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this meeting will be recorded for the purpose of taking minutes

Conference Call Etiquette

- Please mute your line if you are not speaking.
- Identify yourself & organization before you speak.
- If you are on the phone and logged in via web, <u>turn off</u> your computer speakers.
- The chat is reserved for Board members.

Board of Directors Meeting

pennie

December 17, 2020

December 2020 Board Meeting

Agenda

- **Preliminary Matters**

- **Action/Discussion Items by the Board**

  - **Standard Updates**

  - **Open Enrollment Update**

  - **2021 Budget Approval**

  - **2021 Board Planning Items**

  - **Notice of Benefit and Payment Parameters for 2022**

- **Adjournment**

December 2020 Board Meeting

Preliminary Matters

- Call to Order
- Roll Call
- Approval of Previous Meeting's Minutes
- Opportunity for Public Comment

Standard Updates

December 2020 Board Meeting

Standard Updates

- Personnel

- Questions on Standard Updates

- Procurement

December 2020 Board Meeting

Procurement Policy Proposal

- Adopt a policy, as permitted by the Commonwealth's Procurement Code to acquire specific, limited items without the need for a competitive procurement.

- Propose Policy: PHIEA may acquire published books, maps, periodicals, technical pamphlets, compact discs, videos and audio reproductions, subscriptions, and professional memberships without the need for a procurement. 62 Pa. C.S. § 301.

Open Enrollment Update

December 2020 Board Meeting

Open Enrollment Highlights

- Eligibility and Enrollment Platform
  - No major system, eligibility or enrollment blocking issues identified to date
  - Issues that have been identified are resolved in a timely fashion and GetInsured and KPMG have worked collaboratively to test and successfully deployed one minor patch releases as well as the December release

- Call Center
  - Telephony/IVR issues occurred on December 14. Limited queue functionality was deployed and will remain in place until performance problems are remedied. Service levels on December 14 and 15 triggered a broad-based exceptional circumstance Special Enrollment Period which runs until December 22 granting coverage effective January 2021.

- Department of Human Services Coordination
  - Continuing smooth coordination – over 39,000 application referrals over to Medicaid and over 18,000 referrals from Medicaid office to Pennie
  - Weekly calls to talk through and troubleshoot questions and issues are ongoing

- Insurers
  - Error identified in a plan filing related to plans offered in Centre County resulting in a change to 2nd lowest cost silver plan and therefore eligibility. All customers impacted have been communicated with by their insurer and Pennie.
  - Enrollment and reconciliation process kicked off in early December and initial monthly reviews are being held with each insurer throughout the month.
  - Enrollments and payments continue to be successfully transmitted to insurers.

December 2020 Board Meeting

Open Enrollment Early Highlights

- Marketing and Communications
  - Strong presence of customers on website (~1.9M page views at Pennie.com)
  - Increased earned media push including 5 press releases/media alerts, 2 press conferences (one with the Governor), over 25 media interviews, more than 25 virtual presentations for external events
  - Heavy focus on direct controlled communications tailored to the audience including 50+ email campaigns
  - Hundreds of social media and partner newsletter mentions
  - More than 11,000 calls for customers and over 500 to brokers made by the Customer Success team to specialty populations

- Assisters
  - Surge in appointment requests with assister, issued a Special Enrollment Period to those unable to make an appointment in advance of December 15
  - Have seen COVID-19 impacts on in-person enrollment events, but assister network has been able to transition to virtual appointments and events

- Brokers
  - Over 70,000 enrollments with broker designations
  - Over 2,500 brokers have claimed their accounts
  - Decertification process has occurred for migrated brokers who did not complete requirements. Ample outreach over the previous 6 months, including last push email and outbound dial campaign conducted in advance.

Platform (Exchange) Metrics as of 12/15/2020

		Total
Accounts Created	HC.GOV claimed accounts	128,899
	New accounts	72,131
2021 Applications Started	HC.GOV applications	243,155
	New applications	49,829
Medicaid Account Transfer Metrics	Medicaid Inbound	17,153
	Medicaid Outbound	38,652
Enrollment Metrics **For plan year 2021**	Total enrollment	319,747
	Autorenewals	221,466
	Active renewals	47,055
	New enrollment	51,226

Enrollment Data: Financial Assistance
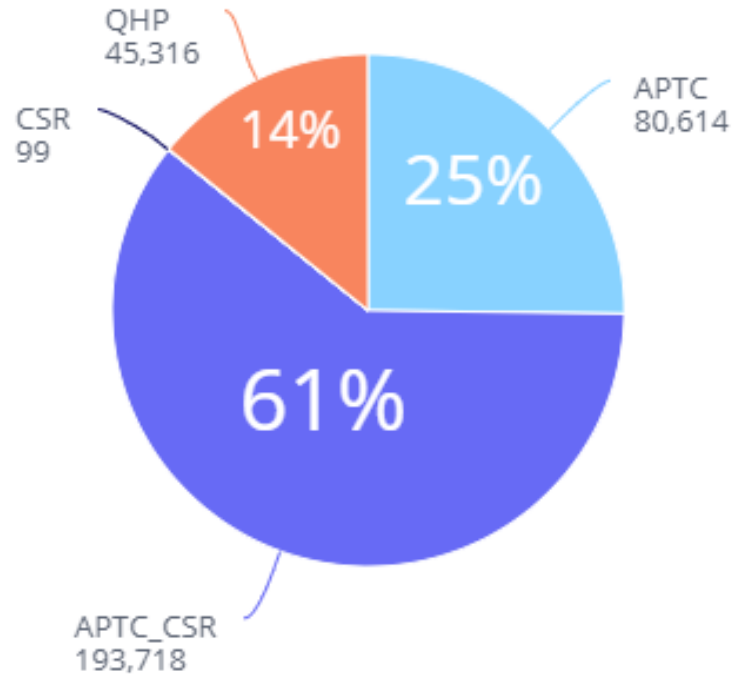
Financial Assistance Type	Count	Percentage
CSR	99	<1%
QHP	45,316	14%
APTC	80,614	25%
APTC_CSR	193,718	61%
Total	**319,747**	**100%**

Enrollment Data: Metal Tier

Catastrophic
1,626

Platinum
0

Gold
81,273

Bronze
85,589

Silver
151,259

25%   27%

47%
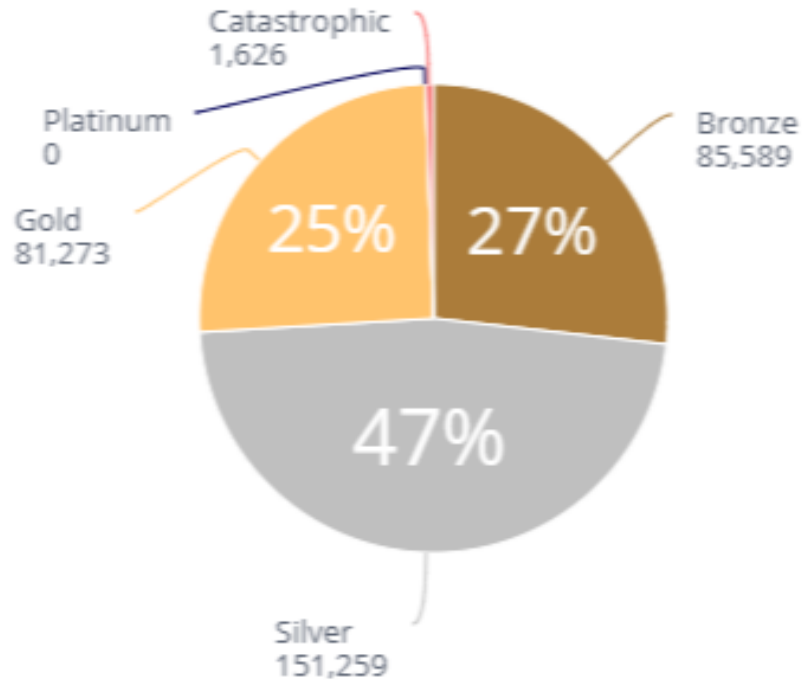
Metal Tier	Count	Percentage
Bronze	85,589	27%
Silver	151,259	47%
Gold	81,273	25%
Catastrophic	1,626	<1%
Total	319,747	100%

Per Member Per Month ("PMPM") APTC and Net Premium Metrics

Average PMPMs - Total

	OE 2020 All	OE 2021 All	OE 2021 Receiving APTCs	OE 2021 Not Receiving APTCs
Total	$648.00	$629.18	$652.42	$498.77
APTC Amount	$435.00	$441.02	$519.61	
Net Premium	$213.00	$188.16	$132.81	$498.77

