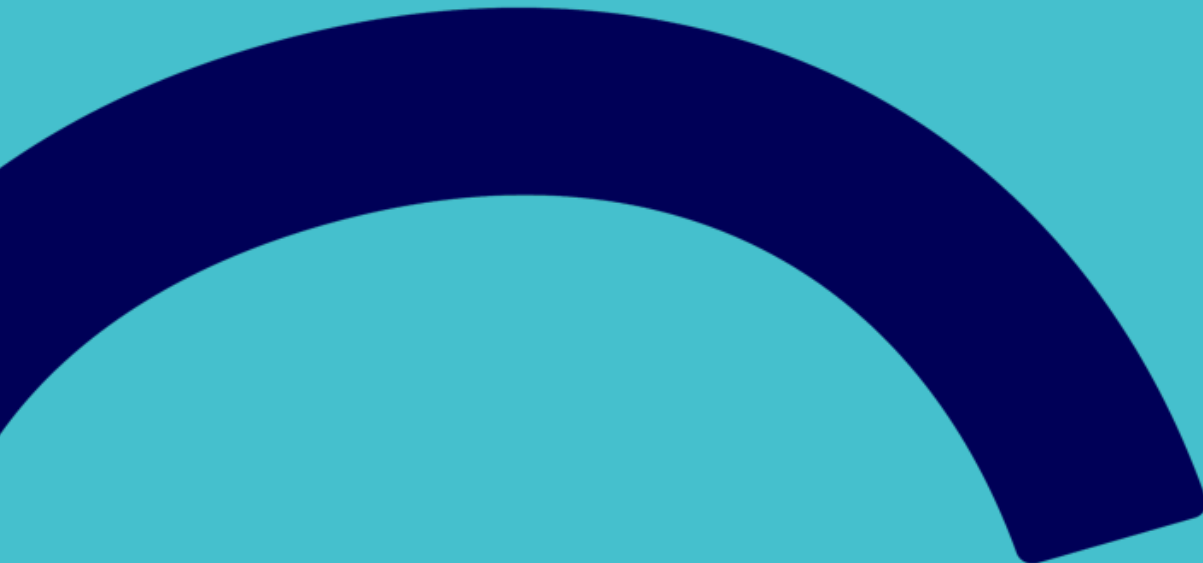


The logo features the word "pennie" in a white, lowercase, serif font. A dark blue semi-circle is positioned above the dot of the final "i". Below "pennie" is the tagline "connecting Pennsylvanians to health coverage" in a dark blue, lowercase, sans-serif font. Both the word and the tagline are followed by a small "TM" trademark symbol.

pennieTM
connecting Pennsylvanians to health coverageTM

A large, dark blue, curved graphic element is positioned in the top left corner of the slide, resembling a thick, stylized arc or a partial circle.

Pennie Board of Directors Meeting

October 21, 2021

Agenda

- **Preliminary Matters**
- **Administrative Matters**
- **Calendar Year 2022 Budget Review**
- **150% Federal Poverty Level SEP**
- **Break**
- **Easy Enrollment Program Update**
- **Final Binder Payment Policy**
- **2022 Open Enrollment Status Update**
- **Executive Session**
- **Adjourn**

Preliminary Matters

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

Administrative Matters

- Determine Calendar Year 2022 Board of Directors Meeting Cadence

Calendar Year 2022 Budget Review

Section Overview

Updates

- Federal Medicaid Advanced Planning Document Overview & Request
- CY2021 Budget Overview
- Proposed CY2022 Budget
 - Expenses Detail
 - Profit and Loss Statement

Federal Funding Request Status Overview

- Pennie's funding request for the 2022 Federal Fiscal Year (FFY 10/1/21 – 9/30/22) was submitted as a part of the Department of Human Services (DHS) funding request to the Centers for Medicare & Medicaid Services (CMS).
- CMS has approved the request for FFY2022, providing Pennie with the authority to leverage up to **\$20 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 another funding request for the 2023 Federal Fiscal Year

CY2021 Budget Expenditures to Date

Amount spent covers January through August 2021

Budget Categories	Budgeted Amount	Actual Spent Jan - Aug	Total Projected Spend Sept - Dec	Total Anticipated Spend	Remaining Budget Balance
Personnel	\$6,459,524	\$3,401,270	\$2,349,628	\$5,750,898	\$708,626
External Affairs	\$13,496,406	\$7,026,655	\$6,469,751	\$13,496,406	\$0
IT/Operations	\$33,276,498	\$18,756,825	\$14,519,673	\$33,276,498	\$0
General Operating	\$1,091,226	\$701,103	\$250,830	\$951,933	\$139,293
TOTAL	\$54,323,654	\$29,885,853	\$23,589,882	\$53,475,735	\$847,919

