Transcript of Meeting

Date: September 15, 2022
Case: Health Benefit Exchange Advisory Committee Meeting

Planet Depos
Phone: 888.433.3767
Email: transcripts@planetdepos.com
www.planetdepos.com

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

VIRGINIA HEALTH BENEFIT EXCHANGE

ADVISORY COMMITTEE MEETING

Conducted Remotely

September 15, 2022

2:06 p.m. EST

Job No.: 462505

Pages: 1-100

Reported by: Ruth A. Levy, RPR

A P P E A R A N C E S:

Voting Members:

Sabrina Corlette, Chair
Keven Patchett, Acting Director
Julie Green Bataille
Lee Biedrycki
Scott Castro
Heidi Dix
Ikeita Cantu Hinojosa
Kenn Penn

Ex-officio Members:

James Williams, Deputy Secretary of Health and Human Resources
Colin Greene, Acting State Health Commissioner
Cheryl Roberts, Acting Director of DMAS
Gena Boyle, Department of Social Services
Bradley Marsh, Bureau of Insurance
David Shea, Bureau of Insurance

Also present:

Holly Mortlock, Chief Government Relations Officer/HBE Liaison to Advisory Committee
Whitney Thomas

P R O C E E D I N G S

MS. MORTLOCK: We have an action-packed agenda today, so I want to make sure that we have enough time to get through everything. Can everyone see the presentation?

CHAIR CORLETTE: Yes, I can.

MS. MORTLOCK: Sabrina, I will have you go ahead and take it away.

CHAIR CORLETTE: Thank you, Holly. And it's my pleasure to welcome everybody to the third Advisory Committee meeting of 2022. As Holly indicated, we do have a lot to cover today. And I'm particularly eager to hear from Kevin and the other Exchange folks on our progress as we manage this transition as well as from our subcommittee on communications.

So we'll dive right in. Holly, it sounds like we have a quorum so we can go ahead and get started with the roll call.

So in the place of Secretary John Litell, I believe we have James Williams; is that correct?

MR. WILLIAMS: Correct.

CHAIR CORLETTE: Great. Welcome. Cheryl Roberts, are you with us?

MS. MORTLOCK: I expect that she'll be joining us shortly. We've spoken with her.

CHAIR CORLETTE: Great. Colin Greene? No Colin Greene. Danny Avula?

MS. BOYLE: Good afternoon, everyone. This is Gena Boyle. I'm the deputy commissioner over policy and administration at DSS, and I'm filling in for the Commissioner today.

CHAIR CORLETTE: Welcome, Gena. Commissioner White? Okay. Do we have anybody from the BOI that's filling in for Commissioner White today?

MS. MORTLOCK: Sabrina we have David Shea and Brad Marsh who are here to do some presentations for us, and I believe Commissioner White is traveling.

CHAIR CORLETTE: Great. Well, for non-ex-officio members, we have Julie Bataille.

MS. BATAILLE: Hi there. Good afternoon.

CHAIR CORLETTE: And Lee, I saw your smiling face earlier.

MR. BIEDRYCKI: Good afternoon.

CHAIR CORLETTE: Hi, Lee. Scott Castro?

MS. MORTLOCK: I believe Scott is with us.

MR. CASTRO: Yeah, I'm here. Can you guys hear me okay?

CHAIR CORLETTE: Yes. Hi, Scott. Liz Cunningham? Do we have Liz? Maybe no Liz today. How about Doug Gray; do we have Doug Gray? Ikeita?

MS. MORTLOCK: So I think Heidi will be joining us in just a moment.

CHAIR CORLETTE: Heidi...

MS. MORTLOCK: Heidi Dix. So she will be with the -- she's with the health plans.

CHAIR CORLETTE: Okay. So she's subbing in for Doug?

MS. MORTLOCK: Yes.

CHAIR CORLETTE: Okay. And Ikeita, I think I saw you.

MS. HINOJOSA: I'm here. Yes.

CHAIR CORLETTE: And I know Starla is traveling out of the country, and I think Kenn is also not available; is that right?

MS. MORTLOCK: That's right.

CHAIR CORLETTE: Okay. Do we have a quorum if we don't have Liz, Starla, and Kenn?

MS. MORTLOCK: We will have Heidi in just a moment.

CHAIR CORLETTE: Okay. Well, let's go ahead and dive in at least with our SCC updates. I think we're going to start with Kevin Patchett, our acting director, for the Exchange director's update.

MR. PATCHETT: Thank you, Sabrina. Happy to be here. Happy to share some of our recent updates and goings on here at the Virginia Health Benefit Exchange. I will try to move through this pretty quickly because I realize that we all have a packed agenda today.

So some of our key milestones and things that -- we list them as milestones, but they are all ongoing activities. We've made really good practice, thanks largely to

our deputy director for outreach and notification, Jennifer Krupp, on getting our marketing plan developed and ready to implement. And we're very excited as we're approaching this upcoming open enrollment period, that we've got that ready and are preparing to execute it.

We've made some really great staff hires in the recent months, as we have continued to build out our division. We hired a new deputy director for organizational governments and program management; her name is Susan McCleary.

We have hired a manager for marketing whose name is Brianna Johnson. And we are in the process of conducting interviews for a call center services manager and a manager for finance and audit. So our staffing up efforts continue and we really are feeling great about the team that we've built and the capabilities that we have as we're moving forward.

We've successfully submitted our blueprint application to the Centers for Medicare and Medicaid Services. This is a

critical and required step as part of our transition. CMS has instructed us that this year they're treating the blueprint as something of an iterative process, so we will continue to work with them and update that application as we move through our various transition gates and milestones.

And lastly, we have awarded our Navigator program grants for the upcoming year. We have two Navigator entities that we awarded grants to, the Virginia Poverty Law Center and Boat People SOS. And as I think many of you know, these Navigator organizations play a critical role in our outreach opportunities and reaching individual consumers to help educate and facilitate their enrollment in insurance.

As we look forward to plan year 2023, we're really very excited about what we see and very optimistic about what the landscape looks like. And I think a lot of what we see here really is the culmination of lots of different efforts both at the federal and the state level, different organizations, but bringing together key components that

really do support the admission of the Exchange.

So as you see, Virginia will be kicking off its reinsurance program this year. We have a couple of folks from BOI who will talk a little more about that later. But the most notable impact that we are already seeing as a result of Virginia's new reinsurance program was a 17 percent reduction in insurance rates in the individual market. And that's nothing but good for us as we work to fulfill our objectives in the Exchange to reduce the number of uninsured in Virginia, one of our primary statutory obligations and guiding principles.

We saw the extension of advanced premium tax credits and other subsidies on the federal this year, which again, reduces the cost that Consumers will have to pay for insurance in the individual market. And for this year, the last year, we'll remain on the healthcare.gov platform for open enrollment before we transition to Virginia's platform for next year.

As I mentioned earlier, one of the really big pushes that we've been making, and again, led by Jennifer Krupp this year, has been our marketing and outreach efforts. As I said, one of our main statutory obligations is to reduce the number uninsured in Virginia and also to help facilitate a continuity of coverage among those who already have insurance.

And one of the ways and one of the tools that we have to do that is through our marketing and outreach efforts. And so we've worked closely with other state agencies, with other states, with our marketing vendor to put together this plan and to really focus on how can we reach individuals throughout Virginia.

And to do that, we're going to leverage a lot of help. We're going to leverage our Navigator entities. We're going to work with existing community organizations. One of the guiding principles of our marketing and outreach plan is to make sure that we're reaching people where they live, where they work, where they worship,

and to make as much of this tailored to individual needs.

One of the things I didn't mention from the previous slide was that we now have in Virginia two carriers in every region of the Commonwealth. This is a really big milestone for us. And we want to make sure that our outreach and education activities are robust and tailored so that our messages reach folks from Northern Virginia to Tidewater to Southwest Virginia and everywhere in between.

And we recognize that we've got a diversity of population that we need to reach, that we need to be able to communicate with. And so our marketing and outreach effort, like I said, leverages a variety of tools, everything from digital advertising to in-person events; we get our Navigators to try to make that happen.

The other thing that, of course, I can't ignore right now is our procurement for our platform and call center services. And we had hoped that that would be on our list of milestones. And we are very, very close,

I will say imminent to being able to show that as a milestone and to make our public announcement, but we're just not quite there yet. We've got a little bit of work to do, but I do want to take a minute and just acknowledge and thank all those who have helped out through this procurement, through the evaluation process.

We had seven committee members from three different agencies plus over 22 subject matter experts that have participated throughout the procurement process. And we're really looking forward to being able to bring it to conclusion and announce our vendor and really take the training wheels off our transition.

So with that, I'm going to pass it over to Holly to talk a little bit about some of the key policy initiatives that either intersect directly with or relate to our activities on the Exchange.

MS. MORTLOCK: Great. Thank you, Keven. So everyone, I know that you are probably very well aware of some of the exciting developments that have happened over

the summer. As you know, in August, Congress passed the Inflation Reduction Act, which included a three-year extension of ARPA subsidies and also continues capping the maximum expected contribution to eight and half percent of income for all enrollees and also continues the extension of advanced premium tax credits to individuals with incomes above 400 percent of the federal poverty level.