■ Net Premium   ■ APTC Amount
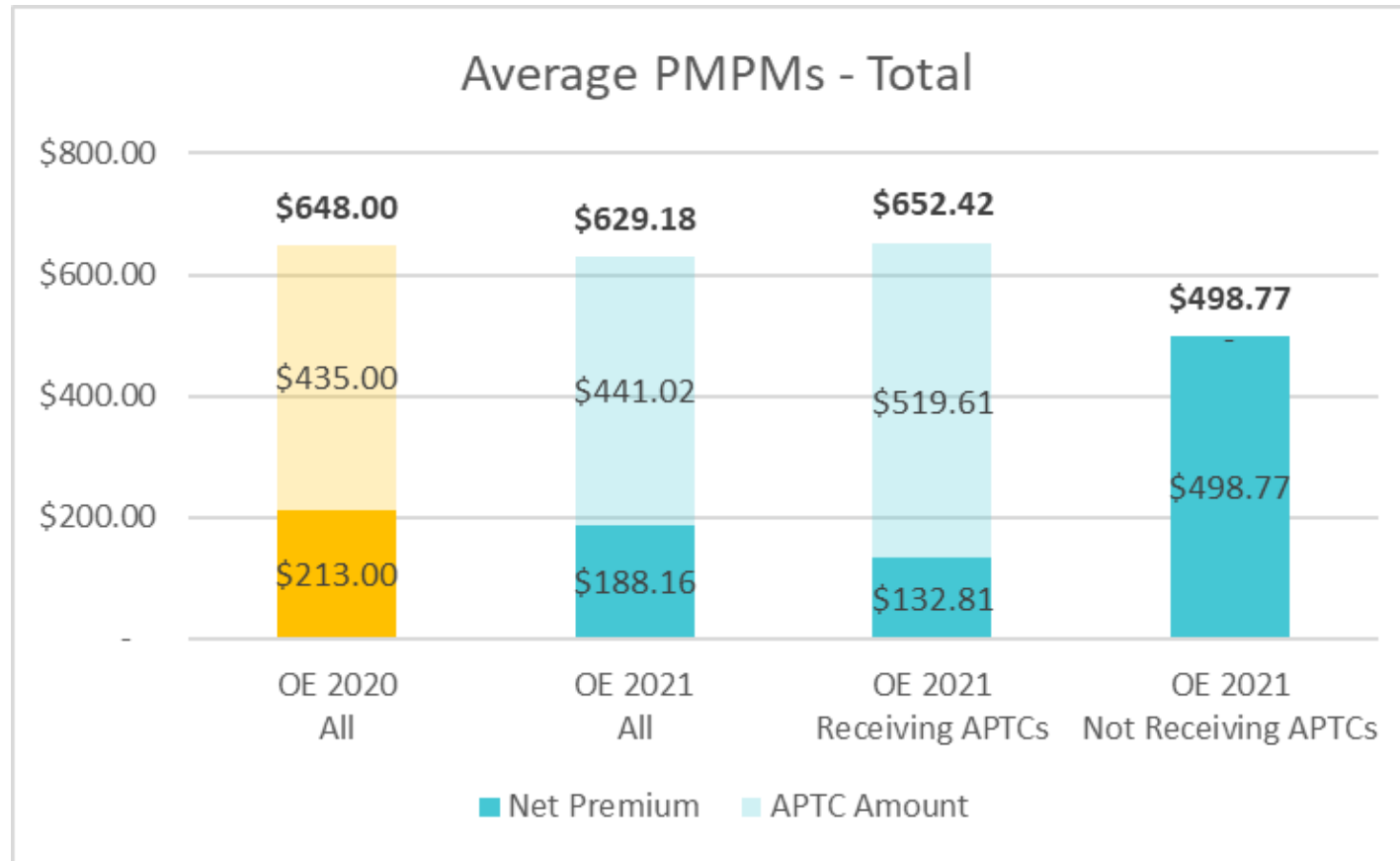
__Note:__ The APTC amounts shown above do not include members who are eligible for APTCs but are not receiving them in advance. These members are counted in the "not receiving APTCs" column.

Rating Area Map: Enrollments and Premiums as of 12/15/2020

$596 $871 $627 $713

$511 $668 $696 $744 $622
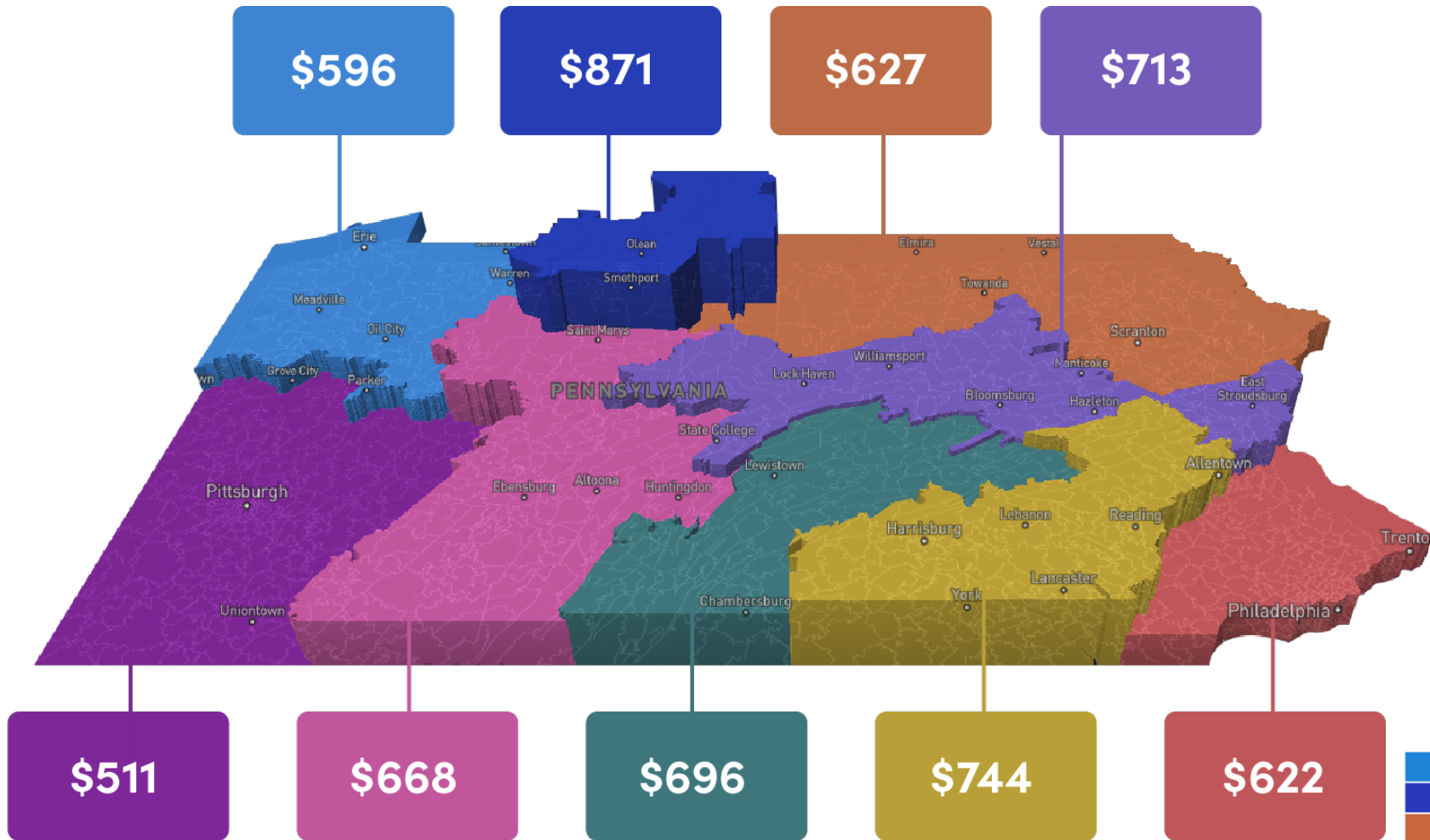
Key Takeaways:

- There is a discrepancy of $360/month for premiums in the most expensive rating area (RA-2) and the least expensive rating area (RA-4). Once APTC is applied, that discrepancy diminishes to $45/month
- Monthly APTC amounts range from $319/month to $688/month
- Average gross premium for all enrollees is ~$629/month
- RA-8 has the highest total enrollments with ~119,000 enrollees, and the next highest rating area is about half, with ~61,000 enrollees in RA-4

Rating Area	Enrollment	PMPM APTC	PMPM Net Premium	PMPM Gross Premium
1	12,739	$420	$176	$596
2	1,260	$688	$183	$871
3	31,696	$415	$212	$627
4	60,590	$319	$193	$511
5	11,538	$493	$175	$668
6	29,382	$518	$195	$713
7	34,554	$577	$167	$744
8	118,905	$433	$189	$622
9	19,006	$524	$172	$696

Enrollment Trending: FFM (OE20) compared to Pennie (OE21)
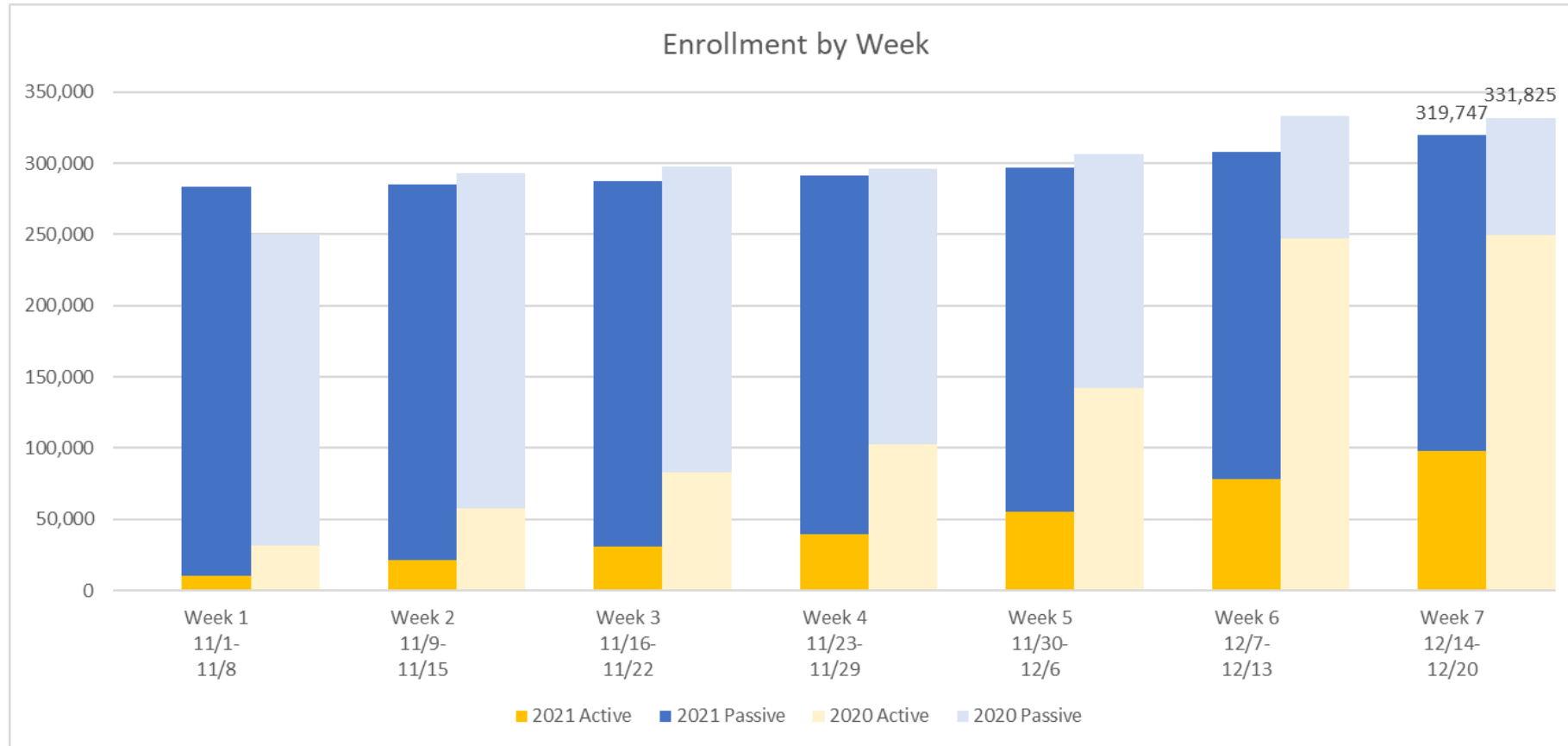
Notes:
- The HC.GOV Week 2 (ending 11/9/2020) is compared to Pennie's Week 1 (ending 11/8/2020).
- In Week 6, the HC.GOV numbers are extended to include 12/17/2019 (end of OE).
- In Week 7, the HC.GOV numbers are extended to include 12/21/2019, as that is when drop off from autorenewal run was actualized.
- Through Week 5, 2020 Passive (FFM) count is showing the estimated autorenewal count, as the autorenewal process was completed in Week 6.