CY2021 Financial Overview

Amount spent covers January through August 2021

Pennie Profit and Loss Statement CY21 Estimated

Beginning Balance	\$1,789,756		
	Amount Spent Jan - Aug	Estimated Sep - Dec	Total
Income			
User Fee Revenue	\$46,650,384	\$21,270,032	\$67,920,416
Federal Reimbursement	\$9,751,464	\$8,648,439	\$18,399,903
Treasury Interest	\$4,559	\$4,000	\$8,559
Total Income:	\$56,406,407	\$29,922,471	\$86,328,878
Expenses:			
Personnel	\$3,401,270	\$2,349,628	\$5,750,898
Operating	\$26,484,583	\$21,240,255	\$47,724,838
Total Expenses:	\$29,885,853	\$23,589,883	\$53,475,735
Difference	\$34,642,899		
Estimated Transfer to Reinsurance*	\$20,000,000		
Estimated Carryover:	\$14,642,899		

Note: *The estimated transfer to reinsurance is a range of 18-20M

CY2022 Proposed Budget: Overview

	CY21 Approved Budget Amounts	CY22 Proposed Budget Amounts
Total Expenses	\$54,323,654	\$56,424,810
Personnel	\$6,459,524	\$6,728,313
Operations	\$47,864,130	\$49,696,497
*Please note a detailed breakdown of the proposed budget will be provided on the following slides.		

CY2022 Proposed Budget by Program Area

Including Pennie and Federal Shares

Budget Categories	Proposed Budgeted Amount	Pennie Share	Federal Share
Personnel	\$6,728,313	\$4,162,686	\$2,565,627
External Affairs	\$11,741,257	\$9,264,581	\$2,476,676
Information Technology/Contact Center	\$36,631,205	\$21,838,295	\$14,792,911
General Operations	\$1,324,033	\$992,426	\$331,607
Total	\$56,424,810	\$36,257,989	\$20,166,821

*Please note: this amount includes the anticipated approval of the FFY2023 (beginning October 1, 2022) APD funding request.

CY2022 Personnel Budget

CY2021 Approved Amount: \$6,459,524

CY2022 Proposed Amount: \$6,728,313

Difference : Increase of \$268,789

Pennie Share \$4,162,686

Federal Share \$2,565,627

Proposed Budget Includes:

- The addition of a Chief of Diversity, Equity and Inclusion in the Executive Office. This position would be responsible for leading Pennie's health equity initiatives and will support and play a role in talent management and recruitment, contracting, policy development and outreach and marketing strategic planning.
- Anticipated benefit costs and salaries for full complement of employees.
- Part-time increase to outreach team for outbound call campaigns during Open Enrollment (Customer Success Specialists)

Position Breakdown by Program Area:

- Executive Office \$1,038,050
- External Affairs \$1,134,906
- PMO \$459,107
- Legal \$573,636
- Finance \$610,108
- IT/Operations \$2,253,724
- Policy \$443,782
- Benefit cost increases/Salary pay adjustments \$200,000

CY2022 External Affairs Budget

CY2021 Approved Amount: \$12,771,636

CY2022 Proposed Amount: \$11,741,257

Difference : Decrease of \$1,030,379*

Pennie Share \$9,264,581

Federal Share \$2,476,676

Proposed Budget Includes:

- Media Buy \$7,850,000
 - Includes estimated 48% in traditional media, 45% in digital media, & 7% in Lifestyle (i.e. sponsorship/point of purchase)
 - Much of the proposed budget will support Open Enrollment related media placements.
- Exchange Assistants (Cognosante) Total \$2,667,507
 - Base Contract \$952,713
 - Expanded Assister Network \$1,714,794

Other External Affairs Costs \$1,223,750:

- Pennie.com Hosting & Maintenance/Memberships & Sponsorships \$26,750
- Broker Relations/Engagement \$200,000
- Outreach Expenses \$375,000
- Creative Services \$345,000
- Printing & Mailing for Marketing Campaigns \$260,000
- Translation Services \$14,500

*The budget decrease from CY2021 is because of the mid-year COVID-19/ARP Enrollment Period marketing campaign, which is not anticipated in 2022.

