



STATE OF CONNECTICUT
LIEUTENANT GOVERNOR NANCY WYMAN

Connecticut Health Insurance Exchange
Board of Directors Regular Meeting

Legislative Office Building
300 Capitol Avenue, Room 1A, Hartford, CT

Thursday, December 20, 2012

DRAFT Meeting Minutes

Members Present:

Jeannette DeJesús (Vice-Chair) Office of Health Reform & Innovation; Grant Ritter; Dr. Robert Scalettar; Mary Fox, Cee Cee Woods; Vicki Veltri, Office of the Healthcare Advocate; Secretary Benjamin Barnes, Office of Policy and Management (OPM); Commissioner Roderick L. Bremby, Department of Social Services (DSS); Deputy Commissioner Anne Melissa Dowling, CT Insurance Department (CID)

Members by Telephone: Grant Ritter

Members Absent: Lt. Governor Nancy Wyman; Dr. Jewel Mullen; Robert Tessier (Excused); Michael Devine

Other Participants:

Health Insurance Exchange (HIX) Staff: Kevin Counihan, Jason Madrak, Julie Lyons, Grant Porter, Jim Wadleigh, Peter Van Loon, Danielle Williams David Lynch, Virginia Lamb

The meeting of the Health Insurance Exchange Board of Directors was called to order at 9:01 a.m.

I. Call to Order and Introductions

Vice-Chair DeJesús called the meeting to order at 9:01 a.m.

Vice-Chair Jeannette DeJesús requested a moment of silence in honor of Newtown.

II. Amendments to Agenda

Vice-Chair DeJesús requested a motion to alter the agenda to incorporate the following changes: remove item VI: Policies for Adoption and item X: Essential Health Benefits and add a new item: IX, an Executive Session to discuss a Personnel issue. Motion made by Vicki Veltri and seconded by Cee Cee Woods. ***Motion passed unanimously.***

Vice-Chair DeJesús requested a motion to change the following agenda item: item XI, change Executive Session to discuss Employee Benefits Refinements to an Open Session. Motion made by Mary Fox and seconded by Commissioner Bremby. ***Motion passed unanimously.***

III. Public Comment

Sheldon Taubman presented a public comment.

IV. Review and Approval of Minutes

Vice-Chair DeJesús requested a motion to approve the minutes from the November 29, 2012 meeting. Motion was made by Vicki Veltri and seconded by Dr. Robert Scalettar. ***Motion passed unanimously.***

Cee Cee Woods asked that Robert Tessier's absence be marked as excused due to his medical leave and noted that the Exchange should distinguish between excused and unexcused absences. Vice-Chair DeJesús noted that the minutes were accepted with the intention to look at how Mr. Tessier's absence can be reflected more accurately.

V. CEO Report

Kevin Counihan, CEO, reported that the Exchange was notified earlier in December that Connecticut was one of six states being granted conditional approval. CCIIO also considers Connecticut one of its three best practice states. Two leading health policy academics, Tim Jost and Mark Hall, follow Connecticut's progress and Connecticut is the only state exchange being followed nationally by Blumberg News. The Exchange has identified its Call Center vendor. Key evaluation criteria included demonstration that the selected vendor would be customer focused, patient and empathetic, well trained and consultative and committed to customer satisfaction. The Exchange completed its seventh Healthy Chat. The public's biggest and recurrent theme is healthcare affordability.

The healthcare marketplace continues to evolve. Following CCIIO rules, the Board selected as the Exchange's Benchmark plan, a plan that was very competitive in the market a year ago. It is not competitive today and is not currently offered. States are left to define the Benchmark plan until 2016 but in doing so must follow HHS guidance. Mr. Counihan spoke with Kevin Galvin about the idea of approaching HHS with other states about the need to make more relevant the Benchmark plan. Following that discussion, Exchange staff would like to be able to come back to the Board with possible solutions to make the Exchange's benchmark plan more market competitive.

