



STATE OF CONNECTICUT
LIEUTENANT GOVERNOR NANCY WYMAN

**Health Insurance Exchange
Board of Directors Meeting**
State Capitol Building
210 Capitol Avenue, Room 310, Hartford, CT

Thursday, January 19, 2012
DRAFT Meeting Minutes

Members Present: Lieutenant Governor Nancy Wyman, Chair; Secretary Benjamin Barnes, Office of Policy and Management (OPM); Commissioner Thomas Leonardi, CT Insurance Department (CID) ; Commissioner Roderick L. Bremby, Department of Social Services (DSS); Jeannette DeJesús (Co-Chair), Office of Health Reform & Innovation, Kim Martone for Commissioner Jewel Mullen, Department of Public Health (DPH); Michael Devine; Mickey Herbert; Grant Ritter; Robert Scalettar; Victoria Veltri, Office of the Healthcare Advocate; Cee Cee Woods

Members Absent: Commissioner Jewel Mullen, DPH; Mary Fox; Robert Tessier

Other Participants: Mary Ellen Breault, CID; Tia Cintron, OPM; Karen Buffkin, OPM; Andrew Wood, Mintz & Hoke Communications Group; Chris Knopf, Mintz & Hoke Communications Group; Bill Field, Mintz & Hoke Communications Group; Sandra Escobar, Center for Consumer Information and Oversight (CCIIO); Amanda Cowley, CCIIO; Teresa Miller, CCIIO; Bob Carey, HES Advisors

The meeting of the Health Insurance Exchange Board of Directors was called to order at 9:03 a.m.

Call to Order and Introductions

Lieutenant Governor Nancy Wyman opened the meeting. The Board of Directors introduced themselves to the audience.

Review and Approval of Minutes

Lieutenant Governor Wyman requested that a motion be made to approve the draft minutes from the December 15, 2011 Board meeting. Cee Cee Woods made a motion to approve the minutes from the December 15, 2011 Board Meeting as presented. The motion was seconded by Grant Ritter. **Motion passed unanimously.**

Exchange Update

Tia Cintron introduced the Center for Consumer Information and Insurance Oversight (CCIIO) guests: Amanda Cowley (Acting Director, CCIIO State Exchanges Group), Sandra Escobar (State Officer for CT, CCIIO State Exchanges Group), and Teresa Miller (Policy Advisor, CCIIO Office of Health Insurance Exchanges). Tia introduced the Mintz & Hoke team: Bill Field (President), Andrew Wood (Senior Vice President, Director of Marketing), and Chris Knopf (Chief Executive Officer), and Bob Carey of HES Advisors. Tia also introduced David Smith as an Exchange in-house financial consultant from HES Advisors and David Harrington, in-house IT Project Manager consultant.

Consumer Outreach Vendor Presentation

Tia Cintron introduced Mintz & Hoke, a fully integrated advertising and communications firm with over 40 years of experience with insurers, healthcare providers, and social services. Mintz & Hoke will be focusing on engaging our community and our stakeholder partners. Bill Field of Mintz & Hoke provided an overview of their presentation to the Board ([Mintz & Hoke Presentation](#)).

Bill Field indicated that Mintz & Hoke has an inclusive and collaborative approach to gaining an understanding of the various stakeholder partners. Effective, sensitive, and inclusive are the three words that embody the work they will be doing. Market exploration is listening, questioning, and understanding and identifying partners to build consensus. Focus fast sessions are their proprietary strategic tool to set objectives for the program. Andrew Wood stated that strategic development is the build-out of the program's brand message. Creative concepts provide a framework for how the message will touch the various communities. Chris Knopf provided examples of past campaigns to which Mintz & Hoke has worked on.