CY2022 Information Technology/Contact Center Budget

CY2021 Approved Amount: \$33,849,862	
CY2022 Proposed Amount \$36,631,205	
Difference: Increase of \$2,781,343*	
Pennie Share \$21,838,295	Federal Share \$14,792,911

Breakdown by Categories:

- GetInsured \$34,770,671:
 - Amortized cost for Design, Development, and Implementation of Infrastructure \$3,784,205
 - Maintenance and Operations Technology Platform \$8,779,292
 - Maintenance and Operations Consumer Assistance Center \$16,880,512
 - Consumer Assistance Center Potential Changes \$2,000,000
 - Provider Network Aggregator/Marketing Cloud \$263,844
 - System Enhancements \$2,500,000
 - Print/Mail Costs \$450,000
 - Salesforce Licenses \$112,818
- Other Technical Costs \$1,860,535:
 - QA/UAT \$600,000
 - Security Assessment Review and IV&V \$139,050
 - Other Project Management and Technical Assistance \$500,000
 - Automation Hosting and Development \$150,000
 - Data Warehouse/Repository Reporting \$250,000
- *The budget increase from CY2021 is largely driven by the potential for increased call center costs as well as anticipated system enhancements.



CY2022 General Operating

CY21 Approved Budget Amount \$1,242,632	
CY22 Proposed Budget Amount \$1,324,033	
Difference: Increase of \$81,401	
Pennie Share \$992,426	Federal Share \$331,607

Breakdown by Categories:

- Travel, education and professional development, postage, printing, and conference expenses \$90,500
- Technology needs: desktop devices, peripherals, software \$34,500
- Interagency charges for shared services \$224,300
- Memberships/Subscriptions \$77,021
- Real estate, renovations, and office supplies, furniture and fixtures, telecom voice and data service \$197,712
- Reinsurance administration, reporting and analysis expenses \$300,000
- Legal services fees (for hearings and appeals) \$220,000
- Programmatic & Financial Audit \$180,000

CY2022 Proposed Budget: Summary

	CY22 Proposed Budget
Total Expenses	\$56,424,810
Personnel	\$6,728,313
Operations	\$49,696,496
Pennie Share	\$36,257,989
Federal Share	\$20,166,821

Enrollment and Revenue Projections: Assumptions

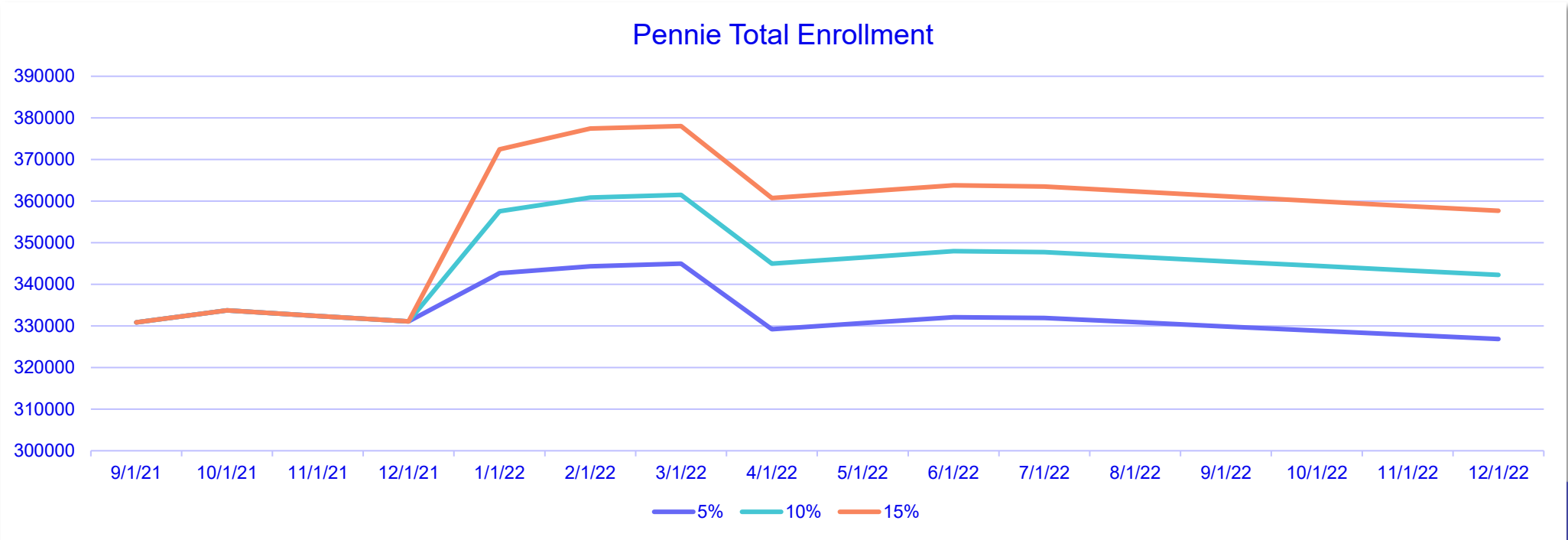
Three enrollment models are presented, differentiated by the end of enrollment growth over the end of CY2021 enrollment estimate.

