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- Identify yourself before you speak.
- If you are on the phone **and** logged in via web, turn off your computer speakers.
- Chat functionality **will be turned on for Board members**, presenters and staff. Use this to interrupt the presenters/ask questions you'd like the presenter to answer.



Pennsylvania Health Insurance Exchange Authority – Board of Directors Meeting

April 16, 2020

Preliminary Matters

Meeting Agenda

1. COVID19 Update and Planning Efforts
2. Preliminary Matters
3. Standard Administrative Updates
4. Standard Technology Update
5. Technical, Operational, & Policy Decisions
6. Pennsylvania Insurance Department: Rate Review and Reinsurance Update
7. Brand Update
8. Adjourn

COVID-19 Update and Planning Efforts

COVID-19

Section Overview

What the pandemic does or could mean for

- Pennsylvania's insurance markets
- the Commonwealth at-large
- Exchange Authority stakeholders
- Customer service and communication

COVID-19 and the Market

Impact on the health insurance landscape in Pennsylvania

- As of April 13, over 1 Million Pennsylvanians have been laid off due to COVID-19 many of whom likely lost access to **minimum essential health coverage**
- Health Management Associates, estimates enrollment in the PA exchange coverage could increase by **28k to 120k customers**, depending on the impact this crisis has on unemployment.
- Current exchange enrollees are likely to move to Medicaid due to income changes or job loss.
- No indication of material growth in enrollment yet.
- Medicaid enrollment and the uninsured rate are likely to increase.
- Pennsylvania (and other FFM/SBE-FP states) do not have a Special Enrollment Period to address the pandemic.

COVID-19 and Exchange Authority Team

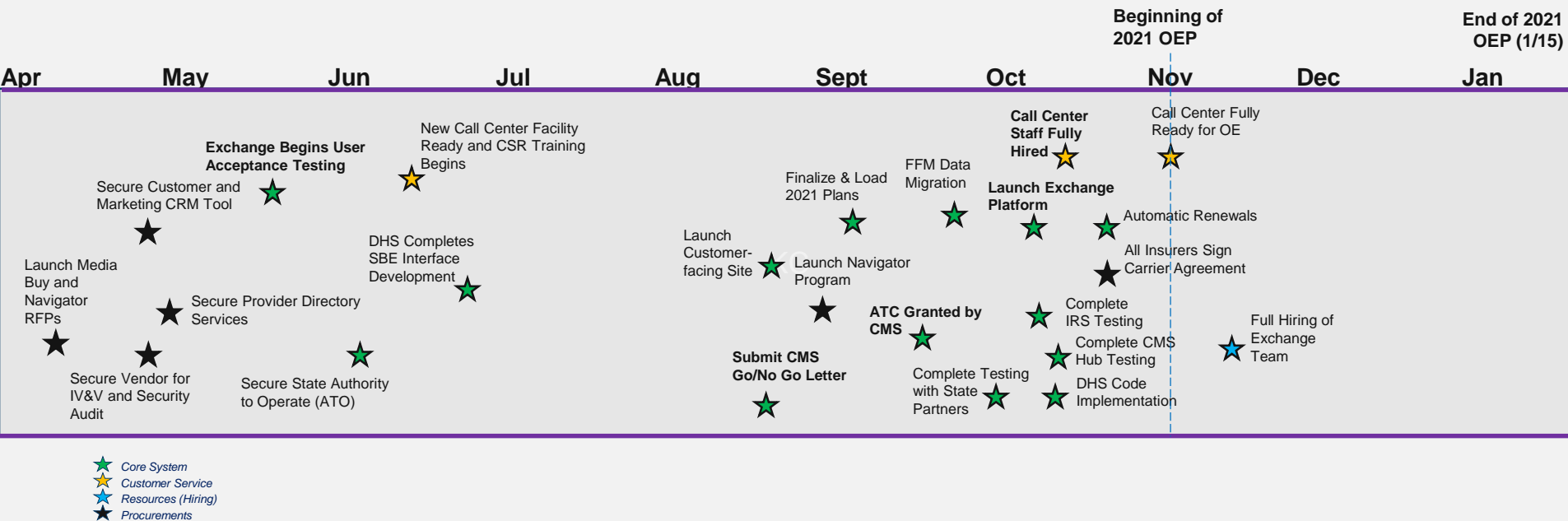
Overarching impact on our operations

- The Exchange Authority adopted the Governor Wolf's telework directive issued mid-March
 - All staff and co-located contractors can operate at full capacity while remote
- A prolonged limitation of government functions and extended telework policies due to the COVID-19 pandemic could hinder the Exchange Authority's ability to launch this fall.
- The Exchange Authority is continuously assessing the risks, their impact on the implementation and where possible, have worked to mitigate or create contingency plans.
- While the future is currently unknown, the implementation is not yet off track.

