pennie®

Pennie Board of Directors Meeting

May 2024

Agenda

- **Preliminary Matters**
  - February 22, 2024 Board Strategic Planning Session Minutes
- **Key Discussion Topics**
  - Affordability Program
  - Income Verification
  - Plan Simplification
- **Informational Discussion Topics**
  - CMS Final Rules
  - Assister Services Request for Proposal
  - Executive Director Performance Evaluation
- **Appendix**
  - Q1 2024 Financials
  - Unwinding Data Report as of end of April 2024
  - February Board Meeting Data Follow Ups

Preliminary Matters

Preliminary Matters

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

Approved 2024 Strategic Goals

1. Establish Pennie as a trusted and objective source of clear information about coverage.
2. Promote simplicity and clarity into processes, reducing consumer burden throughout the coverage lifecycle.
3. Increase awareness and accessibility of Pennie at local and state levels across Pennsylvania.

Affordability Program

Health Coverage in PA

1. Individuals and the health care system benefit economically when the insured rate is higher.

2. Pennsylvania has 5.6% of the population (600K+) that is uninsured, which is potentially higher due to recent changes in Medicaid.

3. The two tactics to decrease the uninsured rate - awareness and affordability – are inherently tied together.

Coverage Cost Barriers

Costs are consistently named as the barrier to enrolling in and maintaining coverage.

- 4 in 10 who were eligible did not purchase due to cost
- 4 in 10 have dropped coverage at some point due to cost
- 6 in 10 say plans through Pennie are "barely affordable" or "unaffordable“

With unaffordable options, individuals:

- Go uninsured: individuals are at significant financial risk in the case of illness or injury, resulting in uncompensated care and medical debt.
- Enroll in unregulated plans: may have lower monthly costs, but often exclude important medical care, have pre-existing condition exclusions, and impose lifetime or annual limits (practices prohibited in ACA-compliant plans through Pennie) – resulting in the same issues as going uninsured (medical debt and uncompensated care).
- Forgo critical care: even for those who do enroll, some delay care due to concerns about out-of-pocket costs with negative health consequences.

Study results from survey conducted by PHAN

State Subsidy Examples

Affordability measures are an important tool for state-based marketplaces to address the needs of their populations.

A majority of state marketplaces have taken steps to further reduce costs.

- **Premium reductions:** NJ, WA, CO
- **Premium and cost-sharing reductions:** MA, CA, NM,
- **Young adult subsidy:** MD
- **Other affordability (Medicaid expansion/Basic Health Plan):** DC, NY, MN

Benefits of a Premium Subsidy

Pennie analyzed options for an affordability program that would directly reduce health plan premiums.

Pennie survey data indicates that monthly premiums are the most significant factor in determining whether someone will enroll in coverage through Pennie:

- Of Pennie applicants who applied but did not enroll in a plan – 67% cited cost as the reason, with the majority indicating that the premium cost specifically was too high.
- The surveys also indicated that cost sharing barriers were a close second to premiums in terms of finding value in coverage and accessing care.

Premium subsidies have a dual impact:

1) Can encourage currently uninsured to enroll in coverage *and*
2) Help current enrollees change to a plan with lower out of pocket costs, effectively providing an indirect cost-sharing benefit

Premium Subsidy Models

Three options were explored focused on populations with higher uninsured rates to determine the best way to maximize consumer benefit.

Income-based

Flat-dollar Model (Per Member Per Month) Model

- Consistent dollar amount based on income
- Benefits Pennsylvanians at lower income ranges who account for PA's largest uninsured cohort by income (23.4%) versus the Commonwealth overall (5.6%)*

Sliding Scale Model (Applicable Premium Percentage)

- Caps what a household pays for the monthly premium based on income
- Benefits Pennsylvanians at lower income ranges who account for PA's largest uninsured cohort by income (23.4%) versus the Commonwealth overall (5.6%)*

Age-based

Young Adult Flat Dollar Model

- Premium subsidy program specifically for young adults (ages 18-35)
- Benefits young adult Pennsylvanians who are more likely to be uninsured (9.8%) than the Commonwealth overall (5.6%)^

*State and Local Estimates of the Uninsured Population in the U.S. Using the Census Bureau's 2021 American Community Survey | ASPE (hhs.gov)
^Pennie Health Equity Data Report Pennie Health Equity Report 2022-23

Option to Exclude Bronze Plans

Analysis included variations that exclude bronze plans from the state subsidy to maximize the value to consumers.

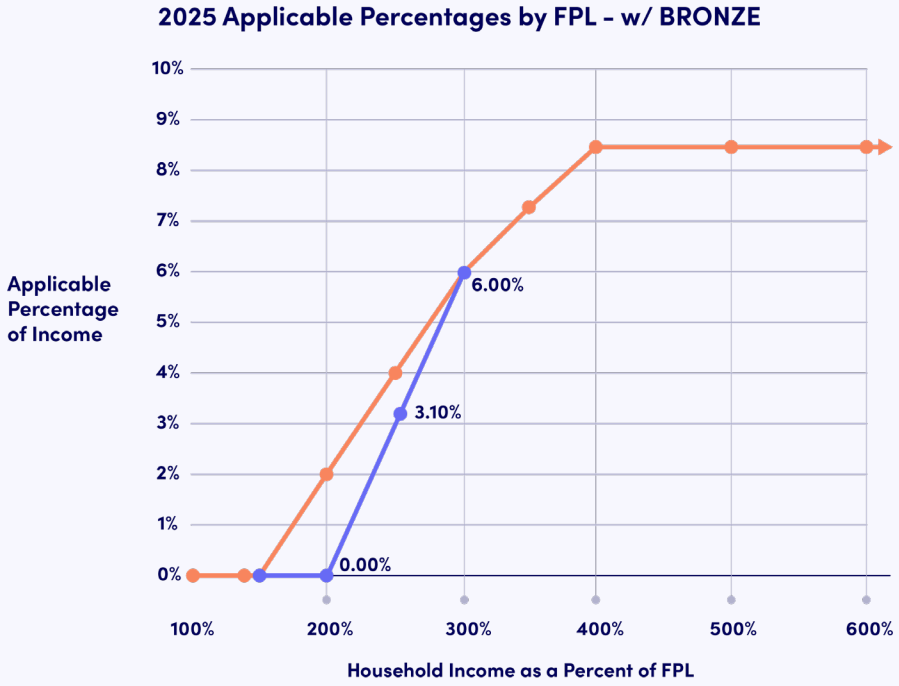
- Focusing the state subsidy exclusively on silver and gold plans will improve access to higher benefit plans at the same or lower costs than many pay today for bronze coverage.
    - Pennie has observed enrollees who forego additional savings by selecting bronze plans due to premium alone, resulting in higher out-of-pocket costs when receiving care.
    - Incentivizing enrollment in plans with richer benefits reduces cost barriers to care, thereby increasing access to doctors, prescription drugs, and other critical medical care.
- Most of the eligible population already has free or nearly free bronze options available, so with limited funds it would provide less value to further subsidize these plan options.
- If the subsidy excludes bronze plans, individuals would have access to the subsidy if they select a silver or gold plan. Those currently in bronze would need to change plans to receive the subsidy.

