



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, turn off your computer speakers.
- The chat is reserved for Board members.

A large, dark blue, curved graphic element, resembling a thick arc or a stylized 'P', is located in the top left corner of the slide.

Pennie Board of Directors Meeting

October 20, 2022

Agenda

- **Administrative Matters**
- **Assister Program Review/Planning**
- **Executive Session**
- **Break**
- **Calendar Year 2023 Budget Review**
- **PHE Unwinding and Open Enrollment 2023 Update**
- **Executive Session**
- **Adjournment**

Administrative Matters

Determine 2023 Meeting Schedule Cadence

Adopted 2022 Meeting Schedule:

Jan 18, Feb 17, May 10, **June 17*, August 18, Oct 20, Dec 1

Considerations for 2023 Meeting Schedule:

Is it worth consolidating Oct, Dec, Jan, Feb meetings to just Oct and Feb? The Feb meeting would serve as a recap of OEP and strategic planning for the year.

If we consolidate meetings, are Feb, May, August, and Oct again the best months to target for meetings? (acknowledging the ability to call a special session as required)

**Special Session*



Assister Program Review/Planning



Data Definitions

After August Board Meeting, Pennie asked Cognosante for data to combine with our internal Pennie data to give a full picture of the work being done by the Assister network. Pennie data is in Purple. Cognosante's data is in Orange.

Metric	Definition
Enrollments	The number of individuals covered by a 2022 plan through Pennie. Data captured on Sept. 16 th , 2022.
Pennie Applicants	The number of individuals who applied via Pennie for plan year 2022 coverage. Data captured on Sept. 16th, 2022.
Referrals thru Pennie	The number of individuals who applied via Pennie for plan year 2022 coverage, which Pennie determined could be eligible for Medical Assistance/CHIP and subsequently referred (via Application Transfer) to DHS. Data captured on Sept. 16th, 2022.
Medical Assistance/CHIP Referrals	The sum of all applications started through DHS COMPASS, applications started through CHIP, and when an assister shared the website or phone number for a customer to self-serve through COMPASS or CHIP. Includes data from Aug '21 thru July '22.
Other Referrals	Referrals made by assisters to other agencies such as Medicare, APPRISE, MAWD, SNAP, etc. Includes data from Aug '21 thru July '22.
Touches	The sum of all in-person appointments/meetings, customer phone calls, customer virtual calls, and conversations and/or collateral handouts during events. Includes data from Aug '21 thru July '22.

All Assister Performance Numbers

Pennie data is Plan Year 2022 as of 9/16 and Cognosante data is 8/2021 thru 7/2022

	Assisters*	Enrollments	Applicants	Referrals thru Pennie	MA/CHIP Referrals	Other Referrals	Touches
Total Assister Activity	317	2,691	10,422	1,498	12,795	3,547	62,686

*Includes assisters who are no longer with organization

Performance on Target Demos

- Pennie data is Plan Year 2022 as of 9/16
- Data shown is the Percentage of the Entity's Enrollees which meet each category

Entity	BIPOC	Hispanic/ Latino	Preferred Language Not English	100-150% FPL	150-200% FPL	200-250% FPL
Bradbury-Sullivan	0%	7%	0%	0%	7%	60%
Fabric Health	56%	6%	0%	22%	28%	11%
Latino Connection	0%	0%	0%	0%	0%	0%
Mendoza Group	0%	93%	71%	7%	36%	21%
PACHC	3%	12%	12%	15%	23%	18%
Outside Entities	5%	14%	9%	15%	27%	14%
<i>Entire Exchange</i>	4%	3%	<1%	15%	22%	16%

Application Activity Disparities

Top Tier

- Top performing entity has more applicants than all other Cognosante entities combined
- Top 5* entities have more applicants than the rest combined (2,270 vs. 1,986)
- Top 20* entities make up 3,839, or 90%, of total applicants and average 192 applicants per entity