Exchange Launch Critical Milestones

The implementation timeline is aggressive, with little ability to accommodate barriers or delays

EXCHANGE AUTHORITY MISSION-CRITICAL PROJECT MILESTONES



Core Functions and Dependencies

The state-based exchange implementation is dependent on support from several Commonwealth and Federal Government agencies, as well as partnerships with stakeholders and private entities

	Dependencies	Risk(s)	Plan
Build the Agency	State partners, federal partners, business partners	<ul style="list-style-type: none"> Hiring and Onboarding Revenue, Expenses, & Financial Management Procurement and Contracting 	<ul style="list-style-type: none"> Staff deemed “essential”; necessary equipment for new hires is available Independent budget area created; Fiscal management activities deemed a priority by partners Upcoming procurements deemed “essential services”
Ready the Core System	State partners, federal partners, Insurers	Establish Connectivity with: <ul style="list-style-type: none"> DHS Insurers Keystone Login Single Sign-on Federal Government 	<ul style="list-style-type: none"> Connectivity deemed essential by state and federal partners, secondary plan for Keystone SSO in place if necessary On track with insurers; Continuing to actively engage with insurers to discuss risks should they arise
Build Customer Service	State partners, business partners	<ul style="list-style-type: none"> Launch Call Center & Mailroom Operation Establish Appeals Program 	<ul style="list-style-type: none"> Dependencies not currently at risk but being actively monitored Potential implementation of full remote Call Center to be discussed in later slide
Outreach and Marketing	Community partners, business partners	<ul style="list-style-type: none"> Prolonged stay-at-home orders Inability to conduct face-to-face outreach 	<ul style="list-style-type: none"> Alternative outreach approaches being discussed with business and state-exchange partners Marketing strategy to be adjusted to meet audiences where they are, digital focus

COVID-19 and Stakeholders

Insurers, Brokers, Exchange Assistants, government partners, vendors, and others

Insurers

- Met with all medical insurers independently
- Using established touchpoints to discuss challenges, as needed
- In close communication with other agencies also working with our insurers

Brokers

- Utilized the Broker Workgroup to share consideration and planning efforts

Exchange Assistants

- PID shared communication related to SEP for loss of MEC
- In communication around impact of CARES Act on enrollees
- Monitoring changes in engagement volume

Government Partners

- Some state agencies are experiencing telework limitations
- Keystone Single Sign On plan in place, dependent on OA work to be completed by early May
- DHS technical workstream is on track
- Work dependent on federal partners remains on track

Vendors

- No vendors are currently experiencing limitations due to COVID-19

COVID-19, Customer Service and Communications

Consideration for a fully remote Call Center.

- Training
 - First CSR class begins in June
 - Developing training materials
- Telephony Systems
 - Interactive Voice Response (IVR) flows
 - Dedicated broker & assister support line
- Escalations and Handoffs
 - Medicaid/CHIP Call Center
 - Insurer Call Centers
 - Keystone SSO Call Center
 - PID Consumer Services Office
- Appeals Support

Planning for in-person assistance in this environment.

The Exchange Authority is beginning to think of alternatives to face-to-face enrollment assistance which could be implemented in the fall as needed.

Communicating to customers effectively amidst COVID-19.

Tactics for a brand awareness campaign would shift to prioritize digital outreach should this continue into the fall. Audiences would likely be more educated about the need for insurance would help make potential, more resistant customers increasingly likely to purchase.

Discussion

- Are there unknowns you feel we may not be considering?
- What are the greatest concerns of your organizations' stakeholders?

Administrative Updates

Administrative Updates

Updates

- Personnel
- Finance
- Stakeholder Engagement
 - Insurers
 - Advocates
 - Advisory Council
 - Brokers
 - State-Based Exchange partners

Finance Update

Quarterly Snapshot

- User Fee Revenue Overview For Q1 (Jan - Mar 2020)
 - Total User Fees Billed: \$2,990,423
 - Total User Fees Received: \$1,264,467
 - Total Outstanding Receivables: \$1,725,956

- Expenses Overview for Q1 (Jan - Mar 2020)
 - Personnel: \$405,389
 - Operations: \$58,226
 - Total Expenses: \$463,615

*Note: April User Fee Invoices to be distributed the week of April 20th

Finance Update

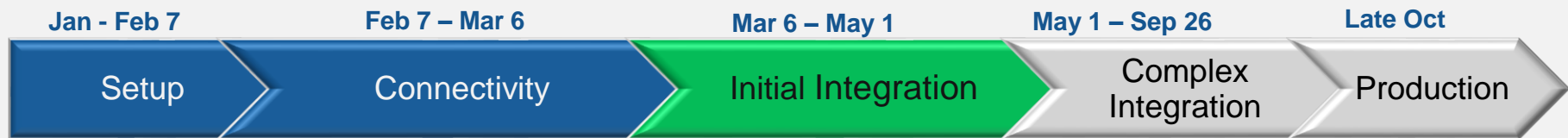
Quarterly Budget Overview for year ending December 31, 2020

January 2020 - March 2020					
	Q1	Q2	Q3	Q4	Total
Budgeted Expenses	\$1,724,353	\$2,414,353	\$5,052,048	\$3,845,228	\$13,035,982
Personnel	\$500,000	\$625,000	\$750,000	\$1,123,180	\$2,998,180
Operating	\$1,224,353	\$1,789,353	\$4,302,048	\$2,722,048	\$10,037,802
Actual Expenses	\$463,616				\$463,616
Committed		\$2,480,362	\$1,780,239	\$1,503,561	\$5,764,163
Uncommitted		\$849,380	\$3,271,809	\$2,341,667	\$6,462,855
Total Expense	\$463,616	\$3,329,742	\$5,052,048	\$3,845,228	\$12,690,634
Variance	\$1,260,737	\$(915,389)	\$-	\$-	\$345,348
Note: Q2 spending assumes full reimbursement of the Insurance Department loan of \$1,350,000. We do not anticipate spending the full amount and will account for actual expenditures and the return of the unused portion in the end of the quarter reports.					