Dr. Robert Scalettar questioned if the schedule of activities that Mintz & Hoke would be involved in would be public information; Bill Field stated that it would. Vicki Veltri questioned how Mintz & Hoke would reach the racial and cultural diversity in Connecticut. Chris Knopf indicated that the firm would get down to the neighborhood level to reach these constituents. Jeannette DeJesús questioned how the communications would reach out to the minority communities in Connecticut. Chris stated that Mintz & Hoke would start by meeting with the various community leaders. Chris indicated that communications would take place in various languages. Lt. Governor Wyman noted that it is very important to include the various stakeholders in the State.

Exchange Plan Draft

Tia Cintron provided an overview of the Exchange Plan Draft which was had sent to the Board prior to the meeting ([Exchange Plan Draft](#)). The basis of the report came primarily from Mercer's research and input from various stakeholders. After Board approval, the report will ultimately be presented to the Governor and General Assembly.

Bob Carey addressed the 10 questions laid out by federal statute. Components of the report are as follows:

- 1) Whether to establish two separate Exchanges, one for the individual health insurance market and one for the small employer health insurance market, or to establish a single Exchange;
- 2) Whether to merge the individual and small employer health insurance market;
- 3) Whether to revise the definition of "small employer" from not more than 50 employees to not more than 100 employees;
- 4) Whether to allow large employers to participate in the Exchange beginning in 2017;

- 5) Whether to require qualified health plans to provide the essential health benefits package, as described in Section 1302(a) of the Affordable Care Act, or include additional state mandated benefits;
- 6) Whether to list dental benefits separately on the Exchange's internet website where a qualified health plan includes dental benefits;
- 7) The relationship of the Exchange to insurance providers;
- 8) The capacity of the Exchange to award Navigator grants pursuant to section 9 of this act;
- 9) Ways to ensure that the Exchange is financially sustainable by 2015, as required by the Affordable Care Act including, but not limited to, assessments or user fees charged to carriers; and
- 10) Methods to independently evaluate consumers' experience, including, but not limited to, hiring consultants to act as secret shoppers.

The first recommendation is that Connecticut establish a single Exchange responsible for operating the SHOP and individual market Exchanges.

Lt. Governor Wyman noted that the Exchange would like the Board to review the Exchange Plan Draft and provide comments back to Tia Cintron by Friday, January 27, 2012.

Bob Carey discussed the health of the individual market in 2014. It is estimated that relative morbidity will increase by 12%. Risk selection issues need to be assessed. The recommendation is to hold off on making a decision on whether to merge the individual and small employer health insurance markets until the change in rules take effect.

Michael Devine questioned what the modeling for the cost basis is. Bob Carey indicated that Mercer's research showed the rates in individual markets increase in general by 12%. Bob Carey discussed the effect of an increasing penalty on individuals electing to acquire insurance.

Bob Carey indicated that the recommendation is that Connecticut maintains the current definition of small groups to 50 or fewer employees in 2014 and 2015. The State should also look at how the stop loss insurance carriers are acting in the market as well as what is the penetration of self funding groups in the mid-sized market.

Bob Carey noted that the recommendation is for the State to hold off on taking any action whether to allow large employers to participate in the Exchange beginning in 2017.

Bob Carey discussed the December Federal bulletin benchmark plans for Essential Health Benefits that came out after the Mercer report was done. States could include their own mandates in their Essential Health Benefits plan. The recommendation was made that the Exchange and the Department of Insurance need to make a decision by summer of 2012 as to what benefits should be included in the State's benchmark plan. Vicki Veltri remarked that an interagency task force is a good idea. Mary Ellen Breault indicated that the State would have the liability cost-wise for any additional mandates above what the Federal Essential Health Plan provides.

Bob Carey discussed whether to list dental benefits separately on the Exchange's internal web site. The recommendation is that Connecticut holds off on this decision until a review of the advantages and disadvantages of offering a stand-alone dental plan has been completed over the next several months. Considerations include whether the plans should be listed and priced separately, or should insurers have the option of offering a bundled health plan that includes a limited scope dental plan.