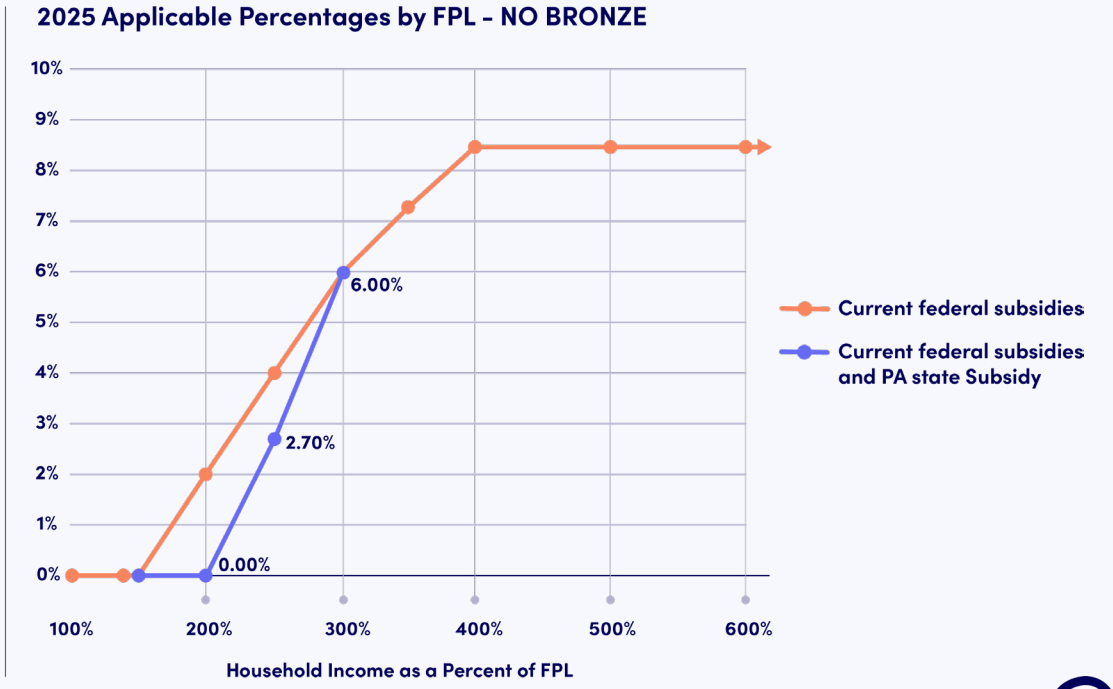
Model Parameters

	FPL Range	Offered Per Member Per Month
Flat Rate PMPM – w/bronze	151-250% FPL	$30
Flat Rate PMPM – no bronze	151-250% FPL	$35
Sliding Scale Premium Percentage	151-300% FPL	See below
Young Adult	151-400% FPL	$67

The charts show a new “cap” on how much a household pays for the monthly premium, based on income.

For example, on the left, for someone at 200% FPL, instead of paying 2% of their income towards the monthly premium, they would pay 0% (or $0).





Premium Subsidy Evaluation Criteria

Pennie evaluated models by a combination of factors to determine which one maximizes benefit across the same funding level.

- Forecasted new enrollees expected from those who are currently uninsured
- Current enrollees eligible for additional savings to reduce premium and/or out-of-pocket costs
- Cost per eligible enrollee per member per month (PMPM)
- Anticipated improvement to the individual market risk pool through reduced morbidity
- Improved access to $0 silver plan
- Ability of customers able to buy-up from bronze to a silver or gold plan

Impacted Consumers by Model

Program	Forecasted New Enrollees	Current Eligible Enrollees	Total Eligible	PMPM for Eligible Pop	Risk Pool Morbidity
Flat-dollar PMPM (w/bronze)	8,300	169,600	177,900	$18	-0.5%
Flat-dollar PMPM (no bronze)	8,700	137,700	146,400*	$23	-0.5%
Sliding Scale Premium Percentage (w/ bronze)	9,800	215,100	224,900	$14	-0.7%
Sliding Scale Premium Percentage (no bronze)	**11,100**	**169,300**	**180,400***	**$18**	**-0.8%**
Young Adult Subsidy	12,200	91,600	103,800	$32	-0.7%

*Does not include any movement of bronze enrollees to higher benefit coverage – ***expected to add 10,000-20,000 to the total eligible numbers.***

Free Silver Access by Model

Percentage of enrollees with access to $0 silver plan (151%-200% FPL)

Program	Customers w/ access to $0 silver plan
Current	*34%*
Flat-dollar PMPM (w/bronze)	91%
Flat-dollar PMPM (no-bronze)	94%
Sliding Scale Premium Percentage (w/bronze)	100%
Sliding Scale Premium Percentage (no bronze)	**100%**
Young Adult Subsidy	59%

Access to Higher Levels of Coverage

Access to $0 Specified Plan – Projected 2025

Without State Subsidy

FPL Range	100-150	151-200	201-250	251-300	300-399
Lowest Cost Bronze	100%	100%	96%	77%	46%
Lowest Cost Silver	100%	34%	9%	1%	0%
Lowest Cost Gold	100%	89%	47%	28%	10%

Sliding Scale Premium Percentage – no bronze

FPL Range	100-150	151-200	201-250	251-300	300-399
Lowest Cost Bronze	100%	100%	96%	77%	46%
Lowest Cost Silver	100%	**100%**	**31%**	**2%**	0%
Lowest Cost Gold	100%	**100%**	**78%**	**34%**	10%

Value of the “Buy Up”

Individuals can save more than only premium costs with a state subsidy – substantial out-of-pocket cost savings increase the value of the subsidy.

- Bronze, and in some cases silver, plans have substantially higher per member per month out-of-pocket costs.
- For example, someone at 175% of FPL currently in bronze will have access to a $0 premium silver plan, reducing their out-of-pocket costs by $132/month.
- With a relatively small $18 monthly average state premium subsidy, individuals can save up to 7 times that amount in out-of-pocket costs.
- **State subsidy total of $18 = $150 in total monthly consumer benefit**

Illustrative Out-of-Pocket Costs PMPM – 2025 Cost Basis

FPL Range	100-150	151-200	201-250	251-300	>300
Gold	$107	$107	$107	$107	$107
Silver	$34	$75	$141	$162	$162
Bronze	$207	$207	$207	$207	$207

“Buy Up” Potential within Current Insurer

For current bronze enrollees, one-third to one-half will be able to enroll in a better plan from their current insurer for no additional cost.

Model	% in bronze with silver or gold at same premium and same insurer
Current	*151%-200% - 5%* *201%-250% - 22%*
Flat-dollar PMPM (w/ bronze)	151%-200% - 56% 201%-250% - 25%
Flat-dollar PMPM (no-bronze)	151%-200% - 59% 201%-250% - 30%
Sliding Scale Premium Percentage (w/ bronze)	151%-200% - 52% 201%-250% - 28%
Sliding Scale Premium Percentage (no bronze)	**151-200% - 52%** **201-250% - 31%**
Young Adult Subsidy	151%-200% - 46% 201%-250% - 28%

Feasibility/Risk Assessment

Models with low to medium risk, regardless of bronze inclusion, can be feasibly implemented on the very short timeframe with manageable risks.

Model	Level of Risk
Flat-dollar PMPM	Low More reusable technical implementation
Sliding Scale Premium Percentage	Low/Medium Higher level of effort for testing percentage-based subsidy
Young Adult Subsidy	Medium/High Requires parsing out individual household members
Bronze v. No Bronze	No substantive additional risk or cost included for either bronze or no bronze

Summary Evaluation

Program	Strengths	Weaknesses
Flat-dollar PMPM	• High number of current enrollees who benefit • Lowest risk assessment	• Lowest number of new enrollees
Sliding Scale Premium Percentage	• Highest number of current enrollees who benefit • Greater number of new enrollees than flat-dollar • Greater impact on morbidity than flat-dollar • Lowest cost per beneficiary	• Higher level of risk than flat-dollar
Young Adult Subsidy	• Greatest number of new enrollees • Greater impact on morbidity than flat-dollar	• Lowest number of current enrollees who benefit • Highest cost per beneficiary

Recommendation: Sliding Scale Premium Percentage

Summary Evaluation

	Strengths	Weaknesses
Bronze plans included	• Higher number of current enrollees who benefit • Same treatment of plans in all metal levels	• Generates fewer new enrollees than no-bronze • Exacerbates issue where individuals do not maximize coverage for a given premium • Bronze plans already heavily subsidized at the impacted income levels
Bronze plans excluded	• Incentivizes coverage with lower out of pocket costs – improving access to care • Generates more new enrollees than inclusion of bronze • Improves access to lowest cost plans in richer metal levels	• Would require plan change for current bronze enrollees to receive subsidy – targeted outreach effort would be planned