Stakeholder Engagement

Insurers

- Impact of covid-19 on Insurers
- EDI Technical Working Group (weekly)
 - All insurers have completed connectivity testing
 - Initial Integration testing is ongoing (happy path)



- Insurer Policy Working Group (bi-weekly)
 - Feedback on insurer's current policies regarding binder payment, termination due to non-payment of premiums, and agent/brokers
- Service Coordination Working Group (weekly)
 - Walkthrough end to end customer experience
 - Differences for new customers versus current/migrating customers
 - Data that will and will not be migrated from HealthCare.gov
- Information Sharing via Insurer SharePoint (ongoing)

Stakeholder Engagement

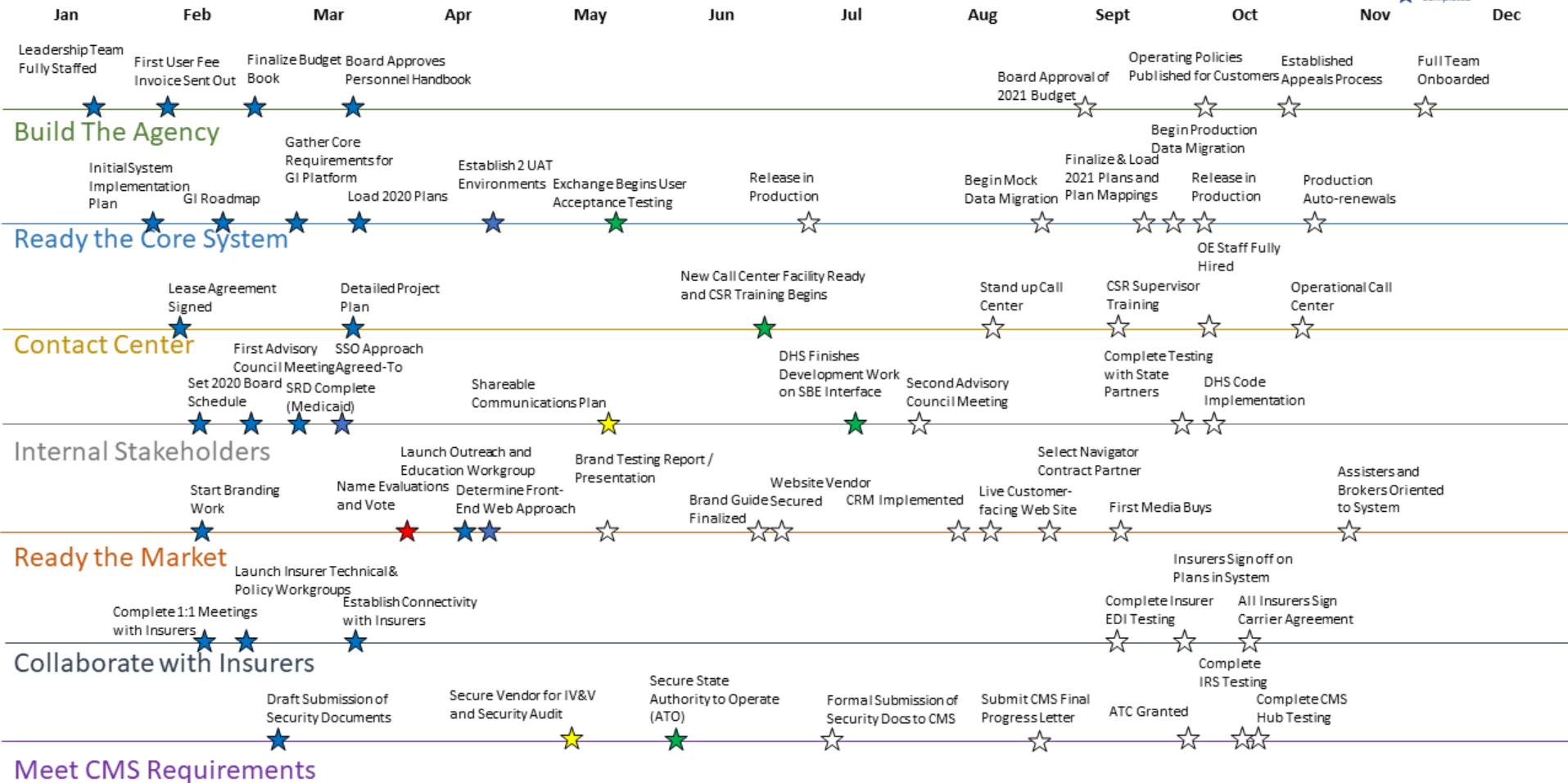
Advocates, Advisory Council, Brokers and Others

- Advocates
 - Held first monthly **Outreach & Education Workgroup** meeting inclusive of community partners/advocates, business & industry representatives, producers and Advisory Council members
 - Continuing to gather insights through the **Stakeholder Feedback Web-form**
- Advisory Council
 - Some Advisory Council members chose to participate in the Outreach & Education Workgroup
 - Finalized the 2020 meeting schedule – meetings to be held in June and September with communications shared as needed in-between
 - Continuing to gather insights through the **Stakeholder Feedback Web-form**
- Brokers
 - Held first monthly **Broker Workgroup** – discussed transition activities and potential Broker Certification policies
 - Continuing to gather insights through the **Broker Feedback Web-Form**
- Other State-Based Exchanges
 - Meeting regularly with Nevada and New Jersey
 - Actively sharing documents with New Jersey

