

Pennsylvania Health Insurance Exchange Authority d/b/a Pennie™  
BOARD of DIRECTORS' MEETING MINUTES

**Date:** October 21, 2021  
**Time:** 12:00 PM  
**Location:** Microsoft Teams meeting

- **Preliminary Matters**

- **Call to Order**

- **Roll Call**

- Commissioner Jessica Altman, Pennsylvania Insurance Department (Chair) - Present
- Sheryl Kashuba, University of Pittsburgh Medical Center Health Plan (Vice Chair) - Present
- Alison Beam, Acting Secretary, Department of Health
  - **Megan Barbour as designee** - Present
- Jessica Brooks, Pittsburgh Business Group on Health - Present
- Frank Fernandez, Capital Blue Cross - Present
- Antoinette Kraus, Pennsylvania Health Access Network - Present
- Laval Miller-Wilson, PA Health Law Project - Present
- Alexis Miller, Highmark – Present
- Paula Sunshine, Independence Blue Cross - Present
- Meg Snead, Secretary, Department of Human Services
  - **Cathy Buhrig as designee** - Present
- Tia Whitaker, Pennsylvania Association of Community Health Centers - Present

- **Minutes**

- **Motion:** To adopt the minutes of the August 19, 2021 Meeting of the PHIEA Board of Directors.
  - Motion: Frank Fernandez
  - Second: Sheryl Kashuba
  - Board Decision: Unanimous (9-0)
  - **Note:** Jessica Brooks and Laval Miller-Wilson joined the meeting after this motion.

- **The floor was opened for public comments, of which there were none.**

- **Administrative Matters**

- Board to consider the 2022 Meeting calendar before December meeting.
- The Board has been flexible on being available when a special meeting has been necessary. If there is a recognition that things come up and Pennie™ may need Board decisions off-schedule, the current bi-monthly meeting schedule is acceptable.

- **Calendar Year 2022 Budget Review**

- Discussed impact created by the American Rescue Plan Act (ARPA) on enrollment, revenue, and the reinsurance plan. Pennie is in a strong financial position for this year and the next year. The over performance of revenue and the obligations toward reinsurance are lower than anticipated. Pennie is under budget even with fully funding the impacts of the reinsurance program.
- The Board was provided a status overview of the Federal Funding Request and was provided a review of the 2021 Budget Expenditures as of the November meeting. It is anticipated that Pennie will be approximately \$850,000 under budget at the close of the year.

- The Board was provided with the Proposed Budget for calendar year 2022, including a breakdown for the overall increase of \$2.1 million.
  - Pennie had increased Contact Center costs in 2021. Pennie has a fixed-price contract for services with GetInsured up to a certain number of customers. Given the unique nature of the year, Pennie paid them additional Contact Center costs for four months amounting to roughly \$1 million for the Covid-19 enrollment period.
  - Pennie is putting in a \$2 million contingency for the possibility of new problematic things that will be out of the fixed-price obligation or if enrollment would exceed the fixed-price threshold of 390,000 customers. Pennie is aware of certain things in 2022 that could result in higher off-cycle enrollment than normal. The biggest being the end of the emergency order that could result in people being unenrolled from Medicaid and coming over to Pennie.
  - Pennie specified that longer hours during OE are part of the base contract. The increase in the Contact Center budget is above the scope of that base contract.
  - At the end of the Public Health Emergency (PHE), Centers for Medicare and Medicaid Services (CMS) is requiring a redetermination of individuals who have remained open during the PHE. Once completed, an eligibility determination will be conducted. If they are determined to be no longer eligible for Medical Assistance (MA), they will be automatically referred to Pennie. The hope is that the majority of outreach can be handled with this process. Department of Human Services (DHS) plans a focused and large outreach and social media campaign to ensure people respond to the information request. The determination information will be provided to Pennie within hours of completion.
    - Pennie and DHS will be partnering on the outreach to those converting to Pennie. There will hopefully be several cases that will not have a premium because they will be coming in under 150% of Federal Poverty Level (FPL) and will have received expanded ARPA subsidies. For those who will have to go from no premium payment to now having one. A contingency can be put in place to account for the end of PHE and building up the outreach for that. Pennie is in a financial position to allow for putting extra towards that effort.
    - Pennie proposes adding \$500,000 to \$1 million that will be allocated for this contingency, to be used as needed.
    - DHS last calculated 400,000 to 420,000 individuals kept open due to PHE. These individuals fall into different categories that may or may not still qualify them for Medicaid. More will be known once the reviews have been completed. Information will be provided to Pennie as it becomes available.
    - The Board was asked considering what amount should be allocated for this contingency as the meeting continued and to be prepared to conclude the conversation at the conclusion of the budget presentation.
- The Board discussed Enrollment and Revenue Projections and an estimate financial overview.
  - There was a material jump in average membership causing a substantial increase in user fee revenue. The bulk of the revenue coming in is not on premiums increasing but having more members throughout the year. Pennie is 29% higher on renewals this year compared to last year. Enrollment stayed steady in the early months and then increased. The expectation around enrollment for 2022 is on average it will considerably higher than 2021.
  - The statewide average rate change, which is weighted, is 0.2% this year. Premiums will be generally level. The statewide average rate change does not capture the impact of the reinsurance program since it is baked into the prior year. That program continues to hit its mark and premiums this year are 5.5% lower than they would be without the reinsurance program.
  - Various market impacts have caused the reinsurance amount to go from \$20 million in 2021 to \$40 million in 2022. The estimates are set six months before the plan year where claims accrue and almost two years before paying claims. This past year, the reinsurance program's parameters were set before knowing about the Covid-19 Special Enrollment Period (SEP) and the ARPA. Even

though the reinsurance program was more expensive this past year with those events, Pennie received additional funds from the Federal Government, which reduced Pennie's contributions since the parameters were already set. The 2022 number is closer to what can be expected on a normal basis.

