



STATE OF CONNECTICUT  
LIEUTENANT GOVERNOR NANCY WYMAN

## Health Insurance Exchange Board of Directors Meeting

Thursday, October 20, 2011  
DRAFT Meeting Minutes

**Members Present:** Lieutenant Governor Nancy Wyman, Chair; Secretary Benjamin Barnes, Office of Policy and Management (OPM); Mary Ellen Breault for Commissioner Thomas Leonardi, CT Insurance Department (CID); Louis Polzella for Commissioner Roderick Bremby, Department of Social Services (DSS); Jeannette DeJesús (Co-Chair), Office of Health Reform & Innovation; Michael Devine; Mary Fox; Mickey Herbert; Grant Ritter; Robert Scalettar; Robert Tessier; Victoria Veltri, Office of the Healthcare Advocate; Cecilia Woods

**Members Absent:** Commissioner Jewel Mullen, Department of Public Health (DPH)

**Other Participants:** Tia Cintron, OPM; Anne Foley, OPM; David Guttchen, OPM; Karen Buffkin, OPM; David Krause, OPM; Amy Tibor, OPM; Alexis Fedorjaczenko, Office of Health Reform & Innovation; Bettye Jo Pakulis (Lt. Governor's Office); Theresa Becchi (Lt. Governor's Office); Steven Jensen (Lt. Governor's Office)

---

**The meeting of the Health Insurance Exchange Board of Directors was called to order at 9:03 a.m.**

Lieutenant Governor Nancy Wyman initiated introductions of the Board.

Lt. Governor Nancy Wyman made a motion to add three items to the agenda, including:

1. To adopt the minutes to the previous September 15<sup>th</sup> Board meeting and the October 20<sup>th</sup> Special Board meeting.
2. To rearrange agenda items.
3. To be able to move into Executive Session to discuss the Consumer-Stakeholder Outreach Research.

Secretary Benjamin Barnes moved to waive the rules in order to add all three items to the agenda. Michael Devine seconded the motion. **Motion passed unanimously.**

Lt. Governor Nancy Wyman suggested the Board adopt the minutes at the next meeting and requested a copy of the minutes be provided to the Board at each meeting going forward.

### **Planning Grant Update**

Tia Cintron informed the Board that Mercer Health and Benefits, LLC continues work on primary task areas. Mercer, selected by the State in May as its planning grant vendor, will provide the State an executive summary by deliverable, which will include advantages and disadvantages, options, and recommendations to the State, as well as provide the research detail supporting these recommendations.

Tia Cintron said that it is anticipated Mercer will present during the November 17<sup>th</sup> Board meeting. Mercer's presentation is expected to be approximately two-hours. Tia further informed the Board that she is working with the vendor to determine which materials will be distributed to them the week prior to the November 17<sup>th</sup> meeting, to allow for processing of the substantial amount of the information.

Tia Cintron reported on the timeline of Mercer's work and noted that there have been delays in several of the task areas due to data requests. The majority of Mercer's work is nearing completion with most of the findings expected to be available towards the end of November, and the final report expected to be available in early December. Tia explained the vendor is expected to present to the Board November 17<sup>th</sup> with an option to have them return for further discussion. This second meeting would include discussion of State decisions at the Board, State, and Legislative levels.

- Mary Fox inquired whether there will be time in a two hour meeting for Q&A, including time for public comment.
- Secretary Benjamin Barnes asked Tia if she feels confident in the ability of Mercer to be able to provide an appropriate work product on such a timetable. Tia expressed confidence, but agreed that additional time would enable a more comprehensive discussion.
- Mickey Herbert made the suggestion to Lt. Governor Wyman of a two-hour presentation done by Mercer and one full hour of Q&A. Lt. Governor Wyman requested the Board make a decision on the appropriate timeframe for the presentation. The Board agreed that the meeting should be three hours.
- Bob Tessier reiterated the need to allow for public comment at the November meeting.

