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.

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Pennie Board of Directors Meeting

July 27, 2023

Agenda

- **Preliminary Matters**

- **Medicaid Unwinding Report**

- **Consumer-Focused Initiatives**

- **Strategic Project Updates**

- **Break**

- **Open Enrollment 2024 Preparations**

- **Executive Session**

- **Administrative Matters**

- **Adjournment**

Preliminary Matters

Preliminary Matters

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

Medicaid Unwinding Report

Medicaid Unwinding Report
Since we last spoke...

- Pennie has been contacting households **via direct notices/mailers, emails, priority outbound calls, and texting**

- Pennie participated in **10 press conferences in communities across PA and a live ABC Special on July 19** in partnership with DHS to raise awareness of the unwinding and assistance available through Pennie

- **Pennie published the following collateral for stakeholder use:**
  - Pennie Unwinding Webpage
  - FAQs
  - Explainer videos
  - Social media posts
  - Digital graphics
  - Robust stakeholder <u>toolkit</u> in coordination w/ DHS

- Pennie's **advertisement and media campaign** is running, targeting lower-income households, vulnerable populations, and non-English speaking audiences

- Pennie's outreach activities ongoing with partnerships from Cognosante and YMCA health equity tour

Pennie At A Glance

As of 7/21/23	Total
Applicants	663,558
Enrollees	361,012

	Unwind					
Count	Medical Assistance (MA) End April 2023	MA End May 2023	MA End June 2023	MA End July 2023	MA End Other
84,400	11%	28%	33%	25%	3%
10,158	17%	36%	35%	12%	<1%

"Total" includes all enrollees with plan selections, even "Unwind" customers.

"Unwind" customers are those that have used the "Loss of MA" SEP event. These could have come directly from an MA transfer or from a walk-in customer.
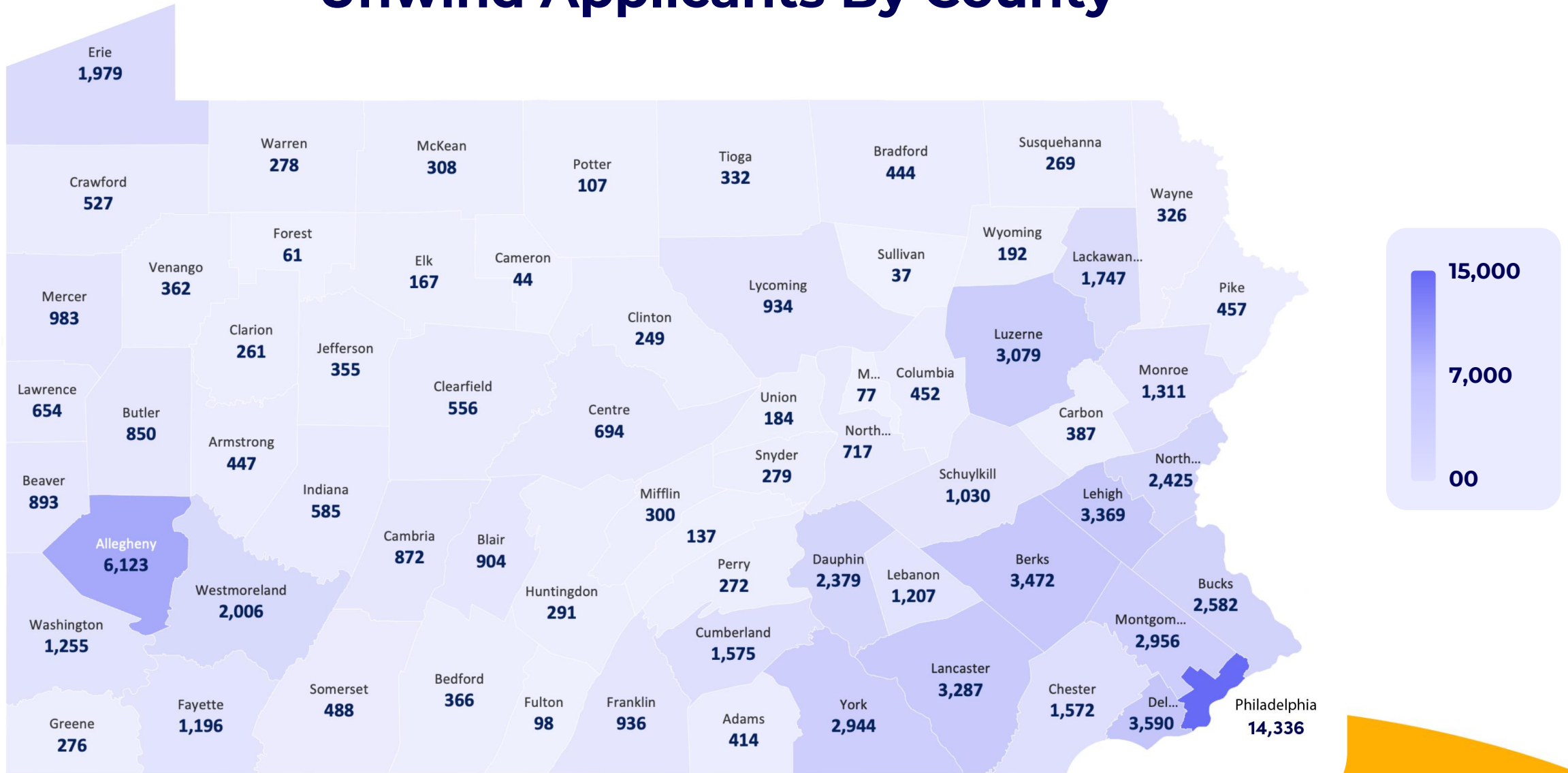
% Apps with Auto Eligibility

