

# Virginia Health Benefit Exchange Advisory Committee

Quarterly Meeting- Virtual

March 29, 2022

1:00-4:00PM

# Welcome, Call to Order

## **Reminder:**

- Only committee members should have cameras turned on.
- Committee members can raise their hand to ask a question of the presenter.
- Stay muted until you are called on to speak.
- The transcript of this meeting will be made available online at  
<https://www.scc.virginia.gov/pages/Exchange-Administration>

# Agenda

1. Welcome, Call to Order, Roll Call
2. HBE Update to Advisory Committee
  - Exchange Overview
  - Advisory Committee
  - Open Enrollment/HBE Snapshot
  - Transition Activities
  - Public Health Emergency
  - Policy and Legislative Update
  - Response to Advisory Subcommittee Recommendations
3. Bureau of Insurance Update
4. Consideration of Questions, Recommendations, Reports or Comments
5. Other Business
  - 2022 Chair and Vice Chair Election
  - Committee Discussion Topics
  - 2022 Meeting Dates
5. Public Comments
6. Adjournment



# Introduction of New Members

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Secretary John Littel  
Health and Human Resources

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Acting Commissioner Colin Greene  
Acting State Health Commissioner

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Commissioner Danny Avula  
Department of Social Services

# Roll Call

## **Ex-officio Members:**

Secretary John Littel – Health and Human Resources

Director Karen Kimsey – Department of Medical Assistance Services

Acting Commissioner Colin Greene – Acting State Health Commissioner

Commissioner Danny Avula – Department of Social Services

Commissioner Scott White – Bureau of Insurance

## **Appointed / Voting Members:**

Sabrina Corlette, Chair

Jane Norwood Kusiak, Vice Chair

Julie Green Bataille

Lee Biedrycki

Scott N. Castro

Elizabeth Cunningham

Doug Gray

Ikeita Cantu Hinojosa

Starla Kiser

Kenn Penn

## **SCC Liaison:**

Victoria Savoy – Virginia Health Benefit Exchange Director

# Virginia Health Benefit Exchange Update to the HBE Advisory Committee

Victoria Savoy, Director

March 29, 2022

# Exchange Overview



Holly Mortlock  
*Chief Government  
Relations Officer*



Victoria Savoy  
*Director*



Toni Janoski  
*Deputy Director,  
Operations and  
Finance*



Amy Mears  
*Chief IT Program  
Manager*



Jennifer Krupp  
*Deputy Director,  
Outreach,  
Education and  
Policy*



Whitney Thomas  
*Administrative  
Coordinator*

# Exchange Overview

- The Virginia Health Benefit Exchange (VAHBE) was created in 2020 by the Virginia General Assembly as a new division within the State Corporation Commission.
- VAHBE is statutorily tasked with transitioning Virginia from Healthcare.gov to a Virginia-based marketplace.

# Exchange Overview

The Code of Virginia, directs the Exchange to:

- Achieve requirements defined in Code of VA Title 38.2, Chapter 65
- Support health insurance continuity
- Reduce the number of uninsured
- Support the continuity of care
- Promote a transparent and competitive marketplace
- Promote consumer choice and education
- Assist individuals with access to programs, policies, and procedures related to obtaining health insurance coverage
- Assist individuals with premium tax credits and cost-sharing reductions

# Exchange Overview

- The Exchange will be independently funded by user assessment fees.
- The HBE successfully completed the first step of the transition in 2021, by moving to a hybrid state where the Virginia Exchange resides on the federal platform. In addition to certifying its Qualified Health Plans (QHPs), Virginia now oversees its own assister programs.
- The Virginia Exchange is on track to fully transition to its own marketplace platform by plan year 2024 (open enrollment fall 2023).
- The HBE Annual report is available on the [SCC website](#).

# What Will Change When the Exchange Moves from Federal to State Control?

HealthCare.gov



VA Health Benefit Exchange

# By the Fall of 2023, VAHBE will:

- Be the entity with oversight of Virginia navigator programs and that certifies Qualified Health Plans (VAHBE does this today).
- Be the entity providing eligibility, enrollment, and customer services closer to Virginia citizens.
- More closely coordinate with other state agencies and programs to help Virginia consumers access and maintain health care coverage.
- Own, house and analyze enrollment data to design tailored consumer assistance, education, marketing, and advertising strategies for the exchange.
- Directly handle consumer inquiries and better address consumer issues to design and optimize the consumer shopping experience.
- Provide better and more tailored customer service to meet the needs of Virginians.

# Advisory Committee



# Advisory Committee

## **Purpose:**

As established in the Code of Virginia [38.2-6503](#), the purpose of the Advisory Committee is to advise and provide recommendations to the Commission and the Exchange Director in carrying out the purposes and duties of the Exchange.

# Advisory Committee

- The HBE Advisory Committee is an independent committee consisting of 15 members.
  - 10 voting members and 5 ex-officio nonvoting members
  - 5 non-legislative citizen members appointed by the Governor
  - 5 non-legislative citizen members appointed by the Commission
- Ex-Officio members: Commissioner of Insurance, Director of Medical Assistance Services, State Health Commissioner, Commissioner of Social Services, Secretary of Health & Human Resources

# HBE Snapshot/ Open Enrollment



# HBE Snapshot/ Open Enrollment

- There are two Virginia navigator organizations, Virginia Poverty Law Center and Boat People SOS, Inc.
- HBE and navigator programs continued outreach efforts to reach target populations and ensure VA consumers know where to shop and enroll, educated consumers about options, maximized use of assisters, and met accessibility needs.
- Outreach materials in English, Korean, Spanish, and Vietnamese were provided to assisters for their use in education and enrollment assistance.
- The [Exchange website](#) and hotline have been established to provide consumers information and direction to Healthcare.gov and assisters.
- **Hotline: 1-833-740-1364**
- **Email: [ExchangeDivision@scc.virginia.gov](mailto:ExchangeDivision@scc.virginia.gov)**

