

Healthcare Cabinet Meeting Minutes

February 9, 2021

Meeting Date	Meeting Time	Location
February 9, 2021	9:00 a.m. - 11:00 a.m.	Webinar and Conference Call

Participant Name and Attendance

Healthcare Cabinet Members					
Victoria Veltri	X	Kate McEvoy	X	Hussam Saada	X
Ellen Andrews	X	Alan Kaye	X	Nichelle Mullins	X
Rev. Robyn Anderson	X	Paul Lombardo	X	Shelly Sweatt	X
Patricia Baker	X	Judy Dowd	X	Margherita Giuliano	X
Kurt Barwis	X	James Michel	X	Nicole Taylor	
Heather Aaron	X	Danielle Morgan	X	Valencia Bagby Young	X
Nancy Navarretta	X	Cassandra Murphy	X		
Sean King	X	Jill Zorn	X		

Others Present

Jeannette Weldon, CHEFA	Michael Morris, CHEFA	Mark Schaefer, CHA
Alla Veyberman, OHS	Kim Martone, OHS	

Members Absent

Susan Adams	Joshua Wojcik	David Whitehead
William Handelman		

	Agenda	Responsible Person(s)
1.	Call to order and Introductions	Victoria Veltri
	The regularly scheduled meeting of the Healthcare Cabinet was held on Tuesday, February 9, 2020 via Zoom. The meeting convened at 9:01 a.m. Victoria Veltri presiding. Attendance taken by roll call. Ms. Veltri introduced Kelly Sinko, the new Health Care Innovation Director at the Office of Health Strategy.	
2.	Public Comment	Victoria Veltri
	There was no public comment.	
3.	Approval of the December 8, 2020 Meeting Minutes	Victoria Veltri
	The motion was made by James Michel and seconded by Patricia Baker to approve the December 8, 2020 Healthcare Cabinet meeting minutes. Vote by roll call. Motion carried.	
4.	Access Health Open Enrollment - Update	James Michel, Access Health
	James Michel, from Access Health CT presented on Access Health Open Enrollment Update	

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Mr. Michel noted that on January 28th, President Biden issued an executive order announcing a new special enrollment period for the federally facilitated marketplace at healthcare.gov. Since some states do not have exchanges, so they are the federal government to provide access to the states' residents. These states rely on the federal government to provide access to their state residents. So, for those states, there will be a special enrollment starting on February 15 through May 15. Where again, you could come in buy insurance, no need to verify any information at all. And, if you want to come in and make and change your plans, you will be allowed to do so.

Access Health will announce early next week, that they will have a special enrollment starting February 15 through March 15. At the end of about a week or two before, before March 15, they will do an assessment and see where things are. At that time, it will be decided whether to extend it another 30 days. Access Health does not believe there will be many changes as a result of the extension, but they are doing it to be consistent and be supportive of the of the Biden administration.

Shelly Sweatt asked if Connecticut's design is going to mirror the way the federal government's doing it, meaning that the individual does not have to have a reason to change plans. Mr. Michel responded that Connecticut is not going to allow anyone to register and change plans.

Pat Baker would like to understand the rationale behind the way Connecticut is extending it until March where the federal government extension is until May. Mr. Michel explained that they do not think there is going to be a lot of activity, because they just ended an extended open enrollment last month, January 15. And if after 30 days, there are no enrollment we don't see the need to continue it because it takes resources to keep our system open and also the two carriers as well, to maintain their system open for new open enrollment, you got to change things around back and forth. So, to keep it open with no one enrolling, we're not so sure that's a good use of resources that's the primary driver.

Ellen Andrews asked if the rates that were already approved will go thru the end of the year. Mr. Michel responded that yes, the already approved rates are good until December 31, 2021.

It was noted that the customer interaction this past year was higher than usual, almost up by almost 40%. Our numbers, open enrollment numbers are slowed down by 2.7%. We think that's a direct reflection of the COVID-19. On again, we started the year, a little bit more than 4.5% higher than we ended 2000 higher than we started 2020.

Kurt Barwis asked if there is any thought to use the care act monies or monies received by the state to reduce the high deductibles?

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Mr. Michel noted that it was reviewed but Access Health does not qualify for the Cares Act monies.

Vicki Veltri clarified a concern surrounding the Care Act. The funds are directed to the state and the funding stream is discussed by OPM. It suggests the deductibles this year, as in every year are tied somewhat to the federal government standards about deductibles, and the underlying costs of the health plans. That is one of the reasons that deductibles are where they are today. There are several bills out there being proposed around that. I think we must stay tuned on that.

Mr. Michel mentioned that there are a couple of proposed bills that is going help to address the costs of healthcare insurance to residents. Ms. Veltri is correct the drivers of the increase in deductibles are the calculator that the federal government gives the states to use to determine exactly how to calculate deductibles. But that's why the costs of health care keep going up every year.

It was mentioned that if anyone was interested, it was recommended to join the Access health Board meeting next week, where every year they give a deep dive into all of the statistics and data about how many people received subsides.

Ms. Veltri thanked Mr. Michel for the update on the open enrollment. For more information and to view the presentation please see the link below.