Tia Cintron informed the Board that the findings will need to involve stakeholders and allow for a period of comments and feedback from them. The feedback will later be incorporated into the final report to the Governor.

Tia Cintron provided the Board with a brief overview of the Planning Grant budget, discussing revisions made to the budget. Tia noted that funding applied to stakeholder outreach activities shifted from \$5,000 to \$47,000 to enable a comprehensive outreach. Tia noted the funding paid for facilitation services, advertising, and transcription and interpretation services.

- Mickey Herbert questioned whether the \$600,000 encompasses items eight through 12 of the presentation. Tia noted certain budget areas were revised because research task areas had been altered to more accurately reflect the needs of Connecticut.

### **Level One Planning Grant Update**

#### **i. Administrative RFP**

Karen Buffkin, Undersecretary of Legal Affairs for OPM, informed the Board that the response date for the Administrative RFP was October 19, 2011. The purpose of the RFP is to procure legal assistance to advise the Exchange on the structure of the quasi-public agency. Karen announced that the State has received six proposals and Review Team meetings are scheduled for October 24<sup>th</sup> and November 4<sup>th</sup> to review each proposal and determine the possibility of interviewing these vendors. The Review Team expects to have a recommendation by close of business on November 4<sup>th</sup>.

- Bob Tessier requested clarification as to the process around establishing RFP Review Teams.
- Mickey Herbert requested to be informed of which Board Member is serving on which committee.
- Robert Scalettar requested clarification on whether the RFP for the administrative structure of the Exchange is separate and apart from the RFP for Projects 2 and 3, which encompasses business operations and IT, and consumer assistance.
- Bob Tessier requested a greater sharing of information and an openness regarding the RFP appointment process without delaying the necessary workflow.
- Lt. Governor Wyman clarified that the RFP Review Team presently being discussed was voted on by the Board in the September 15<sup>th</sup> meeting. The more recent RFP Review Team involving Projects 2 and 3 was established rapidly due to time constraints in issuing the RFP. The Lt. Governor ensured the Board that moving forward this would not be an issue.

**ii. CEO Recruitment Process**

Secretary Benjamin Barnes, Co-Chair of the CEO Search Committee, reported to the Board that the process for recruiting a CEO is moving forward. The CEO position has been announced through various State agency websites, and distributed through the Exchange Board urging wide dissemination of the announcement in their communities of colleagues. The committee's goal is to be as comprehensive in outreach as is possible.

Secretary Barnes advised the Board that the job announcement was issued to a number of national organizations and listservs, including the following:

1. The Center for Consumer Information and Insurance Oversight (CCIIO)
2. The Kaiser Foundation
3. CT Business Group on Health
4. State Refor(u)m
5. National Conference of State Legislatures (NCSL)
6. American Public Health Association (APHA)
7. Families USA
8. American Health Lawyers Association

Secretary Barnes further advised that the CEO job announcement will run in the Hartford Courant the following weekend, and be posted to CareerBuilder, as well as in the Northeast News. The Secretary encouraged the Board to suggest to himself, Co-Chair Vicki Veltri or the Staff any additional recommendations for posting.

**iii. Business Operations/IT and Customer Assistance RFP**

Tia Cintron provided the status of the RFP for projects 2 and 3, which was approved by the Board to be issued by OPM in the October 20<sup>th</sup> meeting. The deadline for proposals is November 16<sup>th</sup>. It is anticipated the work in these areas will start the first week of January. Tia provided a brief overview of the project scope. The Exchange is seeking a multi-disciplinary contractor for procurement of assistance with two project areas: 1.) Business Operations and IT, and 2.) Consumer Assistance and support. These projects areas were organized into two work streams.