Standard Technology and Operations Update

EXCHANGE AUTHORITY PROJECT MILESTONES

- ☆ Not Started
- ★ In Process, On Track
- ★ In Process, Behind Schedule
- ★ In Process, At Major Risk
- ★ Completed



Pennsylvania Insurance Department: Rate Review Process



***Shannen Logue, Deputy Commissioner for
Product Regulation***



Today we will give an overview of PID's rate review process with a particular focus on reinsurance program implications

Agenda



- Overview of Pennsylvania Reinsurance Program
- Walk-through of rate review process:
 - PID-specific processes
 - Reinsurance-specific processes
 - Insurer experience
- COVID-19 considerations

PID has spent the last year applying for a 1332 reinsurance waiver and building the reinsurance program

Pennsylvania Reinsurance Program

Through the authority granted to PID in Act 42 (HB 3), Pennsylvania is implementing a state-based reinsurance program to strengthen the individual market.

SENATE AMENDED
PRIOR PRINTER'S NOS. 1995, 2065 PRINTER'S NO. 2211

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 3 Session of 2019

INTRODUCED BY CUTLER, DERMODY, PICKETT, DeLUCA, WHEELAND, SCHMITT, ROTHMAN, MOUL, MILLARD, BIZZARRO, BOYLE, BRADFORD, BRIGGS, BULLOCK, BURGOS, BURNS, CALTAGIRONE, CARROLL, CEPHAS, CIRESI, COMMITTA, CONKLIN, DALEY, DAVIDSON, A. DAVIS, T. DAVIS, DEASY, DELLOSO, DONATUCCI, FLYNN, FRANKEL, FREEMAN, GAINES, GALLOWAY, GOODMAN, HANBIDGE, HARRIS, HARRIS, HILL-EVANS, HOWARD, INNAMORATO, ISAACSON, JOHNSON-HARRELL, KIM, KINSEY, KIRKLAND, KORTZ, KOSTEROWSKI, KRUEGER, KULIK, LONGIETTI, MALAGARI, MARKOSKE, MATZIE, McCARTER, McCLINTON, McNEILL, MERSKI, MULLERY, MULLINS, NEILSON, O'MARA, PASHINSKI, RAVENSTAHL, READSHAW, ROEBUCK, ROZZI, SAINATO, SANCHEZ, SCHLOSSBERG, SHUSTERMAN, SIMS, SNYDER, SOLOMON, STURLA, WARREN, WEBSTER, WHEATLEY, ZABEL, FITZGERALD, ULLMAN, VITALI, WILLIAMS, DeLISSIO, ZIMMERMAN, SCHWEYER, DAWKINS, HERSHEY, SAMUELSON, B. MILLER, MADDEN, KENYATTA AND ECKER, JUNE 4, 2019

SENATOR SCAVELLO, BANKING AND INSURANCE, IN SENATE, AS AMENDED, JUNE 24, 2019

AN ACT

1 Amending Title 40 (Insurance) of the Pennsylvania Consolidated
2 Statutes, providing for health insurance markets oversight;
3 and establishing the Pennsylvania Health Insurance Exchange
4 Fund.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Title 40 of the Pennsylvania Consolidated
8 Statutes is amended by adding a part to read:

9 **PART V**

10 **HEALTH INSURANCE MARKETS OVERSIGHT**

11 Chapter

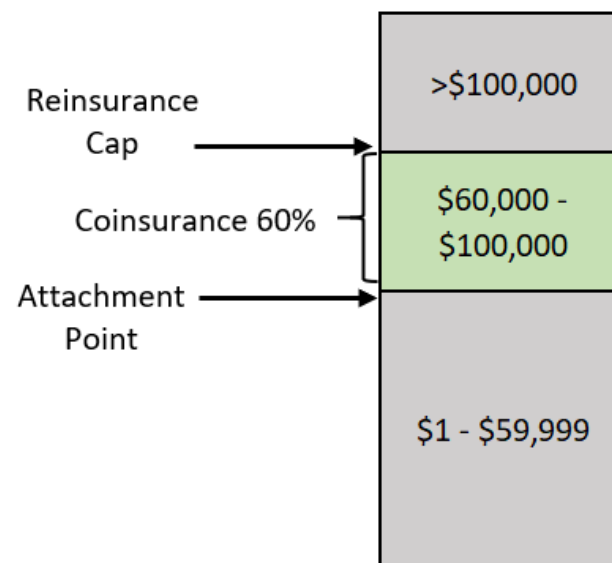
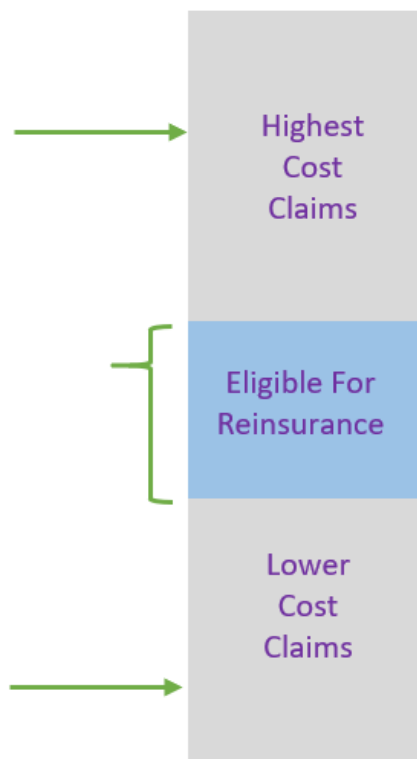
The reinsurance program will reduce premiums and increase affordability in PA's individual market

