

Pennsylvania Health Insurance Exchange Authority – Board of Directors Meeting

November 4, 2019



Pennsylvania Health Insurance Exchange Authority



Meeting Agenda

1. Preliminary Matters
2. Discussion of Proposed Bylaws
3. 2020 & 2021 Budget Overview
4. Technology Platform and Customer Assistance Center Procurement
5. 2020 Open Enrollment Period Update

Preliminary Matters



Pennsylvania Health Insurance Exchange Authority

Discussion of Proposed Bylaws





Section Overview

Agenda:

- **Points of discussion:**
 - Travel reimbursement parameters and process
 - Vice Chair
 - Advisory Council and Committees
 - Delegated authority
 - Proxy voting
- **Motion to approve the bylaws as drafted**
- **Motion to delegate personnel authority to the Executive Director**
- **Motion to nominate and elect Vice-Chair**



Discussion of Proposed Bylaws

Travel reimbursement parameters and process

Article II: Section 2.6. Compensation –

Compensation and reimbursement of the Board is set forth in 40 Pa.C.S. § 9302(e).

40 Pa.C.S. § 9302(e) Compensation. – Board members shall not be entitled to any compensation for their services as members, except that, subject to the availability of funds, board members shall be entitled to reimbursement for actual and necessary travel expenses. The expenses shall be paid for by the exchange fund.

Discussion:

Should “necessary” be further defined? Does the Board feel the need to cap reimbursements?

- The Authority intends to reimburse Board members in accordance with State process for non-Commonwealth employees. Necessary paperwork has been shared with the Board.



Discussion of Proposed Bylaws

Vice-Chair

Article III: Section 3.2. Vice-Chair –

The Board shall annually elect a Vice-Chair at the first meeting of the Board after January 1. The Vice-Chair shall be a member appointed by the Governor or a member appointed by the General Assembly. In the absence or disability of the Chair, the Vice-Chair shall perform the duties of the Chair. When so acting, the Vice-Chair shall have all the powers of, and be subject to, all the restrictions upon the Chair. The Vice-Chair shall perform other duties delegated by the Chair.

Discussion:

Should members not appointed by the Governor or General Assembly have the ability to be elected as Vice-Chair? Are there duties the Vice-Chair shall not be permitted to perform?



Discussion of Proposed Bylaws

Advisory Council and Committees

Article IV: Section 4.1. Committees –

The Board may establish by resolution one or more standing or special committees, which shall serve at the pleasure of the Board. Any committee established pursuant to this Article may exercise the authority of the Board to the extent provided in its enabling resolution and any subsequent resolutions adopted in like manner, provided that the authority of each such committee shall not exceed that of the Board under applicable law. Each standing or special committee shall report to the Board periodically or at the request of the Chair of the Board.

Article V: Section 5.1. Board interaction with Advisory Council –

The Board will consider the advice of the Advisory Council at least twice annually and respond to all recommendations of the Advisory Council.

Discussion:

Section 4.1. Are there any special committees needed at this point? If yes, should “periodically” be further defined?

Section 5.1. Any further requirements of or structure for the Advisory Council?



Discussion of Proposed Bylaws

Delegated Authority

Article VI: Section 6.1. Delegation of Authority –

The Board may delegate to its Executive Director or any other Exchange Authority staff such administrative duties as it may deem advisable. Such delegation shall be by affirmative vote of a majority of Board members present at a meeting at which a quorum is present. Such delegation may be accompanied by written resolution of the Board.

Delegation of authority to the Executive Director under this Article may include, but is not limited to:

- Conduct of the day-to-day activities and administrative responsibilities of the Exchange Authority
- Execution and administration of contracts
- Procurement and purchasing
- Preparation of an annual budget for the consideration of the Board
- Personnel administration (hiring, firing, supervision and direction of Exchange Authority staff)
- Any other functions or duties as the Board may assign.

In case of absence, the Executive Director may designate one or more senior staff to act in the place of the Executive Director with regard to the powers and duties herein. Subject to the limits within this delegation, the responsibility for all administration and operations of the Exchange Authority rests with the Executive Director.