- Michael Devine suggested work on these two work streams be the first of a series of information webinars open to the public. Tia agreed, suggesting it will be beneficial to have IT experts conduct this particular webinar.
- Mary Fox suggested the Board understand the process from a conceptual level first before IT solutions are considered. Mary suggested the Board integrate the Mercer information prior to

discussions on IT requirements. Tia suggested it might be possible for Mercer on November 10<sup>th</sup> to provide a phone conference. Tia will look into the feasibility of this.

Tia Cintron moved on to provide the Board with a brief overview of the Level One Establishment funding, to which the State is allowed flexibility in budget reallocation up to 25%. The flexibility allows CT to procure subject matter experts as needed in all project phases.

### General Discussion

- Tia Cintron addressed Bob Tessier's concerns regarding communications sharing and information to the Board.
- Tia suggested providing a plan for Board consideration regarding the feedback that will be needed from the Board over the next 6-8 months.
- Lt. Governor would like to get information out to the Board so they can provide the Staff with feedback and direction. Timeframes are tight and we do not want to miss out on the grant money coming from the Federal government. Lt. Governor Wyman asked the Board how they can best direct the Staff.
- Vicki Veltri suggested the Board circulate any ideas for the agenda well in advance of the meeting. Vicki also suggested having more communication between meetings or perhaps one Board member could be assigned to one particular project.
- Michael Devine suggested a webinar as one channel so the Board can be briefed in advance of the meetings. Both the Lt. Governor and Tia expressed agreement with this suggestion.
- Robert Scalettar inquired whether there is funding available for additional staffing. The Lt. Governor confirmed that funding is available, but the question of whether the Board should hire the staff prior to the CEO is something that needs to be considered. Tia remarked that due to the volume of simultaneous projects we hope to have an additional support person soon.
- Lt. Governor Wyman thanked Secretary Benjamin Barnes publicly for allowing his staff to assist on the Exchange.
- Michael Devine questioned whether the Board working with additional grants. Tia informed the Board that the State is anticipating applying for Level Two Establishment funding in March. Certain task areas funded by the Level One Grant is required by the Federal government in order to apply for Level Two. Level Two funding is expected to fund the Exchange through 2014.
- Lt. Governor Wyman informed the Board that it is their decision to hire additional staff now.
- Secretary Barnes commented that Public Act 11-53 allows the CEO of the Authority to hire staff, adding that it is preferable to have the Board hire one person whose job it is to hire additional staff. Furthermore, work that is going to be done by the attorneys selected by the process that Karen described (procurement of legal counsel to the Exchange) will create some of those administrative functions allowing the Exchange to implement programs, and enter into contracts. The Exchange has the legal authority to enter into contracts but does not currently have the necessary administrative structure in place. OPM has taken on the role of being an entity with administrative procedures which can enter into contracts as necessary and provide support, acting as an agent for the Exchange. Tia and other staff are employed by OPM until they are able to transition over to the Exchange as their employer. Regarding the hiring of new staff, the State is bound by employment rules and classification systems which make it difficult to hire quickly. Secretary Barnes suggested we use contracted staff through consultants or contract arrangements since they can be implemented more quickly and dynamically. The mandated timelines make this approach the most reasonable.
- Bob Tessier requested clarification from Secretary Barnes that the reason for the delay in hiring is that the Board does not have the legal counsel even though the Board is in place. Secretary Barnes responded that it is OPM's intention that once by-laws are established and a CEO is hired by the

Board, OPM will transfer that grant and the employees funded by it, to the Exchange. Presently, the Exchange does not have the legal structure in place to do this so we continue to operate as stewards, and will do this for as long as necessary.

- Bob Tessier requested to know the timeframe for legal counsel and questioned why the State has not explored interim by-laws.
- Secretary Barnes commented that within those by-laws that govern the Exchange, the CEO will be able to operate with more flexibility. In the meantime, OPM has played an active role in the awarding of state contracts. OPM is currently working with Tia to create a mechanism to which she can bring in consultants to fill some of the needs she has identified. The Secretary reiterated that the best interim solution right now is contracting.
- Lt. Governor Wyman asked Tia Cintron to keep the Board advised around the consultant's projects and tasks.
- Bob Tessier remarked that Michael Devine's suggestion of informational webinars is great—and commented that it would be great if his suggestion can be accommodated. Bob further commented that the present conversation is very helpful and remarked that it will be easier after CEO is on board.