# HBE Snapshot/ Open Enrollment

## **Virginia Health Benefit Exchange for Open Enrollment 2022**

- 1400 agents and brokers
- Two navigator grantees with 35 navigators
- 34 certified application counselor designated organizations (CDOs)
- 21,458 people assisted
- 703 educational and outreach events
- 12 insurance carriers
- 156 health plans
- 8 standalone dental carriers
- ALL Virginia counties covered

# Open Enrollment / HBE Snapshot

## 2022 Marketplace Open Enrollment Period: Cumulative Plan Selections



**307,946**

18% increase from Open Enrollment 2021

Source <https://www.cms.gov/newsroom/fact-sheets/marketplace-2022-open-enrollment-period-report-final-national-snapshot>

# 2022 Open Enrollment Plan Selections- Demographics

## Age

<18:	37,707
18-25:	27,147
26-34:	45,486
35-44:	47,865
45-54:	57,069
55-64:	85,010
65 or >	7,662

## Income

<100%FPL:	4,322
100%-138% FPL:	17,617
100%-150%FPL:	56,441
150%-200%:	63,761
200%-250%FPL:	57,936
300%-400%	42,146
400%-500%:	13,679
500%FPL+:	16,073
Other/Unknown:	15,104

## Race/Ethnicity

Hispanic:	24,034
AI/ AN:	407
Asian:	45,904
Native Hawaiian/	
Pacific Islander:	155
Black/	
African American:	26,842
White:	129,937
Other Race:	3,370
Multiracial:	6,648
Unknown:	70,649

## Gender

Male:	142,176
Female:	165,770

## Geography

Rural:	48,467
Non-rural:	259,479

# Open Enrollment Snapshot: Premiums & Plans

## Applications

# Submitted: 257, 542  
Total # individuals: 392, 611  
# Eligible for a QHP: 347, 267  
# Eligible w/Financial Assistance: 307, 120

## Plan Selections

Catastrophic: 2,127  
Bronze: 104, 390  
Silver: 127, 625  
Gold: 70,948  
Platinum: 2,856

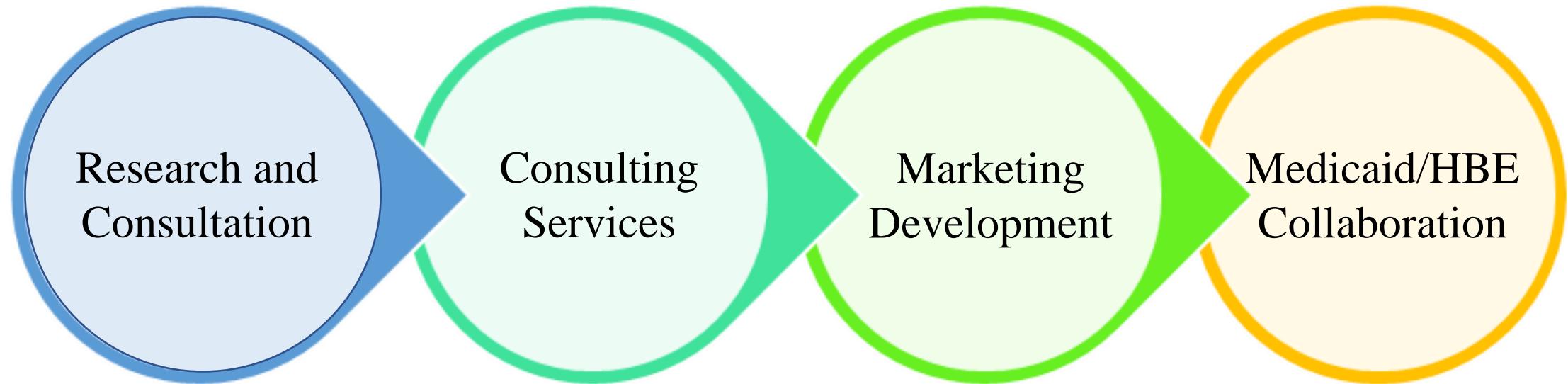
## Premium

Average Premium: \$577 PMPM  
Average Premium after APTC: \$126

## Financial Assistance (FA)

Consumers with a Premium < or = \$10 after APTC: 86, 942  
Consumers with CSRs: 118, 449  
Consumers with APTC: 274, 207  
Consumers with APTC and/or CSRs: 274, 607

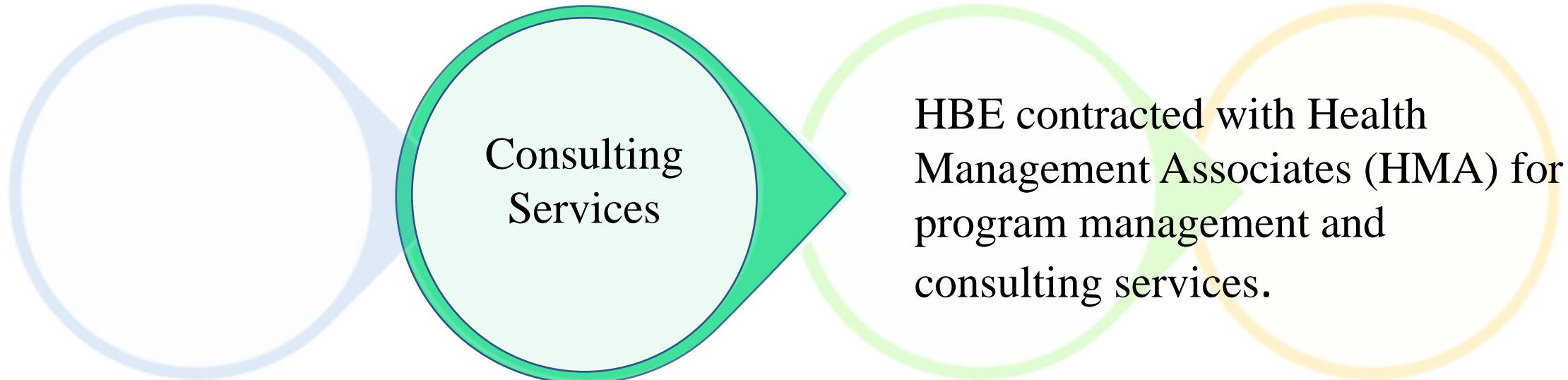
# Transition Activities: Spring 2021-Spring 2022