VI. Operations Update

Peter Van Loon, COO, reported that numerous policy and technical issues have been addressed over the last few weeks. In late November, 800 pages of proposed rules and regulations were issued by CMS. These rules were reviewed to identify opportunities and challenges for the Exchange. In addition to benefit design, wellness issues, risk adjustment and reinsurance were addressed by the proposed rules and regulations. The single streamlined application was received. This is being incorporated in our technology work. Standard plan design is now being addressed by the Exchange with robust committee and public input. The operating model is continuing to be developed. The Exchange is working closely with the Department of Social Services (DSS) and the Connecticut Insurance Department (CID). Mr. Van Loon thanked Kristin Dowty, Lou Polzella and Mary Ellen Breault for their efforts. Their input is invaluable and ongoing. In addition, healthcare advocates Claudia Epright and Arlene Murphy and the Advisory Committees are working closely with the Exchange on design confirmations. Plan management is transitioning from the planning to implemented stage. Mr. Van Loon reviewed the Integrated Eligibility Project Management (IE PMO) Dashboard as of December 17, 2012. The meeting with CCIIO previously scheduled for January will now take place in mid-February. Procurements have progressed. The SHOP RFP has now been issued as has the QHP solicitation. Progress also continues on the Call Center. On the BEST portion of the Dashboard, software and hardware have been identified.

With regard to risks and issues, there have been no issues to date. An issue is an area of highest concern. Some risks have been added specifically around plan management as the Exchange moves from strategy to implementation. The Exchange's process for engaging the carriers needs to be addressed. The System for Electronic Rate and Form Filing (SERFF) is being developed by NAIC. Use of SERFF will keep the Exchange from requiring redundant capabilities or requirements from carriers or others. But there is a concern that SERFF will not be in place in March and the Exchange will need to develop a backup. A risk related to SHOP has been deleted from the dashboard. Other risks are currently being addressed.

Dr. Scalettar requested an update of the resubmission of the in-person assister grant. Jason Madrak stated the application is due to CMS December 28, 2012 but the Exchange plans to submit December 21, 2012.

Jim Wadleigh provided an IT update. The Exchange is currently tracking to the agreed upon delivery dates to each of the life cycle phases. The last month and a half to two months have been spent in design review and confirmation sessions. The process involves staff of the Exchange, DSS and KPMG confirming the business requirements and technical requirements for integration, with Deloitte's staff. Members from the Consumer Experience & Outreach Advisory Committee remain actively engaged in many of the Design Review and Confirmation sessions. Their focus has been on the eligibility process and the comparison shopping process. Their goal is making the process more responsive to consumer needs. Other areas of concentration include indentifying reporting needs and how to streamline and deliver information as accurately and succinctly as possible. The system must provide integration points with many state agencies to validate eligibility. Those state agencies include, but are not limited to the Departments of Labor, Corrections, Social Services, the Office of the Health Care Advocate and the Department of Motor Vehicles. Designs from the

Federal Data Hub, Social Security and Homeland Security are also being reviewed for integration. A critical design issue is how best to make data real time. The Exchange also needs to determine what data needs to be available real time and how that data will be presented back to the Exchange's customers. SHOP and Call Center integration is also being reviewed.

At the same time, the development environment has been set up. Deloitte is working on construction taking wire frames. These wire frames have had feedback and will start generating screens. The expectation is that in early January that feedback will come back. Connecticut has received the State of Washington's source code. Mr. Wadleigh explained that source code is normally not shared in private industry. This information is considered proprietary. But both states are working under federal contract and these federal contracts require sharing of IT information. Washington's source code should help expedite the Exchange's design process as Washington State is a few weeks ahead of Connecticut. Both states are employing Deloitte as their systems integrator. This should also help to facilitate the design process, since Deloitte's two design teams are now collaborating with each other.

Commissioner Bremby elaborated on additional synergies between the two states. Twenty years ago, a group from Washington State came to Connecticut to review Connecticut's Eligibility Management System (EMS) since they were using a system similar to Connecticut's. The Department of Social services business process is built on a 40 year old system. The State of Washington made updates to their system 8 - 10 years ago. Deloitte made those updates. Our re-engineering work will be similar. The synergy is remarkable and efficient now that the teams supporting the two states can work together.

Secretary Barnes asked whether this would result in any contract savings with Deloitte. Mr. Wadleigh responded that the Exchange has not gotten to the point where there is any net effect but that Deloitte is aware that there will be a conversation on this topic. Mr. Wadleigh also noted that the Exchange continuously monitors a list of items called change controls. Commissioner Bremby noted that there is another set of lenses watching the costs for this project. CMS will not allow duplicate reimbursement to both states for the same body of work. Mr. Wadleigh noted that CMS had pushed for Washington State to give Connecticut their code.