78.5%

To streamline customer experience, a customer can automatically have their eligibility assessed based on the info from their MA transfer.

A technical issue with auto-eligibility occurred in April that was resolved. The Auto-eligibility rate shown is after the resolution.

Unwind Applicants By County

Erie 1,979
Crawford 527
Warren 278
McKean 308
Potter 107
Tioga 332
Bradford 444
Susquehanna 269
Wayne 326
Forest 61
Venango 362
Elk 167
Cameron 44
Wyoming 192
Lackawan... 1,747
Pike 457
Mercer 983
Sullivan 37
Lycoming 934
Clinton 249
Luzerne 3,079
Monroe 1,311
Lawrence 654
Butler 850
Clarion 261
Jefferson 355
Clearfield 556
Centre 694
Union 184
M... 77
Columbia 452
Carbon 387
North... 2,425
Armstrong 447
North... 717
Snyder 279
Schuylkill 1,030
Lehigh 3,369
Beaver 893
Indiana 585
Mifflin 300
137
Allegheny 6,123
Cambria 872
Blair 904
Perry 272
Dauphin 2,379
Lebanon 1,207
Berks 3,472
Bucks 2,582
Westmoreland 2,006
Huntingdon 291
Montgom... 2,956
Washington 1,255
Cumberland 1,575
Lancaster 3,287
Chester 1,572
Del... 3,590
Philadelphia 14,336
Fayette 1,196
Somerset 488
Bedford 366
Fulton 98
Franklin 936
Adams 414
York 2,944
Greene 276

15,000
7,000
00

Data as of 7/21/23

Unwind Conversion Rate by Cohort

Cohort	Unwind Applicants	Unwind Enrollees	Conversion Rate	60 Day SEP Cut-off Date
Apr 2023	9,478	1,667	18%	June 29th
May 2023	23,792	3,696	16%	July 30th
Jun 2023	27,999	3,474	12%	Aug 29th
Jul 2023	20,365	1,238	6%	Sept 29th
Other	2,751	83	3%	—
Total	84,385	10,158	12%	—

Average Unwind Enrollments

92 per day

since 4/1/23

"Cohort" is based on the consumer's latest MA End Date.

Counts don't match, due to some consumers with unusual location data.

Consumers in later cohorts have had less time to utilize their SEP, so they will have a lower conversion rate.

People who don't convert to enrollment could have situations where they may not be seeking coverage.