Reinsurance Illustrated

Reinsurance cap
Insurer is responsible for costs above the cap

Coinsurance rate
Insurer is paid a portion of claims costs, based on the coinsurance rate

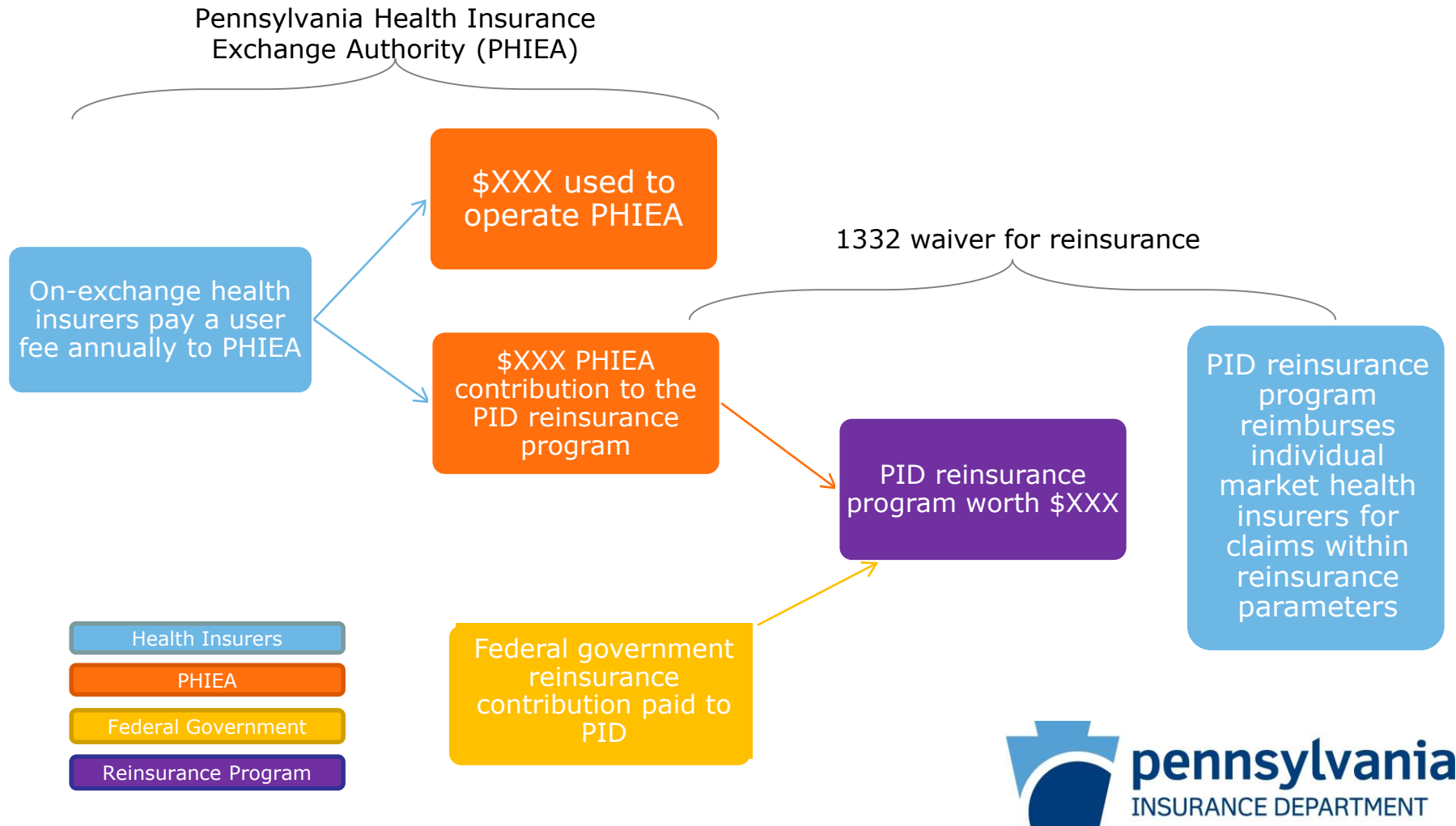
Attachment point
Insurer is responsible for costs up to the attachment point



For example:
If the claim amount was greater than \$100,000 the max reinsurance would be \$24,000

The reinsurance program will be funded through PHIEA dollars and federal pass-through funding

Reinsurance Program Cash Flow



1332 application development was a collaborative process between PID and PHIEA

1332 Development Process

- ✓ December 2019: PID drafts 1332 waiver application and PID develops 2021 filing guidance
- ✓ January 2020: PID issues data call for 1332 reinsurance program parameters
- ✓ February 2020: PID consultation with insurers; reinsurance parameters set: (\$60K - \$100K, coinsurance 60%)
- ✓ February 11, 2020: PID submits 1332 waiver application
- ✓ March 12, 2020: CCIIO deems 1332 application complete

Rate review process (dates subject to change)