Julie Lyons, Director of Plan Management, provided the update for plan management. Plan management is responsible for credentialing and certifying the qualified health plans for implementation. Carriers must agree to the criteria and contractual terms required by the Exchange. The Exchange, in turn, will allow the carrier's plan to be offered on the Exchange. The Exchange's goal is to offer a variety of competitive individual and small group products on the Exchange. The Exchange hopes to contract with the majority of carriers currently in the state as well as with new market entrants such as HealthyCT. The credentialing process will ensure that a Qualified Health Plan (QHP) meets the minimum standards outlined by Federal rules and the additional criteria adopted by the Exchange's Board. Plan Management supports the workflow of the carriers, the Connecticut Insurance Department (CID) and the Exchange's integration activities. The process will also serve as a documentation tool to support the account management function between the Exchange and the carriers. Account management monitors the carriers for compliance with the criteria using both quality and performance metrics.

A timeline was presented including screen flow and content for the first year of operations. Exchange staff are collaborating with CID staff on state law, federal requirements, cost sharing limitations and discriminatory benefit plans. Once a plan is ready for consumer purchase, it will be made available through the Exchange's public portal and presented in a way to facilitate simple

comparison of benefits among plans. The Exchange will begin monitoring quality and performance metrics on the carriers once the plans are offered. The plan management timeline for these activities was reviewed.

Mary Fox asked whether a template of the QHP criteria has been developed with regard to innovative products. Mr. Counihan responded that recommendations for these criteria were going to be presented to the Strategy sub-committee first. Ms. Fox added that as processes are adopted, there must be continued broad thinking. Ms. DeJesús recommended looking into how the All Payers Claims Database would be addressed in the future. Ms. Veltri noted that innovation really should be reflected in the scoring of carrier proposals as QHPs. Mr. Counihan stated that narratives will be requested from the plans with respect to innovations to promote affordability, quality and value. Establishing the criteria to evaluate the narratives will be the Exchange's next step with the Strategy sub-committee.

David Lynch, Senior Planning Associate, provided an update on selection of a vendor for the Call Center. This is an extremely important procurement for the Exchange because the Call Center will be the Exchange's public face. Mr. Lynch also thanked Commissioner Bremby for staff member, Kristin Dowty's assistance, throughout this process. A small review committee of approximately four to five people from the Exchange and DSS was formed to review the seven proposals to the Call Center solicitation. In future procurement, the diversity of the review committee will be broadened, perhaps by the addition of a member from the Consumer Advisory Committee. The Call Center procurement led to the Exchange's website being revised to add a separate tab for procurement. The review committee followed a detailed scoring sheet in rating the proposals. Targeted sections of the proposal were reviewed and assessments provided as to whether that section was covered adequately and strongly. Review concentrated on costs, organizational capabilities, staffing and technical capabilities as well as security and governance. Each reviewer separately scored each proposal. Scores were totaled. Two finalists were invited to appear before the committee for oral presentations. On site visits were also conducted at both potential vendors before final selection. The Exchange is currently in contract negotiations with the selected vendor. An announcement is expected to be made shortly.

Mr. Lynch next presented an update for the Small Employer Health Options Program (SHOP) procurement. The SHOP RFP was issued on December 17, 2012. Vendor responses are due January 22, 2013. Finalist presentations should begin on February 5th. The award will take place on or about February 15, 2013. Grant Ritter was thanked for his assistance in providing resources from his Committee for review of the SHOP RFP.

VII. Tribal Consultation Policy

Grant Porter reported that developing the Tribal Consultation policy will be an ongoing process. The 30 day public comment period closed on November 30, 2012 for the Tribal Consultation policy approved at the October 18, 2012 Board meeting. The Exchange received written comments from the tribes and has incorporated many of these comments in the final policy that is now ready to be adopted. This policy will next go to the tribes for their consideration.

Vice-Chair DeJesús requested a motion to adopt the Tribal Consultation Policy as revised by Exchange Staff to incorporate the comments of the Mohegan Indian Tribe of Connecticut and the Mashantucket Pequot Tribal Nation. Motion made by Secretary Barnes and seconded by Dr. Scalettar. ***Motion passed unanimously.***

VIII. HealthyChat Update

Cee Cee Woods provided an update on the HealthyChat events stating that they were diverse, well attended, interactive and the staff was very well prepared. Ms. Woods stated that cost, affordability and how to apply were recurrent themes. Specific questions centered on coverage, start dates, how to apply, the effect on Medicaid, and the fear that some may lose Medicaid coverage. Attendees were very interested in what they may end up paying. Single payer came up. Mandates also came up. Some communities were very engaged and brought forward their own philosophies. Participation was a gratifying experience. There need to be more chats in smaller communities. People did show up and they did engage. Attendees were diverse. Ms. Woods thanked the staff for their hard work in organizing the chats.