Each of the following assumptions was applied to each of the projections:

- Monthly attrition is included for all months except Jan-Mar (OE). Increased attrition in April due to the expected receipt of 3 months of non-pay terms. Attrition was estimated by reviewing actuals from CY2021.
- The end of extended COBRA benefits will provide a small enrollment increase Oct-21 thru Dec-21.
- Reduction of APTC will cause a one-time decrease in enrollment during OE.
- Expiration of the Public Health Emergency (Medicaid Benefits) is expected to provide an enrollment bump Mar-22 thru Apr-23.
- EZ-Enroll will generate an enrollment bump Apr-22 thru Jul-22.
- Enrollment increases are equally spread geographically across the state. Each county will retain its current %-share of the total enrollee population.
- Enrollment increase are equally spread across the metal levels. Each metal level will retain its current %-share of the total enrollee population.
- Premium increases assumes plan usage will follow the same pattern as 2021. The same age and number (%) of enrollees will utilize the 2022 cross walked plans as 2021.

Enrollment and Revenue Projections

End of CY2021 +5%		End of CY2021 +10%		End of CY2021 +15%	
CY 22 Avg. Monthly Enrollment	333,342	CY 22 Avg. Monthly Enrollment	349,100	CY 22 Avg. Monthly Enrollment	364,857
CY 22 Projected Revenue	\$76.0 M	CY 22 Projected Revenue	\$79.6 M	CY 22 Projected Revenue	\$83.2 M



Estimated Financial Overview

Pennie Profit and Loss Statement CY21		Pennie Profit and Loss Statement CY22	
Beginning Balance: \$1,789,756		Beginning Balance: \$14,642,899	
Income	Estimated Total*	Income	Estimated Jan – Dec 2022
User Fee Revenue	\$67,920,416	User Fee Revenue	\$76,000,000
Federal Reimbursements	\$18,399,903	Federal Reimbursements	\$19,000,000
Treasury Interest	\$8,559	Treasury Interest	\$9,000
Total Income	\$86,328,878	Total Income	\$95,009,000
Total Expenses	\$53,475,735	Total Expenses	\$56,424,810
Difference	\$34,642,899	Difference	\$53,227,089
Estimated Transfer to Reinsurance**	\$20,000,000	Estimated Transfer to Reinsurance	\$40,000,000
Estimated Carryover	\$14,642,899	Estimated Carryover	\$13,227,089
Notes: *Includes actuals Jan through Aug and estimated Sep – Dec 2021. **Estimated transfer to reinsurance is a range of 18-20M.			



Low-Income Special Enrollment Period

Individuals with Household Income equal to or less than 150% FPL

Low-Income Special Enrollment Period

- Available for individuals and dependents with household income that does not exceed 150% FPL (\$19,140 for an individual, \$39,300 for a family of 4)
- Monthly SEP available for both new and current enrollees
- New enrollees can enroll in a plan in any metal-level
- Current enrollees can enroll in a silver plan, only
- Available while subsidies under American Rescue Plan remain in effect
- FFM is enacting as a non-gated qualifying life event
- ***Exchanges have the option to adopt, as written, this SEP as finalized in the 2022 Notice of Benefit and Payment Parameters***

Proposed Low-Income Special Enrollment Period

Accept Exchange Option to Implement Low-Income SEP

Proposal	Policy Goal(s)	Benefits	Challenges
Accept Exchange Option to Implement Low-Income SEP, as finalized in 2022 NBPP	<ul style="list-style-type: none"> Ensure low-income Pennsylvanians have continuous access to quality health care 	<ul style="list-style-type: none"> Ensures low-income Pennsylvanians have access to no-cost, or low-cost health coverage throughout the year Will help Pennie ensure continuous coverage for those losing Medical Assistance 	<ul style="list-style-type: none"> Monthly availability differs from most SEPs Current customers limited to silver plans

Questions for Feedback:

- *Do you support the adoption of this SEP for the 2022 Plan Year?*
- *Do you support Pennie adopting this SEP and limiting plan selection to silver-level plans, as proposed by CMS?*

Stakeholder Feedback:

- Near unanimous support for adopting SEP across insurers, brokers, and assisters (over 100 responses received)
- Majority support for adopting SEP and limiting plan selection to silver-level plans
- Commentators cited alignment with Pennie's strategic goals and desire to help those losing MA as reason for support
- One insurer stated opposition to adopting the SEP, but if adopted, preferred limiting plan selection to silver-level plans

