare exchanges in California and the state of Washington.

**X. Adjournment**

Lt. Governor Wyman requested a motion to adjourn the meeting. Motion was made by Cee Cee Woods and seconded by Robert Tessier. ***Motion passed unanimously.*** Meeting adjourned at 11:55 a.m.