Rate Review: March 2020 – Nov 2020

- ❑ March 2020: PID issues future year rate filing guidance
- ❑ May 19, 2020: Filings are due for both individual and small group plans, on and off Exchange
- ❑ May 20 – July 2020: PID reviews rates, issues data calls/questions
- ❑ July 14, 2020: Revised filings due
- ❑ July 31, 2020: Filings are made public
- ❑ October 13, 2020: Final approved filings are made public
- ❑ November 1, 2020: CMS posts final rate information

Reinsurance is one factor that will impact rates

Other Rate Review Considerations

- Medical trend – health care costs rise every year, and premiums rise accordingly (5-8%)
- Permanent repeal of the health insurance fee (3%)
- Risk pool changes (TBD)
 - Economic downturn could bring more people to the Marketplace, which could have a positive effect
 - Other trends, such as expansion of limited benefit plans, are already having a negative effect because of adverse selection
- COVID-19 (see next slide)

The impact of reinsurance will make rates lower than they would have been otherwise, but it is the combination of all these factors that will determine the overall rate change for PA

COVID-19 is likely to impact future rates

COVID-19 Considerations

- COVID-19 is adding costs to the health care system but it is difficult to know how those costs will be allocated across plan years, i.e. what the rate impact will be for 2021
- Impact will vary state by state, and by region within a state
- Many experts believe majority of COVID-19 costs will be assumed in 2020
- Delayed elective or non-essential care could go into 2021
- Costs of medical advances, such as a vaccine, could go into 2021
- Most COVID-19 claims could be under reinsurance minimum

PID anticipates putting out future guidance specific to COVID-19 and the rate review process

Questions?

Technical, Operational, & Policy Decisions

2021 Plan Certification

Proposed Requirement #4 -- Amended

Proposal	Policy Goal(s)	Benefits	Challenges
Advanced Notice of Producer/Broker Commission Payment Schedule – Amended Timeline	Provide Commonwealth residents with access to licensed producer services, including plan recommendations	<ul style="list-style-type: none">Amended timeline more closely aligns with industry practice	<ul style="list-style-type: none">Would require insurers to finalize decisions earlier

Proposed Amended Requirement *(bold items reflect the amended timeline)*:

- The Insurer shall provide producer commission payment schedules for QHPs and QDPs offered through the exchange to the Exchange Authority **at least 45 days in advance of the start of Open Enrollment Period**, and **at least 30 days in advance of any changes thereafter**, for transparency and informational purposes.
- Exceptions to the advanced notice requirement will be provided to Insurers **for extenuating circumstances outside of the Insurer's control**.
- The Exchange Authority will make this information publicly available to the producer community to ensure producers have adequate notice to determine whether producers will participate during the upcoming plan year.

2021 Plan Certification

Proposed Requirement #4 -- Amended

Proposal	Policy Goal(s)	Benefits	Challenges
Advanced Notice of Producer/Broker Commission Payment Schedule – Amended Timeline	Provide Commonwealth residents with access to licensed producer services, including plan recommendations	<ul style="list-style-type: none">Amended timeline more closely aligns with industry practice	<ul style="list-style-type: none">Would require insurers to finalize decisions earlier

Summary of Stakeholder Feedback:

- Brokers: Support for 45 day timeline as a significant improvement over status quo, even if they would have preferred more time. One broker noted that customer can be enrolling in coverage up to 45 days in advance of effective date, but insurers could change the commission after the enrollment completed under the 30 day mid-year change rule.
- Majority of insurers supported, but one insurer reiterated their concerns that publicly posting commissions could cause some to be at a competitive disadvantage if their commissions were lower than others.
- Several insurers wanted clarification on what would constitute an extenuating circumstance.

Staff Recommendation: Withdraw, request voluntary reporting by insurers

- Given the public rate release date in mid-October, it becomes infeasible to provide brokers with commission schedules further in advance of OEP to enable them to make decisions about exchange participation.
- Request insurers voluntarily share their commission schedules prior to OEP and upon any changes occur during the year to continue the efforts of transparency and information sharing with brokers.
- We remain concerned about the impact on brokers opting to not participate in the exchange and would like to reconsider proposals to address these concerns next year.

Brand Update

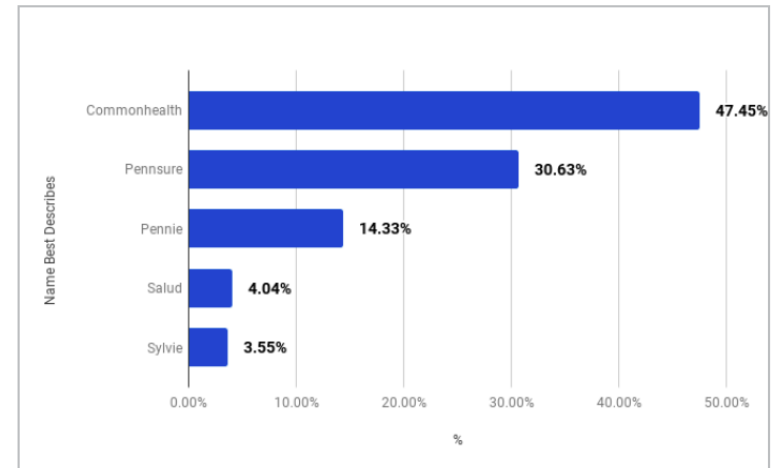
Work to date

Research and strategy

- Brand Visual Audit
- State Exchange Review
- Pennsylvania Insurance Landscape Review
- Media Landscape Analysis
- Understanding & Connecting with the Uninsured Report
- Market Analysis
- Survey of Healthcare.gov Customers in PA