On another front, there is a proposed rule on closing the family glitch, which we had talked about at our last meeting. There was a public hearing that the IRS held on June 27th, and we do continue to monitor for finalization. We know that the state Exchanges across the nation are eagerly awaiting news about this. It does seem as though there is an expectation that this could be finalized before open enrollment, but again, we continue to monitor that closely.

And another important development is that in August the Health and Human Services issued a new proposed rule on Section 1557,

which reapplies and strengthens the non-discrimination provisions of this section. We are in the public comment period, so comments are due on or before October 3rd. And if you're interested in that, there's also additional information and a fact sheet here on the Federal Register. So feel free to check that out if you're interested.

And we also wanted to offer Virginia Medicaid an opportunity to provide an update on the public health emergency. I'm not sure if Cheryl has joined us yet. Cheryl, are you here?

So we can put a placeholder there, and when they're able to come back -- come to the meeting, we can circle back and have Cheryl share that update from Virginia Medicaid.

So now I'd like to invite Brad Marsh from the Bureau of Insurance to talk with us about an update on the reinsurance program. And so if you-all would bear with me for just a moment, I'm going to switch the slide deck over to Brad's.

CHAIR CORLETTE: Holly, while we're waiting for you, can I just mention something that I forgot to mention during my opening comment?

MS. MORTLOCK: Yes, please.

CHAIR CORLETTE: Yeah, I'm sorry; I completely forgot to just flag for folks that our colleague, Jane Kusiak, who was our vice chair, folks may have noticed that she was not on the roll call, and that's because her term as an Advisory Committee member has expired. That is a seat that is a gubernatorial appointment, so we are awaiting for information about that.

But Jane passes on her regards to all of us and just wanted me to tell all of you that she really enjoyed working with us. And I know we all wish Jane the very best. So sorry for forgetting to mention that at the top. Take it away, Holly.

MS. MORTLOCK: Thanks, Sabrina. Brad, are you ready?

MR. MARSH: So my name is Brad Marsh. I'm the health insurance policy advisory for the BOI. I'm also the lead on

the Commonwealth Health Reinsurance Program, as we get that up and running for its first year in 2023.

So as a little bit of background, reinsurance is a mechanism for spreading the cost of expensive claims, pooling them together, and paying for them with a separate financing system so those costs aren't included in the standard premiums. And the SCC was directed by statute to apply for a state innovation waiver with CMS under Section 1332 of the Affordable Care Act to permit and help fund the reinsurance program.

And that "help fund" is really the main reason for applying for a Section 1332 waiver as we receive pass-through funding from the feds that covers a large proportion of the program costs. And I'll get into a little bit more of that later.

The waiver application was submitted on December 30, 2021. And on May 18th, 2022, we were approved for our Commonwealth Health Reinsurance Program. There was a 30-day delay in the statute between the time that the approval occurred and when the laws

actually came into effect. So on July 17th, 2022, the rest of the laws under 32 that govern the Commonwealth Health Reinsurance came into effect.

Virginia joins 15 other states that have received federal approval to do these reinsurance programs, so we're not the first to do this, and I think that's going to be very helpful as we move forward, just being able to lean on some of the things that other folks have done and hopefully not make those sort of bleeding edge mistakes that sometimes you have to make if you're the first one to do something.

As a part of our agreement with the feds, there are special terms and conditions that lay out our responsibilities, which include required reports, how do we go about amending or adjusting waiver terms, and some other elements of just how we run the program, but mostly it's just a reporting, and if we ever want to change anything about the program, there are procedures that we have to follow to do that.

So this is just -- I wanted to go

over a little bit of how reinsurance works in general, because there are a few terms that are used here that you may not be familiar with if you haven't been involved with reinsurance in any way before. But there's a reinsurance cap that is the -- over that cap, the insured's carrier would be responsible for all the claims. There's an attachment point. Under that attachment point, the insurers are going to be responsible for all the claims.

And then in between those two points is the co-insurance band that will be reimbursed at the co-insurance rate, where the issuers pay a portion of the claims cost. And then if we go to the next slide here, so these are the approved reinsurance payment parameters we moved forward with this year. It has an attachment point of $40,000 and a reinsurance cap of 155,000, and the co-insurance rate of 70 percent.

So that for an individual that a carrier covers, if their annual costs fall in between this band, there will be a claim -- I'm sorry; fall in between or exceed this

band, they will be eligible for reinsurance payments, but reinsurance payments will only occur up to cost, annual cost of 155,000, and anything after that would then be covered by the insurer.

MR. WILLIAMS: Just a quick clarifying question: So is that 30 percent that the carrier pays or should I say 70 percent?

MR. MARSH: Well, there will be -- so yes, the 70 percent is what the program will pay and 30 percent would be what would be left that the carrier would pay. Now the carrier's going to pay all this out of the pocket at the beginning and then be reimbursed at a later point in time, after making a claim for what claims fall into that reinsurance band.

MR. WILLIAMS: Thank you.

MR. MARSH: No problem. The reinsurance program impact, well, the main impact of the reinsurance program is it's going to lower the cost of premiums. And we'll get into a little bit more of that at the end of the presentation here as to the

specifics of what's occurred as a result of the program this year.

But in terms of what individuals who are being covered or who are getting covered on the Exchange or off the Exchange will see as an impact to them, your individuals who are subsidized by those advanced premium tax credits that were discussed a little bit before, the ones that were enhanced and extended through the Inflation Reduction Act, they're going to see minimal difference in their out-of-pocket cost because their premium tax credits from the federal government will be reduced in line with the reduction in those premiums.

And that's actually how the program is funded, so that the feds are going to give us that money that they would have spent on premium tax credits and fund our reinsurance program through that.

So the folks that are getting those premium tax credits, they're going to pay the same out of pocket, but the feds will be giving them a smaller premium tax credit to go along with, so the net is essentially the

same.

Unsubsidized individuals will benefit from the premium reduction because they're going to face the entirety of the premium cost themselves and won't be receiving premium tax credits. With the expansion of the advanced premium tax credits, that is a smaller group than it would have been because the original premium tax credits, I believe, are for a smaller group of individuals, a lower financial threshold there to get those credits. But there still are folks that will be unsubsidized and that will see benefits from this.

CHAIR CORLETTE: Brad, can I just ask a question about the impact on subsidized individuals? One thing that we've at other states that implemented a reinsurance program is that because the APTC is coming down in areas where the benchmark plan price has come down, that, for many subsidized individuals in those areas, they actually saw a net premium increase as a result of the reinsurance.

And so I think it's maybe more of a question for our -- for Jennifer and others with the Exchange, but it does present a bit of a communications issue, because if these folks don't come back and shop for a new plan, they will get a spike in their premium. And at least in some states it resulted in some backlash. I just wanted to flag that.

MS. MORTLOCK: Sabrina, thank you for raising that question. And we will certainly take that into consideration as we're thinking through how we will be messaging to our consumers and helping them sort of with that shopping decision.

MR. MARSH: I appreciate that. That's helpful to think about.

I think we're on the next slide then. So I'm going to put this slide up and I'm going to say a quick caveat right now that none of these funding amounts are correct anymore, but they're really just up there as to contrast with what we will see for next year.

We do not have, at this point, the projections for five years with the new

enhanced premium tax credits. We only have an estimate for that number for next year. We did anticipate this and have our actuaries prepare two scenarios for the program, one if the ARPA subsidies were continued and one if they were not continued. So we do have those estimates for our costs for next year.

So these numbers were what our original application had in them there. It looked to be around $70 million in 2023 in state funding that was going to be needed to cover the state cost of the program. And the state would be covering 20, 25 percent of the costs under this regime.

Because of the enhancements -- and we'll look at this on the next slide here -- that number has changed because of the passage of the Inflation Reduction Act; those numbers have changed fairly drastically, actually.

Because of the larger federal dollar amount put forward for the premium tax credits, that means that the benefit to the feds of the lower premium cost is a much larger dollar amount, which means that they

will actually cover a much more substantial percentage of the cost of the program. And our costs will be less than 20 million based on our actuarial analysis to cover the state cost of the program there.

Helpfully, the General Assembly had included $20 million in reinsurance. I'm not sure if that was in anticipate of this coming down if that was just what they were willing to put forward at this point in time, but that 20 million in 2024 now does result the full state's share and will allow us to access the federal funding as soon as it's released next April.

So I want to just go over a couple of quick things, some high level areas that we're going to be working on that we're currently working on in terms of establishing the program and the processes that need to be in place for us to start to collect information from carriers on claims and begin to take on claims and pay them out and review them, those sorts of things.

So each year -- and this has already been done as a part of our application --

we'll need to set parameters with our --

(Interruption.)

MR. MARSH: Each year we'll need to set the parameters of the program. Those parameters being the attachment point, the reinsurance cap, and the reinsurance rate, and we will announce those by May 1st. So we'll work with our actuary to figure out what we can do with the funding that the General Assembly is going to provide for the program in that year and what sort of reduction we can look for.

We're limited by statute to aiming for a 20 percent reduction in premium rates, with the extended -- with the enhanced premium tax credits and the cost being much lower now, I'm not sure exactly, but I think the financial decisions on it will be very different when we're talking about costs that are from 15 to 20 million rather than from 70 to 90 million from a general fund standpoint.