Recommendation: Exclude Bronze plans

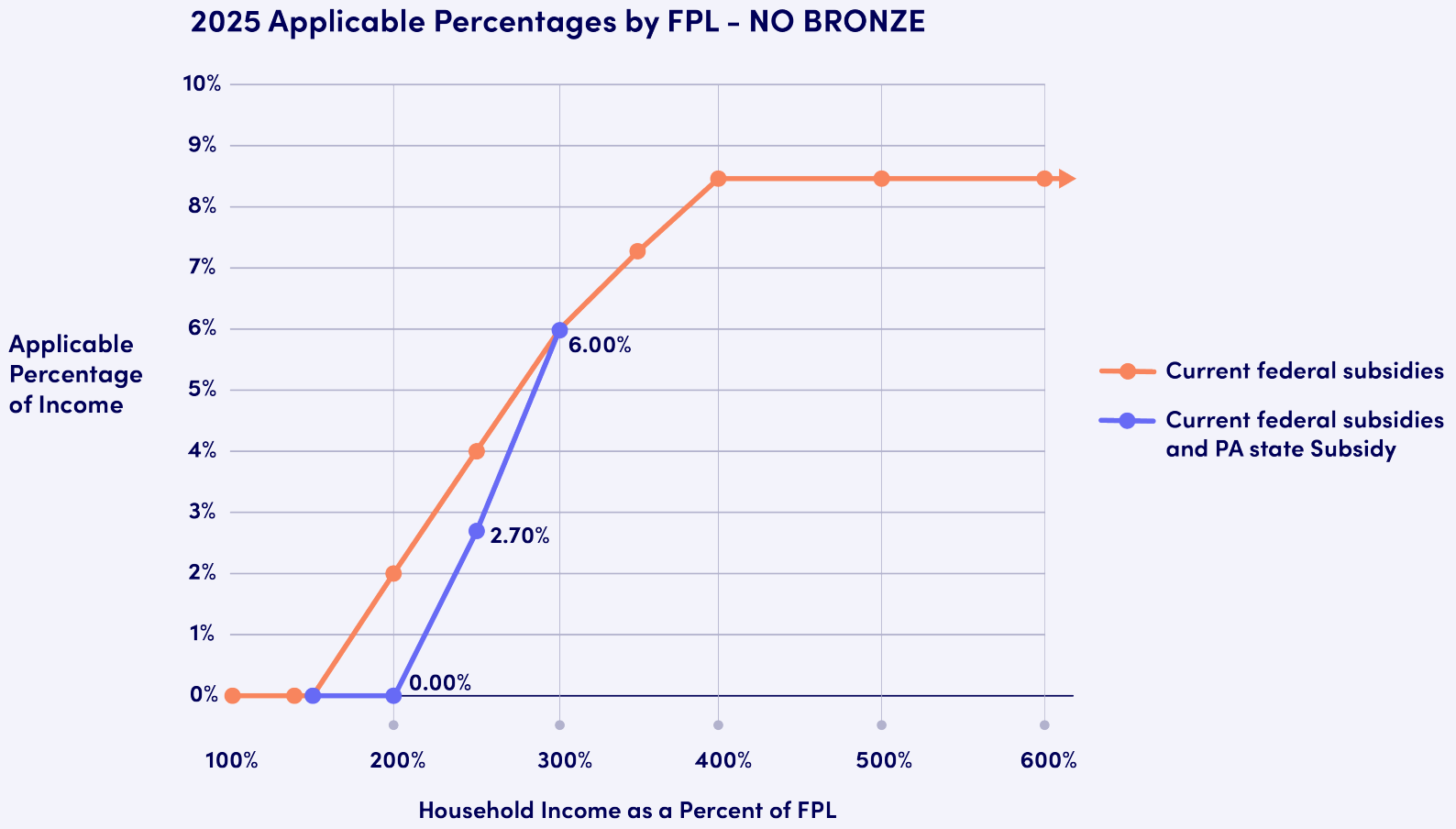
Summary of Approach

- **A state subsidy through Pennie would:**
  - Increase economic and financial security for individuals across PA
  - Improve health outcomes for enrollees with better and more consistent access to medical care
  - Benefit providers through more timely and consistent reimbursements, and lower uncompensated care
  - Benefit insurers through stronger retention and increased covered population
  - Strengthen individual health insurance market by improving risk pool

- **The proposed model will:**
  - Reduce cost barriers to enrolling in a health plan for currently uninsured individuals
  - Incentivize current enrollees to buy into higher value plans with less cost sharing to reduce cost barriers to receiving care
  - Improve ability of current enrollees to keep current coverage for those on the cusp of unaffordability and to reduce out-of-pocket costs
  - Improve access to free preventive care to catch issues early and ongoing treatments for chronic conditions, in addition to financial protection against medical emergencies

Overall Recommendation

The recommended affordability program model that is proposed to provide the maximum benefit for Pennsylvanians is the sliding scale premium percentage model for households with incomes between 151%-300% of the federal poverty level (FPL), available to enrollees who select silver and gold levels of coverage.



Income Verification Proposal

Income Verification - Financial Change

Summary: CMS announced a financial change for states verifying household income through a secondary data source. Previously, states were not charged for the transaction fees to check the database. Starting 7/1/2024, states will need to pay for use of the secondary income database. Pennie is seeking approval to continue using the service for up to a year, with reevaluation in 2025.

Background on Use of Database

- Currently, the CMS data sources used to automatically and immediately verify consumer data include IRS, SSA, Department of Homeland Security, among others. Those data sources are not impacted by the CMS policy change.

- CMS also makes available a secondary income verification data source through Equifax.
    - If a household's income is inconsistent with IRS data (which can lag up to 2 years), then Pennie will attempt to verify income electronically using current income data available through Equifax.
    - Electronic verification prevents households from needing to upload income documentation that is subsequently reviewed manually by the Pennie Customer Assistance Center.
- The cost of state marketplaces using Equifax will no longer be covered by CMS.

Income Verification - Financial Change

Consumer Impact

Pennie has improved the income verification process in ways that have decreased the number that require further verification. Regardless, the electronic verification provides meaningful benefit to consumers.

- In March, the Equifax service verified 934 income records out of the 4,487 responses (21%) received from Equifax. If Pennie had paid for the service in March, it would equate to $24.22 per verified income record.

- Historically, 25% of households that need to submit documents to verify income end up losing APTC. On an annual basis, maintaining the service avoids administrative burden for an estimated 16,000 individuals and avoids loss of APTC for approximately 4,000 individuals.

Costs of Maintaining Equifax Verifications

- According to data from CMS, based on Pennsylvania's current utilization, the estimated yearly cost to Pennie to use the service will start around $0.7 million for the remainder (July thru Dec) of 2024 and go up to $1.0 million in 2025, $1.14 million in 2026 and finally $1.3 million in 2027.

Income Verification - Financial Change

Alternatives

- Pennie can explore other secondary data sources to evaluate cost and value of data as a verification source and compare the cost/benefit as potential replacements for Equifax.
- For example, DHS currently uses quarterly wage data from the Department of Labor and Industry. Such a data source could potentially produce additional income verifications as not every Pennie applicant has a credit history.

Pennie Recommendation

- Maintain access to Equifax as a secondary income verification data source to avoid the consumer administrative burden associated with manual verification for up to a year (July 1, 2024 through June 30, 2025).
- Explore alternatives to identify any options that have higher verification results and/or lower costs.
- Propose next steps no later than second Board meeting in 2025.