Staff Recommendations: Adopt, as finalized in 2022 NBPP

- Monthly SEP available for new & current enrollees; current enrollees limited to selecting a silver-level plan only
- Implement as non-gated QLE, and use conditional eligibility process to verify eligibility, as needed
- Availability of SEP is contingent upon ARP enhanced subsidies remaining in effect

BREAK



Easy Enrollment Program Update



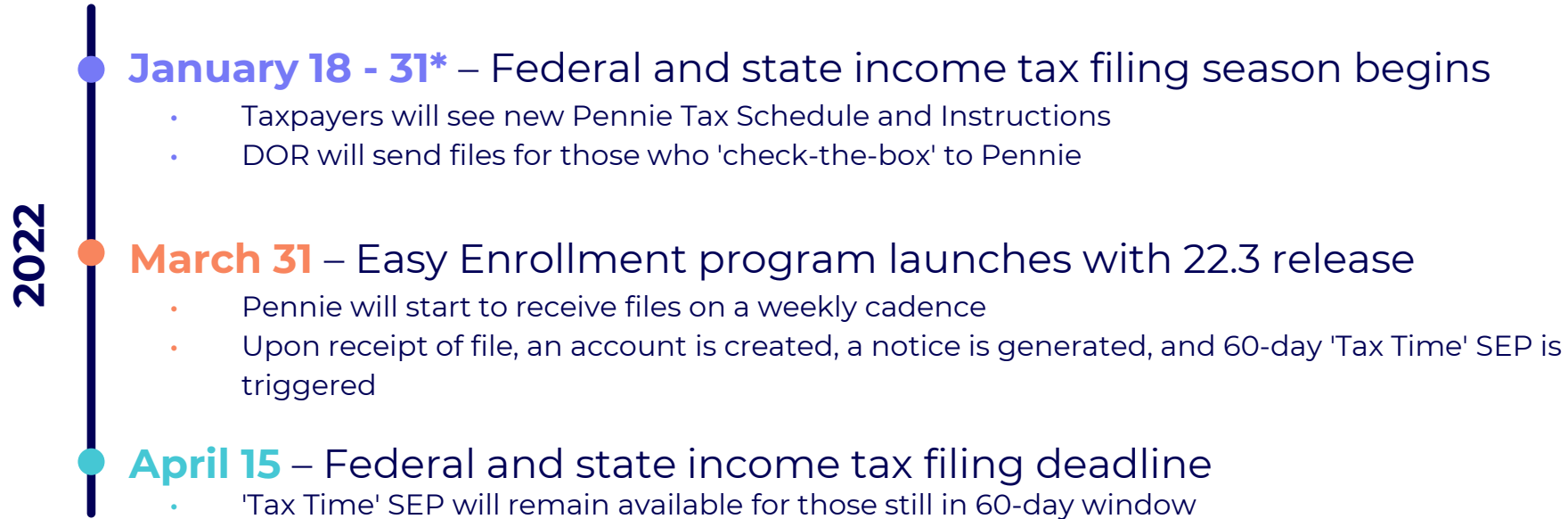
Easy Enrollment Program Update

Easy Enrollment

- Pennie and the PA Department of Revenue (DOR) have finalized a tax schedule with instructions allowing taxpayers to indicate they are uninsured and "opt-in" to receiving information from Pennie regarding their potential eligibility for coverage
- Working with GetInsured to build new functionality to receive taxpayer information from DOR. This information will be used to automatically create a customer account, send targeted notices with an eligibility estimate, and trigger a new 'Tax Time' SEP
 - New functionality is targeted for late March/early April deployment; DOR will batch early tax responses and send them to Pennie when functionality is ready
- Pennie is evaluating options to create an outreach campaign using existing internal and external resources
 - Live outreach would make the communications more personal and provide real-time assistance to customers who wish to complete an application
- Negotiated a cost of \$500,000 for this program with GetInsured, which can be funded out of remaining development hours and the 2022 IT enhancements budget

Easy Enrollment Program Update

Easy Enrollment Timeline



*Approximate date range as IRS has not specified



Final Binder Payment Threshold Policy



Proposed PY23 Binder Payment Policy

Binder Payment Policy Development Summary

- Board approved the adoption of a new binder payment threshold as part of PY23 plan certification policy
- Pennie actively solicited insurer feedback to inform both aspects of the proposed binder payment threshold policy in two parts
- Received feedback on which approach was most feasible for each insurer, current binder payment policies, insurer experience with those policies, as well as an appropriate maximum threshold
- Proposed binder payment threshold approach was established based on this feedback

Apply Percentage Threshold to Binder Payments

Proposal	Policy Goal(s)	Benefits	Challenges
Insurers must accept a customer binder payment if it meets a set threshold of the 1st month's premium for purposes of effectuating coverage.	<ul style="list-style-type: none">Ensure that an inadvertent payment error does not prevent Pennsylvanians from effectuating coverage	<ul style="list-style-type: none">Ensures customers can have their coverage effectuated, even if it is not exactly 100% of the net premium, likely due to minor administrative error	<ul style="list-style-type: none">May differ from current insurer practices.