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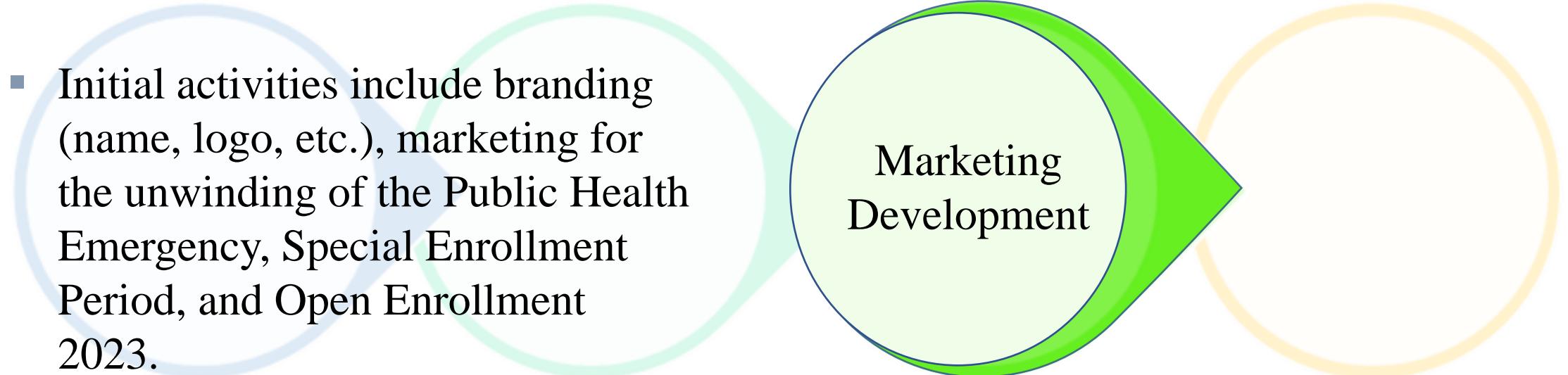
# Transition Activities: Spring 2021-Spring 2022



# Transition Activities: Spring 2021-Fall 2022

HBE signed a 3-year contract with Reingold, beginning in December 2021.

- Initial activities include branding (name, logo, etc.), marketing for the unwinding of the Public Health Emergency, Special Enrollment Period, and Open Enrollment 2023.
- Branding for the HBE is anticipated early summer 2022