Board votes:

- Approval to continue use of Equifax
- Budget approval for additional spending in calendar year 2024

Simplifying Plan Shopping Proposal

Improving the Plan Shopping Experience

*Pennie is engaged in a **multi-year, multi-project** initiative to improve the plan shopping experience by **identifying policy changes and system improvements** ensuring:*

- Customers have access to high-quality health and dental plans;
- Customers understand the plans available to them;
- Customers are satisfied with their coverage when enrolling in a Pennie plan.

This effort has been referred to as the Plan Quality and Consumer Choice (PQCC) initiative.

2024

- Bronze enrollees eligible for cost sharing reductions automatically renewed into a silver plan with an equal premium, from the same insurer, and within the same product type

2025

- Increased access to PayNow, making it easier to pay binder payments and effectuate coverage.
- Improved Language Access, giving customers access to their Summary of Benefits and Coverage (SBC) in Spanish.

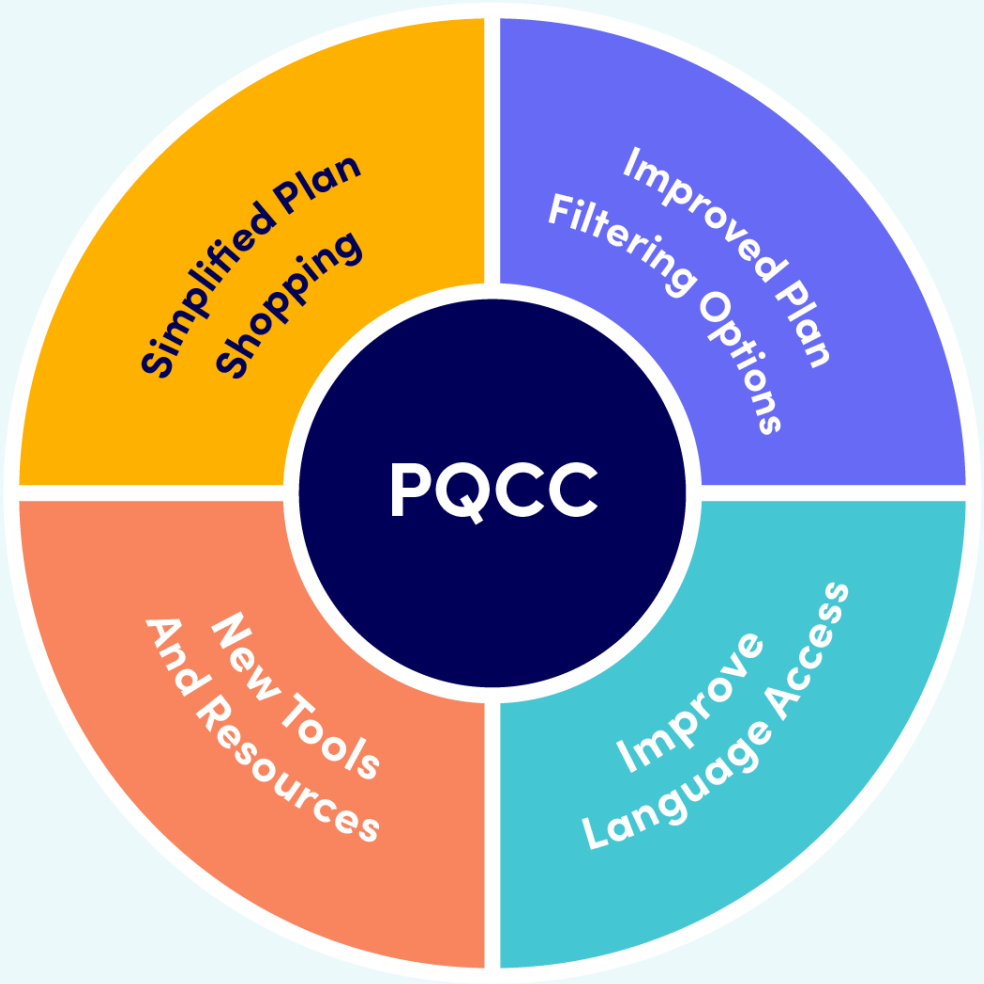
2026 (proposed)

- A Simplified Plan Shopping Experience, giving customers clear and concise plan options.

Soon to come:

- Improved Plan Filtering Options.
- Enhanced tools and resources on Pennie.com

Improving Plan Shopping Experience



Simplifying Plan Shopping

- Pennie values having a robust, competitive marketplace that allows for both new entrants to PA as well as existing insurers to enter new markets.
- Pennie seeks to streamline the plan shopping experience for customers, while maintaining a PA-specific model that pairs robust consumer choice with insurer and marketplace flexibility.
- Solution must work for all Pennie customers, whether they reside in urban, suburban, or rural counties.
- Approach should also aim to minimize plan disruption for current enrollees, of which over 65% do not actively shop for plans during Open Enrollment.
- Pennie also recognizes that each insurer has its own unique approach to the marketplace, and an overly prescriptive approach would be counterproductive.

Simplifying Plan Shopping

February proposal: *To establish a consistent number of plans that can be offered by each insurer legal entity as three (3) in each county, per metal level, and per product-type.*

Proposal	Policy Goal(s)	Benefits	Challenges
• Establish a consistent number of plans that can be offered by each insurer legal entity as three (3) in each county per metal level and per product-type (EPO, PPO, HMO)	• Simplify the plan shopping experience, without undermining plan choice or insurer flexibility to adapt to the marketplace	• Ensure that consumers have access to the best plans from each insurer • Enable consumers to more easily shop for plans so they can make the best decision for them	• First time enacting such a policy • Each insurer has its own unique business model

Simplifying Plan Shopping

Updates Since February BOD Meeting

- In March, Pennie met twice with the external PQCC work group to address feedback regarding the Simplifying Plan Shopping proposal and to identify opportunities to improve the original proposal.
- The modified proposal reflects Pennie's efforts to find balance between insurers asking for additional flexibility, concerns about impact of proposal on rural areas and current enrollees, and other key stakeholders seeking additional limitations.
- Pennie’s internal team reviewed all feedback and drafted an updated version of the Simplifying Plan Shopping proposal based on that feedback, as well as data analysis indicating the impact of alternative proposals across all 67 PA counties.

Simplifying Plan Shopping

PY25 Plan Certification Policy - Proposal

Other Recommendations / Proposals

	Two (2) Plan Limit	Four (4) Plan Limit	Maintain Status Quo
Alternative Proposals	○ Limit two (2) plans per county, legal entity, metal level and product-type. ○ No additional plans	○ Limit four (4) plans per county, legal entity, metal level and product-type ○ No additional plans	○ No plan limits
Reasons not Recommended	○ Would remove over half of plans in several counties and leave many rural counties with inadequate plan choice ○ 1 out of every 5 Pennie customers would have their current plan eliminated	○ Little to no impact on reducing the number of plans customers have to sort through	○ Continued customer confusion ○ Customers left feeling overwhelmed by number of plans ○ Consumer confusion could increase with potential for continued increase in the number of plans

Simplifying Plan Shopping

Revised Pennie Proposal

- *Establish a consistent number of plans that can be offered by each insurer legal entity as three (3) in each county, per metal level, and per product-type.*
- *Allow each legal entity to offer one (1) additional plan each in the Gold & Silver metal levels if the insurer can demonstrate that the plan would improve access to care for individuals with chronic conditions.*

	Legal Entity			
	PPO	EPO	HMO	Additional
Bronze	3	3	3	
Silver	3	3	3	1
Gold	3	3	3	1

Submission of additional plans

- Insurers would submit a form outlining how the additional plan would improve access to care for individuals with chronic conditions or other high health needs compared to other offered plans within the 3-plan per metal level and product type limit.
- Customer should be able to distinguish between the one (1) additional plan in each metal level from the insurer's other plans.
- Pennie would work with PID to review the additional plans submitted in year 1 and provide a report to the BOD in early 2026 to evaluate how the additional plan process worked.