Danielle Williams, Consumer Outreach and Engagement Manager, provided a further update. The initial HealthyChat locations were based on the percentages of uninsured. There were approximately 700 to 800 attendees total. Ms. Williams thanked the Board members who served as panelists. In addition to affordability, rate negotiation was of interest. Active purchasing is being used as a synonym for rate negotiation. People were also concerned whether this will be government run healthcare. This concern should be kept in our minds as decisions are made. Attendees did their homework. A take away was that the Exchange needs to allay the fears and concerns of consumers. This will require a community effort to inform residents about the work the Exchange is doing. Future chats will take place in the first quarter of 2013. At that the Exchange will try to reach out to smaller cities and towns.

Vice-Chair DeJesús asked what percentage of attendees were uninsured? Ms. Williams responded that that information is not available. Many attendees reported paying for their own insurance either because they were small business owners, or self-employed or had lost their jobs. Vice-Chair DeJesús asked that close attention be paid to those who are attending the chats and are uninsured.

Dr. Scalettar thanked the staff and community experts who were panelists and suggested that information learned from the chats should be incorporated onto the Exchange website. In addition, Dr. Scalettar suggested that elected officials both local and those representing the state in Washington be invited to attend. Their participation might also increase community participation.

Secretary Barnes asked whether the attendees had a long history of activism on healthcare issues or were newly engaged because of the Affordable Care Act? Ms. Williams responded that a large percentage were newly engaged. Ms. Williams also reported that many personal experiences and tragic stories were heard. We are seeing a new wave of activism. The Exchange will be sending out a survey to all attendees. A question could be asked whether they currently have insurance in addition to questions about how they are they getting their information. There is a lot of misinformation out there.

Commissioner Bremby requested additional information on tax credits and the extent to which small business owners are aware of these credits. Ms. Williams responded that there needs to be more education on this topic. Small business owners are not necessarily aware of all tax credits available to them. Commissioner Bremby asked whether there was a network of accountants or CPAs that could help inform small business? Mr. Counihan reported that the Exchange plans to provide training to the Connecticut Society of CPAs on these issues. Knowledge about the tax credits is a national problem even though the tax credits have been available since 2010.

IX. Advisory Committee Updates

Ms. Veltri indicated that since a SHOP update was previously provided, no further update was required.

Anne Melissa Dowling, Co-Chair of the Health Plan Benefit and Qualifications Advisory Committee provided an update of the activities of the committee. Deputy Commissioner Dowling also noted that the joint meetings of the Health Plan Benefit and Qualifications and Consumer Experience and Outreach Advisory Committees were a very good idea. The Committees shared the same goals of access and affordability. Committee meetings have been very robust. The timeframes for consideration are minuscule but the need continues to hear every possible idea and work together. Changes on earlier federal regulations presented the opportunity to reduce costs by reducing the Essential Health Benefits. This idea was considered but dismissed by the Committees.

Ms. Veltri agreed with Ms. Dowling's assessment of the meetings. Products need to be affordable and of value to citizens. Everybody is participating in after work conference calls and there is a clear sense that members want to engage to drive affordability. Committee members have been active and willing to participate even in smaller subgroups to develop opportunities on affordability in short order. Ms. Veltri thanked members for their participation.

Commissioner Bremby commented that there is a fundamental gap between belief and knowledge. If there are technical resources to model our beliefs so that we can act on knowledge, the Exchange will be in a better place its or products. Ms. Veltri concurred noting that the more information is available, the better the chance of reaching consensus on issues. Ms. Dowling offered that with regard to rates in 2014, the Connecticut Insurance Department (CID) would be happy to take the Board and Advisory Committees through the process. CID would also be willing to provide a rate review 101 to explain how rates are reviewed, their components and how responses are constructed. CID staff would also be happy to further review the material sent to the Advisory Committees at the beginning of the week.

Vice-Chair DeJesús commented that in the previous week a lot of questions circulated about decisions that appeared to have been made by the Exchange. It is important to understand that the Exchange is not a sovereign entity that functions above state and federal law. The public must understand that the Exchange is still subject to Connecticut laws with regard to providers and reimbursement. With regard to access, there has not been enough conversation about access -- financial, geographic, services.