**Excludes top performing entity as it is an extremely high-performing outlier.*

Bottom Tier

- Bottom 5 entities have 6 applicants combined
- Bottom 10 entities have 39 applicants combined
- Bottom 20 entities have 216 applicants combined, which amounts to ~11 applicants per entity, or less than 2 applicants per month per entity

Intangibles & Notables

- In our three customer-focused surveys, Word of Mouth was consistently in the top 5 ways our customers found Pennie.
- Help with breaking down the barriers to coverage:
 - Navigating & understanding the process
 - Translation assistance
 - Feedback on communications, documentation updates, advertising buys and creative
- Fabric Health & Mendoza
 - Increased “touches” due to more defined customer flow through events. Customers enter their event or display in a more organized manner, so even the simplest of interactions are better calculated.

Executive Session

Break



Calendar Year 2023 Budget Review



Section Overview

Updates

- CY2022 Budget/Expenses Overview
- CY2023 Estimated Enrollment and User Fee Revenue Overview
- Federal Medicaid Advanced Planning Document Overview & Request
- Proposed CY2023 Budget
 - Expenses Detail
 - Profit and Loss Statement

CY2022 Budget Expenditures to Date

Amount spent covers January through August 2022

Budget Categories	Budgeted Amount	Actual Spent Jan - Aug	Total Projected Spend Sept - Dec	Total Anticipated Spend	Remaining Budget Balance
Personnel	\$6,728,313	\$3,755,281	\$2,286,779	\$6,042,060	\$686,254
External Affairs	\$13,277,005	\$4,740,824	\$7,522,906	\$12,263,730	\$1,013,275
IT/Operations	\$36,095,457	\$18,410,153	\$15,766,676	\$34,176,829	\$1,918,629
General Operating	\$1,024,034	\$440,331	\$199,627	\$639,958	\$384,076
TOTAL OPERATIONAL BUDGET	\$57,124,810	\$27,346,589	\$25,775,988	\$53,122,577	\$4,002,233
Reinsurance Program	\$20,300,000	\$17,599,202	\$0	\$17,599,202	\$2,700,798

CY2022 Financial Overview

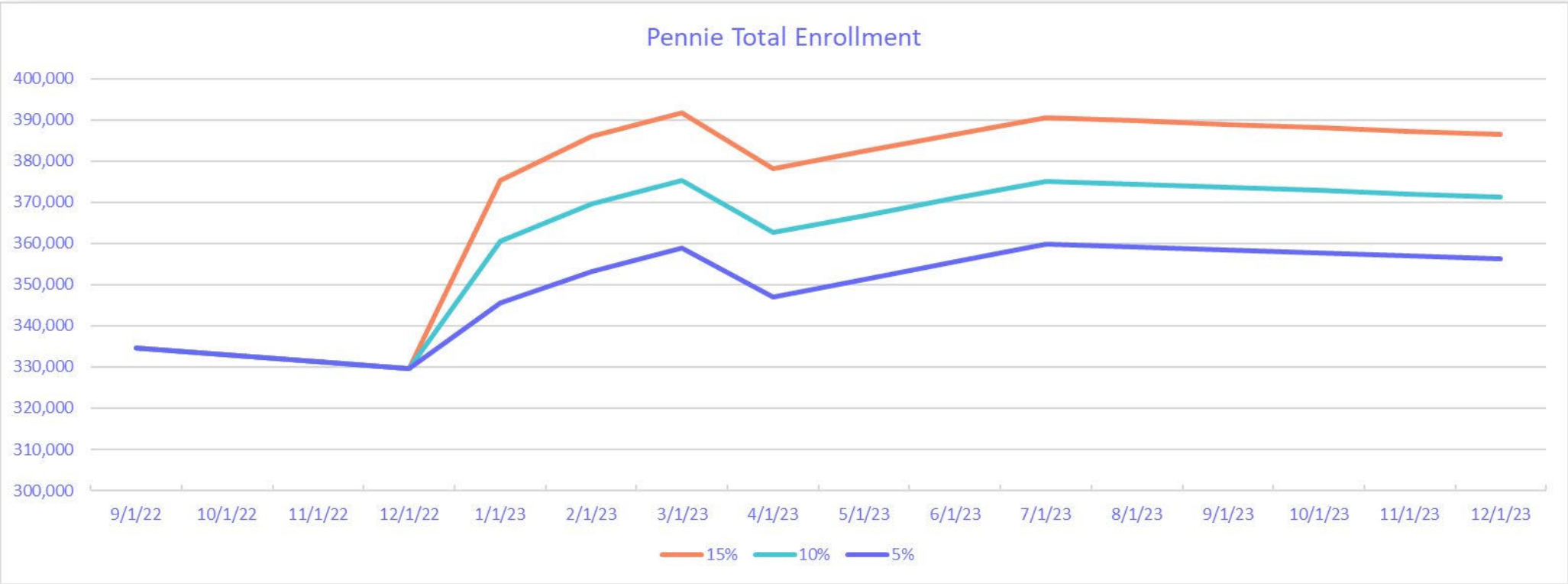
Amount spent covers January through August 2022