- At the conclusion of the discussion, the Board resumed its discussion of the amount of contingency to be added for the end of the PHE.
  - Pennie assumed with the budget that out of OE, there would be outreach and advertising efforts needed around general SEP and the end of the PHE.
  - Contingency funds can only exist if we have the resources to pay for them. Pennie's revenue is tied to the most conservative enrollment estimate that could be made. Should enrollment come in under that estimate, all assumptions would have to be readjusted, including the contingency amount.
  - The expectation is that the contingency dollars would only be used if needed. If the PHE were extended, the dollars would not be used.
  - Commissioner Altman proposed an amount of \$750,000. Laval Miller-Wilson suggested going with the \$1 million, recognizing that it is a contingency, and it is to be used with discretion. These funds should be used to overcome any negative connotations people may have from past Marketplace experiences. Tia Whitaker and Antionette Kraus agreed with Laval.
  
- **Motion:** To adopt the proposed budget, as presented by staff, with the addition of a \$1 million contingency for outreach and enrollment around the end of the Federal Public Health Emergency and the maintenance of effort, for calendar year 2022.
  - Motion: Laval Miller-Wilson
  - Second: Antoinette Kraus
  - Board Decision: Unanimous (10-0)
  - **Note:** Jessica Brooks joined the meeting after this motion.
  
- **150% Federal Poverty Level SEP**
  - Staff presented a summary of the Low-Income SEP.
  - Under federal regulations, new enrollees can enroll in any metal-level plan. Current enrollees are restricted to silver metal level plans in accordance with finalized rule.
  - The applicable premium percentage is set at 0% for 150% FPL due to ARP. The Essential Health Benefits (EHB) portion of the silver-level plan premium is \$0. If non-EHB are offered, the premium can be a few dollars to cover the non-EHB portion. This group is afforded the opportunity to enroll with maximum levels of cost-sharing reductions.
  - **Motion:** To adopt the federal SEP as finalized in the 2022 Notice of Benefit and Payment parameters for low-income individuals and dependents with household incomes that do not exceed 150% of the federal poverty level.
    - Motion: Paula Sunshine
    - Second: Antionette Kraus
    - Board Decision: Unanimous (11-0)
  
- **Easy Enrollment Program Update**
  - Staff provided an update on the Easy Enrollment Program and a tentative timeline for execution. Notably, if authorized by a taxpayer, the Department of Revenue (DOR) will transfer taxpayer information to Pennie for outreach purposes.
  - With that information, Pennie will be able to assess eligibility for Medical Assistance (including Medicaid and the Children's Health Insurance Program), as well as for assistance through Pennie.

- There will be a system-generated notice sent from Pennie containing all information as a way for an individual to claim their account on Pennie, get access to eligible benefits, and information about the special enrollment period for which they will qualify. Customers can provide their email address and give consent to receive this information electronically.
- **Motion:** To authorize Pennie staff to take the necessary steps to create a sixty (60) day special enrollment period allowing those taxpayers who expressed interest in obtaining insurance through Pennie's Easy Enrollment Program to purchase insurance.
  - Motion: Antoinette Kraus
  - Second: Laval Miller-Wilson
  - Board Decision: Unanimous (11-0)
- **Final Binder Payment Policy**
  - Staff discussed the development of the Binder Payment Policy and presented the final policy proposal.
  - A carrier can choose to remain consistent with their approach to non-binder payments. Pennie does not have the authority to require a non-binder payment policy. The introduction of this policy is specifically for binder payments only.
  - **Motion:** Establish a binder payment policy for the 2023 plan certification process that sets the maximum payment threshold at 99% of the monthly premium to effectuate coverage.
    - Motion: Alexis Miller
    - Second: Frank Fernandez
    - Board Decision: Unanimous (11-0)
- **2022 Open Enrollment Status Update**
  - The Board was presented with an updated timeline of events, the open enrollment period auto-renewal process, and technical updates for 2022.
  - The Board was provided an update on the communications and marketing plans.
- **Executive Session**
  - An executive session was held to discuss personnel matters and reviewing legally privileged or confidential matters, as allowed in an executive session.
- **Creation of a Subcommittee**
  - **Motion:** To create a personnel subcommittee of the Board that will be directed to oversee the performance management and compensation of the executive director. The subcommittee shall be authorized to and can act on behalf of the Board with regard to the creation of a performance evaluation mechanism and the executive director's compensation. Because the subcommittee will have the authority to act on behalf of the Board, it will be required to comply with the Pennsylvania Sunshine Act and all other applicable law.
    - Motion: Paula Sunshine
    - Second: Tia Whitaker
    - Board Decision: Unanimous (11-0)
- **Meeting adjourned at approximately 2:57 pm.**