Discussion:

Are there specific actions you would like to delegate to the executive Director at this time? Are you comfortable with the Executive Director's ability to designate authority to senior staff if and when necessary?



Discussion of Proposed Bylaws

Proxy voting

Article VII: Section 7.9. Voting –

(b) If notice is given of a vote to be taken at a Board meeting and a member is unable to participate, the member may either submit his or her vote, in writing, to the Executive Director in advance of the meeting or may authorize another Board member to submit the written vote by proxy.

Discussion:

Are we comfortable with this approach? Must the vote be in writing? Should proxies be given the authority to participate in unplanned votes?



Conclude Discussion of Proposed Bylaws

- Discuss other sections as needed

- Motion to approve bylaws, if applicable

Recommended Motion: To approve the Bylaws of the Pennsylvania Health Insurance Exchange Authority Board of Directors, as proposed by the Executive Director and modified by discussion and agreement of the Pennsylvania Health Insurance Authority Board of Directors.

- Motion to Delegate Personnel Authority Decisions to the Executive Director

Recommended Motion: To delegate to the Executive Director all personnel actions relating to employees of the Pennsylvania Health Insurance Exchange Authority, including but not, limited to hiring, termination, discipline, terms and conditions of employment, salary and benefits, supervision and direction of such employees without further approval by the Pennsylvania Health Insurance Exchange Authority Board of Directors, provided that the exercise of this delegated authority is reported by the Executive Director to the Board at the next meeting (either in executive session or in public, as appropriate) following such exercise of authority.

- Motion to nominate a Vice-Chair

- Motion to elect a Vice-Chair

- Election of Vice Chairperson shall be by a majority vote of those present and voting
- Voting shall be made by each Board member voicing the name of one of the nominated candidates
- Where no majority is achieved on the first vote, a second vote shall be cast for the two (2) candidates who received the greatest number of votes from the first round of voting

2020 and 2021 Budget Overview



Pennsylvania Health Insurance Exchange Authority



Section Overview

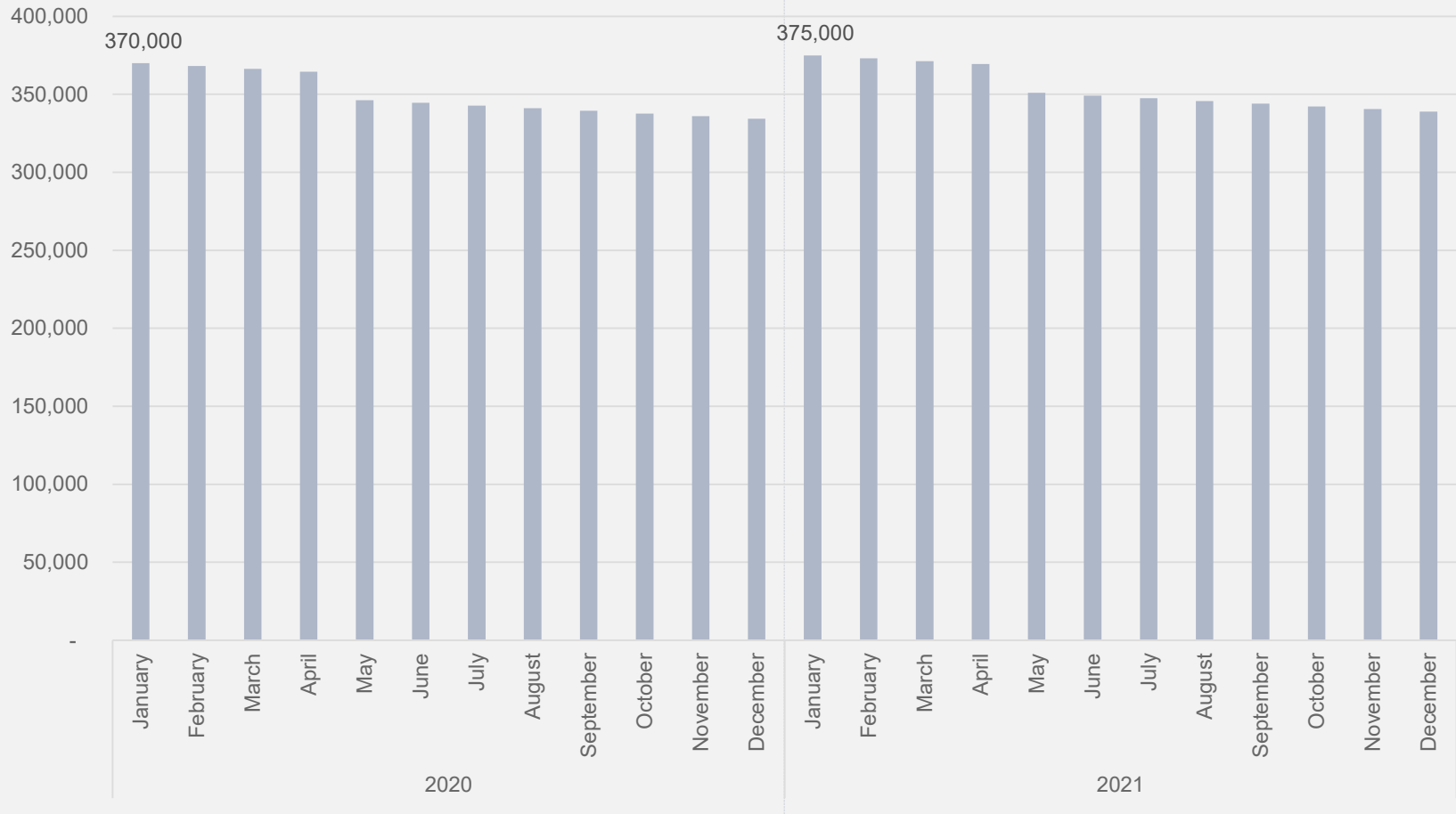
Agenda:

- Monthly Enrollment Projections
- User Fee Revenue Projections
- Projected Revenue in 2020 and 2021
- Two Year Budget Overview
 - Authority Staffing Plan
 - Outreach and Navigators
 - Marketing
 - IT System and Consumer Assistance Center
 - Other Technical Assistance
 - Operating



Monthly Enrollment Projections

Enrollment dip during the Special Enrollment Period is consistent with state and national trends





User Fee Revenue Projections

Assumptions and Methodology

The user fee will be calculated as a percent of monthly premiums for health and dental products offered through the PHIEA.

- Breakdown: **0.5%** of monthly premiums in plan year (PY) 2020, **3.0%** of premiums in PY2021
- Revenue projections have been calculated using assumptions on
 1. Projected monthly enrollment
 2. Average per member per month (PMPM) premium
 3. Projected medical trend growth in 2021
 4. Projected reinsurance impact in 2021
- Enrollment projections were calculated using January 2019 enrollment numbers from the CMS 2019 Open Enrollment Period: State-Level Public Use File
 - Assumes Monthly enrollment attrition of 10.7% throughout the course of the plan year
 - Assumes annual enrollment (end of Open Enrollment) will grow 1% over previous January enrollment
- 2020 average PMPM premium is based on actual medical trend growth of 4% over 2019
- 2021 average PMPM premium is based on estimated medical trend growth of 7% and a reinsurance impact of (7%)



Projected Revenue in 2020 and 2021

	PY2020	PY2021
Average Per Member Per Month Premium	\$680	\$677
Average Monthly Enrollment	349,248	353,967
Average Monthly Premiums	\$237,544,390	\$239,574,752
Total Annual Premiums	\$2,850,532,675	\$2,874,897,026
Total User Fee %	(3.0%)	(3.0%)
Total Revenue	\$85,515,980	\$86,246,911
PHIEA User Fee %	(0.5%)	(3%)
Total PHIEA Revenue	\$14,252,663	\$86,246,911