Simplifying Plan Shopping

Current state of health insurance plan offerings on Pennie

Since Pennie launched in 2021, the number of plans per county has steadily increased.

Plan Year	Number of medical insurers (all PA)	Number of insurers (per county)	Avg. Number of plans offered (per county)
2024	9	3.4	49.6
2023	8	3.3	49.1
2022	8	3.2	46.7
2021	7	2.9	28.2

County	Insurers	Number of Plans PY24
Philadelphia	6	87
Lancaster	6	85
Northampton	6	92
Schuylkill	5	76

Simplifying Plan Shopping

What would the impact have been on PY24 plan offerings?

- For PY24, Pennie offers an average of 49.6 plans (all insurers, metal levels, products) per county
    - Top 10 counties with greatest number of plans today (avg. 83.9) would experience an estimated 20% reduction
        - Today, there are two counties with more than 90 plans and 6 counties with at least 80 plans; under modified proposal, no county would have more than 74 plans.
    - Bottom 14 counties with lowest number of plans today (avg. 29) would experience an estimated 6.8% reduction

Highlights:

- Lancaster (6 insurers): 68 plans instead of 86 plans
- Philadelphia (6 insurers): 70 plans instead of 87 plans
- Northampton (6 insurers): 74 plans instead of 92 plans
- McKean (2 insurers): 19 plans instead of 21 plans

- Based on an internal analysis, the largest plan reduction would be approximately 18 plans in those counties where the current number of plans offered far exceed the state average, with limited impact on rural counties.

Simplifying Plan Shopping

	February Proposal	Today's Proposal	Federal Marketplace*
Non-standard Plan Limits for PY25	Yes, 3 per county, legal entity, metal level and product-type	Yes, 3 per county, legal entity, metal level and product-type	Yes, 2 per product network type and metal level (including dental/vision)
Additional plans	No	Yes, one additional plan allowed in silver and gold metal levels.	Yes, insurers must demonstrate that the plan offered would reduce cost sharing pertaining to the treatment of chronic and high-cost conditions that is at least 25% lower for the entire year
Requires standard plans	No	No	Yes, standardized plans in every service area where non-standardized plans are offered. Requires certain benefits be included and sets cost-sharing limits such as set co-pays and Rx formularies
Projected avg. # of plans per customer after intervention	37	43.4	66.2

*Source: Final 2025 Notice of Benefit and Payment Parameters

Simplifying Plan Shopping

PY26 Plan Certification Policy - Proposal

Current Proposal:

- *Establish a consistent number of plans that can be offered by each insurer legal entity as three (3) in each county, per metal level, and per product-type.*
- *Allow each legal entity to offer one additional plan each in the Gold & Silver metal levels if the issuer can demonstrate that the plan would improve access to care for individuals with chronic conditions or other high health care needs in an innovative manner.*

Policy Goal(s)	Benefits	Challenges
• Simplify the plan shopping experience, without undermining plan choice or insurer flexibility to adapt to the marketplace	• Ensures that consumers have access to the best plans from each insurer • Compromise solution that addresses choice overload in several (mostly urban) counties, while maintaining access to quality plans in rural areas • Additional plans will provide meaningful choice for customers	• First time enacting such a policy • Diverse stakeholder interests • Developing a policy that works for all of Pennsylvania

Next steps:

- *Further discussion as to whether plan limits should be based on the insurer legal entity or the parent company.*
- *Finalize criteria for additional plans submitted by insurers.*
- *Vote on final proposal in August.*

CMS Final Rules

CMS Final Rule

2025 Notice of Benefit and Payment Parameters Final Rule

- Finalizes new federal standards for certain marketplace operational procedures and would require state-based marketplaces (SBMs) to implement new network adequacy requirements.
- Provides additional flexibilities for state implementation of Essential Health Benefit (EHB) standards.
- Removes certain administrative barriers that prevent individuals from gaining and maintaining coverage, while providing SBM states with the option to allow for retroactive termination of QHP coverage when a customer retroactively enrolls in Medicare Part A or Part B.
- Requires marketplaces to pay to use an optional federal income verification data check Pennie currently uses. This provision goes into effect July 1, 2024.

CMS Final Rule

- Failure to File and Reconcile (FTR) – Requires marketplaces to remove financial assistance for customers who fail the FTR check for two (2) consecutive years and requires marketplaces to inform them of the need to file and reconcile to remain eligible for financial assistance.

- Provides flexibility for insurers to extend monthly premium payment deadlines in the event a customer cannot make their payment due to insurer system or technical issues.

Deferred Action for Childhood Arrivals (DACA) Final Rule

- Modifies definition of "lawfully present" to include DACA recipients. Individuals with this status are now eligible to enroll in marketplace coverage with financial help, effective Nov 1, 2024.

- Does not extend eligibility for this population to Medicaid/CHIP.

- An estimated 4,000+ active DACA recipients reside in PA.

Assister Services RFP

Assister Services RFP

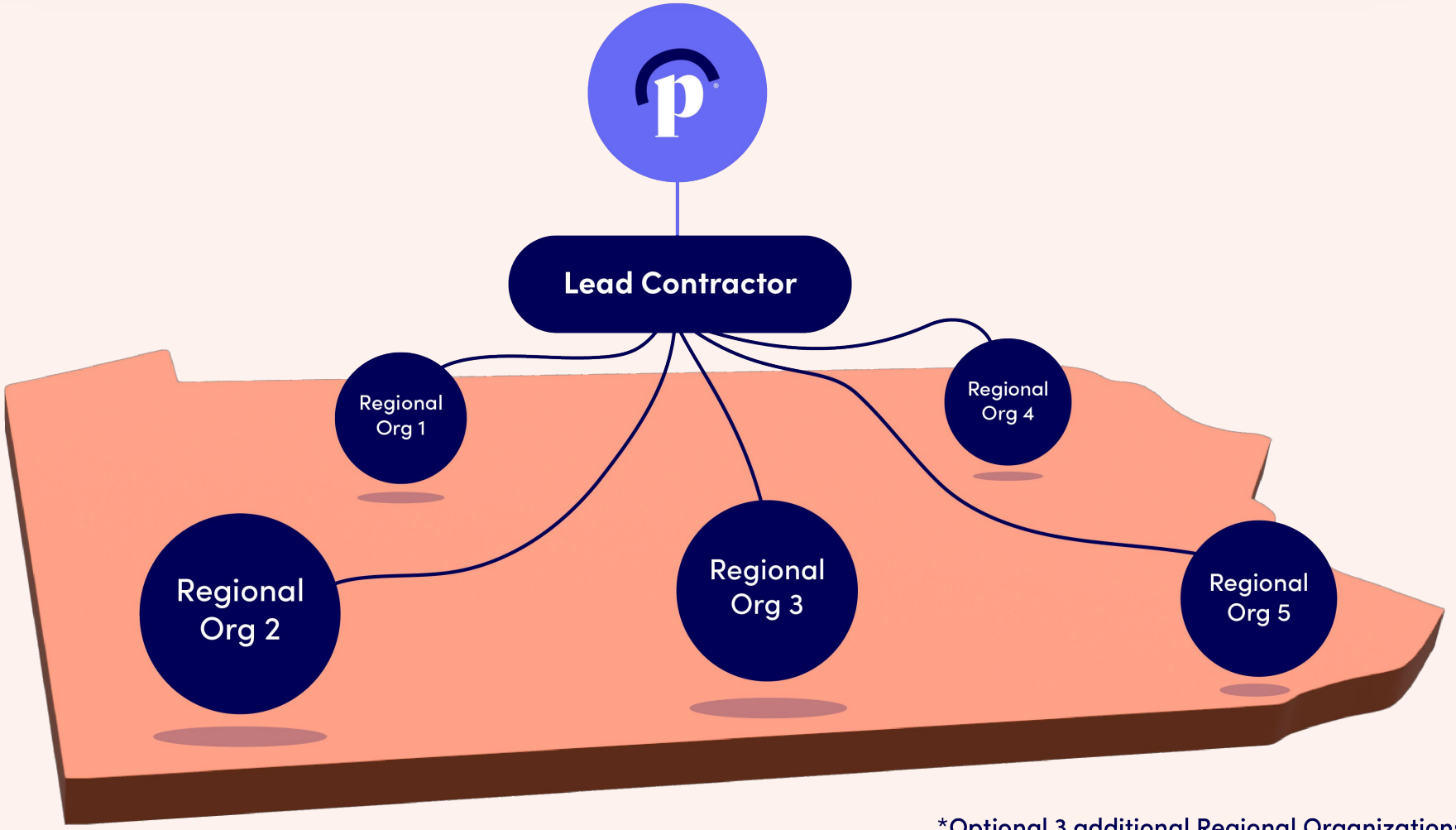
Disclaimer to Pennie Board Members: If your organization intends to respond to this RFP or would like to be considered for a regional or partner organization, you must recuse yourself from any future discussions regarding the RFP/Contract review process.