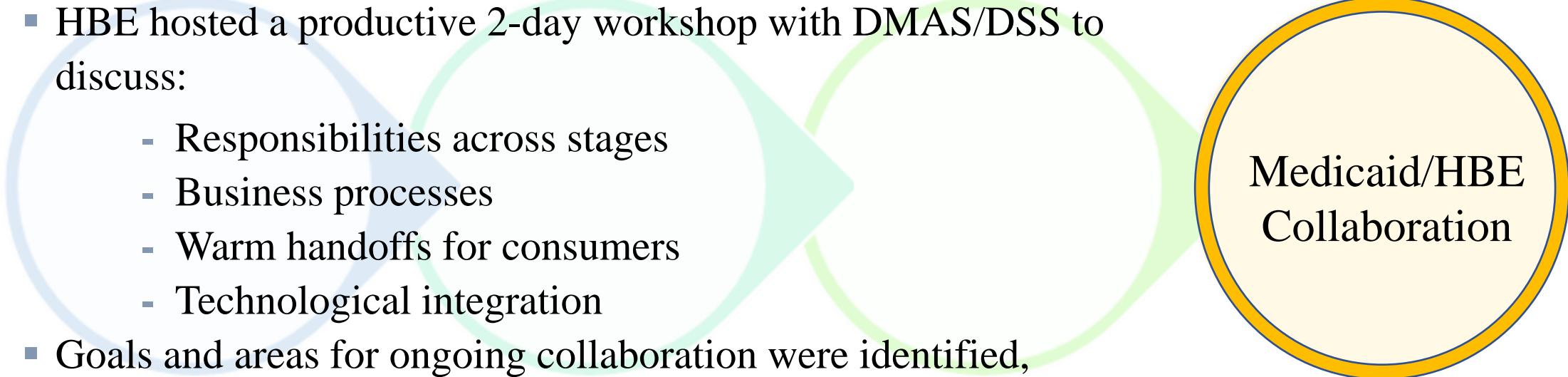


Marketing Development

# Transition Activities: Spring 2021 and ongoing

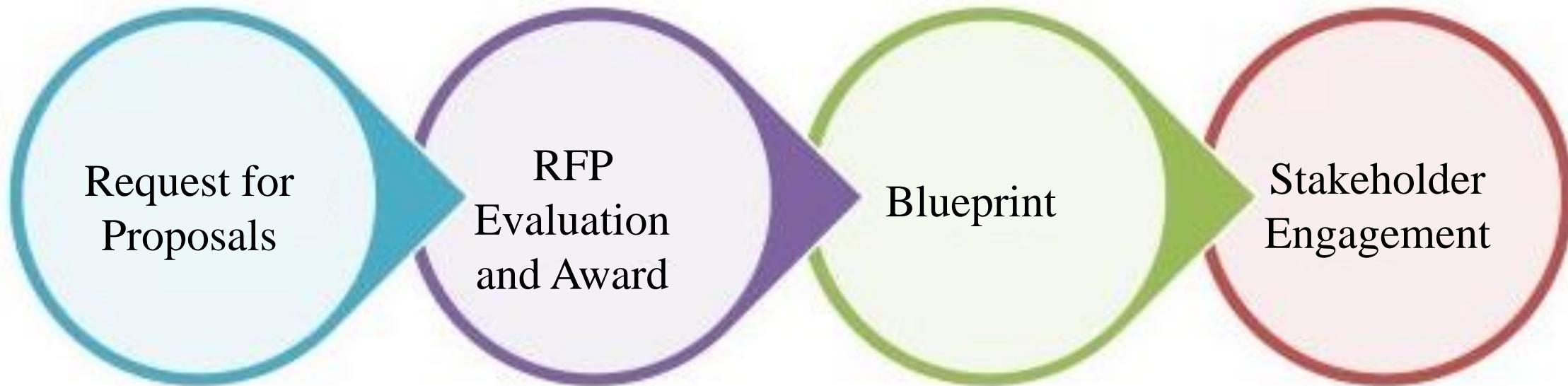
## Medicaid/HBE Coordination

- HBE continues to work closely with DMAS and DSS regarding Medicaid eligibility determination processes
- HBE hosted a productive 2-day workshop with DMAS/DSS to discuss:
  - Responsibilities across stages
  - Business processes
  - Warm handoffs for consumers
  - Technological integration
- Goals and areas for ongoing collaboration were identified, including platform development that will prioritize customer warm transfers to reduce churn, and equal or better service to Medicaid/HBE consumers.

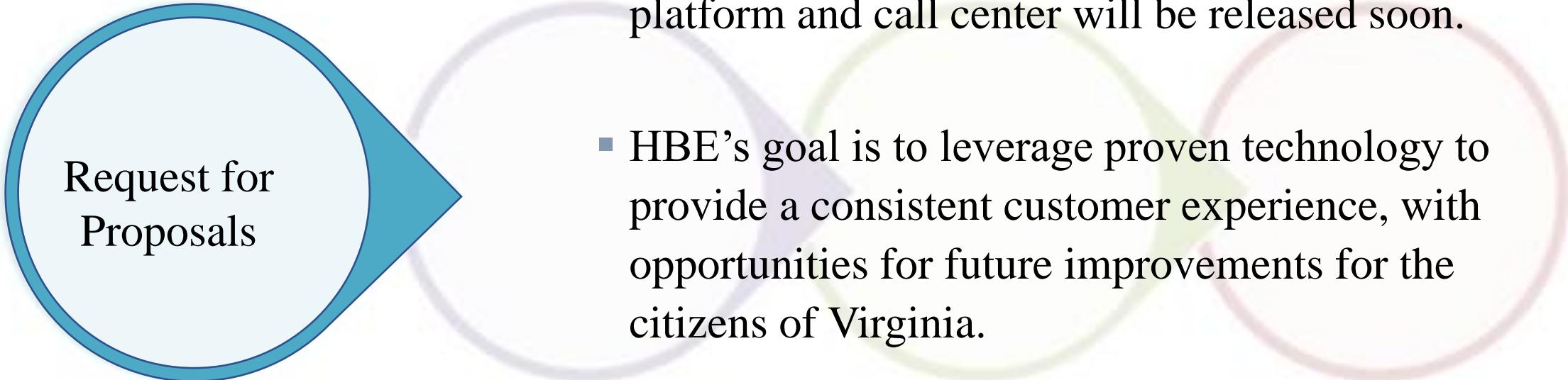


Medicaid/HBE  
Collaboration

# Transition Activities: Spring 2022 -2023



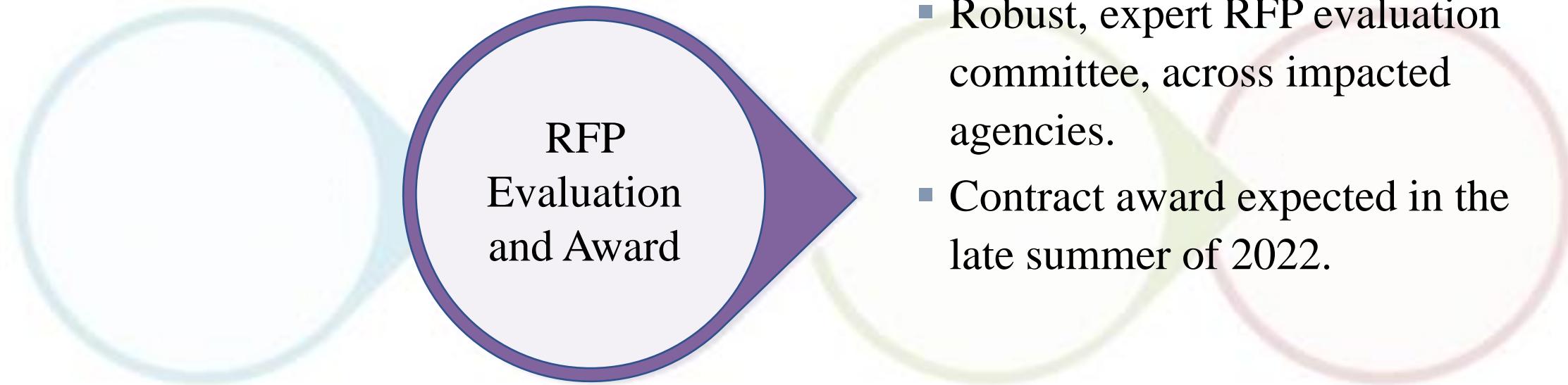
# Transition Activities: Spring 2022-2023