Customer Service Metrics as of 12/13/2020*

		Grand Total
Call Volumes	All calls	151,915
	Handled by IVR	36,226
	Handled by CSR	102,154
IVR Call Transfers	Transferred to HC.gov	775
	Transferred to Medicaid	3,991
	Transferred to Insurers	5,623
	Other Transfers	801
Call Handling Metrics	ASA (secs)	41
	AHT (mins)	13.5
	Call abandonment rate	1.30%
	Number of abandoned calls	1,977

* See data caveat slide in Appendix

Broker and Assister Metrics as of 12/15/2020

		Total
Account Claiming Metrics	Accounts claimed by brokers	2,558
	Accounts claimed by assisters	206
	Total accounts claimed	2,764
Designations	Number of households with broker designations	91,374
	Number of households with assister designations	1,587
	Number of enrollments with broker designations	70,936
	Number of enrollments with assister designations	1,289

2021 Budget Approval

December 2020 Board Meeting

Section Overview

Updates

- Enrollment and Revenue Projections

- Proposed CY2021 Budget Expenses Detail

- Estimated Revenue

December 2020 Board Meeting

Enrollment and Revenue Projections

The scenarios below acknowledge the range around enrollment projections based on different assumptions about the unemployment forecast, ESI retention amongst the COVID unemployed, and enrollment activity.

U shaped economic recovery with full COVID unemployment recovery in Dec-21 assumed in baseline enrollment and revenue projection

Updated December 2020

Baseline	
CY 21 Avg. Monthly Enrollment	**272,405**
CY 21 Projected Revenue	$62.5 M

- **Economic Recovery Forecast:** "U"—20-month trend; full recovery by December 2021
- **ESI Retention:** 64%
- **Enrollment Activity:** Consistent with October 2020

Baseline + 2% over Jan 2021 proj.	
CY 21 Avg. Monthly Enrollment	**277,853**
CY 21 Projected Revenue	$63.7 M

- **Economic Recovery Forecast:** "U"—20-month trend; full recovery by December 2021
- **ESI Retention:** 64%
- **Enrollment Activity:** Consistent with October 2020

Baseline + 5% over Jan 2021 proj.	
CY 21 Avg. Monthly Enrollment	**286,025**
CY 21 Projected Revenue	$65.6 M

- **Economic Recovery Forecast:** "U"—20-month trend; full recovery by December 2021
- **ESI Retention:** 64%
- **Enrollment Activity:** Consistent with October 2020

CY2021 Proposed Budget: Overview

	Total Budget Amount
Total Expenses	**$49,958,630**
Personnel	$6,231,524
Operations	$43,727,106
*Please note a breakdown by Program Area will be provided on the following slide.	

December 2020 Board Meeting

CY2021 Proposed Budget by Program Area

Including federal and state share

Budget Categories	Budgeted Amount	Federal Share	Total Pennie Share
Personnel	$6,231,524	$2,300,075	$3,931,449
External Affairs	$8,583,356	$2,248,839	$6,334,517
Information Technology & Customer Service	$33,274,350	$12,925,624	$20,348,726
General Operations	$1,869,400	$275,130	$1,594,270
Total	**$49,958,630**	***$17,749,668**	**$32,208,962**

*Please note: this amount includes the anticipated approval of the FFY2022 (beginning October 1, 2021) APD funding request.

CY2021 Proposed Budget: Estimated Revenue Scenarios

Pennie Profit and Loss (P&L) Statement Estimates				
Revenue (Estimated)	**2020**	**2021-1**	**2021-2**	**2021-3**
User Fees	$11,284,031	$62,500,000	$63,700,000	$65,600,000
Federal Funding	$4,701,985	$17,749,668	$17,749,668	$17,749,668
Total Net Revenue	**$15,986,016**	**$80,249,668**	**$81,449,668**	**$83,349,668**
Expenses				
Personnel	$3,104,972	$6,231,524	$6,231,524	$6,231,524
Operations Total	$11,248,672	$43,727,106	$43,727,106	$43,727,106
External Affairs	$7,821,840	$8,583,356	$8,583,356	$8,583,356
IT/Customer Service	$2,826,097	$33,274,350	$33,274,350	$33,274,350
General Operating	$600,735	$1,869,400	$1,869,400	$1,869,400
Total Expenses	**$14,353,644**	**$49,958,630**	**$49,958,630**	**$49,958,630**
Net Profit/Loss	**$1,632,372**	**$30,291,038**	**$31,491,038**	**$33,391,038**

2021 Board Planning Items

December 2020 Board Meeting

2021 Board Meetings

- Proposed 2021 meeting schedule:

    Bi-monthly meetings, 12 p.m.-3:30 p.m.
    - Thursday, January 14th
    - Thursday, March 25th
    - Thursday, April 15th
    - Thursday, June 17th
    - Thursday, August 19th
    - Thursday, October 21st
    - Thursday, December 16th

- Discussion around formation of committees

December 2020 Board Meeting

2021 Strategic Planning Session

- Determine 2021 Strategic Planning Session timing and length

    - Half-Day Virtual Session

        - Proposed Date/Time: Thursday, February 25; afternoon

- Board to discuss tentative topics

Notice of Benefit and Payment Parameters for 2022

Areas of Comment

- Limited timeframe to respond; asking for responses to a 2022 regulation during OE

- Special Enrollment Period Changes

    - Pennie is supportive of the proposed change allowing consumers to get SEP if they were unaware of an existing SEP.

    - Pennie is supportive of the proposed change to let consumers enroll in a new QHP of a lower metal tier if they qualify for an SEP due to becoming newly ineligible for APTC; suggesting CMS expand this to allow those newly eligible for APTC to enroll in a new QHP of a higher metal tier.

    - Pennie is supportive of the proposed change to create an SEP for the cessation of employer contributions to COBRA coverage; suggesting CMS expand to allow for an SEP in the event an employer's contribution to an individual's COBRA coverage is meaningfully reduced (10% or higher).

    - Pennie opposes requiring 75% verification of SEPs for consumers not already enrolled in coverage through the exchange.

Areas of Comment

- Direct Enrollment

  - Pennie plans to oppose this, focusing on the fact that this violates both the language and spirit of the ACA. The ACA requires states to create a health benefit exchange and an internet portal for the standardized display of coverage options. 42 U.S.C. §§ 18031, 18003.

  - While there is a potential role for direct enrollment in PA, CMS is essentially proposing a new Direct Enrollment marketplace that would serve as an alternative to an exchange within a state's marketplace.

  - Bifurcation of the exchange functions in the manner proposed will lead to customer confusion about where they can appropriately purchase health insurance, where they can get unbiased information, and what the process is to get decisions regarding APTC/CSR.