Per Member Per Month (PMPM) APTC and Net Premium Metrics
Average PMPMs – Total

Reference: 7/21/2023

Legend:
- Gross Premium
- APTC Amount
- Net Premium

Chart values:
- Total: $631 (Gross Premium), $449 (APTC Amount), $182 (Net Premium)
- Unwind: $525 (Gross Premium), $442 (APTC Amount), $83 (Net Premium)
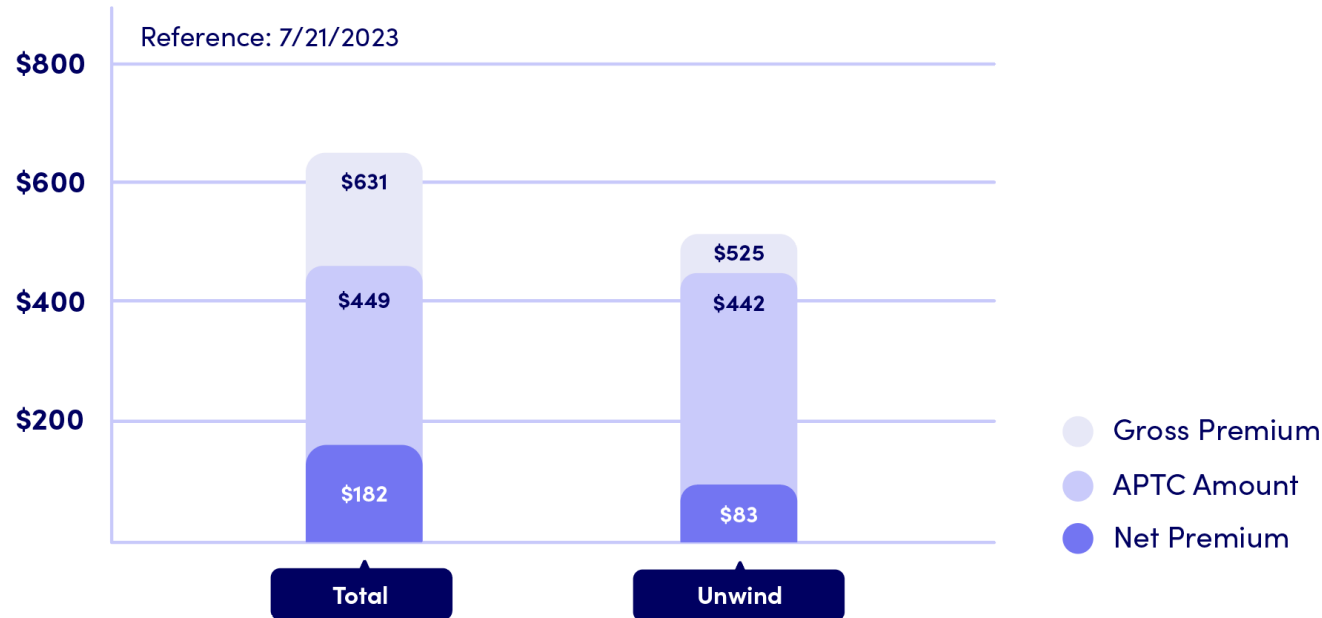
Policy Net Premium	Total Enrollees	Unwind Enrollees
Cost $1 or less	15%	22%
Cost $50 or less	33%	51%

Unwind consumers tend to pay less for coverage than other consumers.

"Total" includes all enrollees with plan selections, even "Unwind" consumers.

"Unwind" consumers are those that have used the "Loss of MA" SEP event. These could have come directly from an MA transfer or from a new application.

Financial Assistance

Financial Assistance	Total Enrollees	Unwind Enrollees
APTC	37%	22%
APTC_CSR	53%	75%
CSR	<1%	0%
QHP*	9%	3%
Total	361,012	10,158

*Not eligible for financial assistance
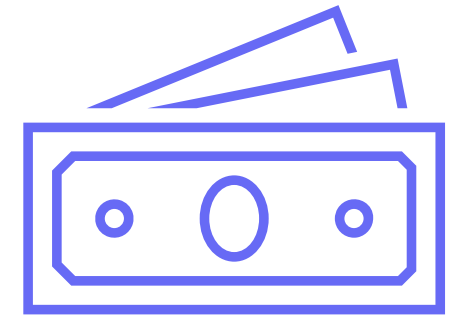
Unwind consumers are more often eligible for Financial Assistance – especially cost sharing reductions - than the average consumer.