Bob Carey noted that the recommendation is that the Exchange will assist consumers applying for health coverage, determining the eligibility for subsidized healthcare, assessing options and facilitating enrollment. The Brokers, Agents and Navigators Advisory Committee will be tasked with determining how to best leverage the expertise of each party and define appropriate roles. This Committee will report back to the Board in late spring 2012. Based on their recommendations, the Exchange will develop the Navigator program and define roles for brokers and agents.

The Affordable Care Act requires Exchanges to be financially self-sustainable by 2015. Bob Carey indicated that the recommendation is the State needs further analysis on how to fund the Exchange. Preliminary recommendations that are based on the Mercer study are to retain a percentage of premiums on policies sold through an Exchange in order to support the administration and operations of the Connecticut Exchange. Based on budget estimates, an assessment of approximately 2.8% of premiums would be required to fund the operations of the Exchange.

The Consumer Experience and Outreach Advisory Committee will explore the issues related to the consumer experience. Vicki Veltri asked if the Consumer Experience and Outreach Advisory Committee could collaborate with the consumer outreach vendor. Tia Cintron stated that this integration is critical.

Tia Cintron stated that Mercer's final report would be provided today and will be posted on the website once it is received. Tia questioned on the Board on whether having comments back by January 27th was a realistic timeframe. Mickey Herbert felt it would be more manageable in that timeframe to provide feedback on the 10 recommendations provided rather than the full Mercer report. The Board agreed to provide comments on the recommendations by January 27th. These comments will be integrated into the final report.

Strategic Roadmap to State Certification

Tia Cintron announced that the State will apply for federal certification in summer/early fall 2012. Tia then introduced Amanda Cowley, CCIIO, who provided a broad overview of what is required by the State in order to meet deadlines and become certified by January 1, 2013. Certification by the US Secretary of Health and Human Services affirms that the State-based Exchange meets federal standards and will be ready to offer healthcare coverage on January 1, 2014. Amanda emphasized the timing of the Establishment Grant and the operational build expectancies. Amanda also emphasized partnering and collaborating for reuse with other states that are establishing exchanges. Certification of qualified health plans is very important and this would need to be coordinated with the Department of Insurance. Risk adjustment, reinsurance, and risk corridors play a key role in financial management. Operational readiness areas include consumer functions, process for certification of qualified health plans and plan management, SHOP policies and program components defined, state program integrations, eligibility and enrollment policies and processed defined, financial management, and reporting ([Strategic Roadmap to State Certification Presentation](#)).

Lieutenant Governor Wyman requested to know if any states are not establishing a health insurance exchange. Arkansas has officially announced it will not do a state exchange but will partner with the federal government. Michael Devine questioned how Connecticut was doing in the process of establishing its Exchange. Amanda Cowley stated Connecticut has a number of important criteria in place, including establishing legal authority and governance body, consultants in place, political support, and strong compliant legislation. The challenge for Connecticut is building a timely operational structure to meet business requirement goals and test systems. March 2012 is the deadline for the Level Two grant application.

Advisory Committees

Tia Cintron provided an overview of the Advisory Committees which are recommended for the purpose of soliciting input from stakeholders. Advisory Committees are non-voting bodies composed of several Board members and a variety of stakeholders selected by the Board to represent a broad array of interest in Connecticut. Each Advisory Committee is co-chaired by a Board member, as well as an external stakeholder.

The Advisory Committees and recommended Board membership are as follows:

Health Plan Benefits and Qualifications: Co-Chair Jeannette DeJesús, Dr. Robert Scalettar, Mary Fox, Robert Tessier, Mary Ellen Breault, Commissioner Mullen

Small Business Health Options Program (SHOP): Co-Chair Mary Ellen Breault, Michael Devine, Grant Ritter

Consumer Experience and Outreach: Co-Chair Vicki Veltri, Dr. Robert Scalettar, Cee Cee Woods, Commissioner Mullen

Brokers, Agents and Navigators: Co-Chair Mickey Herbert, Secretary Benjamin Barnes

It is recommended that stakeholders who are interested in participation on an Advisory Committee submit a nomination for the Exchange by February 3, 2012. Information will be provided on the website and nomination forms should be submitted to Amy Tibor. After the February 3rd nomination deadline, Lt. Governor Wyman will select a stakeholder co-chair for each Committee as appropriate. When that selection has been finalized, the two co-chairs will select the stakeholder membership from the nominations received for their Committee with the commitment to ensure a broad-based, diverse representation. Each Advisory Committee membership will total no more than 15 members and will be formalized during the February 2012 Exchange Board of Directors meeting.

