

Board Conference Call Minutes
Connect for Health Colorado Conference Call
April 1, 2014
7:30 AM – 8:00 AM

Board members present: Richard Betts, Ellen Daehnick, Steve ErkenBrack, Mike Fallon, Eric Grossman, Gretchen Hammer, Sharon O’Hara, and Arnold Salazar.

Staff present: Camisha Bailey, Patty Fontneau, Lindy Hinman, and Kyla Hoskins.

I. Business Agenda

Steve ErkenBrack disclosed his conflict of interest regarding the matter and chose to abstain from voting, but made himself available for comment and to answer questions.

II. Exchange Development and Operations

1. Comment Letter

i. Presentation

Gretchen Hammer recapped the meeting of the Policy & Regulations Committee pertaining to the renewal of non-ACA compliant plans. In summary, the discussion highlighted the negative impact the continued sale of those plans would have on the insurance market as a whole as well as the Exchange. There was also a discussion of the potential increase in fees.

Ellen Daehnick asked about how many people it would impact. Steve commented the individual membership in Colorado was about 400,000 at the time of the committee meeting. Patty Fontneau commented that she believed that the Division of Insurance had indicated that there is a projection that between 300,000 and 330,000 Coloradans were offered early renewals initially and potentially 100,000 to 200,000 took advantage of it.

Dr. Mike Fallon acknowledged the impact the regulation would have on the Exchange, but showed concern for the consumer. He commented that this had the potential to restrict choice and affordability – and result in fewer enrollments overall. Gretchen clarified the continued sale of the non-ACA compliant plans does not lock in the plan as previously said. The prices of these plans can still rise.

Arnold Salazar motioned to submit the [letter](#) as written to the DOI. Richard Betts seconded the motion.

Sharon O’Hara commented that many non-ACA compliant plans did not cover essential health benefits. Dr. Fallon commented the consumer should be able to pick and choose what their plan covers.

Eric Grossman commented he understands there will be an impact on the Exchange, but still had questions regarding impact on carriers, impact on the market and the extent of the impact on the Exchange. Steve explained the impact on the carrier varies dependent on whether or not the carrier chose to continue to offer the non-ACA compliant plans. Since those individuals that received the opportunity to renew had previously been

medically rated, they would be a better health risk overall. That would create a scenario of adverse selection – and would also effect risk adjustment.

Gretchen clarified for the board that this was also part of the alignment bill last year. It stated there would no longer be the sale of non-ACA compliant plans, so if the state chooses this option, legislation would need to be run.

Lindy Hinman commented that there is an active debate across the country and there is not yet have a benchmark for other states.

Patty commented that based on the DOI estimates, between 10 – 20% of the Marketplace target market took advantage of the early renewal in 2014. When the early renewals were offered, our modeling was not adjusted for that change - in anticipation of having access to that piece of the market later this year. Although it doesn't affect our sustainability, over time it will affect our ability to keep fees down.

No further board discussion.

No public comment.

ii. Vote

Vote: The motion to submit the letter to the DOI as written was approved with a vote of 6-1, with an abstention from Steve ErkenBrack due to a conflict of interest. There were 8 voting members present.

The next board meeting is on Monday, April 14th.

III. Adjourn

The Board conference call adjourned at 8:05 AM.

Meeting adjourned: at 8:05 AM.