"Total" includes all enrollees with plan selections, even "Unwind" consumers.

"Unwind" consumers are those that have used the "Loss of MA" SEP event. These could have come directly from an MA transfer or from a walk-in consumer.

Federal Poverty Level (FPL) Demographics

| FPL	Total	Unwind
0 - 100%	2%	2%
100 - 150%	16%	10%
150 – 200%	22%	40%
200 – 250%	16%	24%
250 – 400%	25%	19%
400%+	11%	3%
Unknown	8%	2%
Total	361,012	10,158
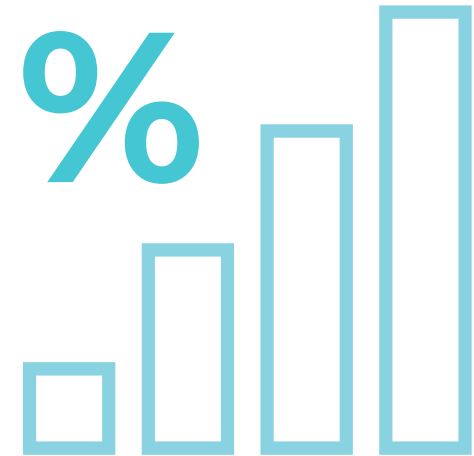
Unwind consumers tend to have lower FPLs than the average Pennie consumer.

"Total" includes all enrollees with plan selections, even "Unwind" consumers.

"Unwind" consumers are those that have used the "Loss of MA" SEP event. These could have come directly from an MA transfer or from a walk-in consumer.

Metal Tier Selections

Metal	Total	Unwind
Bronze	23%	19%
Silver	35%	39%
Gold	41%	42%
Catastrophic	<1%	<1%
Total	361,012	10,158
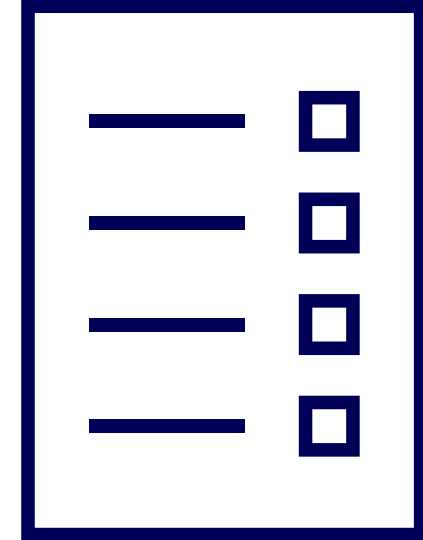
Unwind consumers tend to select Bronze Plans less, and Silver/Gold plans more than the average consumer.

"Total" includes all enrollees with plan selections, even "Unwind" consumers.

"Unwind" consumers are those that have used the "Loss of MA" SEP event. These could have come directly from an MA transfer or from a walk-in consumer.

Age Demographics

Age	Total	Unwind
0-17	7%	11%
18-25	7%	12%
26-34	16%	19%
35-44	16%	20%
45-54	18%	16%
55-64	36%	22%
65+	1%	<1%
Total	361,012	10,158

Unwind consumers tend be younger than the average consumer.

"Total" includes all enrollees with plan selections, even "Unwind" consumers.

"Unwind" consumers are those that have used the "Loss of MA" SEP event. These could have come directly from an MA transfer or from a walk-in consumer.

Gender Demographics

Gender	Total	Unwind
Male	46.9%	38.6%
Female	53.1%	61.4%
Total	**361,012**	**10,158**

Unwind consumers are more likely to be female than the average consumer.

"Total" includes all enrollees with plan selections, even "Unwind" consumers.

"Unwind" consumers are those that have used the "Loss of MA" SEP event. These could have come directly from an MA transfer or from a walk-in consumer.