And I would mention one thing as far as funding of the program, is that unlike a lot of the Section 1332 reinsurance programs in other states, we are funding ours with

general fund monies. So, many other states utilize a fee on their Exchange, added to their Exchange, for the reinsurance program. And as a result, the full impact of the value of the program is passed on premium reduction.

In other states, because the carriers have to anticipate that they will also pay additional money for the program, it actually ends up sort of muting the effect to some degree of the reinsurance program. And because we're not funding this through that assessment, it's just a straight-up funding from the General Assembly that we placed into this reinsurance fund.

So each year -- and this rate review has also been done already, and we'll show you what the results of that have been. But carriers will submit rates based on the parameters that we've set forth and in anticipation of receiving reimbursement for claims of falling in that reinsurance band and those -- we expect that those would be lower than they would have been absent the program.

We're working on quarterly reports that we'll have to get from carriers where they will report on which members they had or which individuals they have that have pierced the reinsurance -- the attachment point and who they anticipate they will be requesting reimbursement for those funds for.

I talked about this a little bit already, but the funding for the program, once the state has provided full funding, the federal share of the program funding will be released. I think this was more of an issue when we were not sure that the funding was going to exist in the current budget.

These funds won't actually be expended till FY 2025, but we've funded it in 2024 so that we can access those funds and use those for administrative purposes as well as for paying off the claims.

We're also working on the carrier reinsurance claim filing which is a little bit different from the quarterly reporting. The quarterly reporting is done for us to keep track of sort of where we stand and what we anticipate seeing at the end of the year.

But the actual claims for reimbursement won't come from the carriers until after the year has been finalized, and they will need to then get those to us by the end of April.

So, once again, we're working on the format that we're going to use for that, working with some other states and looking at what they have and how they go about getting that information so that we have enough information that we can verify based on the federal data that we have that those requests are accurate, that they represent real expenditures, those sorts of things.

That's what the next bullet point is at there, that the BOI will, between that April 30th deadline and September 30th, when we'll need to notify carriers of what we will be paying out in claims, we'll be assessing those claims and ensuring that we're -- that there's some integrity to the payments that are being made out of that program, that they match up, once again, with the data that we get from the feds, the data that the carriers submit to the feds that they will then be passing down to us so that we can use it to

verify those claims.

And then lastly, the funds will be disbursed with a deadline of November 15th of the year following the benefit year. So in 2023, so for benefit year 2023, we'll make those payments out by November 15th, 2024.

And here's where the rubber meets the road here, is what has this actually done this year for the program, the impact on premiums in the individual insurance market. Carriers originally submitted rates that did not take reinsurance into account because of the fact that the program did not go into effect until July 17th. Prior to the adjustment for reinsurance, carrier-submitted rates were, on average, about 2.0 percent higher than for 2023 over 2022.

On July 17th carriers were requested to revise their rates and take reinsurance into account and resubmit those rates with documentation. Because of the lower expected claim cost for insureds under the reinsurance program, we saw a 17.2 percent reduction in premiums from 2022 to 2023. That is a weighted average premium of $495.80 as

reduced from, prior to that, a weighted average premium of $598.66.

And so the actual impact is -- and if we go to the next slide here. And if you look here -- and this is really just an exercise in contrast here because the small group market doesn't have the reinsurance program. The reinsurance program is only applied to the individual market here. So if you see how the individual market, you know -- sorry; the small group market, the premium cost went up 3.1 percent and the individual market, they went down 17.2 percent.

So the impact of the reinsurance program is actually greater than that 17.2 percent. It's probably an additional 2 percent on top of that, based on the premiums that were filed prior to the program being in place. So it's around a 19 percent reduction from what the trend line would have been or where the prices would have been absent the program.

MR. WILLIAMS: Just a question: Can you clarify the experience versus trend,

differentiate those two a little bit?

MR. MARSH: And you've just touched on why I put this at the end of my slides right before Mr. Shea, who is also at the BOI, who is an actuary and can explain those things better than I can. So that's the reason I moved these to the end of the slide here, so that I can seamlessly flow into him and he can answer those questions for you-all.

MR. WILLIAMS: Thank you.

MR. MARSH: And he'll go into more detail on that. He's got some more things as he presents more broadly on the rates for 2023.

Do you-all have any more questions for me that aren't actuarial related, I can certainly answer those. Or if not, I can pass on to David and I will be here to answer questions if more arise.

CHAIR CORLETTE: Yeah. Just a quick question. Thank you. That was a great presentation. Do you know roughly the number of folks that remain unsubsidized in the marketplace as a result of the ARPA APTC

enhancements, like what proportion remain unsubsidized?

MR. MARSH: I don't think I have those numbers since the enhanced premium tax credits. Because when we ran the numbers for the program originally, which would have been where we would have had that, I think the data we used was prior to that, to the enhanced premium tax credits, so in terms of the change since then. But let me look into that, and I'll see if I can get back to you with a number on that.

CHAIR CORLETTE: Great. Thank you so much.

MS. HINOJOSA: This is Ikeita. I also just have a quick question for you, Bradley. Thank you for your presentation, by the way; that was very informative.

At the outset of your presentation you mentioned that Virginia joins 15 other states to establish state-based reinsurance programs and you also discussed how our model here in Virginia for reinsurance is that we utilize the general fund, not a fee on the Exchange.

And I was just wondering if you know how many other states utilize this similar model and if you know which ones.

MR. MARSH: I am not aware -- I'll have to look, but I'm not aware of any other states that do that. It seemed that most that I looked at, there may be -- there are a few very small states that I didn't really dig into because I didn't think they were particularly comparable to us. But I don't believe they do as well.

I think most of these programs are meant to be funded through an assessment. But I'll take a look and see if we are truly the first one to run the program that way.

MS. HINOJOSA: Yeah. We're always interested to know if we're innovating or the first to do something. So yeah, if we're the first to do that, that would just be interesting to know.

MR. MARSH: Absolutely. I'll look into that and get back to you. Thank you.

If that's all, I'll go ahead and pass on to David then. And hopefully possibly in his presentation he'll answer the

questions you had before, but certainly he can answer those questions after his presentation or during.

MS. MORTLOCK: Brad, thank you so much for such a comprehensive presentation. Just bear with me, everyone, and I will get the rate slides up.

CHAIR CORLETTE: While we're waiting, it looks like five that used general fund monies to finance their reinsurance programs.

MS. MORTLOCK: Can everyone see the next slide titled Number of Carriers? David, are you ready?

MR. SHEA: I am, Holly. Thank you very much. And good afternoon, everybody. I've got to take a few minutes and just kind of go through what the Virginia individual market looks like from a historical perspective and what we have this year going forward.

This year we had -- it was a net increase of one carrier in the market compared to the prior year; however, we had two new entrants, an Aetna entity. Aetna is

already in the individual market but another one of their entities, an Aetna PPO, entered the individual market. And Anthem entered the off-Exchange market.

And being a prior employee of Anthem for many years, I knew why they did this. They've got a lot of grandfathered plans that were age rated. And those folks are getting up in age. And it would probably be beneficial to them to enroll in even an off-Exchange plan if they don't qualify for subsidies, given the fact that their rates are probably higher than what's out there today.

But anyway, you will see as we go through this pretty brief presentation what the result of increased competition looks like in Virginia in the individual market.

Here are our players in the individual market. HealthKeepers -- which is also Anthem; HealthKeepers is their HMO -- they enroll about half of the total individual market in Virginia. Cigna and Kaiser, when you take those three collectively, they represent about

three-quarters of the individual market in the state. Kaiser is notable because they primarily operate only in Northern Virginia. But again, we have lots of choices in Virginia.

And as Keven mentioned in his presentation earlier, this is the first time in the State of Virginia where a person located anywhere in the state has at least two carriers to choose from. Many, many times there have been just one carrier, a couple of times maybe zero, but another carrier would step in. So this is, again, a sign of a good, healthy, and thriving market.

And this was also mentioned in parts of Bradley's presentation. We've had several years of rate decreases, as you can see on the top line, and as a result, we've seen some subsequent increases in enrollment over the last few years. So, obviously, the drop in premiums in addition to recent -- the recent ARPA subsidies.

Now the original ARPA subsidies will not be represented in really any of the actual numbers that you see. That 307,000

number members in 2022, that was as of March. So kind of like right at the start. And you can see that, collectively, the carriers are increasing a slight -- or projecting a slight increase in enrollment for 2023, and there's that $495 premium that Brad mentioned in his presentation earlier.

You asked about consumers who receive subsidies. Prior to the ARPA, which would obviously increase the numbers -- the key takeaway on this slide is about 90 percent of consumers in Virginia receive a subsidy. So that number will probably do nothing but go up with ARPA being in place at least for the next three years. And 90 percent's pretty high. So it's only going to go up from there.

In this year, the average premium paid before subsidies was about $550. Afterwards, they paid an average of $80. So the average subsidy received by about 90 percent of the population -- the average -- was about $470 a month. And I hope that gives you an idea; like I said, these numbers are prior to ARPA, so they will go higher.