### **Vendor Fair**

Tia Cintron discussed with the Board the recommendation of issuing an RFI to the community, which will result in a listen and learn Vendor Fair to be held sometime in January. The fair will be facilitated by a consultant who will have expertise in IT and Exchange operations, who will ultimately present their findings to the Board. Tia explained that we are still defining the exact role of the vendor. The vendor would provide expertise and service capabilities in website management, call center operations, enrollment support, and ancillary solutions such as dental, COBRA, etc. The vendor will possess these service capabilities for exchange operations, and will assist us in our decision making. The event will be open to the public.

- Secretary Benjamin Barnes expressed his support of the vendor fair, recommending it be held once the Board has had a preliminary opportunity to comprehend Mercer's findings. The Secretary remarked that the better informed the Board, the more effective the vendor fair will be.
- Lt. Governor Wyman asked Tia what the impact would be if the vendor fair was delayed.
- Lou Polzella informed the Lt. Governor that there are approximately 10 vendors qualified in the marketplace. Lou stated that these vendors do not necessarily want to bid on an RFI that is going to completely customize a new solution because they do not believe the timeframes are sufficient. They have commercial off the shelf products. Lou remarked that it would be helpful to have the vendors come in as soon as possible and noted Rhode Island has already conducted a vendor fair.
- Michael Devine agreed with Secretary Barnes' recommendation of holding the event later, allowing time for the Board to get their arms around the information first. He remarked that it is best to be collectively better prepared prior to the event.

### **State Interagency Workgroup**

Tia Cintron discussed the purpose of the workgroup as one that will help ensure the State has a collective body for decisions making for Exchange related tasks in preparation of State Certification in January of 2013. Agency representatives include DSS, CID, DPH, the Bureau of Enterprise Technology (BEST), Office of Health Reform & Innovation, the Office of the Healthcare Advocate, and OPM. Tia noted that the group could add additional agencies as appropriate.

The first task of the Interagency Workgroup was to assess the proposed rules by HHS and the Department of the Treasury on Exchange related guidance. These Notices of Proposed Rule Making (NPRMs) include the following:

1. Medicaid Program (HHS)
2. Summary of Benefits and Coverage (Dept. of Treasury)
3. Premium Tax Credit (Dept. of Treasury)
4. Reinsurance, Risk Corridors, Risk Adjustment (HHS)
5. Establishment of Exchanges and Qualified Health Plans (HHS)
6. Exchange Functions (HHS)

Tia Cintron advised the Board that a consultant is in place to assist the State in compiling and submitting comments on these rules, which are due to the Federal government on October 31<sup>st</sup>.

The next priority for this workgroup is to address the State's approach and process in regards to understanding the recently released Institute of Medicine (IOM) report on Essential Health Benefits (EHB).

### **Essential Health Benefits Discussion**

Secretary Benjamin Barnes pointed out that this begins the process of central importance to the State—to the extent that the State mandates coverages that are in excess of the EHBs required under the Federal rules. The State's general fund will need to provide a share of the subsidy to participants in the Exchange related to those additional health benefits required under State statute. This is an issue of considerable impact potentially to the State's general fund and to the State's involvement in the Exchange, and the financing of insurance to individuals who require subsidy.

Mickey Herbert discussed the IOM's report which he remarked recommends a modest level of EHBs, commenting that Connecticut could end up in a situation where the State's mandated benefits would be in excess of the EHB's. Mickey inquired whether the Board will be in a position to recommend to the Legislature that the State limit the current mandated benefits, which are well in excess of the Federal EHB position, therefore placing the State in an untenable financial position.