Pennie Profit and Loss Statement CY22 (Estimated)			
	Total	Jan - Aug	Estimated Sept - Dec
Beginning Balance (CY21 Net Position):	\$37,306,524		
Income			
User Fee Revenue	\$74,626,893	\$50,580,414	\$24,046,479
Federal Reimbursement	\$13,740,391	\$8,518,531	\$5,221,860
Treasury Interest	\$558,782	\$186,547	\$372,235
Total Income:	\$88,926,066	\$59,285,492	\$29,640,574
Expenses			
Personnel	\$6,042,060	\$3,755,281	\$2,286,779
Operating	\$47,080,517	\$23,591,308	\$23,489,209
Total Operational Expenses:	\$53,122,577	\$27,346,589	\$25,775,988
Transfer Issued to PID for Reinsurance	\$17,599,202		
Estimated Net Position CY22:	\$55,510,811*		

*Please note, \$42,300,000 of these funds are obligated to be transferred to the Reinsurance Program in July 2023

Enrollment and Revenue Projections Scenarios

Low Increase Scenario		Moderate Increase Scenario		High Increase Scenario	
CY 23 Avg. Monthly Enrollment	354,905	CY 23 Avg. Monthly Enrollment	370,403	CY 23 Avg. Monthly Enrollment	385,901
CY 23 Projected Revenue	\$83.0 M	CY 23 Projected Revenue	\$86.6 M	CY 23 Projected Revenue	\$90.2 M



Enrollment and Revenue Projections: Assumptions

- Enrollment counts shown are for those that are effectuated with active coverage. Future-starting plans are not counted.
- Enrollment is expected to increase year over year, and is modeled by 3 scenarios:
 - Low 5% increase each year
 - Moderate 10% increase each year
 - High 15% increase each year
 - The percentage increase is calculated from the projected Dec. 2022 enrollment.
- Monthly attrition is applied to enrollment, varying for different months. The earlier model used a non-spike-gradual approach
 - Jan-Mar 0.0% decrease each month
 - Apr 5.0% decrease this month
 - May – Dec 0.5% decrease each month
- The end of the Public Health Emergency (PHE) will result in more enrollees coming to Pennie from Medicaid.
- There is an annual increase in enrollment due to the continuation of Path to Pennie.
- The resolution of the "Family Glitch" will result in a small monthly increase in enrollment for affected people.
- There is a one-time enrollment bump for Off Exchange Individual Conversion.
- The population distribution by metal levels and related PMPMs are assumed to remain the same as they were on 9/16/2022.
- Premium changes by plan were determined by comparing index prices of age-25 policies from PY 2022 to PY 2023. This determination was made using plan-and-rating-area level data.