Next slide, please. This is just kind of a summary of what we've all been kind of talking about. The individual market in Virginia is showing signs of a healthy market. We've got increased carrier participation, so competition always helps; two carriers in every area of Virginia; lowest rates since 2017, primarily driven by reinsurance; ARPA subsidies.

Not sure about the end of public health emergency and Medicaid unwinding; that was not a factor in any of the carrier's rate filings that they considered to be a dramatic impact. The small group market may be facing some challenges. Nothing of an emergency yet but we shall see.

Next slide, please. Bradley mentioned this and I will make a little clarifying statement. The difference between the experience and trend is collectively what the carriers in the individual market were saying is, as I looked in the past to look at what my claims were compared to my premiums, my claims got, on average, about 7 and a half percent higher than they would otherwise, and

so that drives about a 7 and a half percent increase, looking at the rearview mirror.

And then looking forward, I'm expecting the average, my claims will go up about 5.6 percent. Basically, it's looking in the past versus looking into the future. And under the small group heading, the small group carriers chose to split theirs up a little bit and said that morbidity or the health status of my population got a little worse and so did my experience; they're kind of one and the same. But their trend was also the big driver in small group rate increases as well.

MR. WILLIAMS: So just a quick follow-up there. So why would they expect -- it's real interesting that, in the individual market, they expect the trend to be lower than it was for the last year but higher in the small group market.

MR. SHEA: And you know, those two things, if you look at it in a macro sense and you look at it over time -- I mean, being an actuary, that's kind of what I did for a long time -- those trends are within

historical ranges. Nobody really cares too much about the fact that trends in the small group market may be higher or lower than in the individual market. As we all know, rates have changed doesn't always mean higher rates; it just means that it's going up at a faster rate.

So the fact that trend is a little higher in small group than it is in individual, so many different things can drive that. They're both within ranges that, to an actuary and to a lot of folks that look at this kind of thing, they're within the ranges that go that's within a certain historical range. If that trend was on the order of 12 to 14 percent, that would be highly unusual. Does that help?

MR. WILLIAMS: Yeah. Thank you.

MR. BIEDRYCKI: Yeah. I would just like to make a comment that regarding the small group trend, it's important to acknowledge that the small group products are completely different when compared to the individual. The individual uses micro networks; small group generally is going to

be statewide.

The small group market is currently getting cannibalized from two ends: One is level funded plans pulling small employers out of the ACA pool. And then with the extension of the ARPA subsidies, that is also taking individuals who weren't formally subsidy eligible out of the small group market and into this differing individual market.

So I agree that 12 is a much bigger number to be more concerned about; however, I would personally have concerns about how the pools with the small group market will be able to maintain a positive health status with these changes.

And one other comment relative to the off-Exchange carrier: Those grandfathered policies are being canceled, but it's important to note that those grandfathered policies were national network PPO policies, where the consumer could go to any physician in network and there was also an out-of-network benefit.

The proposed replacement policy is

an EPO, wherein consumers will no longer be able to go to an out-of-network provider. They will be able to go outside of Virginia but only to providers contracted with that carrier. So there is a dilution in the benefit with their new option relative to what they had.

MR. SHEA: Okay. Thank you. Next slide. This is sort of the inverse of the line that you saw earlier. This simply shows -- turns those rate changes into percentage changes over the last (inaudible). And as you can see, this is the fourth year in the individual market where rates have gone down.

Now, it's notable, to echo one of the things that Brad mentioned, that 17.2 percent decrease for 2023 would have been a 2 percent increase in the absence of insurance. 2 percent increase is historically quite low, particularly in the individual market. But certainly 17 and a half percent and hopefully following the next year, we could expect at least rates that are lower than they would have been otherwise.

Next slide. As mentioned, the rate changes for individual and small group are pretty consistent with historical ones. Pricing trends are also within historical ranges. And the individual market in Virginia appears to be doing well.

I think that might be the last slide. Or is there one more, Holly?

MS. MORTLOCK: It looks like that's it.

MR. SHEA: All right. So are there any other questions?

MR. BIEDRYCKI: I just have one more comment. I'm sorry, but I think it's important. Two slides back, when we were talking about the ACA premiums going down, I think it's also important to note that the out-of-pocket maximum in 2018 was only 7,100-ish, and for 2023, the maximum allowed out-of-pocket for the ACA is $9,100 for an individual and $18,200 for a family, which is a huge number, regardless of the premium difference.

CHAIR CORLETTE: Yeah. Thank you, David. Thank you, Bradley. And thank you,

Keven. Sorry. Lee, you look like you were about to --

MR. BIEDRYCKI: I wanted to ask a question of Keven. I didn't know we were changing gears so quickly, so if now is cool or I could wait till later.

CHAIR CORLETTE: No. Go ahead.

MR. BIEDRYCKI: Hey, Keven. There was a joint signed letter by the Virginia Association of Health Underwriters, Independent Insurance Agency of Virginia, and the Virginia Association of Health Plans regarding the direct enrollment and enhanced direct enrollment integrations with the Virginia Health Benefit Exchange so that agents -- 1,400 of us -- could continue to use the systems that we have used to enroll people on the Exchange, in my case, for nearly the last decade.

The question has not been answered as of yet, and I was wondering if there is any firm resolution on whether or not the Virginia Health Benefit Exchange will allow direct enrollment and enhanced direct enrollment integrations.

MR. PATCHETT: Yeah. So we got the letter, and we've had a number of discussions, internally and externally. I think one of the challenges for us was that the letter asked us to amend our solicitation and made some assertions that, you know, if this was functionality, that we couldn't get it unless we had built it into our requirements; you know, those were steps we couldn't take and we didn't take.

But the assertion that we couldn't get the functionality without building them into RFP requirements was not entirely accurate. So one of the things that we have done as we've gone through this process, as we've talked with others and I think some of our colleagues, Lee, about our commitment to continue to explore and investigate how we can work towards enhanced direct enrollment, what the implications are, one of the big challenges for us has been to figure out how do we follow the consistent advice that we've gotten from every other state that's done this recently.

Well, just to keep it simple and to

focus only on the core requirements that are required by CMS in order to make the transition happen so we don't wind up in the position where several other states have found themselves in having a transition that failed and had to go back and retry some years later.

And so enhanced direct enrollment is one of those things that provides a pretty significant expense and a great deal of complexity. So we, throughout the procurement process, have been working with vendors to learn more about what options they can provide, how can we have that functionality available, whether a near one or potentially down the road.

And so we will have more to share once we finish the procurement process here in the coming weeks on where we landed on that.

MR. BIEDRYCKI: Well, the assertion that it needed to be integrated was given to me personally by one of the individuals that was going to submit.

Secondly, I would just say that of

the states that stood up exchanges thus far, all but one have been heavy left-leaning states, which is fine. But none of them have allowed the integrations yet. And all of them saw a decrease in enrollment.

Last year, agencies such as my own, submitted over 50,000 enrollments through these direct enrollment and enhanced direct enrollment platforms. In the last ten years, my agency has submitted over 21,000 applications using our direct enrollment platform.

And the information that was given to me was that the expense and the hurdles, if you will, associated with integrating direct enrollment and enhanced direct enrollment didn't really exist, that the tech providers already had them built and they could be stood up.

So the thing that is very concerning to me about not having these integrations firmly announced yet is that we have an entire organization's policies, practices built around using a direct enrollment platform that we had up and running before

healthcare.gov was. And the ten years of consumer data that are in that are going to make it very difficult for us to transition to a new system without any of the arc or historical data associated with our clients that is already contained in our existing environment.

So the thing that I would just like to, I guess, ask in the clarifying question, is that for the 1,400 agents that certify, and one of which has a brick and mortar location in every county in Virginia and will be participating in enrolling as they have shared with me, they too use a direct enrollment platform, does the state currently plan on making the DE and EDE integrations available for the first year of the Exchange?

MR. PATCHETT: Yeah, so we're still working through that. It's a challenging issue. And we recognize and we absolutely hear the concerns that are coming from our agent and broker stakeholders. We've spent a great deal of time working through these issues, getting input from consultants from other states.

You know, one of the -- just to present sort of the other side, not to discount or to forecast any decisions in any way, but just to sort of flush out the discussion here, there are, I believe, nearly 50 different direct enrollment platforms used by carriers. And so one of the challenges is to figure out, well, how can we afford, from a cost but also from a resource standpoint, to do 50 additional integration points during implementation? If we do less than 50, how do we pick whose platform to use and whose not to use?

Today, I don't believe that any other state has successfully implemented an enhanced direct enrollment platform as part of their Exchange. And I'm not sure what left-leaning means in terms of the states who are implementing marketplaces, but the recent data that I looked at has actually shown several states that have seen an increase in enrollment during transition.

But these are part of the challenges. How do we balance all of these competing interests? And how do we figure

out, right, what's best for consumers in Virginia? I think, additionally, we've heard some folks raise some concerns about how these get implemented and integrated? How do we maintain transparency? Because one of our statutory obligations is that our marketplace be transparent and competitive.

And so then in order to do that, we have to have a pretty robust audit and enforcement regime in place, because the potential exists in an enhanced direct enrollment platform for, you know, a platform provider to essentially only show the plans that they want, right, because users aren't seeing the Marketplace; they're seeing something in between.