Adjourn

December 2020 Board Meeting

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Appendix

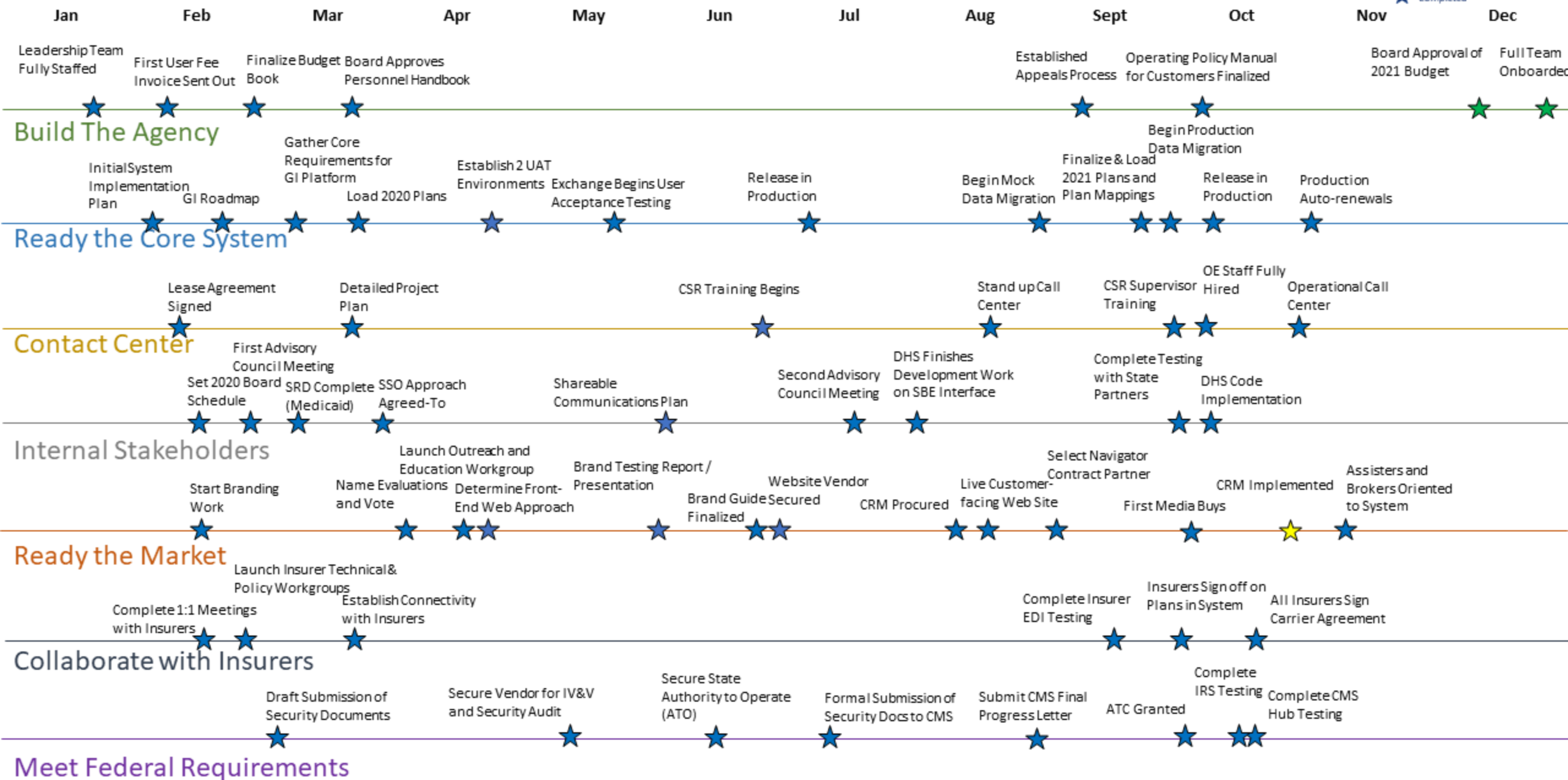# Standard Updates

December 2020 Board Meeting

Standard Updates

- Stars on a String

- Stakeholder Engagement

- Technology and Operations

- Communications

EXCHANGE AUTHORITY PROJECT MILESTONES

Legend:
- Not Started
- In Process, On Track
- In Process, Behind Schedule
- In Process, At Major Risk
- Completed

Months: Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec

Build The Agency
- Leadership Team Fully Staffed
- First User Fee Invoice Sent Out
- Finalize Budget Book
- Board Approves Personnel Handbook
- Established Appeals Process
- Operating Policy Manual for Customers Finalized
- Board Approval of 2021 Budget
- Full Team Onboarded

Ready the Core System
- Initial System Implementation Plan
- GI Roadmap
- Gather Core Requirements for GI Platform
- Load 2020 Plans
- Establish 2 UAT Environments
- Exchange Begins User Acceptance Testing
- Release in Production
- Begin Mock Data Migration
- Finalize & Load 2021 Plans and Plan Mappings
- Begin Production Data Migration
- Release in Production
- Production Auto-renewals

Contact Center
- Lease Agreement Signed
- Detailed Project Plan
- CSR Training Begins
- Stand up Call Center
- CSR Supervisor Training
- OE Staff Fully Hired
- Operational Call Center

Internal Stakeholders
- Set 2020 Board Schedule
- First Advisory Council Meeting
- SRD Complete (Medicaid)
- SSO Approach Agreed-To
- Shareable Communications Plan
- Second Advisory Council Meeting
- DHS Finishes Development Work on SBE Interface
- Complete Testing with State Partners
- DHS Code Implementation

Ready the Market
- Start Branding Work
- Name Evaluations and Vote
- Launch Outreach and Education Workgroup
- Determine Front-End Web Approach
- Brand Testing Report / Presentation
- Brand Guide Finalized
- Website Vendor Secured
- CRM Procured
- Live Customer-facing Web Site
- Select Navigator Contract Partner
- First Media Buys
- CRM Implemented
- Assisters and Brokers Oriented to System

Collaborate with Insurers
- Complete 1:1 Meetings with Insurers
- Launch Insurer Technical & Policy Workgroups
- Establish Connectivity with Insurers
- Complete Insurer EDI Testing
- Insurers Sign off on Plans in System
- All Insurers Sign Carrier Agreement

Meet Federal Requirements
- Draft Submission of Security Documents
- Secure Vendor for IV&V and Security Audit
- Secure State Authority to Operate (ATO)
- Formal Submission of Security Docs to CMS
- Submit CMS Final Progress Letter
- ATC Granted
- Complete IRS Testing
- Complete CMS Hub Testing

December 2020 Board Meeting

Stakeholder Engagement – Insurers – As of 12/14

Overall, very positive, no major issues

Regular weekly/bi-weekly recurring meetings have facilitated communication, cross-functional collaboration, and ability to resolve insurer-specific issues

Recurring Meetings

- Combined OEP Weekly Working Group
- Insurer One-on-One Weekly/Bi-Weekly Meetings

Customer Service

- No issues regarding contact center
- Coordinated customer communications
  - e.g. Differences in assigning subscriber
- Migration of new applicants from HealthCare.gov "catch-up" files on 10/20 & 11/30

Reconciliation (Recon)

- A comparison of Pennie & Insurer information to ensure customer & enrollment data in synch
- Recon began 1st week of December
- Insurers scheduled in different weeks throughout the month

EDI

- Regular daily EDI files continuing – no issues
- Pay Now – Payments via Pay Now are flowing
  - Some insurers reporting higher than normal effectuation rates

Brokers

- Continued support for broker account setup
- Collaboration on broker issues, e.g. book of business

Other

- Targeted issue resolution, e.g. Medicare anti-duplication, duplicate coverage
- Feedback on improved language for customers re: binder payments *(coming soon)*

December 2020 Board Meeting

Stakeholder Engagement – Brokers, Assisters, Others – As of 12/14

Brokers

- 2,500+ Producers trained and certified
- 2,400+ Broker have claimed their accounts
- Broker Work Group held on 11/13, next scheduled for 12/11
- Pennie Team continues to work closely with brokers on registration, certification and account set-up questions and issues.

Assisters

- 158 Assisters and 48 Assister Entities have claimed their Pennie Accounts
- 915 Assister appointment requests
- Pennie's Outreach & Education Workgroup on 12/2 focused on Lessons Learned from Virtual Enrollment Events and Get Covered 2021 Day
- Pop-Up Style Outreach Events are proving to be a safe and effective means of reaching underserved communities

Others

- Pennie continues to work with PA Labor & Industry in Rapid Response sessions for employees of recently closed or downsized companies
- Pennie has created new partnerships with PA Forward, the Lancaster United Way, the YMCA and other community-based organizations

Technology - As of 12/14

Single Streamlined Application – Minor items are being tracked for future resolution and or enhancements. Successful applications and enrollments have been occurring since 11/1.

Federal Hub – SBMi (enrollment data reporting) submission tested and completed in production the week of 11/30. Formal Environment (IMPL) certificate to be updated on January 14, 2021

AT – Account Transfers between Pennie and DHS have been validated and are ongoing. Minor enhancements being considered for 2021 releases.

Data Management – 834 file triggering and processing continues as expected. Reconciliation files (RCNI/RCNO) have begun being processed.

Notices – Notices have successfully generated in bulk, as well as on and ad hoc basis based on system activity.

PayNow – Insurers have validated customers are being directed correctly to their individual payment pages.

Provider Directory – Plan shopping provider data is being presented as expected.

Security– Planning for next year's Security Assessment Report (SAR) has begun.

Automation – The swivel chair process of moving Contact Us inquires to the GetInsured ticketing system for secure response has been successful. So far that automation has reduced manual effort by Pennie staff by ~133 hrs

Recent Releases

20.12 Insurer Ticketing – 12/3 release production validation completed successfully.

Future Releases

21.1 Various Enhancements– UAT for 21.1 is wrapping up with a planned 1/7 go-live. 367 Test cases planned, 243 Executed with 230 passed and 13 failed.

21.3 Scope Definition – Scope of the 21.3 is still in flight. Important dates for that release are UAT start date 3/1/21 and targeted deployment date 4/1/2021.

Release Planning

The IT and Business teams are working together to document and prioritize future enhancements. Factors such as Strategic Goal Alignment, Level of Effort, Ease of Implementation, and Cross State Synergies are being considered. This plan will be one of the inputs in to 2021 Strategic Planning meetings with the Board.

Call Center Updates – As of 12/14

Contact Center – Live as of Sunday, November 1, 2020

- Hours of Operation:

PENNIE CC Hours	After Open Enrollment	During Open Enrollment Nov. 1, 2020 – Jan. 15, 2021
Mon. – Fri.	8am – 6pm	8am – 7pm
Saturday	Closed	8am – 1pm
Sunday	Closed	Closed

- Full IVR operationalized and functioning by design.

CSR Staffing & Training

- Current Staffing as of 12/7/20: 219 CSRs total (25 of which are PA-residents).*

- Currently sourcing for "back fill" CSR support for end of OE period to respond to current upward trend in call volumes. An additional 17 CSRs from GetInsured tenured pool of partner programs are being trained on Pennie and will be available for 12/14 - January 15, 2021.

  *Normal attrition expected/closely monitored/evaluated

Escalations & Handoff Processes

- Handoff processes in production with continuous process improvement opportunities being identified and worked into workflows.

  o Medicaid / Medical Assistance (DHS)

  o CHIP

  o Insurers

  o PID

- Escalation paths in production are currently being followed effectively with further monitoring for refinement and continuous improvement opportunities.

  o Escalations from contact center to Pennie staff

  o Escalations from Pennie staff to contact center

- Quick response process reflects Pennie team's proactive responsiveness to adapt to real-time operational situations.

- We are closely monitoring and evaluating these processes, communicating with our partners and stakeholders as we readily adapt to changing business needs.

- Staffing levels and performance metrics monitored and evaluated on a daily for analysis, trend reporting, adjustments and future planning.