Two Year Budget Overview

2020 Expected Budget and Estimated 2021 Budget

	2020	2021
Total Revenue	\$ 14,252,663	\$ 87,421,152
User Fee Revenue	\$ 14,252,663	\$ 86,246,911
Prior Year Contingency Carryover	\$ -	\$ 774,241
Total Expenses	\$ 13,478,422	\$ 42,637,364
Personnel**	\$ 2,929,000	\$ 4,393,500
Other	\$ 549,422	\$ -
Marketing	\$ 4,900,000	\$ 5,500,000
Outreach and Navigators	\$ 1,000,000	\$ 1,000,000
IT and Customer Service	\$ -	\$TBD*
Other Technical Assistance	\$ 3,500,000	\$ 1,500,000
Operating	\$ 600,000	\$ 600,000
(Deficit)/Surplus	\$ 774,241	\$TBD*
Contingency	\$ 774,241	\$TBD*
Transfer to Reinsurance	\$ -	\$TBD*

*pending contract negotiations

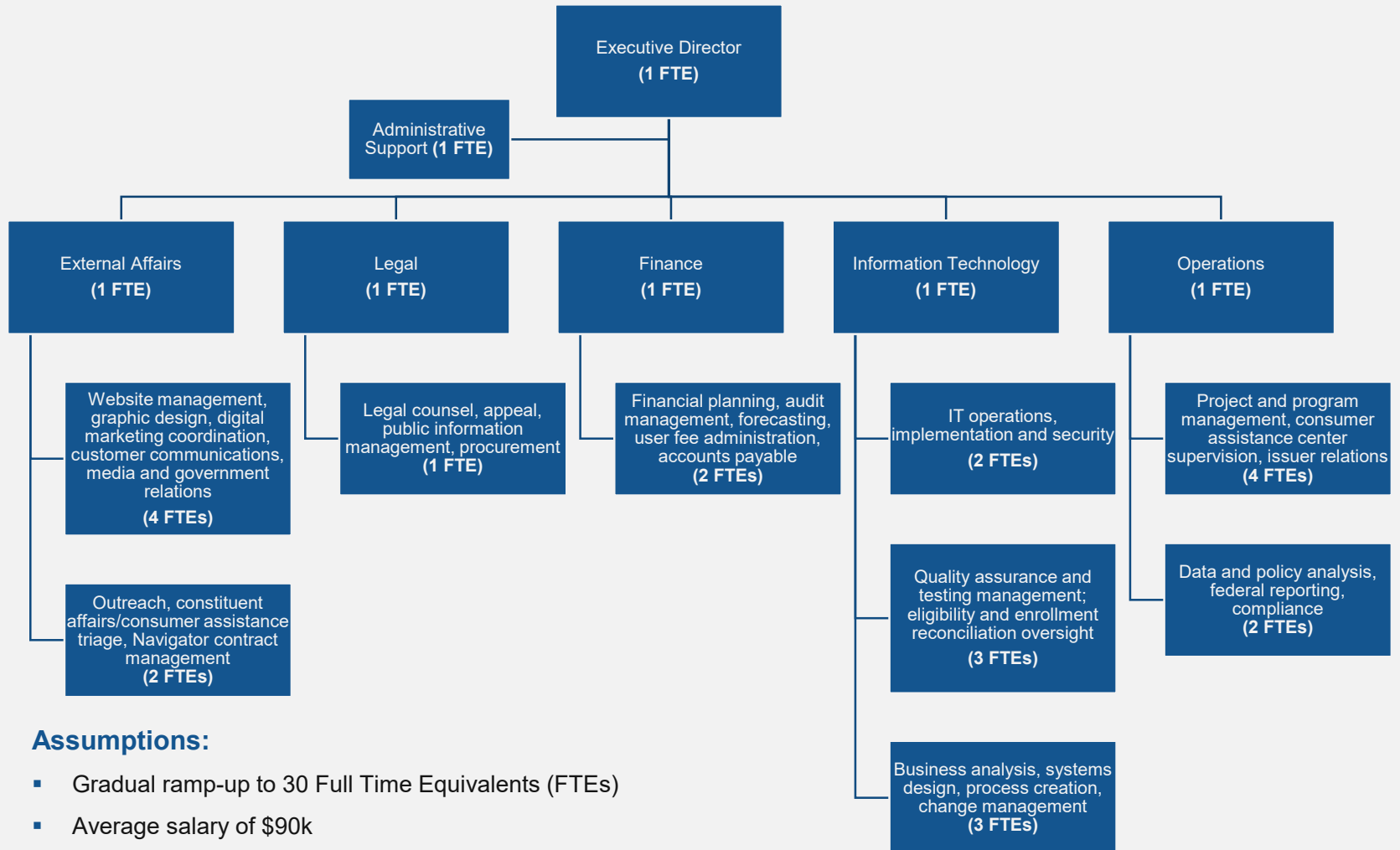
** revised based on Commonwealth fringe benefit calculations