So all of those are the factors, along with those on the flip side that you've laid out here, Lee, that we've been working through. And like I say, not only internally but with lots of external stakeholders, lots of consultants and professional organizations, as well as the vendors who participated in the procurement.

MR. BIEDRYCKI: Well, I would say

that, to my knowledge, the only state that saw an increase of enrollment was New Jersey, and that's because they had a second state supplemental subsidy on top of the federal subsidy.

The five systems I'm talking about are the five biggest ones used by the majority of the agents operating in this space. And I just think that, philosophically, it is difficult to expect an increase in enrollment when you reduce the number of entrance points for the consumer.

You know, Amazon, Kayak, Grubhub, all of these web-based entities have learned, as demonstrated by healthcare.gov, that you have to meet the consumer where and when they're willing to purchase. And these direct enrollment platforms, I'm certain, would all comply with a mandate to show all carriers, because to my knowledge, they all do.

But for Virginia to reduce the number of places where consumers can be enrolled, I just don't see how we can reasonably expect to see an increase in the

enrollment numbers with fewer options for agencies like my own.

You know, these are very expensive, very laborious enrollments that are done. Our system, for example, the person puts in their ZIP Code, their doctor, their hospital, and their drugs, and it identifies by carrier which ones have those three critical items in network.

I would just like to say, again, that many of the states that have stood up a state-based Exchange have been a single carrier state, where there wasn't a need to contrast the network of carrier A versus carrier B. And I submit to you, in Virginia, without performing that due diligence of contrasting the networks of the carriers, there can be dire consequences for the consumer.

So, again, Virginia is a very different marketplace for most of the ones who have stood up Exchanges before, and it would be my hope and the stakeholders in the insurance and brokers community's hope that we would be able to continue to assist in

these enrollments as opposed to be forced to making a hard business decision if all of our tech and all of our resources were stripped from us.

CHAIR CORLETTE: Lee, thank you. This sounds like a really important discussion. Ikeita, I know you've had your hand up for a while. I don't know if it's on this particular topic. But it sounds like Lee's raising something that's worth further conversation.

So we'll put a pin in this, and Ikeita, I want to just give you an opportunity to speak, and then we really need to move to the subcommittee reports.

Keven, I don't know if you wanted to add anything, so I don't mean to cut you off.

MR. PATCHETT: No. I just absolutely agree and recognize Lee's concerns. And these are definitely things that we have been working through and trying to figure out the right solution for.

MR. WILLIAMS: Keven, I just had a follow-up. If you wouldn't mind just sharing some of the enrollment figures for other

states that have made the transition, that would be really helpful for everyone. You mentioned several other states that saw increases in enrollment?

MR. PATCHETT: Yeah, I don't have those numbers at my fingertips, but I'm happy to share them.

MR. WILLIAMS: Okay. Thank you.

MS. HINOJOSA: Yeah, just as a follow-up, I had a couple of questions for the directors' update. So my questions will be quick.

But it was mentioned that there were at least two carriers in all areas of Virginia, so I was just wondering how we're defining the areas of Virginia, because I know that, you know, sometimes it's broken down to the five regions of Virginia and then sometimes it's defined by other ways.

So how are we breaking down the areas of Virginia when we make that update that there are at least two carriers in all areas of Virginia?

MR. PATCHETT: I think that's a great question for David Shea. He had a good

graphic that showed it.

MR. SHEA: Yeah. In this particular case, we are defining area as every individual city and county in the State of Virginia. And I believe there are 132 separate independent cities and unaffiliated counties in Virginia.

So that's pretty -- that's a pretty fine distinction. It doesn't get too much finer than that. Obviously, when you look at a county like Arlington or Bedford County or Pittsylvania County, those are big areas. But that's how far we go down as far as defining what an area is.

MS. HINOJOSA: Okay. That's really level, the level of granularity in terms of areas at the specificity; that's really helpful on that.

And then just in terms of marketing, is there a particular timing for the rollout of the Virginia Marketplace, you know, name, slogan, tag line, you know, any information like that, just in terms of branding, just so that consumers can just get more familiar with who we are?

MR. PATCHETT: That's a great question. And we actually spent some time speaking with Julie Bataille about this recently. So we're in the process of developing that and trying to balance, you know, the various messages that we have. And we're finalizing those naming, branding efforts. So we don't have a defined timeline right now.

But one of the key considerations is how do we balance all the kinds of messaging that we want to do in a way that's impactful and not confusing and doesn't turn into kind of background noise for consumers. So for the next month or so, our focus, in terms of our messaging, really is going to be around open enrollment and then figuring out how to better --

(Interruption.)

MR. PATCHETT: Figuring how to best roll out the naming and branding in conjunction with our transition are really key considerations that we're doing as we're putting together that timeline.

MS. HINOJOSA: Okay. So maybe by

the December meeting we'll have a little firmer hold on that?

MR. PATCHETT: Absolutely.

MS. HINOJOSA: Okay. Great. And then just the last question regarding that update. There was mention about comments on Section 1557, and I was just wondering if, as the Virginia HBE, if there were plans to provide comment or if that was just an overall update on the fact that that whole process is happening?

MR. PATCHETT: Just an overall update. We don't have plans to participate in the federal comment process.

MS. HINOJOSA: Great. Thank you so much.

MR. PATCHETT: You're welcome.

CHAIR CORLETTE: I see that Cheryl Roberts from DMAS has joined us. And Cheryl, we had -- as part of the update, we were hoping to hear a little bit about your planning for the end of the public health emergency and the Medicaid continuous coverage requirement. Are you able to say a few words about that?

MS. ROBERTS: Hi. Yes. Well, the easy answer is it's been extended until January at least. So it will not affect your open enrollment; that's the easy answer.

CHAIR CORLETTE: Okay.

MS. ROBERTS: And second, I met with Dan Tsai yesterday. Actually, we were in Seattle, which Holly, I think, is still there. And he said he was not at liberty to talk about it. And the things he talked about implied that we were going to go beyond January.

CHAIR CORLETTE: Wow. Okay. You heard it here first, folks.

MS. ROBERTS: Yes. So that's what we can give you. So when we come back in the next quarter, please put us back on the agenda if you want. That's going to be our -- but yes.

So no, the answer is we're working very diligently on it anyway. We're taking the attitude that January is going to come. And so we have done a lot of the system enhancements that we have with our partner, DSS; Gena's on the call so she knows that we

have worked very hard to do that.

We have a monthly meeting with James. In fact, we have one next Wednesday, in which we have like a task force and a team meeting in which we talk to multiple people about where we are in terms of that work. And one of the challenges -- and Gena can bring it up -- will be the locals and making sure that they have the right staffing. And we're doing some joint discussions on how to do the outreach and education piece.

Obviously, you're going to play a big roll in this, because we're planning to do -- and that's why I'm glad -- I was actually glad to be on the call and hear that every county has sufficient access in terms of being able to have options, because obviously, we're going to be telling people that there is an option and we want to make sure that there's a place to land. So I was glad to be on the call for that piece.

CHAIR CORLETTE: Thank you, Cheryl. Does anybody have any other questions for Holly, for Keven, for our DMAS or BOI folks before we move on to the subcommittee

reports?

Great. So I'm going to turn it over to Julie, who's been leading our consumer outreach and education subcommittee. Julie, do you want to give us an update on what you-all have been up to?

MS. BATAILLE: Sure. I will give a quik high-level overview and just say thank you to the subcommittee participants. Over the course of the summer, we have been communicating via e-mail to share some ideas, thoughts, recommendations to pull together to share with the full HBE.

And where we are now is that we've got about nine draft recommendations, all within the umbrella of providing some suggested strategies based on things that folks are aware of that have worked and been best practices for other marketplaces when it comes to enrolling consumers.

And I won't go through all nine of those, but I will just say I think many of them fall in three categories. One is following, I think, the last presentation that we had about data was really useful in

that a lot of our recommendations are really encouraging a data-driven approach to outreach and enrollment, knowing that that will continue and need to be evaluated as information changes.

And also making sure that we are taking advantage of evolving consumer media consumption habits and then what that means in terms of channels that are available to reach consumers. So I would say one comes under this sort of data bucket.

Another common theme is really the importance of equipping those who are providing in-person assistance to consumers with the tools that they need to be able to do their jobs. So that's certainly navigators, community organizations, encouraging those who are often trusted sources of information for communities around the state to be involved in the process and understand what is happening.

And then a third bucket is really a need to be mindful of the consumer needs across Virginia and to really apply a consumer-centric lens to the standup of the

Exchange itself. And I think that is everything from making sure that outreach occurs in ways that are linguistically and culturally relevant and appropriate, but also being mindful of what individuals' own experiences are and have been with insurance and with the Exchange and making sure that that's taken into account so that things can continually evolve as new information is available and as consumers contribute to the conversation.

So again, I won't go into all of the specific recommendations. I welcome anyone from the subcommittee to provide any additional context or feedback. I think where we are in the process is seeing if any members of the subcommittee have some additional suggestions to those recommendations. And then we look forward to sharing them with the full committee and having a full conversation and vote on them at that time.