Ethnicity Demographics

Ethnicity	Total	Unwind
Hispanic/ Latino	3.5%	11.8%
Not Hispanic/ Latino	79%	81%
No Response	18%	7%
Total	361,012	10,158

Unwind consumers are more likely to be of Hispanic/Latino ethnicity than the average consumer.
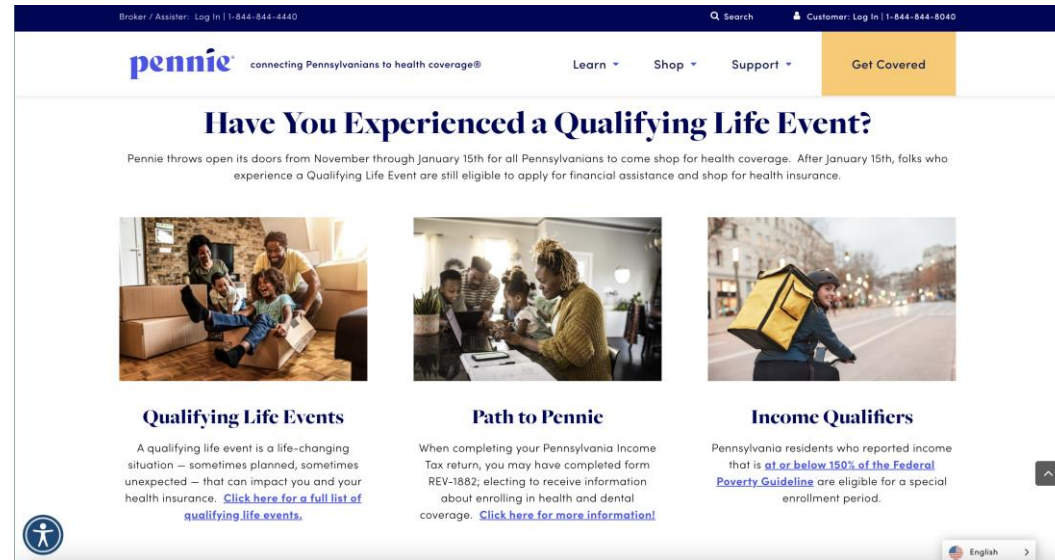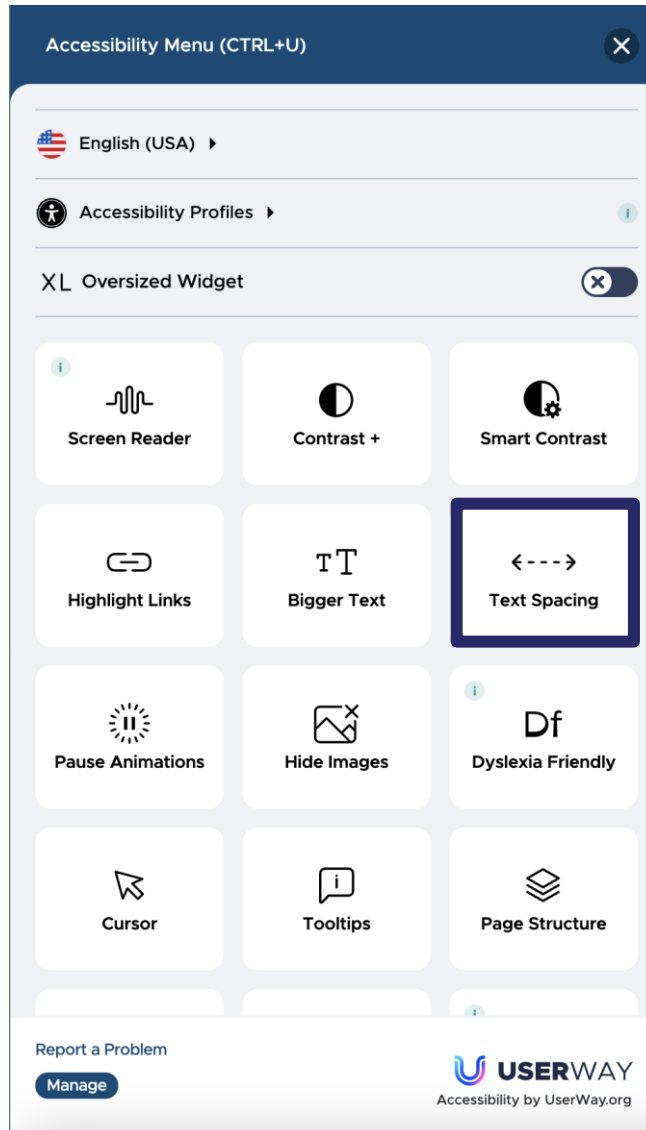
Consumer-Focused Initiatives