Federal Funding Request Status Overview

- Pennie's funding request for the 2023 Federal Fiscal Year (FFY 10/1/22 – 9/30/23) 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 FFY2023, providing Pennie with the authority to leverage up to **\$21 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
 - Technical Assistance
 - Security Assessment
 - Agency Shared Services
 - Facility Costs
 - Outreach
- Pennie intends to submit another funding request for the 2024 Federal Fiscal Year

CY2023 Proposed Operational Budget: Overview

	CY22 Approved Budget Amounts	CY23 Proposed Budget Amounts
Total Expenses	\$57,124,810	\$59,076,000
Personnel	\$6,728,313	\$7,148,000
Operations	\$50,396,497	\$51,928,000
*Please note a detailed breakdown of the proposed budget will be provided on the following slides.		

CY2023 Proposed Budget by Program Area

Including Pennie and Federal Shares

Budget Categories	Proposed Budgeted Amount	Federal Share	Pennie Share
Personnel	\$7,148,000	\$1,824,964	\$5,323,036
External Affairs	\$14,494,000	\$2,871,913	\$11,622,087
Information Technology/Customer Service	\$35,727,000	\$14,389,178	\$21,337,822
General Operations	\$1,707,000	\$302,689	\$1,404,311
Total	\$59,076,000	\$19,388,744	\$39,687,256

CY2023 Personnel Budget

CY2022 Approved Amount: \$6,728,313

CY2023 Proposed Amount: \$7,148,000

Difference: Increase of \$419,687

Federal Share \$1,824,964

Pennie Share \$5,323,036

Proposed Budget Includes:

- The addition of a Compliance Analyst in the Policy Office. This position would be responsible for audit and compliance support. This position would replace 3 part-time contract positions and would result in a savings to Pennie of approximately \$84,000 for this budget year, and \$285,000 for the next budget year.
- The addition of a Marketing Communications Associate. This position would assist the MarComm team with content creation across a variety of media, including the creation of print and electronic marketing and promotional materials.
- Anticipated benefit costs and salaries for full complement of employees.

Cost Breakdown by Program Area:

- Executive Office \$766,845
- External Affairs \$1,039,925
- PMO \$608,624
- Legal \$737,589
- Finance \$768,115
- IT/Operations \$2,509,275
- Policy \$517,377
- Benefit cost increases/Salary pay adjustments \$200,250

CY2023 External Affairs Budget

CY2022 Approved Amount: \$12,741,257

CY2023 Proposed Amount: \$14,494,000

Difference : Increase of \$1,752,743

Federal Share \$2,871,913

Pennie Share \$11,622,087

Proposed Budget Includes:

- **Media Buy \$6,866,000**
 - 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 Assistors (Cognosante) Total \$2,936,000**
- **Other External Affairs Costs \$1,893,000**
 - Memberships & Sponsorships* \$350,000
 - Broker Relations/Engagement \$200,000
 - Creative Services \$395,000
 - Printing & Mailing for Marketing Campaigns \$180,000
 - Other Outreach Expenses, Web Hosting, Translation Services and Software \$318,000

*This cost includes funds to support the Pa Dept. of Health's Health Equity Tour

PHE Related Expense Detail**

- Media Buy \$2,799,000
- Printing/Mailing \$150,000
- YMCA Health Equity Tour expansion \$300,000

**These costs are related to a non-reoccurring event and will largely not carryover into future years.

PHE Media Buy & MarComm Efforts

Pennie Launch 2.0

Considerations

- Unprecedented occurrence
- Longer timeframe than an average Open Enrollment campaign
- New customers will have differing deadlines as they are transitioning in waves over a six-month period

What We Know

- Brand survey and message testing results show awareness of Pennie is still low, particularly for populations who have never had a need to interact with PA's marketplace.
- This includes MA recipients who have never had a reason to acquire information about Pennie and/or experience Healthcare.Gov, which pre-dates Pennie and the enhanced subsidies available today.
- Our customer surveys show ways they first hear of Pennie: TV, Online Ads, & Word of Mouth.