CHAIR CORLETTE: Do any members of the subcommittee want to add to Julie's very concise and helpful summary?

MS. HINOJOSA: I just want to thank you for that summary. It was really difficult to get everybody to meet over the summer; it was not for lack of trying, Julie.

MS. BATAILLE: I figured sometimes e-mail is best.

MS. HINOJOSA: That was a very helpful summary of the feedback that folks gave over in writing. And once we do find the opportunity to actually convene, I think that we will able to continue to flush things out. So thank you for your leadership, Julie.

MS. BATAILLE: Yep.

CHAIR CORLETTE: So Julie, in terms of timing -- oh, sorry, Lee, go ahead.

MR. BIEDRYCKI: I was just going to say the references to educating the community are among the most important that we deal with in the broker agency, right, because a lot of this is just so foreign and over the head of your normal, working Virginian just trying to figure things out.

And the fractional networks, the speak chasms between where another carrier

will play and where another one will not have historically seemed to occur in some of the communities that need the assistance the most.

And I would just like to say that, you know, in the beginning, we had a slide about the outreach and the navigators and the grant, but Virginia does not have the resources for brick and mortar everywhere it needs. We've got high-speed internet issues. And quite frankly, I don't know that you could ever hire enough call center people to deal with the Medicaid benefits redetermination audits that are slated to begin at the conclusion of the public health emergency.

So I think it's just important to note that there are a lot of resources available for the Commonwealth to be able to take a measured approach and do this the smartest way possible. And I think it is important that we do so. And I, too, thank you, Julie, for spearheading that committee.

MS. BATAILLE: Thank you. I think

those are important things to make sure that we lift up. And I would say this is probably not something consumers always want to do either.

CHAIR CORLETTE: No. So Julie, in terms of timing, when do you want -- for folks on the committee that want to get you feedback, let's give them a hard deadline.

MS. BATAILLE: Yeah, if folks -- especially just knowing that the Exchange is moving full steam ahead for this open enrollment and really to inform their planning efforts, I think it would be great if the subcommittee could give me any feedback in addition to the recommendations that you've got by the end of next week, and then I can revise accordingly and get that to you, Sabrina and Holly, to go to the full committee for a conversation and public meeting and vote.

CHAIR CORLETTE: Great. Thank you. That sounds good to me.

Okay. We're going to -- unless anybody else has questions for Julie or the subcommittee members about those

recommendations, I'd like to move us along, since we're very far behind, to our other business, which is a discussion of communication strategies.

And for this, we're going to hear from Julie Bataille, who -- I think many of you already know this -- but is a communications expert at the form of GMMB and also shepherded the healthcare.gov communications when she was previously at HHS.

So I'm going to turn it over to Julie. And then after Julie, we're going to hear from the Reingold team about their survey results. And we were -- we're about 25 minutes behind, so I don't want to cut you guys short, but if we can make it snappy, that would be great so we can make sure we have enough time to wrap up any final discussion.

MS. BATAILLE: Sure. So I'm happy to -- oh, sorry, was there a question?

CHAIR CORLETTE: Nope. Go right ahead.

MS. BATAILLE: I will speak quickly

but happy to answer any questions, so I'll look for hands as we see them. What I wanted to do today, at Holly's request, was really just share some things that we have learned over the last decade in terms of messaging that works to really drive enrollment. And a question that I get asked a lot is, "What can we do new and different this year? And how can we message things that haven't been done already?"

And one thing that I just want to reinforce is, while the times have changed and the tone in which we communicate may change, given the surrounding environment, what we continue to see in terms of audience research and what really resonates with consumers tends to be some things that have really been tested, especially as the marketplaces have taken hold and there are consumers who are really understanding the value of the coverage and being able to use it themselves.

So we will dive in. And if we just go to the next slide. Quickly, I'm going to talk about some of the barriers to coverage

that I don't think are going to be new to any of you; a little bit about what we know in terms of marketplace awareness, and it would be great to see if you have any Virginia specific data here, too, to supplement this; some of the messaging that drives enrollment; and then give you a sense of some things that we are seeing as marketplaces start to plan for the unwinding of the public health emergency.

So if we go to the next slide here. Some of the barriers to coverage, you know, cost remains at the top of the list. And I think especially today, this year, given inflation, given increasing amounts of medical debt that consumers are facing, this is just really top of mind.

As Lee mentioned, you know, with the increasing cost of deductibles, while premium is still the main driver, increasingly, as consumers are more savvy about how to shop for coverage, they're looking for their out-of-pocket expenses and what does that mean for them, too.

The other thing that I would just

say is we have definitely seen over the last decade that consumers really do want health insurance, they value it, they understand that it is important. But it is often a cost calculation in terms of what they can afford at the end of the day in their monthly budget.

You know, confusion, lack of awareness -- we were just talking about this a little bit -- the reality is the process can be complicated. There's jargon, there's a lot of terminology that isn't well understood, there are questions about what are the programs that I'm eligible for, how did things change, and really just not a lot of awareness about who's eligible for what and when somebody needs to take actual action.

And then the complexity of the process and the need for assistance. This isn't something that people often want to do. It is daunting to them. They often need and really want a lot of questions to be answered throughout the process to help them not only understand and get through, but really make

the decision that's the best plan for them and their family.

So if we go to the next slide, just some information that has come out in the last couple of years, as we've all been dealing with the pandemic, is an ongoing recognition that many people still lack awareness about the marketplace, especially if you're uninsured. And the thing that we continually need to reinforce is that the marketplace is the one destination that people can go to get financial help.

The reality is there's just a lot of lack of knowledge for those who haven't had to shop for their own coverage about where to go and how to do it. So the differentiator for the marketplace is -- thankfully, with the ARPA subsidies, this is great -- is that the value proposition that they offer for consumers is that financial help piece and to continue to reinforce that.

If we go to the next slide, this gets into the messaging sections. And we can go one more slide. I think you'll see -- I'm just going to show you some examples of how

other marketplaces have implemented some of these things over time. But I think these are things that you likely have seen in the works that many of you have done.

I think because Virginia has been a state that has seen healthcare.gov advertising in messaging, over time these things may be familiar to you. And what I think will be important for us all to think about in terms of Virginia is how do we start to make these Virginia centric and within the context of what will be important to Commonwealth consumers.

I think the first thing that I would just say in terms of, you know, tone and themes is we have definitely seen over time that consumers think about health insurance as something that they have to do, not necessarily something that they want to do, in that they really don't want things that are stale, and they appreciate information that's straightforward, it's matter of fact, it's giving them what they need to know to then make an informed choice.

We have definitely seen ways that

you can insert humor over time, but at the end of the day, it's health insurance that people are buying and they understand what that is.

And then in terms of messaging, you see this long list here, and we'll go through some of the examples, but all of these are really meant to overcome some of those barriers that people have to accessing coverage, give them a reason to look at the plans, and make sure that they understand what's available to them to, again, make a choice that's right for them and their family. So we'll go through some of these examples so you can just see practically how some folks have brought these things to life.

If we go to the next slide, affordability is certainly key and top of mind. And you can just see some of the examples of how exchanges have brought this to use. It's not just talking about the subsidies but how many people have been able to take advantage and get those savings.

You know, we heard earlier in the conversation 90 percent of Virginia consumers

are getting APTC. That's great; you know, 9 out of 10 Virginians are able to access that kind of help. Making analogies to things that consumers are buying in their everyday life -- you know, less than a pack of gum, you see here, is one example -- is just something to keep in mind. But always emphasizing low cost, the availability of financial help, and doing that in a few different ways to make it clear that this is something that consumers today, you know, that I know in my neighborhood and my state are able to take advantage of is really important.

And while premium is certainly the biggest decider in terms of what people look for, as we've mentioned in this conversation, you know, doctor network and deductible are quickly other things that folks are looking at in making their overall cost calculation.

If we go to the next slide, another thing that is really important, and again, something that is really a hallmark of the marketplaces is giving consumers the information that they need to put them in

control of making a choice that's right for them and their families.

So this is something that it's great to know there are going to be choices for everyone in Virginia based on the previous presentation and really make that top of mind so that the marketplace is seen and understood and known as a destination that people can go to shop, compare, choose the plan that's right for them.

We can go to the next slide here. And something that is important -- we've talked about this a bit -- is just the need to reinforce the availability of consumer assistance. This can certainly be language help. This can be help over the phone. This can be online chat. This can be in person. But emphasizing that you've got people who are trained to have these conversations and equipped to be able to help people through the process.

Covered benefits and services, you know, people understand they need health insurance, they understand that it is something that is important for them and

their families, but giving them specific references to some of the benefits and services that are actually covered is really resonant.

One thing that (technical difficulties) the specifics that you see here on this slide is that over the last year and a half, we have really seen an evolution in what people are really interested in knowing. And something that is really of interest over the last year is mental health services and telehealth in particular. Those are things that consumers are looking for actively so to the extent that they are available, we would encourage people to call those out in particular.

If you go to the next slide, something that is interesting is just knowing that, you know, we're all human, we're busy, we have 12 different things to do all at once, but continually reinforcing when someone needs to take action and when a deadline is approaching in terms of enrollment has really tended to be a consumer forcing option.