Secretary Benjamin Barnes stated it may be premature to make that decision. The Secretary expects the Exchange will be called upon by the General Assembly to evaluating this and to provide feedback. The State is capable of taking a position but what that position will be will need to be determined.

Vicki Veltri commented that the issue of the EHB package is much broader than what the Exchange Board will address because it may actually impact the insurance market for the people who are *not* going to be in the Exchange. Vicki expressed concern about losing certain protections for consumers that have been fought for over the years, stating she believes this is going to be a prolonged discussion with the Legislature. Vicki stated she believes the Board may have involvement in informing Legislators but believes this will be a decision for the policy arm of the government to make.

Mary Fox questioned whether this is the group and place where the State can explore opportunities to focus on quality and wellness, and things that not only will enhance the product of the insurance that is available but also address expense.

Vicki Veltri remarked that she believes these issues *must* be addressed. The Healthcare Cabinet, which is also chaired by the Lt. Governor, is addressing these issues which will hopefully impact the Exchange as well.

Jeannette DeJesús stated that this work will be done through the Office of Health Reform & Innovation and the Office's work in assisting the Governor's Cabinet. The Office has established workgroups which have met publicly over the last couple of month, and it is within these structures that we hope to assist other entities in discussing how we will approach chronic disease management and related issues, and address the cost and quality of care. Jeannette suggested Board participation in that broader discussion.

Lt. Governor Wyman acknowledged that healthcare is a large issue right now. There are various groups assessing all of these aspects.

Jeannette DeJesús encouraged the Board to visit the website of The Office of Health Reform & Innovation at [www.healthreform.ct.gov](http://www.healthreform.ct.gov). Meeting times and locations can be found at this website, including information on the workgroups that speak specifically to Mary Fox's questions.

Referring back to Mary's questions, Bob Tessier remarked that there will come a time that the Board will make decisions about standards; about what types of policies to make available within the Exchange. Bob stated he assumes a broader discussion will take place to address these questions, but even more broadly, about the general standards.

Jeannette DeJesús commented that the Office of Health Reform & Innovation is working in collaboration with six or seven State agencies that are key to identifying healthcare reform and implementation, which each have unique projects to address. The Office is actively attempting to coordinate and integrate all of these significant projects—the Exchange is one of the major ones.

#### **Board of Director's Oath of Office**

Michael Devine was sworn into office by Karen Buffkin.

#### **Executive Session: Consumer-Stakeholder Outreach Research**

At 10:21 a.m., Lieutenant Governor Wyman made a motion to go into Executive Session to discuss a RFQ concerning Consumer-Stakeholder Outreach Research. The Lt. Governor noted the public will be given an opportunity to comment and participate. Motion included an invitation to Staff including Bettye Jo Pakulis, Theresa Becchi, Alexis Fedorjaczenko, Karen Buffkin, Tia Cintron, David Guttchen, Amy Tibor, and David Krause. **Motion passed unanimously.**

#### **The Board of Directors came out of Executive Session at 10:44 a.m.**

Lt. Governor Wyman made a motion for the Board to allow OPM to issue a RFQ to ten existing DAS vendors in order for the Exchange to procure assistance in the areas of consumer value research and program design, as well as marketing and communications strategy development and implementation. Secretary Benjamin Barnes volunteered his staff to the RFQ Review Team. Other participants will include Tia Cintron,

#### **Next Steps**

Lt. Governor Wyman advised the Board of the next meeting which is scheduled for November 17, 2011. Vicki Veltri, and Michael Devine. **Motion passed unanimously.**

#### **Adjournment**

A motion was made by Lt. Governor Wyman to adjourn the meeting at 10:47 a.m. **Motion passed unanimously.**

To view this meeting's slide presentation please click on the following link ([Meeting Presentation](#)) or visit the website of the Office of Health Reform & Innovation at [www.healthreform.ct.gov](http://www.healthreform.ct.gov).