[Access Health CT](#)

<p>5. Healthcare Financing for Non-Profits</p>	<p>Jeannette Weldon, Executive Director Michael Morris, Managing Director for Client Services, CHEFA</p>
<p>Jeanette Weldon, the Executive Director of Connecticut Health and Educational Facilities Authority (CHEFA) provided the Health Care Cabinet an overview of their bonding programs along with Michael Morris, Chief Managing Director of Client Services.</p> <p>Mr. Morris gave a high-level overview of what they do a CHEFA. He spoke of their bond programs.; tax exempt financing in general and the types of bond financings. There's a couple of types used are public offerings and private placements. And then, more importantly, how their bonds are price and how does it affect the cost of capital for our borrowers.</p> <p>CHEFA is a quasi-state agency were created to provide nonprofits access to tax exempt financing. Only a governmental agency can issue tax exempt bonds. CHEFA is known as a conduit issue issuer or a pass through, we receive the funds from the investors and then we loan them to the borrowers. It was noted that, one of the misconceptions is that these bonds are guaranteed by the state or backed by the state. Is not true only a couple of small programs are but for the most part, these bonds are not backed by the state. Their revenue</p>	

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stream is from loan fees that they charge on their borrowers to cover their operating costs. There are no tax dollars that they received from the state. They are not employed by the state.

CHEFA also has a tax-exempt equipment loan program for smaller business which is secured by the equipment that is being financed, and they can go up to \$20 million. In addition, since 2003, they provided over than \$33M in grants to its clients and other non-profits.

Mr. Morris gave a Tax-Exempt Financing Overview highlights are below:

Tax-exempt financing typically offers a lower cost of borrowing than bank loans or other taxable instruments.

- Interest received by investors on tax-exempt debt is exempt from federal income tax and income tax of the state in which issued as well.
- Bond proceeds may only be used to fund capital projects or refinance qualified existing indebtedness.
- Projects include acquisition or construction of land, buildings, equipment, and related infrastructure. IRS places limitations on Unrelated Business/Private Business Use.
- Certificate of Need approval, if applicable must be received prior to bond issuance.

An overview of Public Offering along with an overview of Private Placements were also presented to the members of the cabinet. A brief statement was given on how CHEFA bonds are priced.

It was noted by Mr. Morris that the original authorizing statue defined projects in brick-and-mortar terms, since its creation in 1965 which was the statue's focal point at the time. Mr. Morris stated that during this legislative session CHEFA is proposing a broadening of that definition to provide for greater flexibility and the ability to do things like working capital or other types of financing. The Senate Bill is number 852.

Ms. Weldon mentioned that CHEFA's primary role is to provide access to capital. If there is a requirement of Certificate of Need, that must be in place prior to issuing the bond for that entity. Ms. Weldon also noted that market considerations are something that the rating agencies look at in terms of who their competitors are, who has what level of market share and what other services are out there serving the same community.

Ms. Veltri thanked Ms. Weldon and Mr. for their participation in today meeting. For more information and to view the presentation please see the link below.

[PowerPoint Presentation \(ct.gov\)](#)

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6.	Connecticut Hospitals Today	Mark Schaefer, PHD VP, System Innovation and Financing, CHA
<p>Mr. Schaefer who is the Vice President of System Innovation and Financing for the Connecticut Hospital Association (CHA) presented to the Health Care Cabinet an overview on CHA's response to COVID-19; Community and Economic Benefit; Financial Performance and Affordability. Below are a few highlights from the presentation.</p> <p>As the COVID-19 pandemic has persisted and again surged across the country, the nation's hospitals and health systems continue to face unprecedented challenges. At the beginning of February 2021, there were well over 25 million confirmed COVID-19 cases and more than 450,000 reported deaths from COVID-19 in the United States alone. Hospitals have never before experienced such a widespread, national health crisis.</p> <p>Mr. Schaefer noted that Connecticut's hospital's response upon the arrival of Covid-19, the Hospitals demonstrated exceptional speed to action. Opening dedicated COVID-19 care units; increasing intensive care capacity and acquiring life-saving equipment; investing in personal protective equipment (PPE) to keep care givers safe, and staffing to care for unprecedented surge in patients with acute care needs</p> <p>Mr. Schaefer noted that COVID-19 had a financial impact on the hospitals due to the surging number of cases and hospitalizations.</p> <p>A brief discussion ensued regarding Connecticut's hospital Taxes; Hospital Tax Settlement which occurred in 2019, when Governor Lamont and the hospitals announced a historic settlement of a longstanding dispute around the hospital tax; and the hospitals financial performance FY 2010 – FY2019. The hidden cost of utilization management - Several health plans have abused the prior authorization process, which impacts patient care and results in significant added costs and burden to the health care system.</p> <p>Below are some key takeaways from the presentation:</p> <ul style="list-style-type: none"> • Hospitals have played a critical role in the state's response to COVID-19, a role that was possible because of the overall strength of Connecticut's hospitals and health systems. • Hospitals contribute to the public good – providing essential healthcare services, contributing to the state budget, serving as economic engines that drive jobs and business in the state and their communities, bearing the burden of uncompensated care, and making substantial community investments. • Hospitals do all of this with relatively slim margins, most of which are reinvested to advance their mission. As we consider the question of affordability, we need to look at all the factors that contribute to the cost of healthcare, and the delicate balance of 		

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	<p>economic factors that make it possible for hospitals to be trusted partners with and servants to their communities.</p> <p>Ms. Veltri thanked Mr. Schaefer for a very comprehensive presentation. Please click on the link below to see the slides to this presentation.</p> <p><u>CHA Advocacy Title here (ct.gov)</u></p>	
7.	Next Steps - Cabinet Discussion	Victoria Veltri
	<ul style="list-style-type: none">• At the next cabinet meeting, there will be a presentation on markets and competition from University of California Hastings, Ms. Katherine L. Gudiksen.• Ms. Veltri will share the link for the full Rand study.	
9.	Adjourn	Victoria Veltri
	<p>The motion to adjourn the meeting was made by Danielle Morgan and seconded by Kurt Barwis. The motion passed.</p> <p>The meeting adjourned at 11:05 a.m.</p>	