A motion was made by Dr. Robert Scalettar to have the Board approve the establishment of Advisory Committees, the Board of Directors Advisory Committees membership, and the nomination process of additional stakeholders. The motion was seconded. **Motion passed unanimously.**

Bylaws and HR Policies

Deputy Secretary Karen Buffkin provided a review of the Bylaws which had previously been distributed to the Board. Karen noted that it is recommended to establish an Audit Committee, Finance Committee, and a Human Resources Committee and any other advisory or ad hoc committees as appropriate. Lt. Governor Wyman stated that the Board will vote on the Bylaws and HR Policies at a Special Meeting on January 27, 2012.

Human Resources policies were provided to the Board. Karen Buffkin stated that these policies included the Ethics Policy, Discipline and Termination Policy, Employee Handbook, and General Personnel Rules and Procedures. Karen noted that the Procurement Policies are in development. She offered to set up a conference call with outside counsel to review any policy questions as the Board felt necessary.

Secretary Benjamin Barnes noted that several contracts for personal services were entered into by OPM serving as an interim measure as funds were spent to generate activities for the Health Insurance Exchange. Secretary Barnes made a motion to have the Acting CEO be granted the authority for the next 3 month period to enter into contracts for personal services and accept and extend contracts for the benefit of the

Exchange up to a maximum of \$500,000. Michael Devine seconded the motion. **Motion passed unanimously.**

Exchange Administrative Budget

Tia Cintron provided an overview of the administrative budget which had been distributed to the Board prior to the meeting. Reallocation of funds are needed to cover the \$1.21M cost of professional services for consumer outreach research (Mintz & Hoke), Advisory Committee research and policy recommendations, executive recruitment efforts, and general Exchange program development including internal and external consultants.

A motion was made by Secretary Barnes to approve the reallocation of the \$1.21M cost in the Exchange Administrative Budget as presented. The motion was seconded by Mickey Herbert. **Motion passed unanimously.**

Personnel Committee Update

Tia Cintron provided an update on the search firm selection. Tia announced that Fitzgerald Associates has been selected by the Personnel Search Committee to assist the Exchange in recruiting its initial leadership. Tia introduced Geoff Fitzgerald of Fitzgerald Associates who was in the audience.

Lieutenant Governor Wyman announced that Secretary Barnes is stepping down from the Personnel Search Committee and as its co-chair. The Lt. Governor introduced Mary Ellen Breault as a new member to the Personnel Search Committee and also announced that Mary Fox has replaced Secretary Barnes as co-chair.

Next Steps

A Special Board Meeting will take place on January 27, 2012. Advisory Committees will be set up. Level Two Establishment grant work will commence. Tia Cintron will work closely with Fitzgerald Associates on recruitment efforts. Meetings with Mintz & Hoke will take place regarding their initial work plan. Work will commence on the application submission to CCIIO. Tia announced that subcommittees will also be established over the next several weeks. Tia thanked CCIIO for their support of the State's Exchange efforts.

Jeannette DeJesús requested to have some guidance on how the Board can participate with the next grant application process. Tia Cintron indicated that she would provide guidance on this.

Adjournment

Lieutenant Governor Wyman requested a motion to adjourn the meeting. Scalettar made the motion to adjourn the meeting at 11:48 a.m. The motion was seconded by Jeannette DeJesús. **Motion passed unanimously.**