Request for  
Proposals

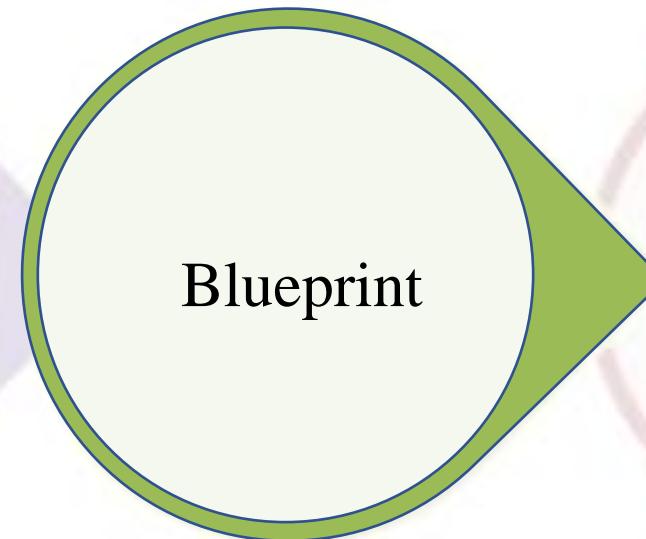
- The “RFP” for the health insurance exchange platform and call center will be released soon.
- HBE’s goal is to leverage proven technology to provide a consistent customer experience, with opportunities for future improvements for the citizens of Virginia.

# Transition Activities: Spring 2022-2023



# Transition Activities: Spring 2022-2023

- HBE is in the process of completing the CMS Blueprint application for the transition to a full state-based marketplace, in accordance with CMS guidelines.
- HBE will submit the Blueprint application in June 2022 and work with CMS to finalize.



# Transition Activities: Spring 2022-2023

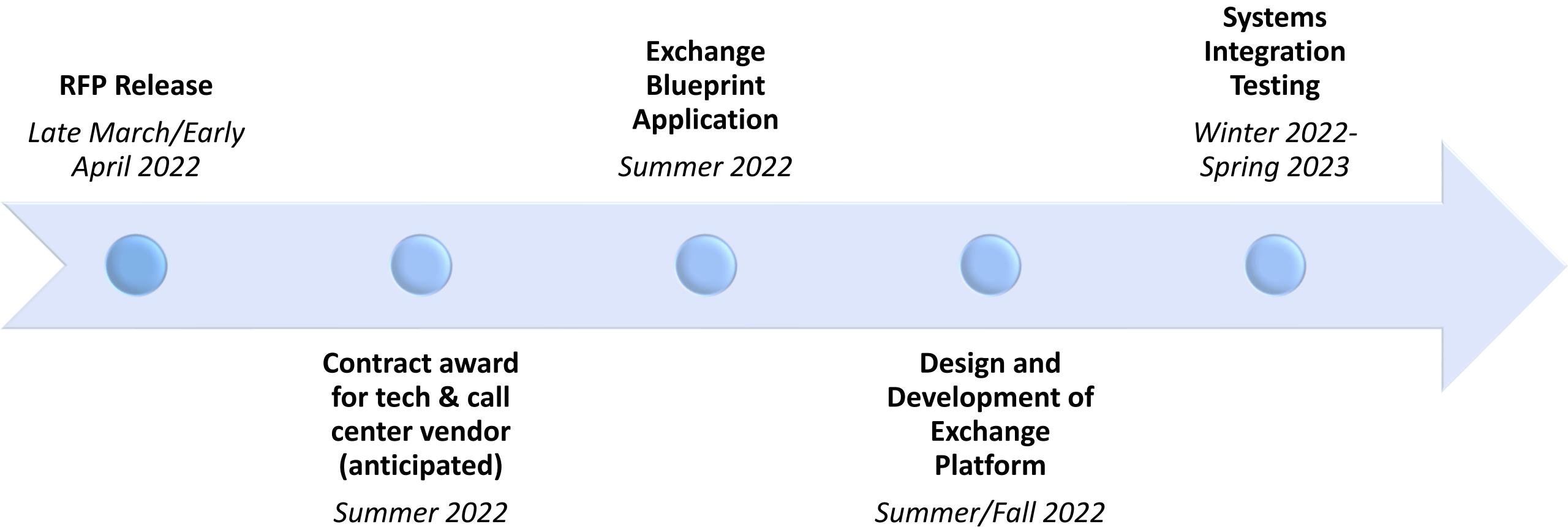
HBE will continue to consult stakeholders in the transition process. Key stakeholders include:

- Center for Medicare and Medicaid Services
- DMAS/DSS
- Healthcare consumers and advocates
- Navigators/assistors
- Brokers and agents
- Insurance carriers