For 2025-2029: Assister Services RFP has been published

Highlights of Program:

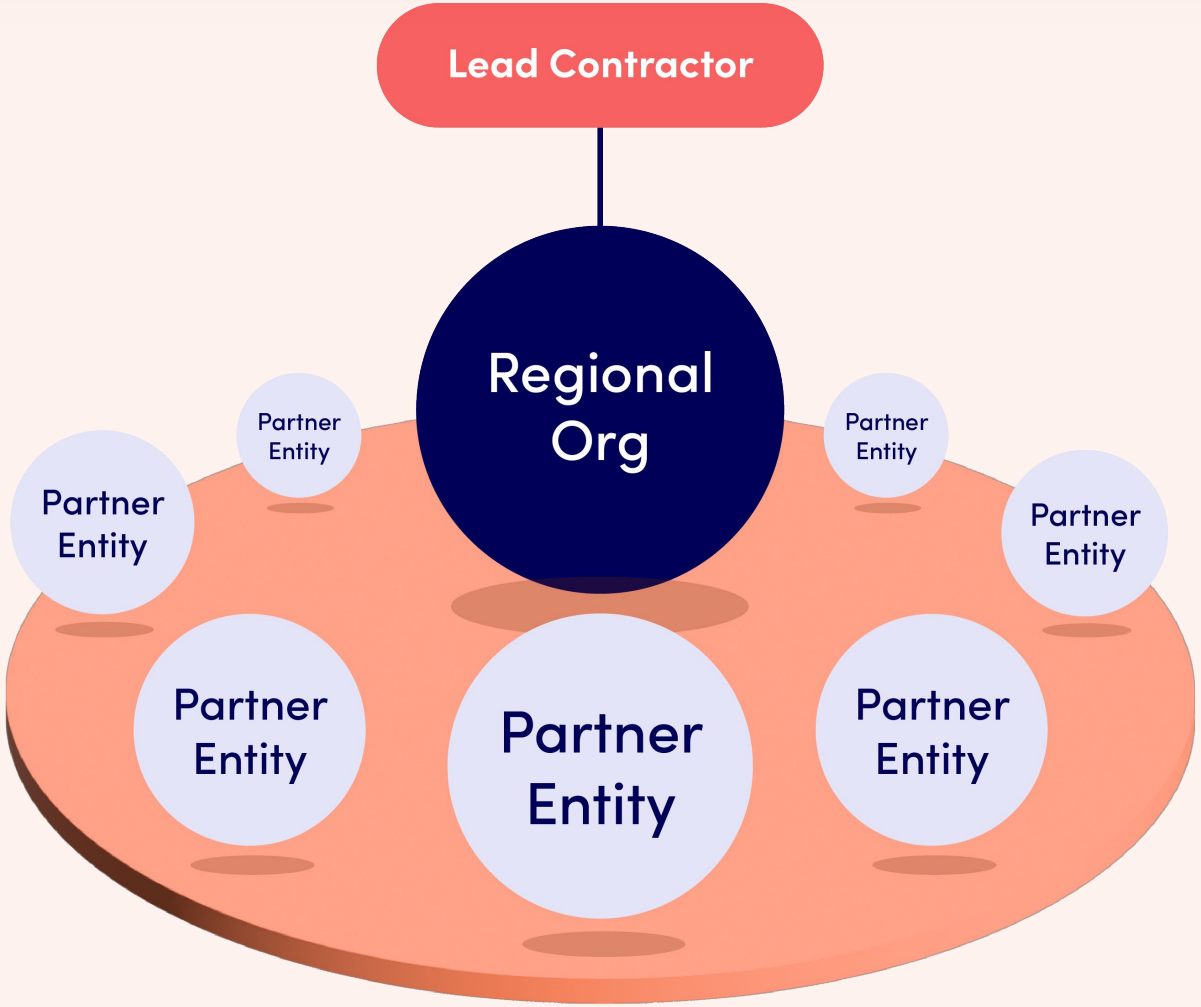
- RFP is for a Lead Contractor that would subcontract with 5-8 Regional Organizations to collectively provide coverage across all of Pennsylvania.
- Regional Organizations will conduct outreach, education, and enrollment in their service area.
- Regional Organizations expected to expand their network with Partner Entities
- Primary goals:
  - Increase regional presence
  - Diversify our partner base
  - Targeted outreach
  - Well-defined reporting & expectations
- 4-year initial contract with two (2) optional two-year renewals. (possible total: 8 years)

Assister Network Organizational Chart



*Optional 3 additional Regional Organizations

Regional Organization Chart



Options to Evaluate Executive Director's Performance

Three Options for Possible Evaluation of the Executive Director

Pennie's Human Resources Department and Office of Chief Counsel sought available options – internal and external – to determine what types of evaluations are available for an annual review of Pennie's Executive Director.

1. Structured/Dynamic Evaluation Process (Vendor-led 360)

2. Hybrid Evaluation Process (Internal 360)

3. Internal Basic Evaluation Process

Structured/Dynamic Evaluation Process (Vendor-led 360)

- Conducted by a vendor
- Chosen vendor conducts a 360-review of the Executive Director.
- The 360-review consists of a survey of board members, peers, and direct reports on the skills and abilities the executive director possesses. The 40 – 70 questions are on a rating scale and will be sent out electronically to the reviewer panel (board members, peers, direct reports) and the executive director for self assessment.
- After completion of the survey, the results are presented in a report format with feedback directly for the executive director.

Hybrid Evaluation Process (Internal)

- Internal Evaluation.
- HR conducts a 360 assessment survey internally through Microsoft Forms.
- The review will consist of surveying a group of board members, direct reports, and peers on the executive director's performance the prior year. The questions are a mix of ratings on a scale and essay questions. The number of questions is customizable, and a report of the findings can be produced.
- Board can prepare a Commonwealth standard employee performance review with ratings based on survey data to provide to the executive director and any other goals or objectives for the future year.

Basic Evaluation Process (Internal)

- Internal Evaluation.
- Conduct a discussion of the executive director’s performance during the year.
- Personnel Committee/HR may meet with the executive director, but they may not. If there is no meeting, it is based on reports during board meetings and other interactions.
- No formal employer performance evaluation conducted.

Executive Session

Q1 Financial Report (Jan – March 2024)

2024 Q1 Financial Overview

Revenue Earned	Q1
User Fees Billed	$23,889,518
Federal Reimbursements Received	$1,738,458
Treasury Interest	$1,084,402
Total Revenue	**$26,712,378**

Expenses Incurred	Q1
Personnel	$1,530,117
Operations	$8,044,021
Total Expenses	**$9,574,138**

2024 Q1 Budget Overview

	Expenses	Budgeted	Actual
Q1 Totals	**Personnel**	$1,720,138	$1,530,117
	Operations	$8,322,146	$8,268,310
	Total	$10,042,284	$9,798,427
Q1 $ Variance (under budget)	**($243,857)**		
Q1 % Variance (under budget)	**2%**		
Notes: Personnel variance due to vacancies, and operations variance due to expenses coming in less than originally anticipated.			