2020 Authority Staffing Plan

Functional Organization of Exchange Personnel (30 FTEs)

Cost: \$2,929,000





2020 Outreach and Navigators

Cost: \$1,000,000

Expanded Navigator contract

- 2019 contract (\$400k): network facilitated by Pennsylvania Association of Community Health Centers
 - Network includes 43 federally qualified health centers (FQHC), five FQHC Look-Alike 501(c)3 organizations, rural health and four subgrantees – equal to >100 community-based enrollment assisters
 - Estimated reach: 300k consumers in 12 months (in-person, phone, web)
- 2020: seek to expand the network of assisters based on data/findings related to the uninsured and culturally-specific disparities

Additional in-person assistance and education events

- Offer educational events staffed by constituent relations and marketing staff or community educators, carrier partners invited
- Host Enrollment Fairs / “pop-up shop” enrollment events in areas with high concentration of uninsured

Stakeholder/community relations facilitation and support

- Participate in partner/community engagements
- Support constituent relations and triage efforts



2020 Marketing

Cost: \$4,900,000

Market Research

- Deep dive on our customer-base: develop customer personas to understand sentiments, core demographics and behaviors (surveys and focus-group)
- Assess the remaining uninsured

Media Buy

- Tailored strategy for each rating area with a focus on areas with higher uninsured rates
- Launch multi-phase approach: 1) pre-Open Enrollment awareness campaign, 2) Open Enrollment call-to-action push
- Tactics to include: paid search, digital and terrestrial radio, Over-the-Top, television (leveraging reduced cost via PA Association of Broadcasters), Out-of-Home (OOH), paid social media, geofencing and retargeting

Creative Services and Branding

- Conduct initial brand ideation sessions, test and develop creative
- Perform a social media audit and launch platforms
- Develop regional, multi-channel campaigns inclusive of customized messaging to meet population needs
- Campaign concepting and production likely to include: video production (TV and digital), radio, digital display, OOH asset design, gorilla marketing to be considered if in alignment with Outreach strategies, email marketing graphics

Front-End Website

- Design and develop optimized consumer-facing website
- Run user experience testing with attention to usability and readability



2020 IT System and Consumer Assistance Center

Cost: \$0

Technology Platform

- Consumer Shopping for Individual or Family Health Insurance (Qualified Health Plans)
- Consumer Shopping for Individual or Family Dental Insurance (Stand-Alone Dental Plans)
- Application processing for acquisition of plans
- Processing interfaces with carriers, the Federal HUB and Medical Assistance

Consumer Assistance Center Technology and Operations

- Contact center to address all necessary interactions and communications between PHIEA and Commonwealth citizens

On-going maintenance and operations of technology platform and Consumer Assistance Center



2020 Other Technical Assistance

Cost: \$3,500,000

Quality Assurance (QA) and User Acceptance Testing (UAT)

- During implementation PHIEA anticipates needing to procure additional QA and testing resources
- Scope to include:
 - Initial UAT
 - Data conversion
 - Development of an automation suite

Cost: approximately \$3,000,000

Other Related Costs

- Short-term Information Technology Lead to assist with vendor on-boarding
- Expert technical and contract management assistance
- Privacy and security assistance
- Initial auditing

Cost: approximately \$500,000



2020 Operating

Cost: \$600,000

General operational expenses include:

- Real estate, repairs and office supplies, furniture and fixtures
- Telecom voice and data service
- Hardware server, networking, storage, desktop devices and peripheral
- Travel, education/development and vehicle expenses
- Subscriptions and software licenses
- Postage and printing

Technology Platform and Customer Assistance Center Procurement



Pennsylvania Health Insurance Exchange Authority

2020 Open Enrollment Period Update



Pennsylvania Health Insurance Exchange Authority

THANK YOU

Next Board of Directors Meeting: **December 17**