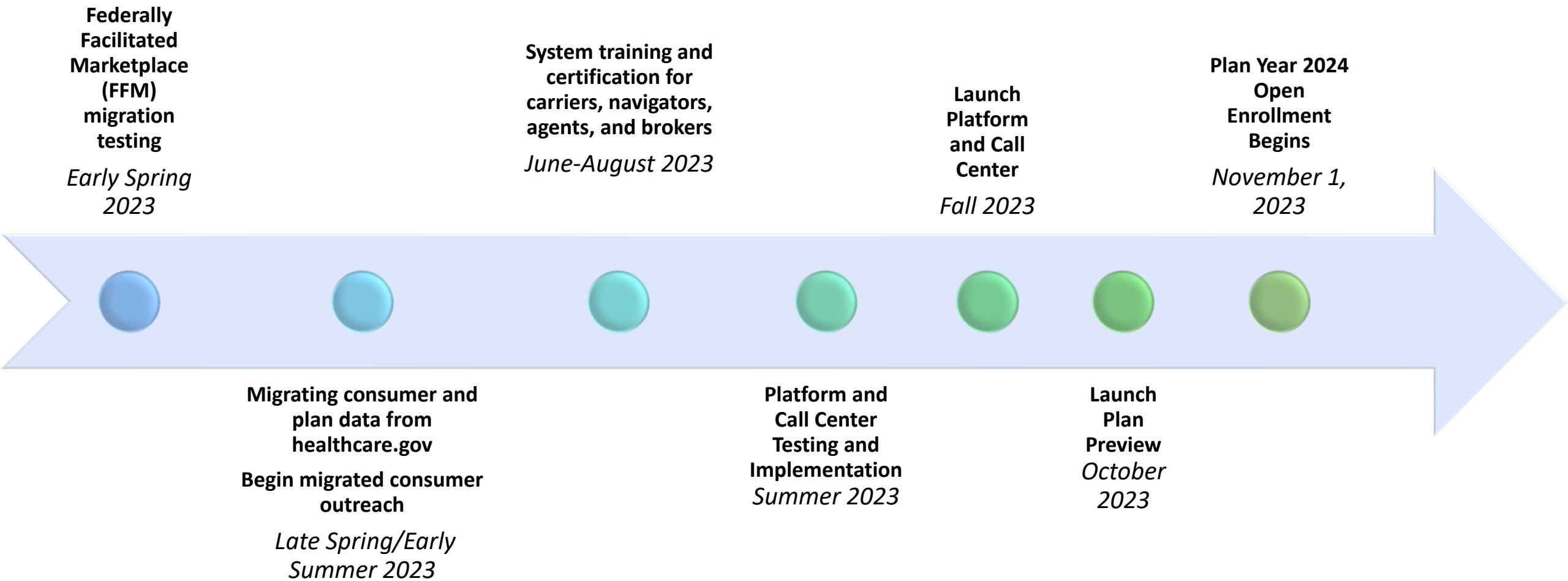


Stakeholder  
Engagement

# Transition Timeline – 2022



# Transition Timeline - 2023



Public Health  
Emergency



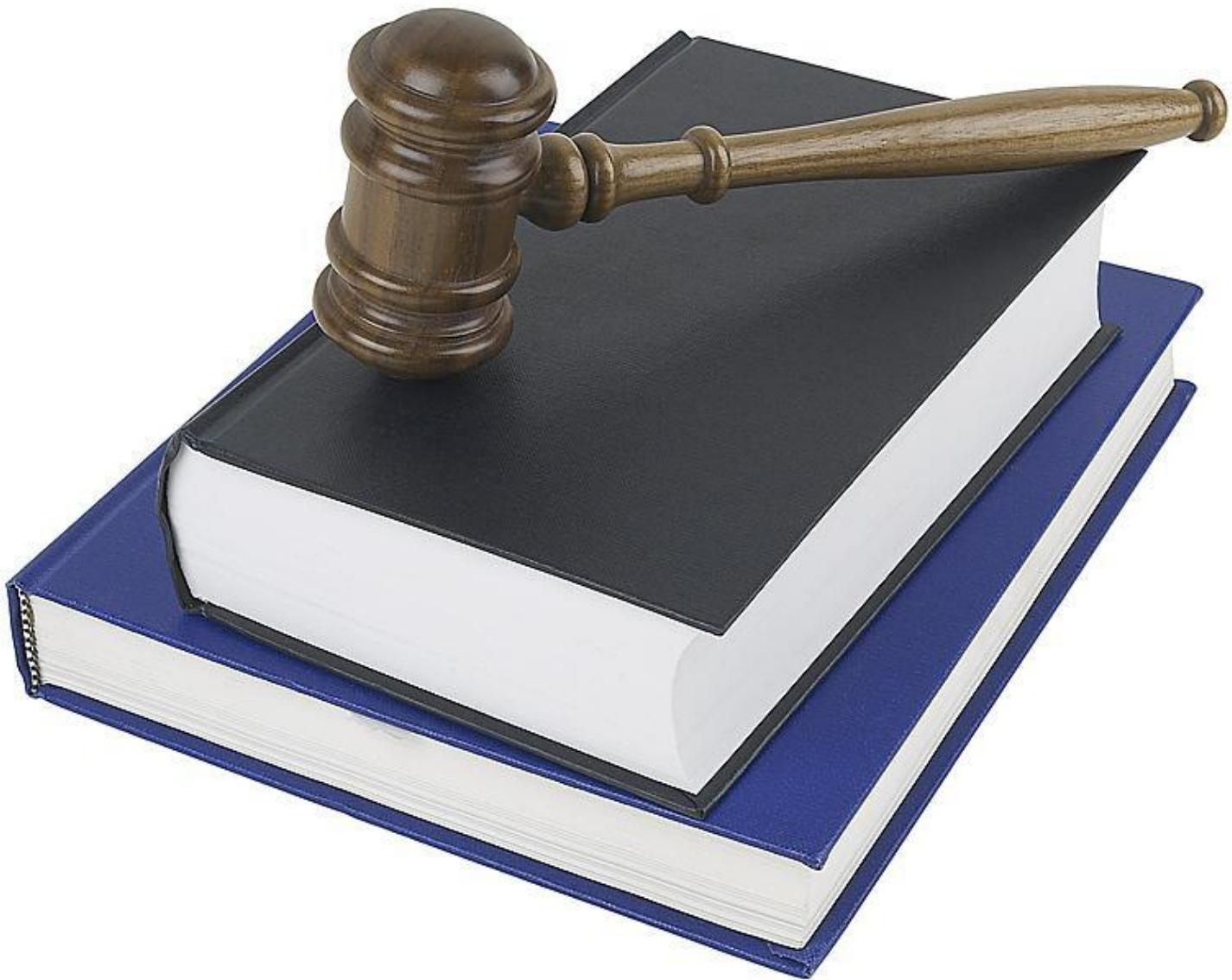
# Public Health Emergency

- CMS has indicated that the Public Health Emergency will be extended 90 days to mid-July.
- States will have 14 months to conduct unwinding and redeterminations.
- Guidance allows states to phase in redeterminations.
- Current estimates of consumers that will lose Medicaid coverage and that will also be eligible for subsidized plans on the Marketplace are approximately 65,000-70,000.