Communications – As of 12/14

Advertising

- Open Enrollment campaign approved and underway

Customer Communications

- Email campaigns are continuous. Increased frequency as we approach the Dec. 15 plan selection deadline

Partner Communications

- 2021 Open Enrollment Toolkit is on the website
- Ad hoc messages shared as needed

Assister/Broker Communications

- Sharing customer emails to prepare our assister network
- Broker Workgroup will be held on Dec. 11

Media Relations

- Pitching local, statewide and industry specific publications
- Distributed media release encouraging plan selections by the Dec. 15 deadline
- Press Conference with the Governor – 12/14

Other

- Pennie participated in the Get Covered 2021, a national initiative; partnered with the Governor to declare Dec. 10 Get Covered 2021 Day in Pennsylvania via a proclamation
- Pennie Podcast has new episodes on pennie.com and Spotify
- Pennie Customer Success team continues to reach out to key populations who need to take action to ensure continuous coverage

Data & Reporting

Key Data Caveats

- This dashboard is intended to show directional trends that will indicate overall consumer activity and call center performance.

- Caution should be taken when trying to compare numbers across categories for a variety of reasons:
  - Consumers may not cleanly flow from one step to the next (i.e., application to plan selection as not all consumers who apply will be eligible).
  - Some numbers are at a household level (like application) where others are at an individual level (like members enrolled).
  - Duplication may exist at some steps (i.e., consumers may create more than one account unintentionally), and consumers may show up in multiple places (i.e., mixed household eligibility will show up in account transfer and plan selection).

- This dashboard is inclusive of medical plan information only, it currently excludes dental plan information.

- This dashboard reports plan selections as enrollments.

- For Active Renewals, note that there was a small manual auto-renewal run performed 11/13/2020; enrollees from that run are reflected in this Active Renewals metric.

- For customer service metrics, call information for 11/2, 12/14, and 12/15 has been excluded from the totals due to technical difficulties in the call center telephone system.

- Finally, call center information is inclusive of all calls received during call center normal business hours.

Dashboard Definitions

Platform (Exchange) Metrics		
	HC.GOV Claimed	Count of unique households, created before 11/1/2020 and updated since 11/1/2020
	New Accounts	Count of unique households, created after 11/1/2020
	HC.GOV Applications	Household applications created after 11/1 that have an external application ID (FFM indicator), plus household applications created before 11/1 and associated with an enrollment on HC.GOV. An application that results in an enrollment will still be captured in this metric, and an application created before 11/1 and edited after 11/1 will *not* be double counted - these are unique applications for each household
	New Applications	Household applications created after 11/1 that do not have an external application ID (FFM indicator). An application that results in an enrollment will still be captured in this metric
	Medicaid Inbound	Count of unique application referrals from the Medicaid system to Pennie
	Medicaid Outbound	Count of unique applications that had at least one individual assessed as potentially Medicaid eligible and were therefore transferred to the Medicaid system for determination
	Autorenewals	Count of unique enrollees on enrollment records created before 11/1/2020
	Active Renewals	Count of unique enrollees on enrollment records created after 11/1/2020, with an external applicant ID (FFM indicator) (and for Health, removing external enrollments marked as Dental). Note that there was a small manual auto-renewal run performed 11/13/2020; enrollees from that run are reflected in this Active Renewals metric.
	New Enrollment	Count of unique enrollees on enrollment records created after 11/1/2020 by accounts that do not have external applicant IDs (indicate they came from HC.GOV)

Dashboard Definitions

Platform (Exchange) Metrics	Enrollment by Financial Assistance- Total	Display of enrollment by financial assistance breakdown. Limited to Enrollees & Subscribers, to enrollees with coverage ending 12/31/21, and removing those with canceled enrollment
	Enrollment by Metal Tier– Total	Display of enrollment by application metal tier. Limited to Enrollees & Subscribers, to enrollees with coverage ending 12/31/21, and removing those with canceled enrollment
	Enrollment by Insurer– Total	Display of enrollment by insurer. Limited to Enrollees & Subscribers, to enrollees with coverage ending 12/31/21, and removing those with canceled enrollment
	Average PMPMs - Total	Display of per-member-per-month metrics. Limited to Enrollee & Subscribers, to enrollees with coverage ending 12/31/21, and removing those with canceled enrollment
	PMPM APTC	Sum of Enrollment record level of the *used* Advanced Premium Tax Credit ("APTC") Amount, divided by Count of Unique Enrollees. Split to 3 groups: All enrollees, those who had APTCs applied to their gross premiums, and those who had no ATPCs applied to their gross premiums (*this last group includes members who were ineligible for any APTCs and members who were eligible for APTCs but elected to not use them)
	PMPM Net Premium	Sum of Enrollment record level Net Premium Amount, divided by Count of Unique Enrollees. Split to 3 groups: All enrollees, those who had APTCs applied to their gross premiums, and those who had no ATPCs applied to their gross premiums (*this last group includes members who were ineligible for any APTCs and members who were eligible for APTCs but elected to not use them)

Dashboard Definitions

Customer Service Metrics		
	All calls	Total number of calls received. Note: the calls handled will not sum to this number as they don't include abandons or transfers. Only calls started during call center business hours have been included
	Calls Handled by IVR	Number of calls handled by the interactive voice response
	Calls Handled by CSR	Number of calls handled by a call center representative
	IVR Call Transfers	Number of calls transferred by the interactive voice response to the reported destination (HC.GOV, Medicaid, Insurers, other)
	ASA	Average speed to answer measured in seconds
	AHT	Average handle time measured in minutes
	Call Abandonment Rate	Percentage of total calls that a customer dropped before a CSR picked up the call to provide service
	Number of abandoned calls	Number of calls that a customer dropped before a CSR picked up the call to provide service

Dashboard Definitions

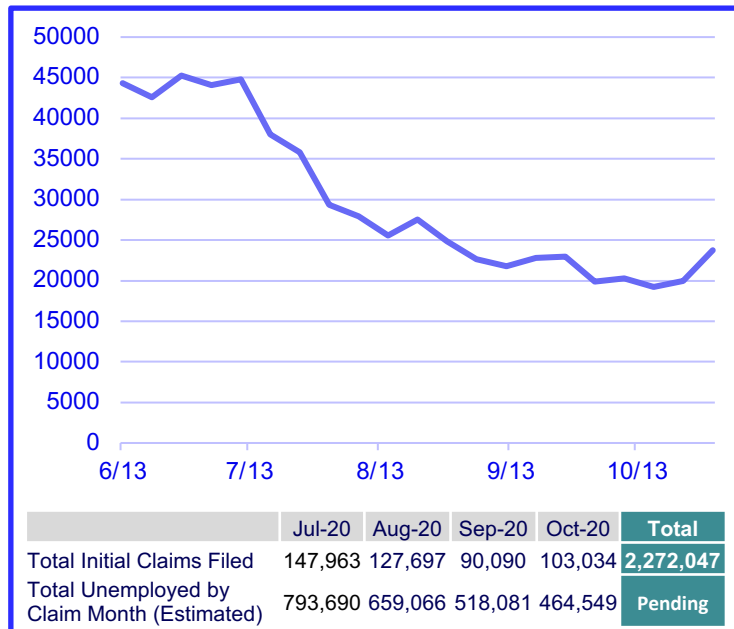|		
Broker and Assister Metrics	Accounts claimed by brokers	Number of user accounts claimed by brokers and agency managers. The daily count is determined by subtracting today's total from yesterday's total
	Accounts claimed by assisters	Number of user accounts claimed by assisters and entities. The daily count is determined by subtracting today's total from yesterday's total
	Total accounts claimed	Total of the user accounts claimed by brokers and assisters
	Number of households with broker designations	Count of the households which have an active designated a broker
	Number of households with assister designations	Count of the households which have an active designated an assister
	Number of enrollments with broker designations	Count of enrollments created with a broker attached
	Number of enrollments with assister designations	Count of enrollments created with an assister attached

Pennie Enrollment & Revenue Model

Updated for December 2020

Unemployment – Background and Method

COVID-19 has fueled a surge in unemployment – 2.3 million initial unemployment claims were filed in PA between mid-March & October – 464,549 Pennsylvanians are estimated to be currently unemployed
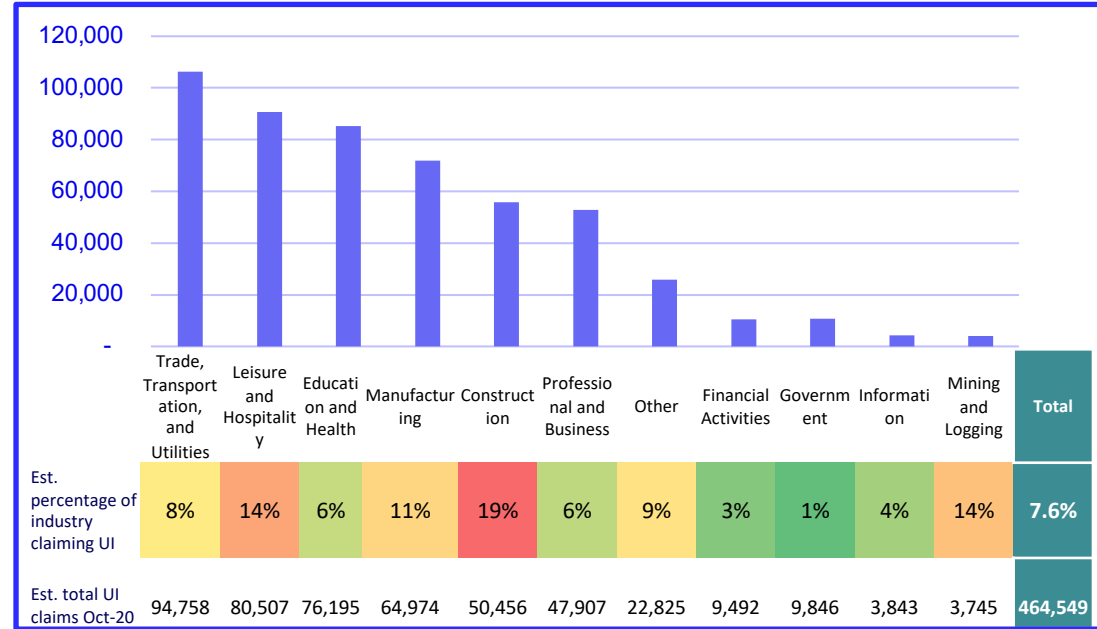
PA Initial Unemployment Claims Filed by Day
June 15 – October 30, 2020

	Jul-20	Aug-20	Sep-20	Oct-20	Total
Total Initial Claims Filed	147,963	127,697	90,090	103,034	2,272,047
Total Unemployed by Claim Month (Estimated)	793,690	659,066	518,081	464,549	Pending

PA Estimated Unemployed by Industry
Year-to-Date Total as of October 31, 2020

	Trade, Transportation, and Utilities	Leisure and Hospitality	Education and Health	Manufacturing	Construction	Professional and Business	Other	Financial Activities	Government	Information	Mining and Logging	Total
Est. percentage of industry claiming UI	8%	14%	6%	11%	19%	6%	9%	3%	1%	4%	14%	7.6%
Est. total UI claims Oct-20	94,758	80,507	76,195	64,974	50,456	47,907	22,825	9,492	9,846	3,843	3,745	464,549

Total initial claims filed: https://www.uc.pa.gov/COVID-19/Pages/UC-Claim-Statistics.aspx
Total unemployed by claim month: https://data.bls.gov/timeseries/LASST420000000000003
Est. initial UI claims by industry: https://www.workstats.dli.pa.gov/Products/UCActivity/Pages/default.aspx

Methodology Overview – Background and Method

The 8-step approach starts from unemployment by industry and models coverage loss and income-based program eligibility amongst the newly unemployed to project both incoming and outgoing Pennie enrollments.