And this is something that we questioned a little bit with all of the special enrollment periods that happened over the course of COVID; it seemed like people could continually enroll. We still have seen that reinforcing when the deadline to get coverage is for the following year continues to be important. So just know that those deadlines still matter and use them as an opportunity to remind them when they need to do something.

Piece of mind, financial security, certainly, given the climate that we are in right now with inflation, with concerns about medical debt, you know, sending people information and giving them messaging that reinforces how health insurance is going to help them, it's going to protect the economic security of their families, it's going to, you know, prevent them from accidents and the cost of things that they wouldn't be able to otherwise afford is something that is definitely resonant with a lot of consumers right now; just reminding them what health insurance will bring to them and their

family.

And then let's go to the next slide. Plans and prices change each year, this is something, you know, we really want to encourage people to actively shop and (technical difficulties) be in terms of whether or not the plan that they have is still the right one for them. What's new? Have you had circumstances in your life or in your family that have changed over the past year? But really encouraging them to make an active decision and take a look at the plan that they've got so they're not just automatically getting something is really important and I think probably something to keep in mind in Virginia in particular, just given the conversation we were having about reinsurance.

And then let's go to the next slide. I think this is starting to get into some of the things to be mindful of. As you think about different groups of consumers and what information they may need because of their circumstances.

In the example of special enrollment

periods, have people just had children, are they newly married, have they lost a job; those are all things that you can include in messaging so that consumers understand, "Oh, this is meant for me; I'm one of those people; I should really see if this is something that I need to take advantage of or do right now." So I think just thinking through who some of those consumer populations are is something that I would really encourage.

And then we can go to the next slide. I think this starts to get into planning for the unwinding of the public health emergency, but really building on that point of who are the groups of consumers that we need to reach specifically and have them understand what they need to do or steps they need to take or what's at stake for them are some things that we are actively thinking through right now.

And I think certainly understanding the need to coordinate that, you know, handoff between Medicaid and the Marketplace for those who are no longer eligible for

Medicaid is going to continue to be really important. And making sure that people have updated contact information; I think many of us can probably appreciate the things that we see in our daily lives, if you're calling your credit card company or you're calling the utility company, usually that conversation includes, you know, "Do I have the right information for you? Is this still where you can be reached?" And thinking through taking some of those steps so that our agencies are then able to communicate directly with their consumers over time is something that's going to be really important.

I think that is my last slide. I know that was really quick. I was trying to intentionally talk fast. So I'm happy to take any questions if folks have them.

CHAIR CORLETTE: That was great, Julie. Thank you. Anybody have questions for Julie?

I have a question; it's kind of a small thing, but I noticed some of the state-based marketplaces have either a .gov

or a .org or a .com as their landing page.

MS. BATAILLE: Their URL, yes.

CHAIR CORLETTE: Sorry; URL, yeah. And I was just curious; do you have a sense of, like, for Virginia, is one better than the other in terms of what consumers will trust? I mean, I do worry sometimes; there's much of these short-term plans and, like, fixed indemnity that's inundating with similar messages. So, like, is it helpful to have a .gov then or is it --

MS. BATAILLE: It's a great question, and you can see different exchanges have answered it for themselves in different ways. I will say some of the research that we've seen, and I know in the case of healthcare.gov, what we really saw was using (technical difficulties) an established program, it gave people the comfort and piece of mind that this was something that had been created for them. And it was definitely seen as helpful in terms of just building that credibility that is needed.

I will say I think the states that have .com and .org have also seen success, so

at the end of the day, I think it's the overall brand of awareness that matters. But I do think that consumers, especially just because so many more are shopping online, if you think about consumer patterns that have changed over the last decade, a .com is definitely seen much more as a for-profit and a commercial entity than a .gov for sure.

CHAIR CORLETTE: Well, this might be a nice segue then to the Reingold team, because I think they've got some survey results to share, and they may be able to tell us a little bit about what Virginians think about this and the messaging that Virginians might want to hear.

Do we have the Reingold folks on the call?

MR. ORRISON: We do. This is Greg Orrison with Reingold.

CHAIR CORLETTE: Great. Hi, Greg. Take it away.

MR. ORRISON: Great. So we're Reingold. We're the agency that's supporting the SCC in communicating to audiences to encourage them to sign up for the Exchange.

Julie's presentation was a great preface because we do have data on Virginians from a survey that we conducted that I think really reinforces some of the principles that she mentioned.

So we'll talk a little bit about the background of the survey, we'll talk about who responded, some key takeaways from that research, and then how we're going to apply them to our audiences when we, in turn, communicate to different audience groups.

So we were able -- I think we presented a couple months back. We also ran focus groups in Virginia among broad range of Virginians and we were able to supplement that with a more quantitative survey of 833 Virginians; 117 of whom are primarily Spanish speakers.

So our goals for the research, really wanted to understand our audience's attitudes, their motivations, and their barriers related to purchasing health insurance so that we can, in turn, create messaging that meets them where they are, acknowledges those values, and will resonate.

So in terms of the survey responses we captured, we did get representation from across the Commonwealth in these sort of five regions you see here. The percentages of response you see on the right should index pretty closely to the populations of the state in those regions.

And we do have a good representative and diverse mix across things like urban/rural geography, race and ethnicity, gender, obviously. On the left-hand side there, you'll see our audience segments which I'll talk to in a minute. But that's how we're sort of clustering our audiences so that we can craft messaging and creative that is intended to most resonate with them.

We also have good representation and diversity in health insurance status. So we did screen for people who are eligible to use the Exchange or are in sort of insurance situations where they could become eligible to use the Exchange in the future. So 26 percent of our respondents were uninsured, 15 percent using healthcare.gov, and the rest in situations of sort of underinsurance or sort

of precarious insurance situations.

So with that, we'll get into our key findings. So to start, people's attitudes towards health insurance, we do have some good news, in that 93 percent respondents believe it's either very or somewhat important to have health insurance. So they acknowledge, you know, even if I don't have health insurance, it is of value; it's something that is important. That does vary, of course, by some of our subgroups, so younger respondents, also rural respondents were less likely to say that having health insurance is very important. So closer in the low 60s there.

Most people, 73 percent, after learning about the Exchange also said they would be willing to use it. Of course, with variances by subgroups, so again, younger people, lower income people, people on our lowest income bracket had the least likelihood of saying they're very likely to use the Exchange at 13 and 17 percent.

So barriers to insurance, as Julie said, really cost is the primary driver here.

So 50 percent of all respondents located that as the most significant barrier to insurance; particularly true, as you'd guess, among older people, those who are in potentially difficult financial situations, approaching retirement, for example, response is lower incomes and the unemployed.

Behind that, in terms of barriers, we found that 17 percent of people cited job uncertainty. That could be I just started a new job; I'm not eligible for insurance yet, for example. And then the complexity of navigating the insurance process, as Julie spoke to, was the third factor that we found to be the biggest barrier.

The next slide. And then motivators, in turn, so the flip side of cost being a barrier, 41 percent of people identified lower cost as a motivation to get health insurance and an additional 19 percent said they would be most motivated by financial assistance.

When we asked people the most important features they look for in health insurance, again, affordability at the very

top, 73 percent of people saying it's the most important feature; 15 percent cited quality; and 49 cited reliability. We also asked about the features or the services they most want to be covered. So sort of the bread and butter coverages that people identified, 50 percent identified doctor visits, 37 percent, hospitalization, 37 prescriptions.

And then again, these are even -- that was even more so the case for individuals ages 50 to 64 and those with incomes from 25 to 35 K.

Great. So how can we use this information to communicate to our audiences? We'll speak a little bit about how we plan to segment those audiences. So I'll introduce that on this slide. So obviously messaging, communications, it's not one size fits all. Virginia is a very diverse state geographically, demographically. So we want to tailor our communications so that they resonate with specific sort of segments of the population that have sort of shared characteristics.

We will use desegmentations and what we know about these audiences to shape our messaging, shape our creative, so if I get an ad, for example, it's likely to be someone who looks like me and may share my values.

We can also use this information to prioritize our audience groups. Some groups, based on their demographics or their insurance statuses, have greater need to be motivated to use the Exchange than others.

And then with that information, you know, we can use that prioritization to run as efficient as possible a campaign so that we're using our advertising budget to advertise to the right people sort of in the right places, those that need the most motivation to sign up.

So this, we started with a geographic segmentation, which will be most sort of appropriate for broadcast advertising, where we're advertising on radio and TV and to a large geography, for example. We use census bureau to look at all the ZIP codes in the state; that's the narrowest level of geography we have good data on.

And then within those ZIP codes, we looked at characteristics, including insurance status, racial composition, income and education levels, language spoken at home, and internet connectivity. And then we supplemented this demographic information based on that census data with our attitudinal data from this survey.

We can just show you kind of what the segments looked like that we've developed on the next slide. Oh, just a recap of how this sort of process works. Again, nearly 900 ZIP codes in Virginia.

Within those ZIP codes, people often will have common characteristics, by insurance status -- you know, 40 percent of the people in the ZIP code may be uninsured, for example. Also, often, similar racial/ethnic composition; and then we also mapped onto those the attitudinal characteristics from the survey.

So we can then cluster those ZIP codes together into larger geographies with roughly similar populations that will get similar types of advertising.