Questions for Feedback:

- Is your preference for Pennie to establish a threshold based on a specific dollar amount or a percentage of the net premium?
- Is there an approach that your organization would not be able to implement?
- If you currently or recently offered binder payment thresholds, we want to know more about your experience.
- Do you offer any other payment thresholds for non-binder payments?

Stakeholder Feedback:

- Near-unanimous preference was for Pennie to adopt a percentage threshold, rather than a specific dollar amount.
- Many insurers were already implementing a percentage threshold; going to a specific dollar amount would be a departure from current practice for most.
- For those with a binder payment threshold, very small percentage effectuated with less than full binder (0.1%-0.2%); \$0.51 was the average net premium not paid for those who were short.
- Concern that operationally, they would need to apply thresholds to both binder and non-binder payments.



Apply a Maximum Percentage Threshold to Binder Payments

Proposal	Policy Goal(s)	Benefits	Challenges
Insurers must accept a customer binder payment if it meets a set threshold of the 1st month's premium for purposes of effectuating coverage.	<ul style="list-style-type: none">Ensure that an inadvertent payment error does not prevent Pennsylvanians from effectuating coverage	<ul style="list-style-type: none">Ensures customers can have their coverage effectuated, even if it is not exactly 100% of the net premium, likely due to minor administrative error	<ul style="list-style-type: none">May differ from current insurer practices.

Questions for Feedback:

- What is your organization's preferred binder payment percentage threshold (95%-99%)?
- At this time, do you believe your organization will not be able to implement a binder payment percentage threshold for PY23?

Stakeholder Feedback:

- All health insurers responded and indicated that they either had a binder payment policy in place or would be able to implement, if afforded timely notification.
- 4 insurers indicated a preference for a 95% threshold; 3 insurers indicated a preference a 99% threshold; 1 insurer indicated a preference for a 98% threshold
- Several commentators indicated a desire to maintain flexibility to maintain their existing percentage threshold
- One commentator recommended that a conservative approach to establishing a threshold is taken in Year 1



Apply Percentage Threshold to Binder Payments

Proposal	Policy Goal(s)	Benefits	Challenges
Insurers must accept a customer binder payment if it meets a percentage threshold of the 1st month's premium for purposes of effectuating coverage.	<ul style="list-style-type: none">Ensure that an inadvertent payment error does not prevent Pennsylvanians from effectuating coverage	<ul style="list-style-type: none">Ensures customers can have their coverage effectuated regardless of a very small short payment, likely due to minor administrative error	<ul style="list-style-type: none">May differ from current insurer practices.

Staff Recommendations: Adopt a Maximum Binder Payment Percentage Threshold set at 99% for PY23

- Based on insurer feedback, adopting a percentage threshold is best aligned with insurer preferences and current operations.
- Setting a maximum threshold at 99%, while allowing insurers to offer a lower threshold would introduce the least amount of operational risk, while achieving Pennie's goal to ensure that a very small payment error does not prevent customers from effectuating coverage.
- This policy would be specific to binder payments only and would not impact non-binder payments.



2022 Open Enrollment Planning



August

Early-August

- ✓ - Receive Approved Insurer 2022 Plan Data from PA Insurance Department.

Mid-August

- ✓ - Load Insurer Plan Data into Production.

Late-August

- ✓ - SEP Awareness Marketing Campaign.
- ✓ - 2022 Broker Training available.
- ✓ - Training "Blackout" Period for Assistors.

September

Early-September

- ✓ - Insurers Review Plans in Pennie Portal.

Mid-September

- ✓ - PY2022 Assister Training Available.

Late-September

- ✓ - Release 21.9 Production Deployment.
- ✓ - All 2022 Plans Certified.

October

Early-October

- ✓ - OEP Awareness Marketing Campaign.
- ✓ - Renewal Eligibility and Auto-Renewal Processing Begins.

Mid-October

- ✓ - OEP Email Campaign Begins.