1	2	3	4	5	6	7	8
Unemployment	**Prior Coverage Status**	**Total Eligibles**	**Likely Enrollment**	**Dependent Children**	**Calibration to Enrollment Experience to Date**	**Economic Recovery**	**Medicaid Re-determination Delay**
Establish base unemployment to date, by industry	Estimate prior coverage status of the unemployed	Establish the pool of total eligibles by program	Apply historic take-up rates by income segment to estimate the share of total eligibles likely to enroll	Add dependent children and complete steps 2-4 to establish corresponding populations of dependent children	Calibrate enrollment projections to Pennie enrollment experience to date using "enrollment activity" factors and current data	Claims data and economic performance provide more certainty with the shape and pace of economic recovery to inform enrollment rates	Account for the uncertainty in the timing of re-starting Medicaid re-determinations and extension of public health emergency

Methodology Overview – By the Numbers

Steps 1-5 establish the universe of likely Exchange enrollments and disenrollments.
30,181 Likely New Exchange enrollments and 15,696 Leaving Exchange disenrollments are estimated (14,175 adults + 1,521 children).

1 — **Unemployment**
464,549 adults

464,549 Unemployed Adults (estimated as of October 2020)

2 — **Prior Coverage Status**
58% of unemployed adults estimated to be retaining either ESI or public coverage

PRIOR COVERAGE TYPE	Total	Individual Market 41,187		ESI 352,398		Public	Uninsured
		Off Exchange	Exchange	ESI Lost	ESI Retained		
Unemployed Adults	464,549	13,789	27,398	126,863	225,535	43,555	27,409
% Total	100%	3%	6%	27%	49%	9%	6%

3 — **Total Eligibles**
112,256 unemployed adults who could newly enroll on Exchange – offset by 33,007 enrollees newly Medicaid eligible

TOTAL ELIGIBLE	Total	Newly Uninsured			Retaining Prior Coverage				Leaving Exchange
		New Medicaid/CHIP	New Exchange		Individual	ESI	Public	Uninsured	New Medicaid/CHIP
Unemployed Adults	464,549	33,007	112,256		22,788	225,535	43,555	27,409	14,175
% Total	100%	7%	24%		5%	49%	9%	6%	

4 — **Likely Enrollment**
Based on historic take-up, 30,181 Likely New Exchange enrollments

LIKELY ENROLLED (w/ Historic Take-up)	Total	Newly Uninsured			Retaining Prior Coverage				Leaving Exchange
		New Medicaid/CHIP	New Exchange	Uninsured	Individual	ESI	Public	Uninsured	New Medicaid/CHIP
Unemployed Adults	464,549	26,538	30,181	88,544	22,788	225,535	43,555	27,409	14,175
% Total	100%	6%	6%	19%	5%	49%	9%	6%	

5 — **Dependent Children**

Adding dependent children adds 1,521 Likely Leaving Exchange members and 0 Likely New Exchange members (given higher Medicaid/CHIP eligibility threshold for children)

Note: New Medicaid/CHIP category includes Medicaid, No Cost CHIP, and Low Cost CHIP kids (i.e. all kids up to 314% FPL); Full Cost CHIP kids (+314% FPL) are considered Exchange eligible
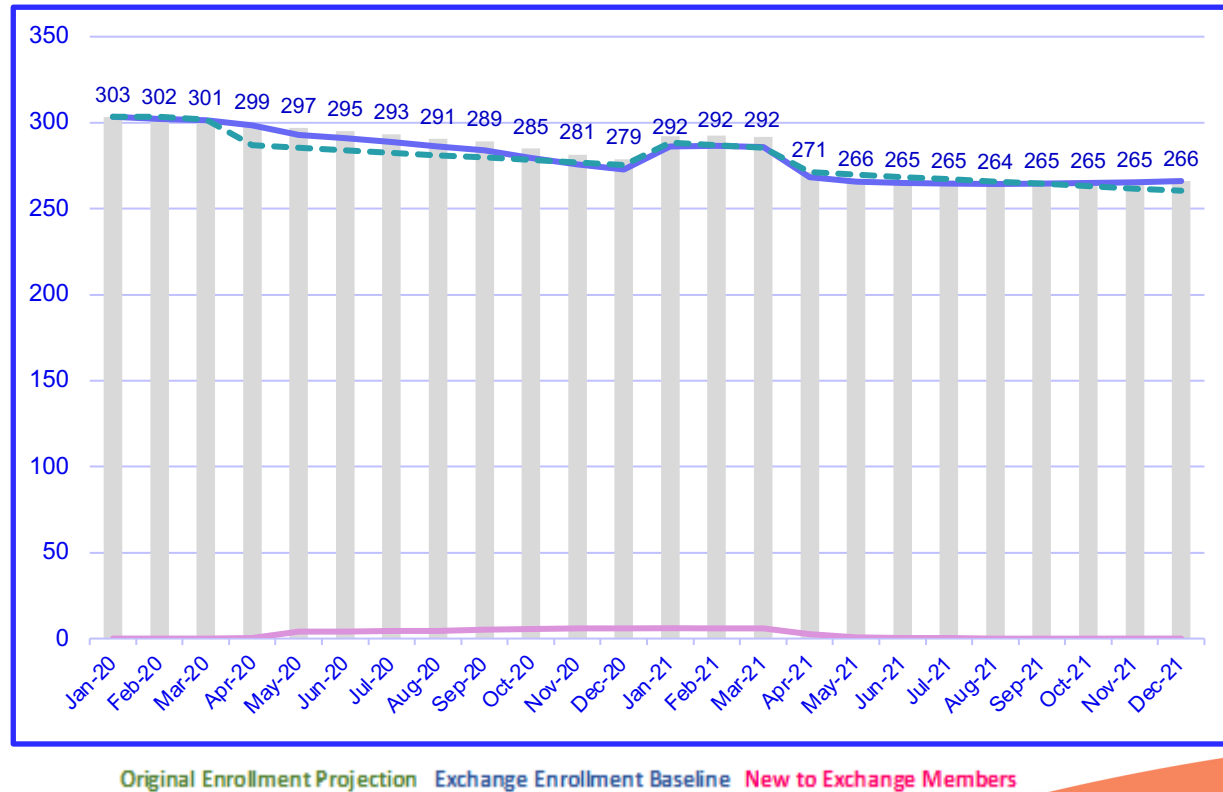
Enrollment Projection (Baseline)

Our baseline enrollment projection anticipates a modest increase in CY 2020 enrollment, and a modest decrease in CY 2021 enrollment.

Pennie Enrollment: Original vs. COVID-Adjusted Projection *(in thousands)*

Original Enrollment Projection   Exchange Enrollment Baseline   New to Exchange Members

	July Projection	December Projection
CY 2020 Avg. Monthly Enrollment	**292,802**	**293,439**
	+ 637 (+0.22%)	
CY 2021 Avg. Monthly Enrollment	**260,094**	**272,405**
	+ 12,311 (+5%)	

Key Drivers/ Assumptions

1. **Unemployment Forecast**
   UI claims to date with no additional claiming

2. **ESI Retention**
   58% of the newly unemployed with ESI retain ESI coverage or public coverage

3. **Enrollment Activity to Date**
   Consistent w/ Oct-20 activity

4. **Leaving Exchange/Medicaid eligible population** - immediately due to job loss and overtime as benefits expire

Revenue Projection

Our current baseline enrollment projection translates to $63 M in user fee revenue for CY 2021.

User Fee Revenue Calculation
(1) Projected Monthly Enrollment X
(2) Average Premium X
(3) User Fee (% premium) =
User Fee Revenue

Inputs/ Assumptions	
(1) Monthly Enrollment	Sourced from enrollment projection
(2) Average Premium	**Base:** January 2021 avg premium ($637 PMPM)
(3) User Fee	3% in CY 21

CY) 2021 Pennie Revenue Projection *(by quarter)*
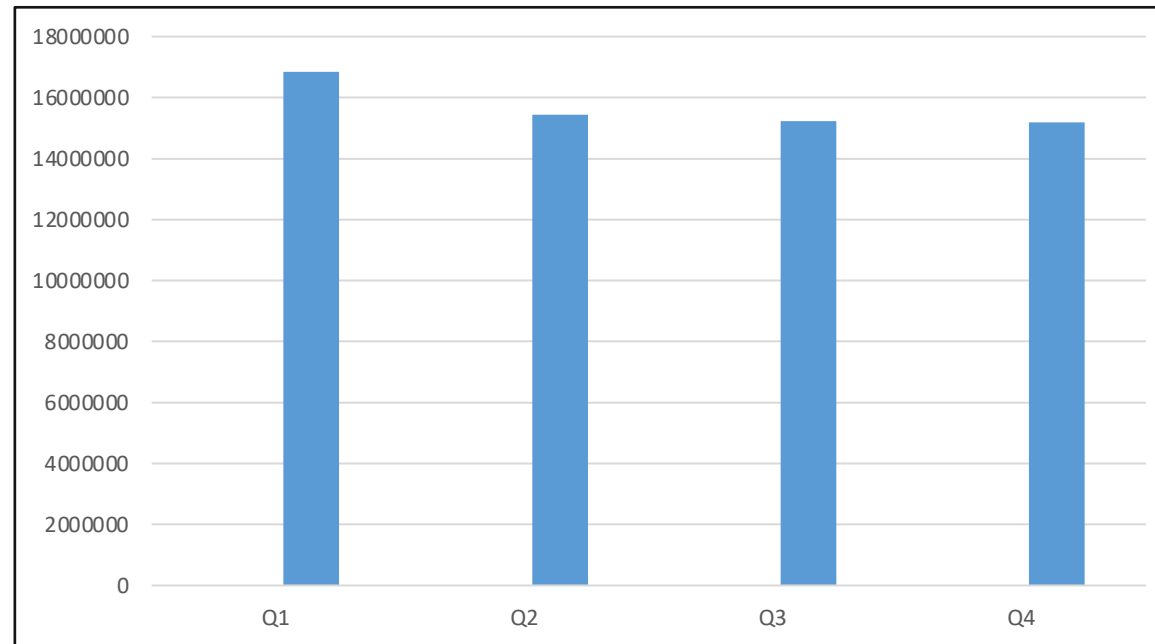
Key Drivers

Given the considerable uncertainty about economic recovery and the unique characteristics of COVID unemployment and coverage seeking activity, we have established a framework of assumptions and scenarios that can be refined as more information becomes available.