So here are the audience segments that we've developed on the basis of that demographic and attitudinal data. These are, in our order of sort of priority as we're looking at prioritizing budget, based on the population size of eligible populations, eligible individuals within these populations.

So the first one we're calling diverse low coverage, large population, high rates of almost 15 percent uninsured. This is a large -- among our segments, it's the largest percentage, black; I believe it's about 40 percent black. It's sort of centered in the southeast along the coast there around areas like Norfolk and also in the south of the state along the border.

Our second priority audience we're calling cosmopolitan. This is a quite large audience but lower rates of uninsurance. This is our most diverse group, averagely centered in the urban centers of Northern Virginia, Richmond, etc.

Our third segment, what we're calling rural low coverage; this is, I

believe, greater than 90 percent white, high rates of uninsurance, almost 15 percent uninsured. This group is largely located on the western edge of the state in that sort of Shenandoah region.

And this fourth group here is primarily the audience we'll be serving our Spanish language media to; we're calling these Spanish speaking enclaves. We did set a pretty high threshold on Spanish speaking, just so that we're not sending English populations Spanish ads, for example. So this is upwards of 15 percent Spanish speaking, relatively small population, but it will be a high priority population, seeing greater than 20 percent uninsured.

And then our lowest priority group, what we're calling affluent suburban, relatively small population, predominantly white, truly suburban, low rates of uninsurance. So they'll receive our sort of our lowest media weight.

And then maybe I can just give an example on the next slide of how we're using some of the survey data to inform our

messaging. So this is just one example of those segments. So for each of these segments, we've identified what other sort of top concerns, what are their biggest motivating factors, what are the coverages that they most value, and then at the bottom here, these differentiators, what was really salient in the data that we can use to craft messaging.

So for this audience, for example, they actually had the greatest willingness among these segments to use the Exchange. They had the great interest in financial assistance, for example. That had the greatest -- we asked about where are you likely to learn about information about health insurance? How the greatest rate among these different groups of learning is by a TV ad. So we in turn, you know, when we looked at channels to advertise, TV could be a good solution in the mix here.

So that's an overview of how we were able to survey eligible Virginians and how we can use these insights to, in turn, inform our messaging and our campaign. I'm happy to

answer any questions.

CHAIR CORLETTE: That was great, Greg. Thank you. Really, really important work.

Any questions for Greg? Ikeita, I think you've had your hand up; I'm not sure if that's from before or if you --

MS. HINOJOSA: I think it was from before. I just have to say, I'm extremely excited just to see the diversity of these campaigns and how we're really building something that just reflects the diversity of the people of Virginia so that we can really build a state-based Exchange and marketplace that, you know, really helps serve all Virginians. So this is just really, really great work. So I'm very excited about the path forward, so thank you for that.

CHAIR CORLETTE: Any other questions for Greg or Julie?

MS. BATAILLE: Sabrina, I've got one quick question.

Greg, this is great. And I'm so glad that you guys have recent consumer data to inform everything you're doing. A quick

question in terms of whether or not this is part of your thinking for the marketing plan that was referenced for this coming open enrollment period, in addition to what will be put in place once the Exchange has its new brand. I assume this is going to be for both, but if you could just clarify that.

And then for this coming open enrollment period, are you sending consumers to healthcare.gov or to some other destination?

MR. ORRISON: I know that these -- well, I will say, Julie, this geographic segmentation -- so for digital advertising, we have more fine grain ways of targeting, so we can actually target people who have a likely -- on digital, have a high likelihood of being uninsured, visitors to healthcare.gov, for example.

So I think those two approaches will be layered. But I may defer to Keven to speak to timing and sort of call to action. I'm happy to respond based on my knowledge, but I know that that's been under discussion at SCC.

MS. BATAILLE: If there isn't an answer, that's fine, too, right now.

MR. ORRISON: So our latest guidance from SCC is we will be directing to healthcare.gov and do not want to create brand confusion at this stage during the federal open enrollment period.

MS. MORTLOCK: Yes, that's right.

MS. BATAILLE: In terms of preventing consumer confusion, that makes a lot of sense. So that's terrific.

CHAIR CORLETTE: Any other questions for Greg or for Julie? All right. Well, those were two fantastic presentations. Thank you to the Reingold folks and thank you to Julie.

Turning now to, I think, our last agenda item. I'm told there are no public comments. So we can jump right to just sort of wrap up and some housekeeping matters.

The first is just to remind folks that we have our fourth quarter meeting on December 1st from 2 to 4 p.m. I do want to ask or do a straw poll of folks to see if there would be interest in meeting in person

in Richmond at the SCC.

As I understand it, Holly, there's not a budget for travel, so that is something that folks should take into account. But I think there's some interest in -- I certainly would like to meet many of you who I haven't met in person. So we can either do this offline or just take a quick straw poll now to see if folks would be willing to head to Richmond to meet in person. Does anybody not want to do that, I guess, is the question.

We don't have the whole --

MS. HINOJOSA: We should probably do this offline, because a lot of people are absent.

CHAIR CORLETTE: Yes, we do have a number of folks absent. So I will send an e-mail around and I'll just ask you to respond with your interests and not put anybody on the spot.

The last thing I just want to mention is, because we've lost Jane, we do need a new vice chair. So we will be seeking nominations and we'll need to hold a vote at our December meeting to elect a new vice

chair. So I just want to put that on folks' radar screen.

So if you're interested in serving in that capacity, Holly, should they reach out to you and me or how should we handle that?

MS. MORTLOCK: Sure. So please, feel free to send an e-mail to Sabrina, and you can CC me and just let us know if you're interested in serving as the vice chair or if you would like to nominate someone to do so.

CHAIR CORLETTE: Thank you. I think Lee, you have your hand raised?

MR. BIEDRYCKI: Yes, ma'am. Thank you. I wanted to clarify a comment that I made while talking to Keven. The comment about the reduced enrollment was relative to the percentage increase on the federally facilitated Exchange. So New Jersey was still inflated because it had an additional state subsidy, but Nevada and Kentucky did have a drop last year.

Secondly, there are 15 EDE and DE web providers certified and listed under healthcare.gov. The 50 number, probably

insurers, includes insurance carriers. Of the 15 a couple of those are white labeled, so the number is actually less.

And then last but not least, the federally facilitated Exchange requires that web brokers using DE and EDE display all plans available, regardless of whether or not that broker wants to sell it.

So I know that this may sound like I'm beating an annoying drum, but I have been doing Exchange enrollments for ten years, and I will say that, having built our own as a development partner, I'm a little concerned about the timeline relative to A, the tech, but B, a number of the agents that participate in this business segment are on the older more experienced end of the life span continuum, and new tech is just proportionately more difficult for them.

As we looked to the rollout of the Exchange, on October 1st, 2013, I was standing in a hotel room conference area proudly pulling up our Exchange and how it interfaced with healthcare.gov. And many of you will remember that that first year's open

enrollment, healthcare.gov wasn't operational until late November, maybe early December.

The thing that I want to point out here is that prior to healthcare.gov being operational, they opened the doors and allowed our system to begin to proceed processing enrollments because they needed the enrollments. It is one thing to assert the importance of these platforms for brokers to continue to enroll as is. But I think it's also very important to acknowledge the safety backstop that multiple systems provide in the event that one system has an issue.

So with that, I just wanted to make sure that the context was correct on the percentage change in enrollment. We are willing and available to meet and provide whatever assistance we can. But I really think that this component is vital to the success of Virginia, especially relative to the complexity of the marketplace.

CHAIR CORLETTE: All right. Lee, I think you're going to get the last word here today, because we are over time. But it does sound like you've raised some really

important issues, and it sounds like you and your colleagues are talking directly to the Exchange staff about that.

But if there's anything that we as an Advisory Committee can do to foster a discussion or dialogue on these issues, I'm certainly happy to help facilitate that.

We do need to close and be respectful of folks' time. So Holly, I'm going to turn it back to you. Do I need to make a motion to adjourn; is that how this works? I can never remember.

MS. MORTLOCK: Yes, if you can go ahead and do that.

CHAIR CORLETTE: All right. I would like to see if anybody could move to adjourn and we'll need a second.

MS. HINOJOSA: I'll move to adjourn.

CHAIR CORLETTE: Do we have a second?

MS. BATAILLE: I second that.

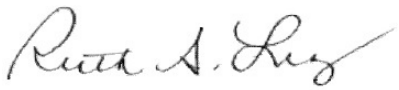
CHAIR CORLETTE: All right. We are adjourned. Thank you all so much. Pleasure to see you, as always.

(Meeting adjourned at 4:03 p.m.)

CERTIFICATE OF REPORTER

I, Ruth A. Levy, RPR, do hereby certify that the proceedings were heard remotely before me in the State Corporation Commission meeting herein; further that the foregoing is a true and accurate record of the testimony and other incidents of the meeting herein; and that I am neither counsel for, related to, nor employed by any of the parties to this case and have no interest, financial or otherwise, in its outcome.

Given under my hand, this 27th day of September, 2022.



Ruth A. Levy, RPR

Notary Public, Commonwealth of Virginia
My Commission Expires August 31, 2026
Notary Registration No. 224511