# Public Health Emergency

- Current estimates indicate that approximately 5,000-6,000 consumers per month will be eligible for a Special Enrollment Period for Advance Premium Tax Credits due to a Qualifying Life Event.
- Eligibility and enrollment will continue on Healthcare.gov until November 1, 2023.
- HBE is closely coordinating with Virginia Medicaid and the Department of Social Services to identify data sources that will facilitate development of targeted outreach for individuals losing insurance as a result of the unwinding of the public health emergency.

# Policy and Legislative Update



# Policy and Legislative Update

## State Updates- General Assembly Session 2022

- Convened on January 14<sup>th</sup> with Sine Die on March 12<sup>th</sup>.
- A Special Session will be convened on April 4<sup>th</sup> to finalize the 2022-2024 budget.
- Reconvene Session: April 27<sup>th</sup>
- Legislation impacting HBE:
  - [HB 312/SB 469](#)- Virginia Health Benefit Exchange; annual marketing plan.
  - Virginia Benchmark Plan Study with BOI
  - Reinsurance funding for HB 2332 (2021)

# Policy and Legislative Update

## Federal Updates

- **New Special Enrollment Period (SEP)-** Addresses individuals with incomes under 150% FPL.
  - CMS announced this new SEP, beginning in late March 2022. The last day for sign-up will be November 30, 2022 for December 2022 coverage.
  - Eligible consumers can, if they wish, use the SEP to change plans.
- **American Rescue Plan (ARP) Subsidies-** VA HBE along with SBEs across the country, continues to monitor the possibility of the extension of ARP subsidies at the federal level.
- **Fix for the “Family Glitch”-** The Office of Management and Budget is reviewing a Treasury Department proposed rule to fix the “family glitch”. This would modify the current standard of affordability to include the whole family for APTC eligibility.

# Response to Advisory Subcommittee Recommendations



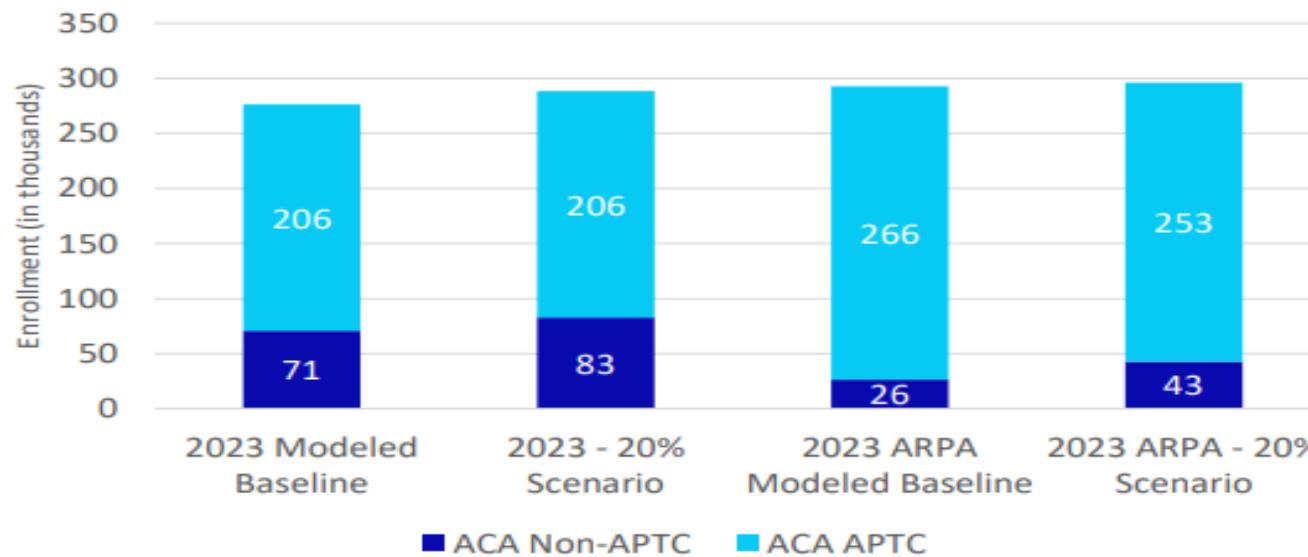
# Bureau of Insurance ARPA Subsidies- Impact of (Potential) Expiration

David Shea, Health Actuary

Van Tompkins, Insurance Policy Advisor, Policy, Compliance and Administration Division

# WITH ARPA SUBSIDIES IN 2023, WE EXPECT TOTAL INDIVIDUAL ACA ENROLLMENT TO INCREASE, RELATIVE TO 2023 IF ARPA SUBSIDIES ARE NOT EXTENDED

## 2023 Individual ACA Market Enrollment (1000's)



- When assuming ARPA subsidies persist into 2023, the percentage of enrollees eligible for APTCs increases significantly, as does the total size of the market
- Under a reinsurance scenario where ARPA subsidies are assumed to be available in the baseline and scenario, the total increase in enrollment due to the reinsurance program is less than the impact of a reinsurance program without ARPA subsidies; therefore, the morbidity improvement assumed under the reinsurance program is smaller
- Premium rates differ under the two baselines (i.e., with and without ARPA) due to differences in mix between the two enrollee populations

	2023 Modeled Baseline	2023 20% Scenario	2023 ARPA Modeled Baseline	2023 ARPA 20% Scenario
ACA Enrollees	276	288	293	296
Average Premium PMPM	\$591	\$452	\$597	\$461
Average APTC PMPM (APTC enrollees only)	\$490	\$357	\$497	\$384
Additional Morbidity Improvement	-	-0.80%	-	-0.20%
Average Rate Impact (incl. morbidity improvement and relative to if no reinsurance program were implemented)	-	-20.80%	-	-20.20%