2024 Q1 User Fee Revenue Overview

Month	Projection	Actual
January	$7,308,074	$7,342,596
February	$7,379,387	$8,324,772
March	$7,450,700	$8,222,150
Total	**$22,138,161**	**$23,889,518**
Q1 $ Variance	**$1,751,357**	
Q1 % Variance	**8%**	

Unwinding Data Report

Unwind Conversion Rate by Cohort

Cohort	Unwind Applicants	Current Unwind Enrollees	Conversion Rate	60 Day SEP Cut-off Date
Apr 2023	8,297	1,150	14%	June 29th
May 2023	20,668	2,755	13%	July 30th
Jun 2023	25,154	3,373	13%	Aug 29th
Jul 2023	27,919	3,847	14%	Sep 29th
Aug 2023	35,214	4,917	14%	Oct 30th
Sep 2023	33,797	4,803	14%	Nov 29th
Oct 2023	35,536	5,409	15%	Dec 30th
Nov 2023	35,637	6,259	18%	Jan 29th
Dec 2023	32,695	5,897	18%	Feb 29th
Jan 2024	35,791	6,029	17%	Mar 31st
Feb 2024	38,775	6,782	17%	Apr 29th
Other	44,072	6,687	15%	—
Total	**412,070**	**61,567**	**15%**	—

Data as of 4/30/24

Average Unwind Enrollments

156 per day

since 4/1/23

Ever Enrolled

72,969

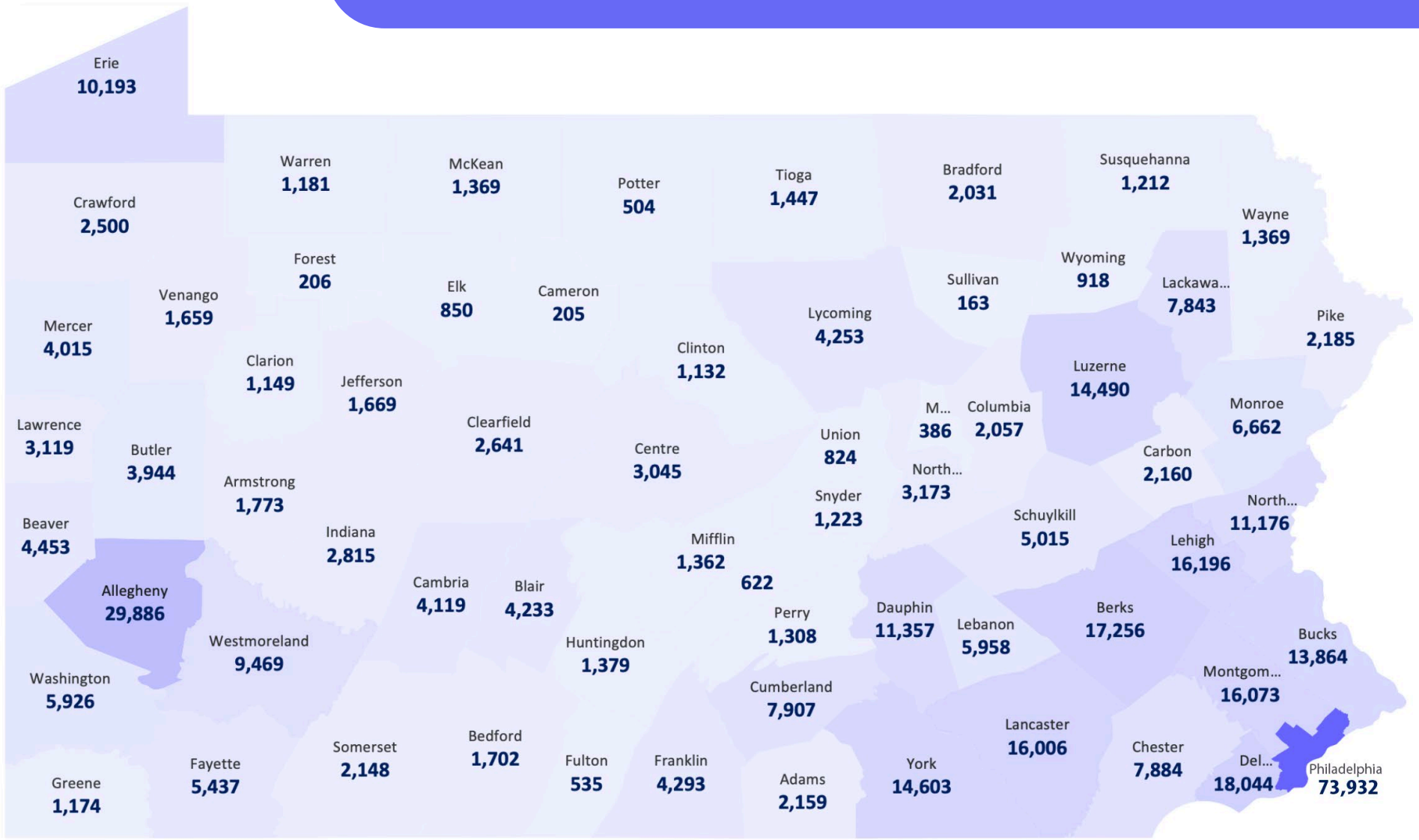
Difference between current enrollees reflects those who ended their coverage after some period

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

Consumers in later cohorts have had less time to utilize their SEP, so they will have a lower conversion rate. Consumers in earlier cohorts have seen gradual reduction in numbers due to ending coverage.

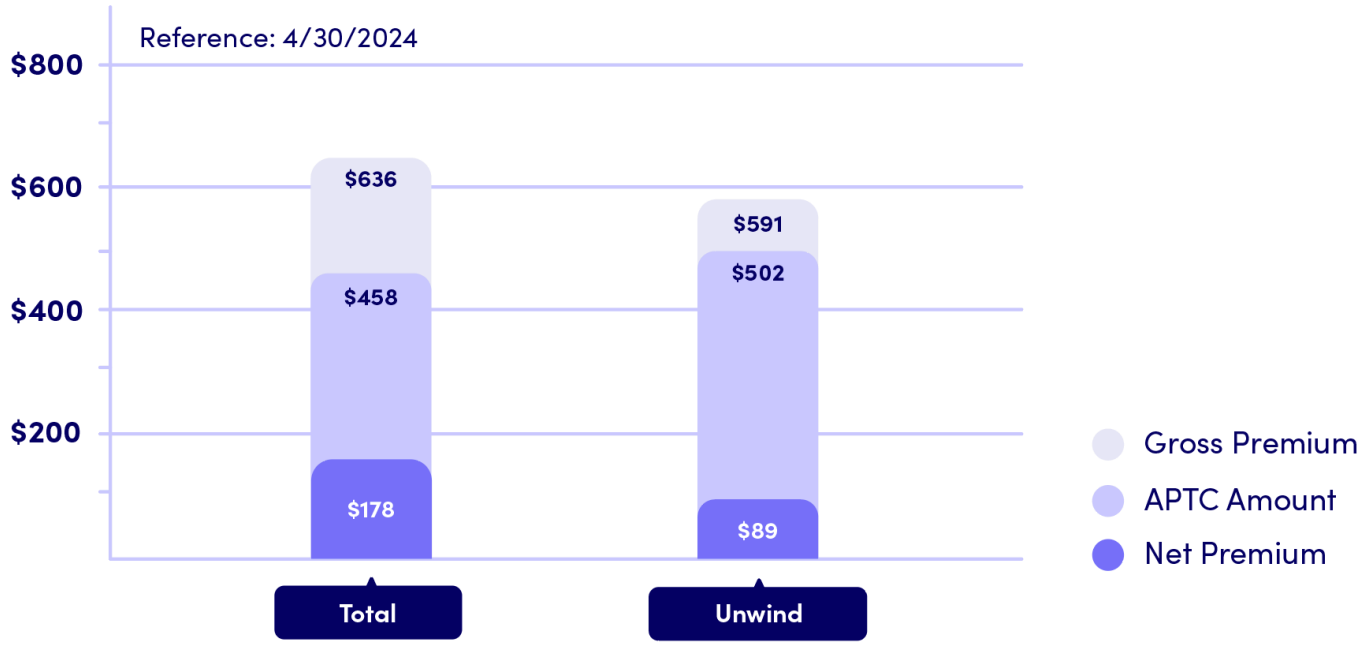
People who don't convert to enrollment could have situations where they may not be seeking coverage.