Creative strategy

- Brand Positioning
- Visual Workshop



“Choose the name that best describes the effort” (note: survey respondents are healthcare.gov subscribers)

Recommendation

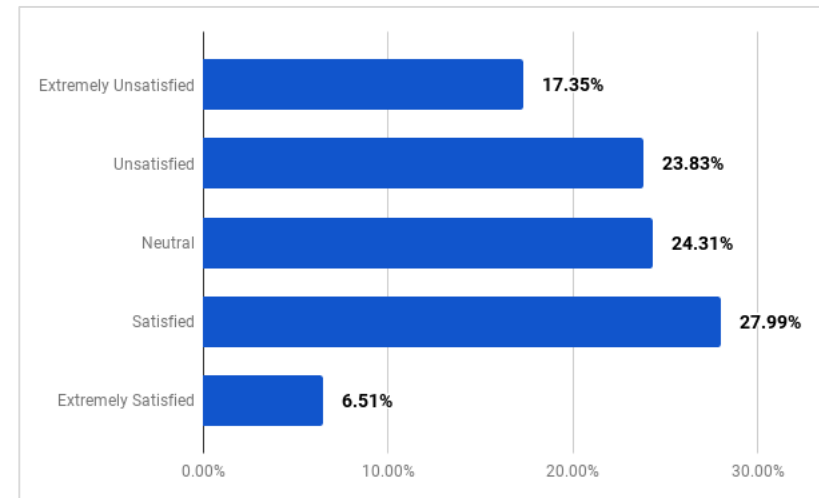
Making a name decision based on the results of a survey alone is not advisable or a best practice.

The multifaceted approach to discovery and research was intended to provide insights from multiple perspectives. The following slides outline the premises for the name recommendation.

Premise 1:

The need of this brand is to appeal to new customers through new avenues.

- Target audiences consist of existing customers, the publicly insured on the individual market and the uninsured.
- Existing customers are extremely familiar or familiar with healthcare.gov (81%), longtime customers (60% are 3+ years with the exchange) and have maintained a continuous relationship with healthcare.gov (87%).
- These customers are relatively satisfied (35% are satisfied or extremely satisfied) and likely to continue their relationship regardless of the name.

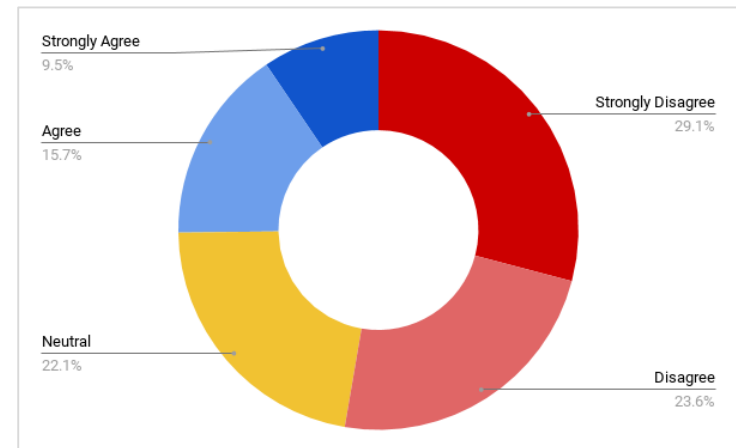


Satisfaction with their health insurance (note: survey respondents are healthcare.gov subscribers)

Premise 2:

The name should exist within white space versus existing associations.

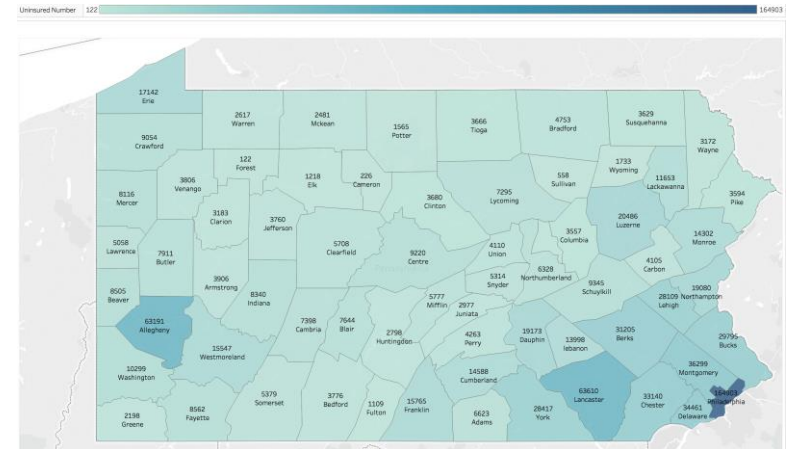
- Respondents' level of trust in the federal government to provide health insurance is causally related to preference for Pennsure, Commonhealth and Salud, indicating a political bias or association with those names.
- Pennie had no causation observed and therefore represents “white space.”



“I trust the federal government to provide health insurance solutions that work for my family and me.”

The PHIEA brand needs to be built to speak to Pennsylvanians in diverse geographies from diverse backgrounds.