Amounts in columns/rows may not sum to total shown due to rounding

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Reflects prior modeling that assumed ARPA subsidies would be terminated at the end of 2022

# THE EXPECTED COST TO THE COMMONWEALTH OF A REINSURANCE PROGRAM IN 2023 IF ARPA SUBSIDIES ARE EXTENDED IS SIGNIFICANTLY LOWER THAN IF THEY END AFTER 2022

	2023 Modeled Baseline	2023 20% Scenario	2023 ARPA Modeled Baseline	2023 ARPA 20% Scenario	
<b>Average Rate Impact<sup>1</sup></b>	-	-20.8%	-	-20.2%	
(in millions)					
<b>Reinsurance Program Cost<sup>2</sup></b>	-	\$393.6	-	\$411.9	<b>A</b>
<b>PTC Spending</b>	\$1,163.3	\$846.2	\$1,524.2	\$1,121.7	
<b>PTC Savings</b>	-	\$317.1	-	\$402.5	<b>B</b>
<b>Revenue From Exchange User Fees<sup>3</sup></b>	\$40.6	\$32.1	\$46.1	\$35.5	
<b>Change in Exchange User Fees</b>	-	(\$8.5)	-	(\$10.6)	<b>C</b>
<b>Federal Pass-Through Funding</b>	-	\$308.6	-	\$391.9	<b>D = B + C</b>
<b>Pass-Through % of Total Cost</b>	-	78%	-	95%	= D / A
<b>Expected Net Cost to the Commonwealth</b>	-	<b>\$85.0</b>	-	<b>\$19.9</b>	= A - D

<sup>1</sup>Relative to if no reinsurance program were implemented and inclusive of assumed morbidity improvement

<sup>2</sup>Reinsurance Program Cost assumes carrier claim costs will be equal to approximately 82.7% of premium in 2023 and no new taxes would apply to the Individual market; an additional 2.5% upward adjustment was included due to the potential for aggressive pricing with new entrants

<sup>3</sup>Exchange fees paid to the **federal** government were assumed to be 2.25% of premium in 2023 for policies sold through the exchange

# Proposed Budget Amendment- BOI Study of Virginia's EHB Benchmark Plan

If included in the final 2022-2024 Appropriations Act, [Item 493 #1h](#) directs the Bureau of Insurance to:

- Study Commonwealth's options for potential implementation in 2025 of a new Essential Health Benefit (EHB) benchmark plan for individual and small group health insurance coverage .
- Report its findings to the Health Insurance Reform Commission, and the Chairs of the House Committee on Appropriations and Senate Committee on Finance and Appropriations by November 1, 2022.
- If the Amendment passes, the BOI will implement a plan to conduct the study.

# Consideration of Questions, Recommendations, Reports or Comments



# Other Business

- Election of Chair and Vice Chair
- Committee Discussion Topics
- 2022 Committee Meeting Dates

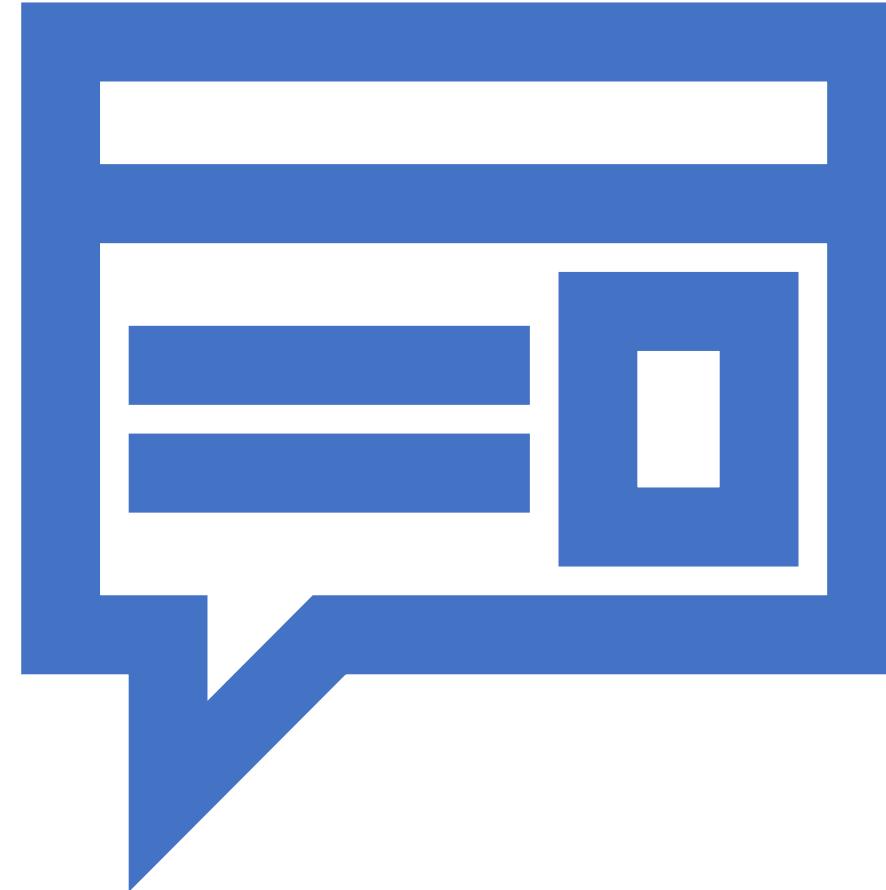
## Other Business

2022 Committee Meeting Dates:

- 2<sup>nd</sup> Quarter: *June 21*
- 3<sup>rd</sup> Quarter: *September 15*
- 4<sup>th</sup> Quarter: *December 1*

All meetings will be held from  
1:00-4:00pm.

# Public Comments



# Adjournment