PHE Communications Efforts

- Earned media with DHS
- Direct Communications
- Stakeholder engagements
- Website & Social campaigns
- Advertising & Outreach

CY2023 External Affairs Budget

PHE Related Expense Detail – Media Buy

Media Buy \$2,799,000

- Timeline: January 16 – June 30*
- Targets:
 - Low-income, African American, Latino/Hispanic/Spanish, Asian/Pacific Islander, Russian, LGBTQ
 - Markets: All of PA, with focus on larger populated MA regions
- In partnership with our media vendor, Harmelin Media, we've developed a strategy to best reach our target demos & markets with digital media allowing us to stretch the budget further over the needed 6-month timeline.

Media Spend Breakdown

- Traditional: 27%
- Digital: 73%

Tactics:

- Search & Social
- Statewide Linear TV & Radio
- Transit
- Data Optimized Cable TV – ability to target by income level, interests, lifestyle, etc.
- Digital Display & Streaming Audio/Video
- Targeted Print
- African American & Hispanic-specific media

*assumes the PHE ends in January 2023

CY2023 External Affairs Budget

YMCA Health Equity Tour

Proposed addition to DOH grant: \$300,000

Target markets/regions: Determined by data provided by DHS identifying loss of MA/CHIP counts by county. Focus to be on SEPA, NEPA, SWPA, Erie region

Overview of the Work:

- A continuation of the Health Equity tour focused on health education, literacy and health coverage outreach and education
- YMCA personnel to manage and staff the Health Equity Tour events
- Events focused in high-populated MA areas and informed by market research to best reach audience and increase event attendance
- Partners with organizations that serve low-income individuals & families
- Outreach and awareness about the PHE on a grassroots level to:
 - Encourage responses to MA's renewal packet
 - Educate consumers who have been denied MA about Pennie
- An estimated 30-40 Tour stops

CY2023 Information Technology/Contact Center Budget

CY2022 Approved Amount: \$36,631,205

CY2023 Proposed Amount \$35,727,000

Difference: Decrease of \$904,205

Federal Share \$14,389,178

Pennie Share \$21,337,822

Breakdown by Categories:

▪ **GetInsured \$33,790,000**

- Amortized cost for Design, Development, and Implementation of Infrastructure \$3,785,000
- Maintenance and Operations Technology Platform \$9,134,000
- Maintenance and Operations Consumer Assistance Center \$17,318,000
- Provider Directory \$278,000
- Salesforce Licenses \$118,000
- Consumer Assistance Center Potential Changes \$1,000,000
- System Enhancements \$1,000,000
- Print/Mail Costs \$1,157,000

▪ **Other Technical Costs \$1,937,000**

- QA/UAT/Recon \$1,377,000
- Security Assessment Review \$150,000
- Other Project Management and Technical Assistance \$60,000
- Additional Salesforce Licensing \$250,000
- Automation Hosting and Development \$100,000

CY2023 General Operating

CY22 Approved Budget Amount \$1,024,034	
CY23 Proposed Budget Amount \$1,707,000	
Difference: Increase of \$682,966	
Federal Share \$302,689	Pennie Share \$1,404,311

Breakdown by Categories:

- Travel, education and professional development, postage, printing, and conference expenses \$169,000
- Technology needs: desktop devices, peripherals, software \$49,000
- Interagency charges for shared services \$250,000
- Memberships/Subscriptions \$112,000
- Real estate, renovations, and office supplies, furniture and fixtures, telecom voice and data service \$713,000
- Legal services fees (for hearings and appeals) \$200,000
- Other Operating Expenses* \$214,000

* Includes required annual programmatic and financial audits

Note: New cost for 2023 - Estimated DEI Program Area costs of \$186,000 have been budgeted and fall across the above General Operations categories.