Consumer-Focused Initiatives

Consumer-focused efforts are underway:

1.   Reviewing consumer-facing content for readability

2.   Analyzing most common issues

3. Developing improvements for common issues

Greater Accessibility to Website – Example

Previous

Revised Text

Retro Termination Updated Policy Proposal

Allow retroactive termination to align with the end of the previous month if the request is made within 30 days and other requirements are met. Changes from May presentation are in **bold.**

- Pennie Contact Center receives retroactive termination requests due to enrollment in Medicare or other minimum essential coverage (MEC).
- These consumers are potentially receiving financial assistance for which they no longer qualify.
- Pennie requires consumers to update their application within 30 days of a change, but currently does not allow for consumers to align termination dates retroactively when reporting enrollment in other coverage.
- **Discussion in the May Board of Directors meeting highlighted the importance of providing the opportunity for insurers to verify that no pharmacy claims had been paid, since such claims cannot be reversed with a retroactive termination.**

Proposal	Policy Goal(s)	Benefits	Challenges
Accept consumer retroactive termination requests up to 30 days into the next month due to having other coverage **when consumer does not have any pharmacy claims.**	Align retroactive termination policy with requirement of consumers to update their Pennie application within 30 days of a change 45 CFR § 155.330(b)(1) without adverse impacts on Pennie stakeholders.	Prevents overpayment of APTC and enrollment in duplicative coverage with Medicare or Employer-Sponsored Coverage while preventing potential claims issues.	Requires multiple touchpoints to process request.

Retro Termination Policy Proposal

Allow retroactive termination to align with the end of the previous month if the request is made within 30 days and other requirements are met.

Updated Proposal

Pennie proposes to approve retroactive termination requests when the following conditions are met:
- The retroactive termination request is submitted within 30 days of the month following the requested termination date.
- The retroactive termination request is for the end of the previous month (i.e., request submitted on August 8th for July 31st)
- Consumer attests to having other minimum essential coverage (i.e., Medicare, employer-sponsored insurance (ESI), etc.)
- **Consumer's Pennie insurer verifies that the consumer does not have any pharmacy claims during the period in which retroactive termination is being sought or does not respond within 5 business days of Pennie's request.**

Pennie Recommendation: *Adopt updated proposal*

- Ensures retro-termination requests are from recent enrollees in Medicare and other coverage who do not realize they need to prospectively terminate Pennie coverage.
- Requires consumers to call the Pennie contact center and request retro-termination (no option to self-serve,) and allows the Pennie insurer to confirm they have no pharmacy claims before the request is approved.
- Pennie consumer service representatives will be given disclaimer scripts to ensure consumers understand what they are requesting and the impact on any services incurred.

Strategic Projects Update

Broker Recruitment and Diversification
(Strategic Goal 2: Health Equity)

- <u>Project Goal</u>: To increase access to a diverse pool of knowledgeable brokers to serve historically marginalized and underrepresented communities.

- <u>Project Scope</u>: Recruit existing licensed health brokers to become Pennie-certified and focus on serving underrepresented communities in the Philadelphia Region.

- <u>Approach</u>: Pilot Program limited to Philadelphia County due to its large populations of historically marginalized and underrepresented communities.

- <u>Update</u>:

  - In partnership with the Pennsylvania Insurance Department, Pennie identified around 12,000 licensed health brokers who are not certified with Pennie in the Philadelphia region. We sent an email campaign to that group to encourage certification with Pennie. We identified 4-5 zip codes for additional outreach.

  - We have met with several stakeholder groups, including agent/broker associations and insurer broker teams, to help support this project.

  - Next outreach phase will align with annual broker certification process in August.

Health Equity Data Report
(Strategic Goal 2: Health Equity)

- Finalizing comprehensive data report looking at enrollment in Pennie coverage across PA and among specific race/ethnic groups, urban and rural populations, income-levels, and age distributions.

- Compares Pennie enrollment data with uninsured data to understand the populations currently accessing Pennie coverage and those who remain uninsured.

- Designed to inform Pennie's outreach and communication strategies as well as our approach to realizing our health equity goals.