Mr. Counihan introduced Kelly Shane, Exchange staff member. Mr. Counihan also thanked Vice-Chair DeJesús for her service to the Board and for her healthcare reform efforts and wished her well in her next career.

X. Executive Session – Personnel Issue

Vice-Chair DeJesús requested a motion to move the Board to Executive Session under CGS 1-200(6)(a) to discuss a personnel issue. Motion was made by Commissioner Bremby. Seconded by Mary Fox. ***Motion passed unanimously.***

Executive Session began at 10:33 a.m.

Attendees included:

**Bettye Jo Pakulis, Bette Jenak, Virginia Lamb, Kevin Counihan, and Steve Sigal
Jeannette DeJesús, Dr. Robert Scalettar, Mary Fox, Cee Cee Woods, Anne Melissa Dowling, Vicki
Veltri, Benjamin Barnes and Roderick Bremby**

Secretary Barnes moved to end the Executive Session and return to the Open Meeting. Motion was seconded by Vicki Veltri and passed unanimously. Executive Session ended at 10:55 a.m.

XI. Post Executive Session Vote

Open Meeting resumed at 11:00 a.m.

Attendees included:

**Jeannette DeJesús, Dr. Robert Scalettar, Mary Fox, Cee Cee Woods, Vicki Veltri, Benjamin Barnes
and Roderick Bremby**

Vice-Chair DeJesús requested a motion to reclassify the position of Director of Marketing to Chief Marketing Officer. Motion was made by Mary Fox and seconded by Dr. Scalettar. ***Motion passed unanimously.***

Secretary Barnes commented that this is an appropriate reflection of the importance of the marketing function to the Exchange's success. Mr. Counihan congratulated Jason Madrak on his new title of Chief Marketing Officer.

XII. Open Session to Discuss Employee Health Benefits

Mr. Counihan reported that the Exchange's employee benefits are presenting a challenge to recruiting staff. This challenge will increase as the Exchange seeks to add IT professionals. This problem was discussed with the Lt. Governor, who requested that the Exchange hire an expert in employee benefits to evaluate the Exchange's benefits relative to those of the state's other quasi-public agencies. The Exchange received proposals from three qualified firms. Mr. Counihan, Steve Sigal, Virginia Lamb and Bette Jenak met and selected KardasLarson to perform the evaluation. Their report is being presented to the Board for consideration.

Mr. Sigal continued with the discussion noting that the KardasLarson report was earlier shared with the Human Resources' subcommittee. Their conclusion after reviewing the Exchange's competitive position was that the Exchange should be allowed flexibility in procuring the remaining benefits that are required to develop a competitive program. Mr. Sigal reported that the benefit package recommended by KardasLarson moved the Exchange closer to being on par with other quasi agencies.

Anne Melissa Dowling returned at 11:08 a.m.

Although KardasLarson's final recommendation did not reach the average benefit standard of the other quasi agencies, the recommendation was competitive with private market standards. Mr. Sigal noted that the current benefits in force use about one-half of the Exchange's budgeted costs for fringe benefits. The Human Resources Committee suggested that the Exchange be allowed to

procure benefits beyond what are currently in place. The qualification was that the Exchange could not spend more than the remaining budget to procure these additional benefits. Mr. Sigal reported that the Exchange staff believes these benefits can be obtained within the budgeted dollars.

Vice-Chair DeJesús requested a motion to authorize the Exchange CEO to modify the Employee Benefit Program as required to respond to market needs so long as program costs do not exceed the Exchange's approved budget for employee fringe benefits. Motion made by Mary Fox and seconded by Benjamin Barnes. ***Motion passed unanimously.***

Secretary Barnes pointed out that the fringe benefit rate for Exchange employees will still be less than half that of State employees and the Board had adopted a reasonable and cost effective approach to give the staff the ability to provide the best benefit program within budget limits.

XIII. Adjournment

Vice-Chair DeJesús requested a motion to adjourn. Motion made by Dr. Scalettar and seconded by Mary Fox. ***Motion passed unanimously. The meeting adjourned at 11:11 a.m.***

***The next Board Meeting will take place on January 17, 2013 at 9:00 a.m.
at the Legislative Office Building.***

[Agenda](#)

[Presentation](#)

[Tribal Consultation Policy - Final](#)