CY2023 Proposed Operational Budget: Summary

	CY23 Proposed Operational Budget
Total Operational Expenses	\$59,076,000
Personnel	\$7,148,000
Operations	\$51,928,000
Pennie Share	\$39,687,256
Federal Share	\$19,388,744

CY2023 Reinsurance Program Budget

	CY22 Budget	CY22 Actual	CY23 Proposed
Administrative Costs	\$300,000	\$300,000	\$300,000
Reinsurance Program Obligation	\$20,000,000	\$17,299,202	\$42,000,000
Total	\$20,300,000	\$17,599,202	\$42,300,000
Total increase from CY22 actuals to proposed CY23:		\$24,700,798	

Estimated Financial Overview

Estimated Pennie Profit and Loss Statement CY23	
Estimated Beginning Balance	\$55,510,811
Estimated Income	
User Fee Revenue	\$83,000,000
Federal Reimbursements	\$19,000,000
Treasury Interest	\$400,000
Total Income	\$157,910,811
Total Operational Expenses	\$59,076,000
Difference	\$98,834,811
Estimated Transfer to Reinsurance (July 2023)	\$42,300,000
Estimated Net Position	\$56,534,811*
*Please note, \$42M of these funds are obligated to be transferred to the Reinsurance Program in July 2024	



PHE Unwinding and OEP 2023 Update



Public Health Emergency Update

- A formal announcement from the federal administration was just released confirming an extension of the PHE. The 90-day extension now makes the PHE end mid-January 2023. The federal government did not confirm this as the final extension.
- Guidance has been shared from DHS to MCOs with affiliated QHPs who will be able to communicate with their members who may be determined ineligible for Medicaid upon the expiration of the MOE requirements. They can provide information about how to apply for coverage on Pennie prior to an actual determination of ineligibility in order to promote continuity of coverage.
- PHE technical functionality was deployed in the September release, while PHE marketing and outreach initiatives, and additional call center staffing plans have been pushed back in alignment with the new PHE end.

OEP Readiness Timeline Update

August	September	October
✓ Mid-August <ul style="list-style-type: none"> PA Insurance Department Communicates Any Rate Filing Changes Needed due to ARP Subsidy Extension. Pennie Receives Approved Insurer 2023 Plan Data from PA Insurance Department**. 	✓ Early-September <ul style="list-style-type: none"> Insurers Review Plans in Pennie Portal. 	✓ Early-October <ul style="list-style-type: none"> Renewal Eligibility and Auto-Renewal Processing Begins.
✓ Late-August <ul style="list-style-type: none"> Load 2023 Plans into Production for Insurer Review**. 2023 Broker Training Available. Blackout Period Begins for Assister Training. 	✓ Mid-September <ul style="list-style-type: none"> PY2023 Assister Training Available. Health Equity Tour Begins. 	Mid-October <ul style="list-style-type: none"> ✓ OEP Awareness Marketing Campaign. ✓ OEP Email Campaign Begins. ✓ Auto-Renewal Enrollments Sent to Insurers. ✓ Stakeholder Toolkit Distributed.
	✓ Late-September <ul style="list-style-type: none"> Release 22.9 Production Deployment. PID Finalizes 2023 Plans and Publishes Rates All 2023 Plans Certified. 	Late-October <ul style="list-style-type: none"> Broker/Assister Recertification Training Deadline. Auto-Renewal and Eligibility Notices sent to Consumers.
November	December	January
Early-November <ul style="list-style-type: none"> Open Enrollment Begins. 2023 Anonymous Shopping Available. "Call to Action" Marketing Campaign Begins. 	Mid-December <ul style="list-style-type: none"> Plan Shopping Deadline for January 1 Coverage. Catch-up Auto-Renewals Generated for New Consumers. 	Mid-January <ul style="list-style-type: none"> Plan Shopping Deadline for February 1 Coverage. Conclusion of OEP. PHE Currently Set to Expire.

Auto-Renewal Process Status

August

- ✓ • Auto-Renewal Testing.

September

- ✓ • Auto-Renewal Dry-Run with Production Enrollment Data.

October

- ✓ • Production Run of Renewal Processes.
- ✓ • Send 834 Auto-Renewal Files to Insurers.