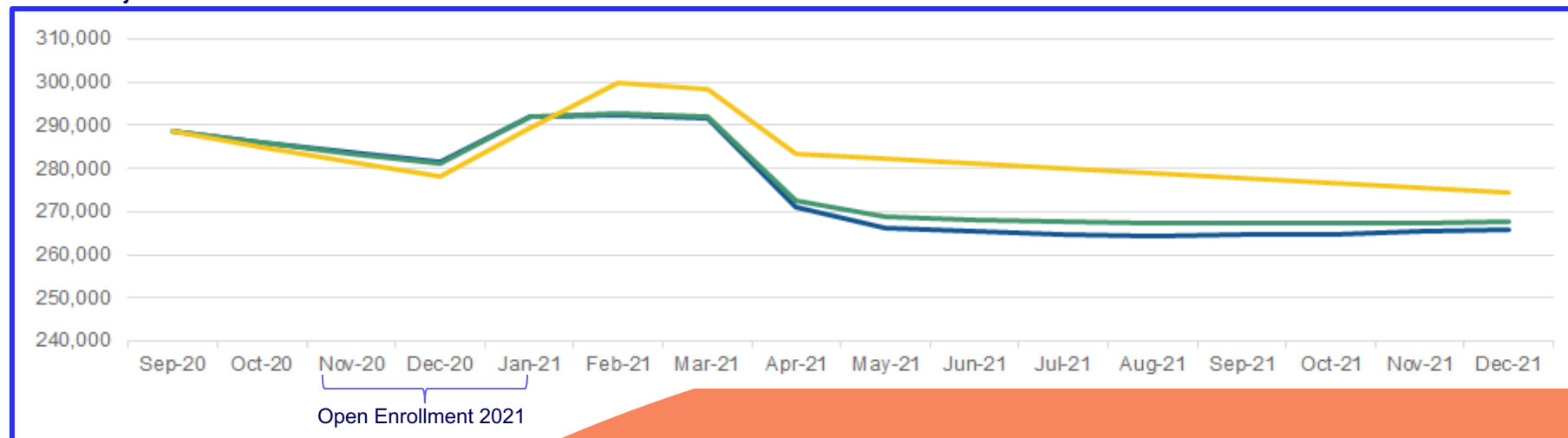| Key Assumptions	Assumption *(held constant)*
Medicaid Redeterminations	Medicaid re-determinations delayed thru at least December-21. The model does not project the impact of re-determinations beginning before then.
Economic Recovery	U shaped economic recovery with full COVID unemployment recovery in Dec-21 assumed in baseline enrollment and revenue projection
Prior Coverage Type	• The distribution of the newly unemployed by coverage type matches the statewide distribution of working adults by income segment • Part time workers lose their jobs first – full time workers lose their jobs only after all part time workers in an industry are unemployed
Average Premium (Revenue)	Average premium PMPM is flat

Key Variables	Considerations *(vary by scenario)*
Unemployment Forecast	• To what extent will job losses/layoffs continue? • Will PPP funds exhaustion and general economic uncertainty drive new unemployment? • When will new unemployment waves occur? • To what extent will furloughed workers become unemployed over time?
ESI Retention	• To what extent are the newly unemployed previously covered by ESI retaining coverage? • How many people are retaining coverage through a spouse or parent, through COBRA, or through their employer while furloughed?
Exchange Enrollment Activity to Date	• Exchange enrollment activity to date has been relatively low – will this change over time? • What factors are influencing coverage seeking activity amongst the COVID unemployed who have lost coverage? Can low activity be attributed to limited active outreach by the FFM or is it driven by other factors? • What will take-up amongst the newly eligible look like longer term? • Will exhaustion of CARES Act UI impact Exchange eligibility and enrollment?

Scenarios

The scenarios below acknowledge the range around enrollment projections based on different assumptions about the unemployment forecast, ESI retention amongst the COVID unemployed, and enrollment activity.

Baseline	
CY 21 Avg. Monthly Enrollment	272,405
CY 21 Projected Revenue	$62.5 M

- **Economic Recovery Forecast:** "U"—20-month trend; full recovery by December 2021
- **ESI Retention:** 64%
- **Enrollment Activity:** Consistent with October 2020

Medium	
CY 21 Avg. Monthly Enrollment	274,264
CY 21 Projected Revenue	$62.9 M

- **Economic Recovery Forecast:** "W"—20-month trend; quicker initial recovery than "U" coupled with a second downturn, full recovery by December 2021
- **ESI Retention:** 55%
- **Enrollment Activity:** Consistent with October 2020

High	
CY 21 Avg. Monthly Enrollment	283,150
CY 21 Projected Revenue	$65 M

- **Economic Recovery Forecast:** "V"—10-month trend; full recovery by February 2021
- **ESI Retention:** 45%
- **Enrollment Activity:** Consistent with October 2020

Pennie Projected Total Enrollment
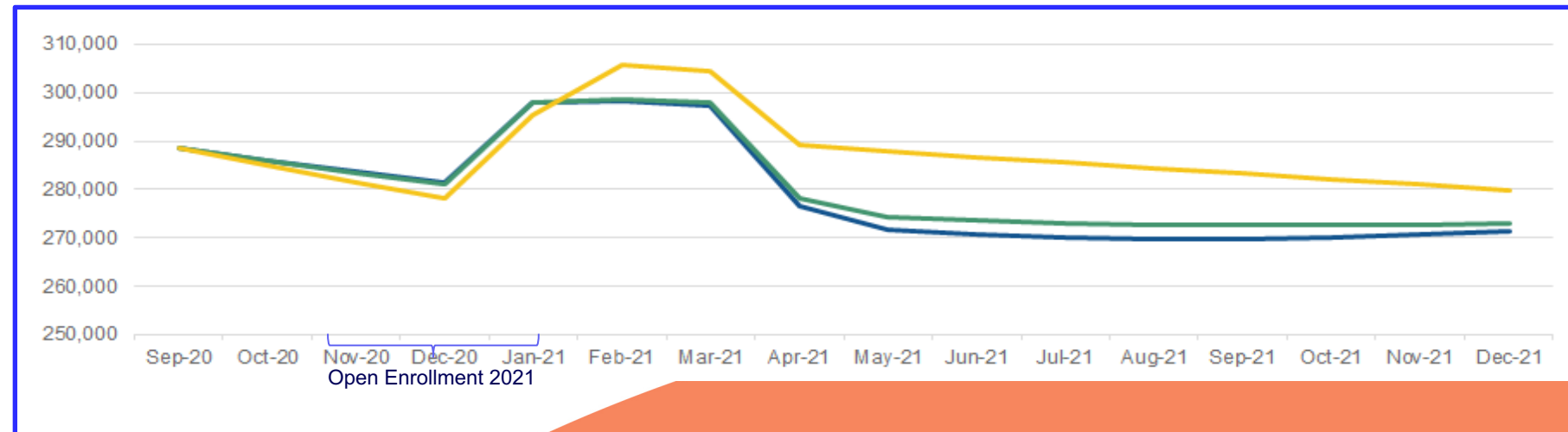

Open Enrollment 2021

Scenarios at +2% Increase in OE

The scenarios below acknowledge the range around enrollment projections based on different assumptions about the unemployment forecast, ESI retention amongst the COVID unemployed, and enrollment activity.