Audiences in specific ZIP codes in the Philadelphia and Pittsburgh markets — the geographies that represent the largest potential for uninsured populations — demonstrated a causal relationship to preference for Pennie, Salud and Sylvie over Commonhealth and Pennsure.



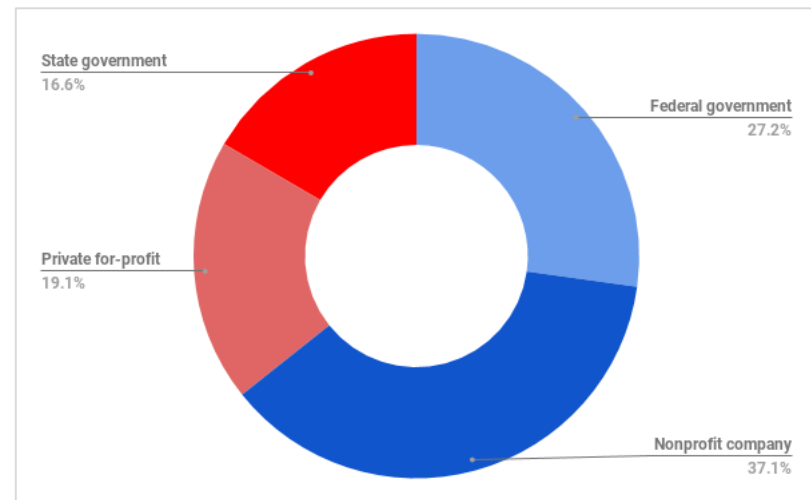
Uninsured by population

Premise 4:

The PHIEA brand should be intentional about avoiding negative associations in the landscape or with state government.

Health insurance and health insurance exchanges are fraught with negative associations in the landscape that can prohibit growth before audiences. Therefore, to grow among new audiences, the PHIEA brand should prioritize simplicity and consistency, and avoid negative associations.

- 57 percent of respondents who strongly distrust the federal government chose Commonwealth as the best descriptor of the state-based exchange.
- In qualitative responses, we observed a mixing of “Commonwealth” for “Commonhealth.”



Confidence to deliver health care

Premise 5:

The job the PHIEA brand needs to do is to reframe health insurance available through the exchange as a predictable, known exercise, free from the baggage of a government entity.

- As we've worked on brand positioning for the new entity, we've identified the following characteristics — trustworthy, warm, empathetic, nurturing/generous, protective.
- Collectively, these attributes most closely align with Pennie.

trustworthy generous
warm empathetic
protective nurturing

Conclusion

The white space, lack of politicization or polarization and therefore universal appeal of Pennie over our other naming choices makes Pennie the recommended option to most effectively help the exchange grow among target audiences.

Executive Session

Adjourn

Appendix

Summary of Pennsylvania State-Based Exchange Requirements for GetInsured Platform

March 2020

Summarization of the PA Requirements

- GetInsured has provided a plan to deliver on the Exchange Authority's Critical, High, and some Medium priority requirements
 - Approximately 10 requirements as well as identified configuration settings will be delivered with initial Production launch in June
 - Approximately 20 requirements have been committed for readiness in September to support enhanced FFM data migration and Open Enrollment
 - A small number (5) requirements targeted for Q1 2021 primarily to improve SEP processing
- Because GetInsured's offering is Software As a Service and GetInsured is working to leverage a common code-base across supported states, capacity is not dedicated solely to supporting our requirements
 - In this context, GI's commitment to deliver our priority items is even more significant
 - For items that are targeted later than we requested, will build workaround processes to support the interim period (e.g., for January/February will run reports to identify customers for outreach who will not benefit from March improvements in APTC calculations)
 - Additional improvements targeted in the broader GetInsured product roadmap and for other states may provide further benefit to PA
- Currently working with GetInsured to finalize specific release dates and associated testing milestone dates
 - Will enable us to complete and baseline our delivery plan as well as aligning user acceptance test planning

Grouping of Targeted* Requirements

Goal	Count	Timing
Usability / Customer Experience Improvements	14	June / September
Altering Data Migration for Better Outcomes	2	June
Promoting Electronic Notice Acceptance	1	June
Improving Experience for Special Populations (e.g., No SSN)	2	September
Interfaces with Partner Agencies (e.g., Medicaid, Keystone Login)	6	September / March
Improvement of Notices and Support for Branding	2	September
Improved Experience for Brokers & Community Partners	4	September
Improved Information Display to CSRs to Better Support Customer Calls	1	September / January
Improved QLE / SEP Handling	3	March

Contingency Prioritization

- Team is assessing potential contingencies to mitigate potential impact of current environmental challenges if they threaten productivity
- Some of the current requirements may need to be deferred to later delivery in this case, with likely targets including:
 - Improving Experience for Special Populations: Improvement of Processing Capability for Multi-Tax Households
 - Usability/Customer Experience Improvement: Capturing Additional Preferred Languages for Use by Carriers and in Targeted Outreach Tool
 - Interfaces with Partner Agencies: Automating Eligibility Runs for Medicaid Transfers Without Customer Intervention (Current Process Requires Customer to Review Pre-Populated App Info and Resubmit)
 - Interfaces With Partner Agencies: Improving Upon FFM Periodic Data Matching Process
 - Altering Data Migration Process for Better Outcomes: Automation of Application Updates for Households Already in FFM Data Set During Overlap Processing Period (New Households Are Already Updated)