Late-October

- Broker - Assister Recertification Training Deadline.
- Auto-Renewal Enrollments Sent to Insurers.
- Auto-Renewal and Eligibility Notices sent to Customers.

November

Early-November

- Open Enrollment Begins.
- 2022 Anonymous Shopping Available.
- "Call to Action" Marketing Campaign Begins.

December

Mid-December

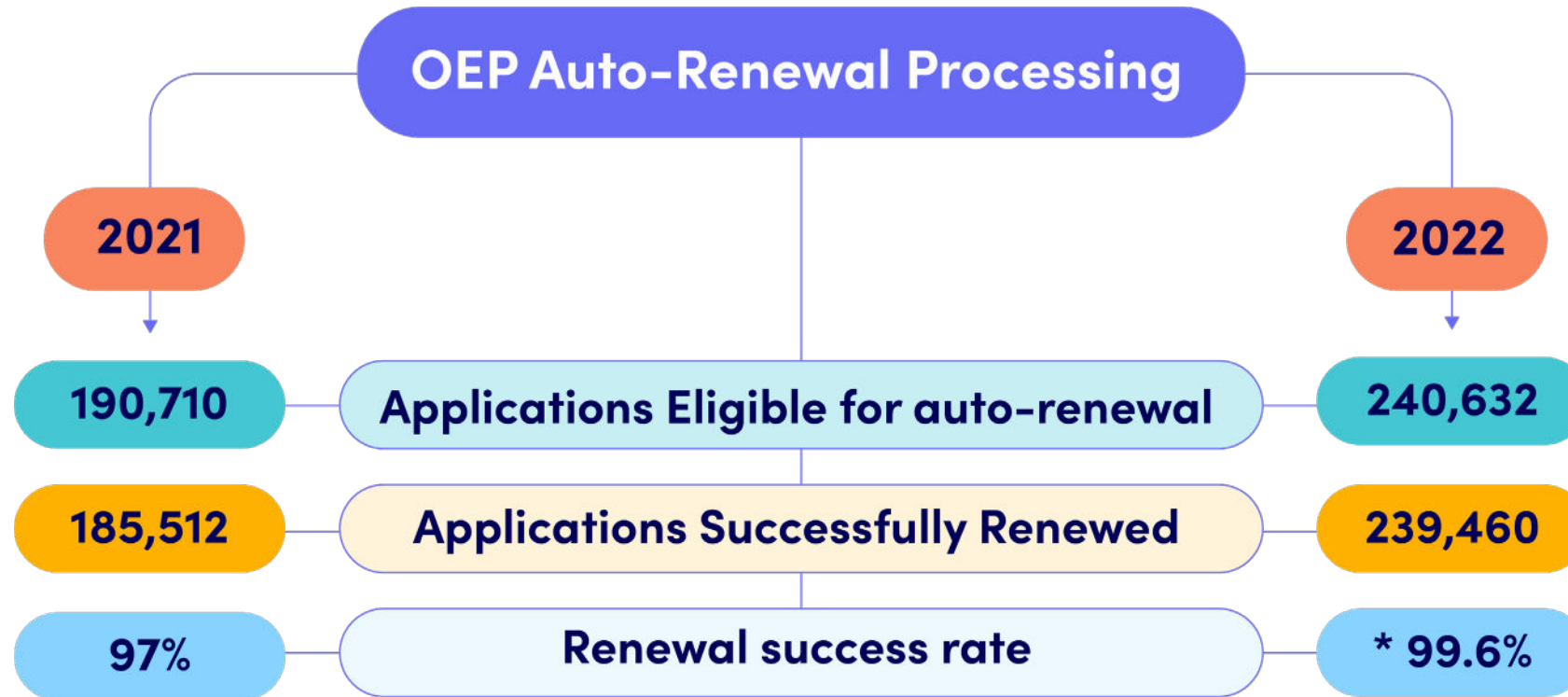
- Plan Shopping Deadline for January 1 Coverage.
- Catch-up Auto-Renewals Generated for New Customers.

January

Mid-January

- Plan Shopping Deadline for February 1 Coverage.
- Conclusion of OEP.