Health Equity Data Report
(Strategic Goal 2: Health Equity)

Key conclusions:

1) Expanded federal subsidies resulted in many Pennsylvanians enrolling in higher-value silver and gold plans. However, this trend was not seen consistently across groups, implying additional health literacy and consumer education efforts could be of value.

2) Hispanics/Latinos and African Americans are enrolled in Pennie coverage at low rates in proportion to their population-size and uninsured rates. This issue is most acute among Latinos in Rating Area 8.

3) Young adults (ages 19-34) are also enrolled in Pennie coverage at low rates in proportion to their uninsured rate (9.8%), especially in rural areas.

4) While urban areas have the highest number of uninsured individuals, the state is primarily composed of rural counties that, in some cases, feature higher uninsurance rates.

Plan Quality and Consumer Choice Analysis
(Strategic Goal 3: Plan quality and facilitate consumer choice)

- Defining the problems we want to solve and the outcomes we want to achieve in the realm of plan quality and consumer choice.

- Executing a process that will lead to policy and systems-based initiatives that match the outcomes we want to achieve, informed by meaningful engagement with external stakeholders and consumer-feedback.

- Not trying to drive towards a specific solution prior to executing this process; will consider and evaluate all policy options without bias towards any one solution.

Plan Quality and Consumer Choice Analysis

(Strategic Goal 3: Plan quality and facilitate consumer choice)

- **Identifying the problem(s) we are trying to solve**
  - Consumers facing challenges in reviewing and selecting plans
  - Variation in experience across rating areas.
  - Consumers facing barriers when using coverage or uncertainty of how to use coverage.

- **Defining the outcome(s) we are trying to achieve such as:**
  - Ensure consumers have the tools to shop for quality plan with discernible differences.
  - Foster consistent experience across rating areas.
  - Ensure that health plans are addressing PA-centric health care coverage issues.

Plan Quality and Consumer Choice Analysis
(Strategic Goal 3: Plan quality and facilitate consumer choice)

- **Bring together Pennie stakeholders**
  - Creation of informal working group to discuss these issues and provide input on potential solutions to Pennie team.
  - Incorporating the consumer perspective through focus groups and other tools to validate issues.

- **Project Objectives**
  - Development of policies and systems-change initiatives necessary to help Pennie consumers make an informed decision about selecting and using their health coverage.
  - Results in Board-approved policies and initiatives that Pennie can take forward.

Break

Open Enrollment 2024 Preparations

OEP 2024 Strategy

Retention

- Ensuring a smooth auto-renewal process for our consumers.
- Minimizing the impact of premium disruptions with a strategic communication plan.
- Developing specific outreach campaigns for consumers who have data matching issues, fall out of auto-renewal (for example, aging out of parent's plan), and other special scenarios.

Growth

- In addition to regular outreach campaigns, concentrating efforts on rating area 8 (Philadelphia and sounding counties) due to persistently high uninsured numbers, relatively lower marketplace enrollment, and comparatively high health disparities.
- Exploring opportunities for activity through large community events across the Commonwealth.
- Regionally focusing on specific areas by leveraging data and the Assisters and Brokers.

Unwinding population

- Reviewing operational processes to ensure smooth experience for unwinding population transferred to Pennie during Open Enrollment, specifically the Sept – Nov cohorts.
- Planning additional auto renewal runs to reduce actions needed by consumers to maintain coverage into 2024.
- Preparing unique unwinding communication campaigns to ensure enrollment steps are clear for 2023 and 2024 coverage.

August

Early-August
- End of Early Plan Preview for Insurers

Mid-August
- Pennie Receives Approved insurer 2024 Plan Data from PA Insurance Department (PID)

Late-August
- Load 2024 Plans Into Production for Insurer Review
- 2024 Broker Training Available
- Blackout Period Begins for Assister Training

September

Early-September
- Insurers Review Plans in Pennie Portal

Mid-September
- PY2024 Assister Training Available

Late-September
- Release 23.9 Production Deployment
- PID Finalizes 2024 Plans and Publishes Rates
- All 2024 Plans Certified

October

Early-October
- OEP Awareness Marketing Campaign
- Renewal Eligibility and Auto-Renewal Processing Begins