Unwind Applicants By County



Data as of 4/30/24

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



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

Policy Net Premium	Total Enrollees	Unwind Enrollees
Cost $1 or less	15%	23%
Cost $50 or less	37%	55%

Data as of 4/30/24

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

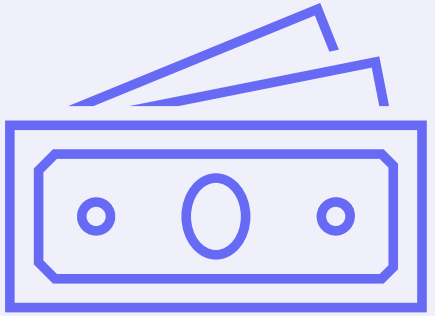
"Unwind" consumers are those that have used the "Loss of MA" SEP event. These could have come directly from an MA transfer or from a walk-in consumer.

Financial Assistance

Financial Assistance	Total Enrollees	Current Unwind Enrollees
APTC	33%	18%
APTC_CSR	57%	79%
CSR	<1%	0%
QHP*	10%	3%
Total	**438,261**	**61,570**

Data as of 4/30/24

**Not eligible for financial assistance*



Unwind consumers are more often eligible for Financial Assistance – especially cost sharing reductions - than the average consumer.

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Percents might not sum to 100% due to rounding.

Federal Poverty Level (FPL) Demographics

FPL	Total	Unwind
0 - 100%	2%	2%
100 - 150%	19%	22%
150 – 200%	23%	37%
200 – 250%	17%	20%
250 – 400%	22%	15%
400%+	9%	2%
Unknown	7%	1%
Total	**438,261**	**61,570**

Data as of 4/30/24

Unwind consumers tend to have lower FPLs than the average Pennie consumer.

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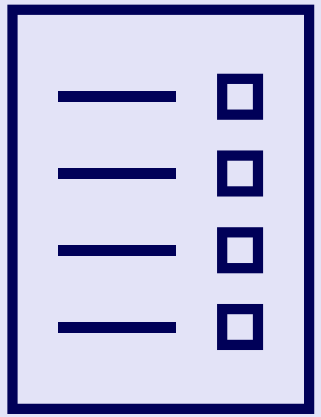
Metal Tier Selections

Metal	Total	Unwind
Bronze	22%	18%
Silver	34%	40%
Gold	43%	41%
Catastrophic	<1%	<1%
Total	**438,261**	**61,570**

Data as of 4/30/24



Unwind consumers tend to select Bronze Plans less, and Silver/Gold plans more than the average consumer.

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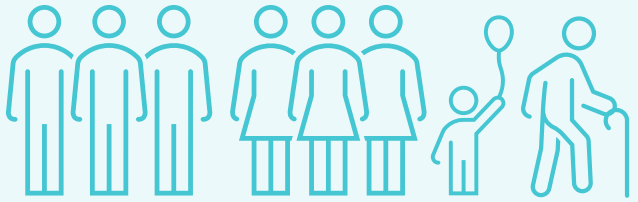
Age Demographics

Age	Total	Unwind
0-17	7%	6%
18-25	8%	12%
26-34	16%	19%
35-44	17%	22%
45-54	18%	18%
55-64	34%	21%
65+	1%	<1%
Total	**438,261**	**61,570**



Unwind consumers tend be younger than the average consumer.

Data as of 4/30/24

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Percents might not sum to 100% due to rounding.

Gender Demographics

Gender	Total	Unwind
Male	46.2%	37.8%
Female	53.8%	62.2%
Total	**438,261**	**61,570**

Data as of 4/30/24

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

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

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Percents might not sum to 100% due to rounding.

Ethnicity Demographics

Ethnicity	Total	Unwind
Hispanic/ Latino	4.6%	11.5%
Not Hispanic/ Latino	74%	82%
No Response	21%	7%
Total	**438,261**	**61,570**

Data as of 4/30/24

"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.

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

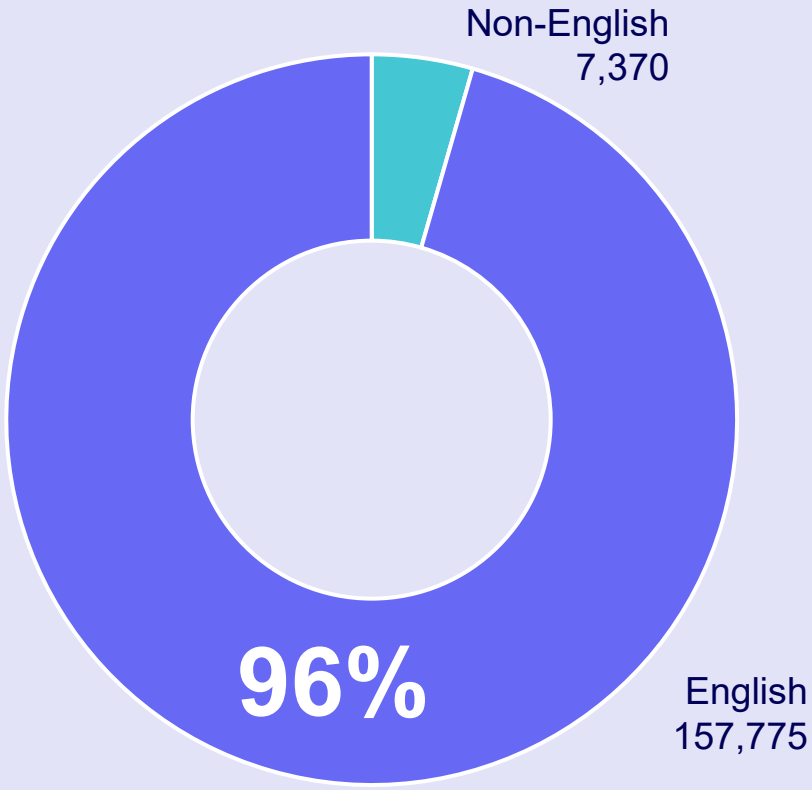
Percents might not sum to 100% due to rounding.

February Board Meeting Data Follow Ups

Follow Up: Foreign Language Calls

Households with OEP2023 Online Application, by Language Preference

Around 4% of individuals have a language preference other than English.



Open Enrollment Calls – Language Line

Over 11,000 calls used non-English language support.

- Total calls: 193,594

- Total calls with foreign language CSR or language line: 11,332

Follow Up: Bronze-Silver Activity

Question: How many individuals who were automatically cross-walked to silver from bronze in Open Enrollment 2024 moved back to bronze?

*Results: **8.6%** (38 out of 443) of households that were mapped into a Silver from a Bronze plan shopped back into a Bronze plan during OE.*

Accounts were reviewed – 60% had an eligibility change that decreased their APTC. Given the small sample size, no other key trends were identified.

pennie®

ADDRESS

PO Box 11873
Harrisburg PA
17108-1873

PHONE

+1 844-844-8040

WEB

pennie.com