Open Enrollment Early Highlights



*The 2022 rate excludes the 'no consent to renew' population

Updates for OEP 2022

Pennie Application Improvements

- Customer application and customer facing notices are now available in Spanish
- Previous year's applications will be carried forward, so customers don't have to start over

Special Enrollment Period (SEP) Improvements

- Income change will open a SEP when customers are newly eligible or ineligible for financial assistance
- Additional SEPs, including COBRA subsidy expiration, Exceptional Circumstances and Exchange Error will be newly available for customer self-service

User Interface Improvements

- Reported income has been added to the Verification screen as a reference and reminder.
- Adjust Gross Income functionality has been improved to streamline and simplify income verification

Enrollment Improvements

- Customers with \$0 Premiums will not be prompted to "Pay Now" to avoid customer confusion

Brokers and Assisters

- Broker/Assister support line will be open 8am-5pm on Saturdays during Open Enrollment

Insurers

- A new insurer (Cigna) will be offering plans through Pennie and every county will have at least two insurers

Communications and Marketing

Stakeholder & Customer Communications

- Distributing OEP stakeholder toolkit week of 10/25
- Toolkit will include talking points, updated collateral material, sample newsletter content and digital ads as well as specific stakeholder explainer videos

Earned Media

- Projected to have a Press Conference early Nov. for OEP kick-off
- Leveraging advertising added value with media interviews
- Media alerts will be distributed around OEP deadlines

Owned Media

- Explainer Videos for pennie.com
- Social Media Campaign
- Website updates
- Content Marketing – blogs, videos, newsletters

Communications and Marketing Cont.

Paid Media

- Target audiences/markets
 - Uninsured
 - Disproportionately underserved audiences (Latinx, African American, LGBTQAI+)
 - Newly eligible for subsidies that were previously ineligible, off exchange customers
 - Inclusion of early retirees
- Creative strategies – reaching underserved and uninsured with direct message to target the cost-savings now available, strategies include:
 - Traditional Media
 - TV, Radio, Transit & Print
 - Digital Media
 - Search, Social, Digital Video, Programmatic Display, Social Media Influencers
 - Lifestyle (Laundromats, Pharmacy)
 - Sponsorships, Events, Parades, etc.

Samples of OEP Advertisements

Digital & Transit

Never-before-seen health coverage savings now available at Pennie

- ✓ Shop and compare plans.
- ✓ Get financial assistance.
- ✓ Receive free support.
- ✓ Get covered!

Enroll Now at pennie.com




Find your quality health coverage at new low costs

Enroll Now at pennie.com
Open Enrollment Ends on January 15

pennie

Hurry up and enroll in quality, low-cost health coverage at Pennie.

- Shop and compare plans.
- Get financial assistance.
- Receive free support.
- Get covered!

Enroll now at pennie.com
1-844-844-8040

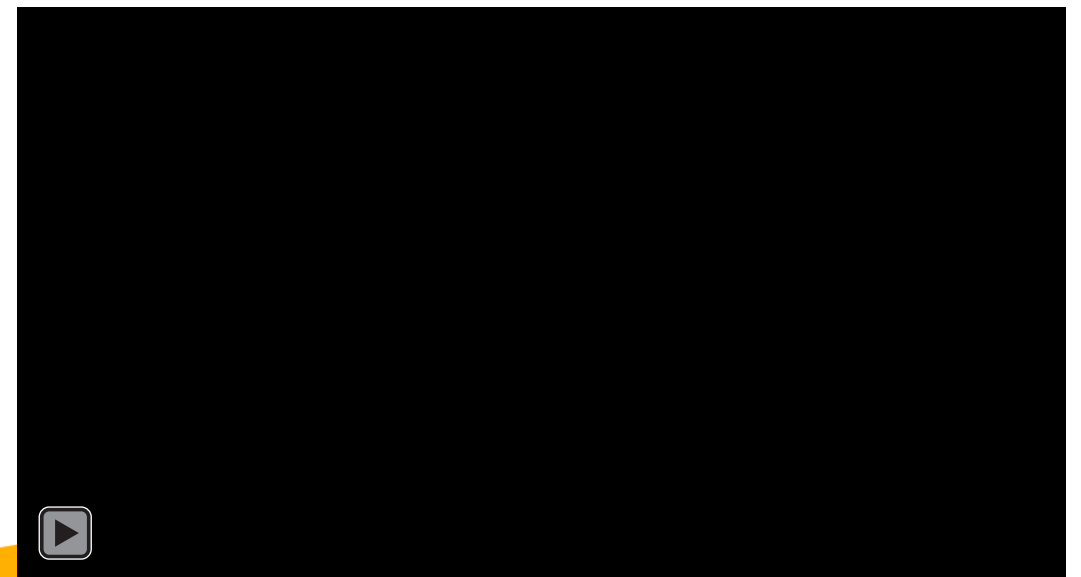
pennie

Headed for Health Coverage?

First Stop: Pennie

Compare health plans in a jiff.
Enroll by January 15 at pennie.com or 1-844-844-8040

pennie





Executive Session





Adjourn



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