Baseline	
CY 21 Avg. Monthly Enrollment	**277,853**
CY 21 Projected Revenue	$63.7 M

- **Economic Recovery Forecast:** "U"—20-month trend; full recovery by December 2021
- **ESI Retention:** 64%
- **Enrollment Activity:** Consistent with October 2020

Medium	
CY 21 Avg. Monthly Enrollment	**279,750**
CY 21 Projected Revenue	$64.1 M

- **Economic Recovery Forecast:** "W"—20-month trend; quicker initial recovery than "U" coupled with a second downturn, full recovery by December 2021
- **ESI Retention:** 55%
- **Enrollment Activity:** Consistent with October 2020

High	
CY 21 Avg. Monthly Enrollment	**288,813**
CY 21 Projected Revenue	$66.2 M

- **Economic Recovery Forecast:** "V"—10-month trend; full recovery by February 2021
- **ESI Retention:** 45%
- **Enrollment Activity:** Consistent with October 2020

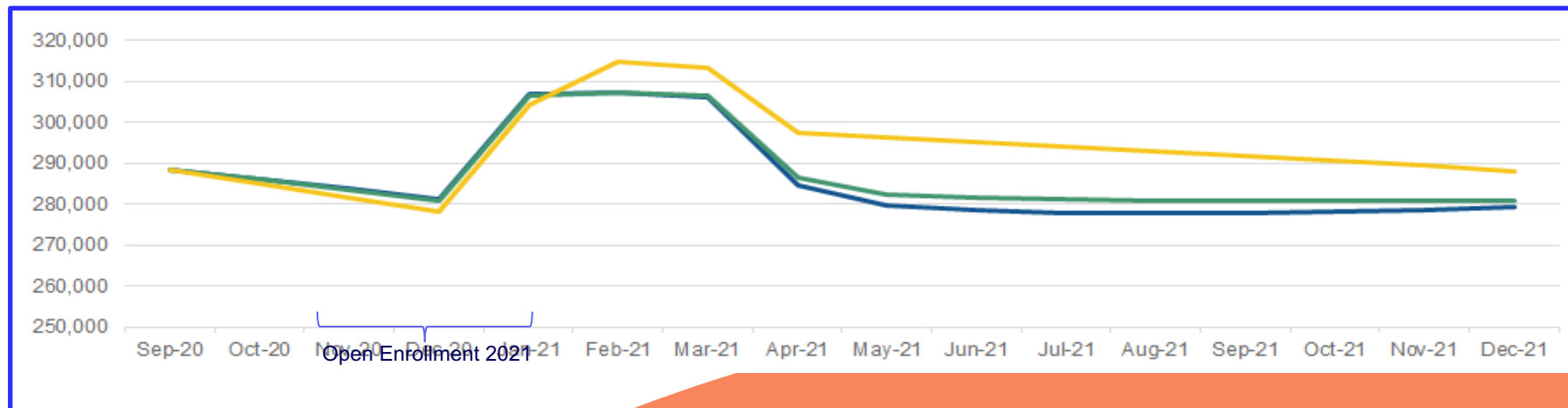**Pennie Projected Total Enrollment**

Scenarios at +5% Increase in OE

The scenarios below acknowledge the range around enrollment projections based on different assumptions about the unemployment forecast, ESI retention amongst the COVID unemployed, and enrollment activity.

Baseline	
CY 21 Avg. Monthly Enrollment	286,025
CY 21 Projected Revenue	$65.6 M

- **Economic Recovery Forecast:** "U"—20-month trend; full recovery by December 2021
- **ESI Retention:** 64%
- **Enrollment Activity:** Consistent with October 2020

Medium	
CY 21 Avg. Monthly Enrollment	287,978
CY 21 Projected Revenue	$66 M

- **Economic Recovery Forecast:** "W"—20-month trend; quicker initial recovery than "U" coupled with a second downturn, full recovery by December 2021
- **ESI Retention:** 55%
- **Enrollment Activity:** Consistent with October 2020

High	
CY 21 Avg. Monthly Enrollment	297,307
CY 21 Projected Revenue	$68.2 M

- **Economic Recovery Forecast:** "V"—10-month trend; full recovery by February 2021
- **ESI Retention:** 45%
- **Enrollment Activity:** Consistent with October 2020

Pennie Projected Total Enrollment

2021 Budget Approval

December 2020 Board Meeting

Section Overview

Updates

- Federal Medicaid Advanced Planning Document Overview & Request

- Enrollment and Revenue Projections

- CY2020 Budget Overview

- Proposed CY2021 Budget Expenses Detail

Federal Funding Request Status Overview

- Pennie's funding request for the 2021 Federal Fiscal Year (FFY 10/1/20 – 9/30/21) was submitted as a part of the Department of Human Services (DHS) funding request to the Center for Medicare & Medicaid Services (CMS).

- Recently, CMS approved the request for FFY2021, providing Pennie with the authority to leverage up to **$17.4 million in federal funding** for approved services and functions.

- **Funding categories include:**
  - Personnel
  - Contract Services
    - Technical Platform/Consumer Assistance (DDI/M&O)
    - Quality Assurance/User Acceptance Testing
    - Transition Activities
    - Technical Assistance
    - Security Assessment
  - Agency Shared Services
  - Facility Costs
  - Outreach

- Pennie intends to submit to DHS another Funding request for the 2022 Federal Fiscal Year

December 2020 Board Meeting

Enrollment and Revenue Projections

The scenarios below acknowledge the range around enrollment projections based on different assumptions about the unemployment forecast, ESI retention amongst the COVID unemployed, and enrollment activity.

U shaped economic recovery with full COVID unemployment recovery in Dec-21 assumed in baseline enrollment and revenue projection

Updated December 2020

Baseline	
CY 21 Avg. Monthly Enrollment	**272,405**
CY 21 Projected Revenue	$62.5 M

- **Economic Recovery Forecast:** "U"—20-month trend; full recovery by December 2021
- **ESI Retention:** 64%
- **Enrollment Activity:** Consistent with October 2020

Baseline + 2% over Jan 2021 proj.	
CY 21 Avg. Monthly Enrollment	**277,853**
CY 21 Projected Revenue	$63.7 M

- **Economic Recovery Forecast:** "U"—20-month trend; full recovery by December 2021
- **ESI Retention:** 64%
- **Enrollment Activity:** Consistent with October 2020

Baseline + 5% over Jan 2021 proj.	
CY 21 Avg. Monthly Enrollment	**286,025**
CY 21 Projected Revenue	$65.6 M

- **Economic Recovery Forecast:** "U"—20-month trend; full recovery by December 2021
- **ESI Retention:** 64%
- **Enrollment Activity:** Consistent with October 2020

CY2020 Budget Expenditures to Date

Amount spent covers January through September 2020

Budget Categories	Approved Budgeted Amount	Amount Spent Q's 1 - 3	Q4 Projected Spend	Total Projected Spend
Personnel	$3,641,345	$1,837,256	$1,272,215	$3,109,472
Marketing/Outreach	$7,440,636	$520,328	$5,842,959	$6,363,287
Navigator	$800,000	$79,080	$525,184	$604,263
IT & Customer Service	$0	$0	$0	$0
Other Technical Assistance	$3,453,302	$1,915,990	$1,702,265	$3,618,255
General Operations	$650,735	$435,812	$227,055	$662,867
TOTAL	**$15,986,018**	**$4,788,466**	**$9,569,678**	**$14,358,144**

Q4 Projected spend includes actual October and November expenses. We anticipate ending the year with a surplus of approximately $1.6M.

CY2021 Proposed Budget: Overview

	Total Budget Amount
Total Expenses	**$49,958,630**
Personnel	$6,231,524
Operations	$43,727,106
*Please note a detailed breakdown will be provided on the following slides.	

CY2021 Proposed Budget by Program Area

Including federal and state share

Budget Categories	Budgeted Amount	Federal Share	Total Pennie Share
Personnel	$6,231,524	$2,300,075	$3,931,449
External Affairs	$8,583,356	$2,248,839	$6,334,517
Information Technology & Customer Service	$33,274,350	$12,925,624	$20,348,726
General Operations	$1,869,400	$275,130	$1,594,270
Total	**$49,958,630**	***$17,749,668**	**$32,208,962**

*Please note: this amount includes the anticipated approval of the FFY2022 (beginning October 1, 2021) APD funding request.

CY2021 Personnel Budget

Proposed Budget
$6,231,524

Federal Share $2,300,075	Pennie Share $3,931,449

Proposed Budget Includes:

- 39 full-time staff members, (increase of 2 full-time staff members with benefits from CY2020 budget).
- Additional staff is needed for legal (1) and the Project Management Office (1).
- 12 part-time staff members (8 of the positions are seasonal Customer Success Specialists for open enrollment).
- Anticipated benefit costs and salaries for full complement of employees.

Position Breakdown by Program Area:

- Directors Office (3) $569,316
- External Affairs (6) $673,756
- PMO (3) $359,813
- Legal (4) $577,519
- Finance (3) $440,464
- IT (11) $1,512,106
- Operations (6) $888,044
- Policy (3) $423,530
- Part-time (12) $336,976
- Benefit cost increases/COLA/Salary pay adjustments $450,000

CY2021 External Affairs Budget

Proposed Budget
$8,583,356

Federal Share $2,248,839	Pennie Share $6,334,517

Breakdown by Categories:

- Media Buy $6,500,000
  - The initial term of this contract is 1 year (expires 10/4/2021) with 4 optional 1-year renewals.
  - Much of the proposed budget will support Open Enrollment related media placements.
- Exchange Assisters (Cognosante) $1,422,838
  - Contract $931,179
  - Additional Exchange Assister Contract $200,000
  - Incentive Payments $250,000
  - Ambassador Program $41,659
- Pennie.com Hosting & Maintenance $66,220
- Creative Services $194,298
- Printing & Mailing for Marketing Campaigns $400,000

December 2020 Board Meeting

CY2021 Information Technology & Customer Service Budget

Proposed Budget
$33,274,350

Federal Share $12,925,624	Pennie Share $20,348,726

Breakdown by Categories:

- Get Insured $30,174,020:
    - Design, Development, and Implementation of Infrastructure $3,634,205
    - Maintenance and Operations Technology Platform $8,423,409
    - Maintenance and Operations Consumer Assistance Center $16,443,812
    - Provider Network Aggregator/Marketing Cloud $372,594
    - Print/Mail Enrollment Program $1,300,000

- Other Technical Costs $3,100,330:
    - *QA/UAT (current contract for services through Feb 5, 2021) $795,000
    - QA/UAT (services through 12/31/21)/Test Case Repositories $1,220,000
    - Security Assessment Review and IV&V $100,000
    - Other Project Management and Technical Assistance $735,330
    - Robotic Process Automation Program $250,000

    *Please note this expense was originally anticipated to be expended in CY2020

CY2021 General Operating

Proposed Budget	
$1,869,400	
Federal Share $275,130	Pennie Share $1,594,270

Breakdown by Categories:

- Travel, education and professional development, postage and printing $52,500

- Technology needs: desktop devices, peripherals, software $29,500

- Interagency charges for shared services $180,000

- Memberships/Subscriptions $65,000

- Real estate, renovations, and office supplies, furniture and fixtures, telecom voice and data service $434,100

- Reinsurance operations expenses $300,000

- Legal services fees (for hearings and appeals) $500,000

- Programmatic & Financial Audit $190,000

- Other Operating Expenses $118,300

*Please note some of these expenses
are subject to actual costs and
are conservatively projected high

CY2021 Proposed Budget: Summary

	CY21 Proposed Budget
Total Expenses	**$49,958,630**
Personnel	$6,231,524
Operations	$43,727,106