December

- Catch up Auto-Renewals generated for 2022 SEP enrollees after the first Auto-Renewal batch

- Distribute Notices and Emails to Consumers about Auto-Renewal and Eligibility
 - **Other efforts:** Notice stuffer(s), Explainer videos, Stakeholder toolkit, pennie.com FAQs

Notices and Communications Timing

October

- Renewal notices will be sent – Oct. 26
- Eligibility notices will be sent – Oct. 27
 - Stuffer will be sent along with the renewal notices about the importance of these notices
- Email/Outbound Call Campaign will begin end of Oct. to stakeholders and current customers about the notices/OEP is on the way

November

- Specific outreach for current customers:
 - Customers who are not signed up to receive financial savings, Customers who are seeing a significant increase in premiums due to changes to insurers in their region, etc.
- Weekly emails to those with open/submitted applications

December

- Deadline Reminders
- Weekly emails to those with open/submitted applications
- Specific outreach continues

January

- Deadline Reminders
- 1095/Path to Pennie communications begins
- PHE communications begin (*assuming PHE ends mid-January)

Message Testing Results

Methodology:

- Digital Survey, 153 PA residents, over 26 & insurance decision makers, planning to shop during OEP23, not anticipating having Employer Sponsored Coverage or Medical Assistance.
- 60% female, 39% male, 82% white, 10% AA, 13% Hispanic, 43% < Bachelors, 63% <\$75K/yr

Resonating Language When Describing:

- **Cost:** "Lower Premiums" solves the customer problem.
- **Customer Service:** "Simplicity" was the highest performing word
- **Plans:** "High-Quality" & mention broad range of plans, options
- **Eligibility:**
 - For most demos, be specific with who Pennie is for: *Citizens, US nationals, qualified immigration status*
 - For Hispanic/Latino, be broad with who Pennie is for: *all PA residents who are not covered by their employer or another program like Medicaid/Medical Assistance. Be careful with the word "citizen," as it carries potentially negative associations than the word "resident"*

Message Testing Results

Areas to Improve

- **Pennie:**
 - Outreach & education still needed to differentiate between Pennie & HC.gov, especially with African American communities.
 - Referrals increase the further the customer goes down the funnel, so ads should be simple to drive traffic to pennie.com or phone line.
- **Cost:**
 - Keeping outreach and advertising simple toward the website and calculator, since most respondents don't believe Pennie can deliver lower monthly premiums.
 - Lower income respondents felt state marketplace options to be too expensive

Marketing and Communications Timing

Earned Media

Early Nov - Press Conference/Press Release

Media Alerts ahead of 12/15 & 1/15 deadlines and ahead of YMCA & other events

Owned Media

Email, Outbound Calls,
Website, Social, Newsletter

Paid Media Targets & Tactics

Traditional – TV, Radio, Print,

Digital – Streaming, Social, Display, Influencer

Out Of Home – Billboard, Transit, Lifestyle
(pharmacy & laundromat)

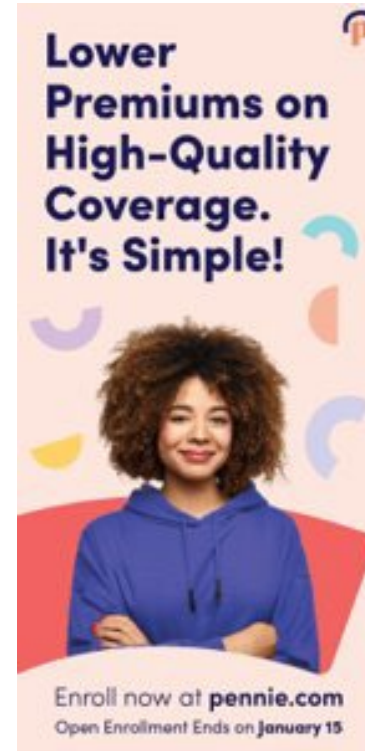
*Higher % of paid media being spent on our target demos
(Hispanic, AA, LGBTQ, Asian/Pacific Islander, and Russian)

Stakeholder Comms

Updated OE Toolkit

Monthly Workgroups

Emails/E-Newsletters



Executive Session

pennie

ADDRESS

312-318 Market Street,
Bowman Tower, Floor 3
Harrisburg,
Pennsylvania
17101

PHONE

+1 844-844-8040

WEB

pennie.com