Mid-October
- OEP Email Campaign Begins
- Auto-renewal Enrollments Sent to Insurers
- Stakeholder Materials Distributed

Late-October
- Broker/Assister Recertification Training Deadline
- Auto-Renewal and Eligibility Notices sent to Consumers

November

Early-November
- Open Enrollment Begins
- 2024 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 Consumers

January

Mid-January
- Plan Shopping Deadline for February 1 Coverage
- Potential Additional Catch Up Run
- Conclusion of OEP

Open Enrollment Deadline Extension Proposal

Proposal	Policy Goal(s)	Benefits	Challenges
Extend the 2024 open enrollment final plan shopping deadline to January 19, 2024 for February 1 coverage.	Maximize opportunities for open enrollment growth of new enrollees by aligning to consumer behavior.	Grants Pennsylvanians more time to enroll since the typical deadline of Jan. 15th falls on the last day of a 3-day holiday weekend in 2024.	Some consumer confusion may exist on the deadline change.

Data from previous OEPs

Calls Offered Nov 1st thru Jan 15th

OE	Weekday	Sun/Holiday	Saturday
2021	5,328	790	1,072
2022	5,571	572	1,181
2023	4,349	761	898

Open Enrollment Deadline Extension Proposal

Proposal	Policy Goal(s)	Benefits	Challenges
Extend the 2024 open enrollment final plan shopping deadline to January 19, 2024 for February 1 coverage.	Maximize opportunities for open enrollment growth of new enrollees by aligning to consumer behavior.	Grants Pennsylvanians more time to enroll since the typical deadline of Jan. 15th falls on the last day of a 3-day holiday weekend in 2024.	Some consumer confusion may exist on the deadline change.

Staff Recommendation: *Adopt as proposed*

- Consumers are driven by deadlines, and there is typically an increase of enrollments at the end of Open Enrollment.
- Historical trends find that more *new* enrollees come in towards the end of Open Enrollment.
- Calls and consumer activity significantly drop on weekends and holidays.
- Extending the ability to enroll through the end of that week will allow an extra outreach push for new enrollments during days when data shows that consumers are more active.
- Would describe date change as a "special extension" to help avoid conflict with general references to Open Enrollment ending on January 15.

Executive Session

Administrative Matters

Administrative Matters

- **Q2 2023 Financials**
  - Slides are available in the appendix
  - Any questions?

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Appendix

2023 Q2 Financial Overview

Revenue	Q1	Q2	TOTAL
2022 Net Position			$58,076,064
User Fees Billed	$20,390,054	$19,962,277	$40,352,332
Federal Reimbursements Received	$1,850,686	$4,172,286	$6,022,972
Treasury Interest	$676,029	$938,241	$1,614,269
Total Revenue	**$22,916,769**	**$25,072,804**	**$106,065,637**

Expenses	Q1	Q2	TOTAL
Personnel	$1,349,836	$1,596,877	$2,946,712
Operations	$7,783,727	$11,228,506	$19,012,233
Total Expenses	**$9,133,563**	**$12,825,383**	**$21,958,945**
Net Income	**$13,783,206**	**$12,247,421**	**$84,106,692**
Obligated transfer to reinsurance program on 7/6/23			**$31,080,000**
Net Income After Transfer			**$53,026,692**

2023 Q2 Budget Overview

	Expenses	Budgeted	Actual
Q1 Totals	**Personnel**	$1,547,037	$1,349,836
	Operations	$7,924,499	$7,783,727
	Total	$9,471,536	$9,133,563
Q2 Totals	**Personnel**	$1,747,496	$1,596,877
	Operations	$11,408,446	$11,228,506
	Total	$13,155,942	$12,825,383
$ Variance to date (under budget)	**-$688,532**		
% Variance to date (under budget)	**-3%**		

Notes: Personnel variance due to vacancies, and operations variance due to expenses coming in less than originally anticipated.

2023 Q2 User Fee Revenue Overview

Month	Projection	Actual
Q1 (Jan – Mar)	$19,968,605	$20,390,054
Q2 (Apr – Jun)	$19,525,280	$19,962,277
Total	**$39,493,885**	**$40,352,331**
$ Variance to date	**+$858,446**	
% Variance to date	**+2%**	