

## CT Exchange Notes

These are some activities, part of the Public Record, ignored, or issues uncovered by the CEO of Health Educated when conducting meetings with organizations throughout the State of CT while trying to resolve issues with the retribution brought on by unmanaged managers of the exchange in 2016. These notes also led to HE CEO filing an Anonymous tip, later disclosed, with HHS-IG in early October 2016, and was investigated by the FBI, known to HE CEO; and resulting in further retaliation and ongoing surveillance of HE former CEO, through 2020.

### Lead Broker Program

The exchange intentionally funneled as much business to Lead Brokers, primarily Health Markets as possible; and they even mandated that a lead broker be assigned to each and every account to the call center staff. Note that the call center staff regularly did all the work and that the accounts were assigned after the fact or with 90% of the work already completed by the call center. Basically, the exchange made the call center a free back office service to the lead brokers that were being paid commissions. Additionally, when carriers moved to cut commissions in response to this activity, the exchange moved to mandate that the State require that carriers pay commissions by lobbying the state to require commissions.

The single most egregious issue with the lead broker program was that individuals were being actively cross-sold other insurance products by the brokers, a clear violation of policy! This resulted in many individuals being cancelled. Why? People that met with the brokers, primarily Health Markets, were being signed up for other insurance products and signing automatic withdrawal forms for the payments for those products. Therefore, people were being cancelled for non-payment; because they thought the auto-withdrawal was for their health insurance payment, and it was not. This resulted in massive disenrollment of people who thought they were insured; and the exchange refused to address the issue, until carriers started reporting that people were reporting they paid and were cancelled for non-payment. The only known result was that Health Markets had their CT VP retire/resign, and the exchange allowed that individual to remain an approved exchange broker.

The other issue that came from this massive disenrollment is that the newly created Office of the Health Care Advocate quadrupled in size within the first 3 years of the exchange's operations. Why? Well, since the exchange refused to address the issues and reenroll people without question, the OHA became the defacto complaint and service center for the exchange, another violation of state law regarding exchange funding, as exchange was required to be financially independent. In fact, for at least the first four years of operations, the exchange refused to create a "ticketing system" to track issue resolution.

### Business-in-a-Box

One completely unbelievable item is that the exchange created a wholly-owned subsidiary to compete with Healthcare.gov; and never-ever reported it's financial performance! It was quietly shut down! All senior managers that operated it left the exchange and were secretly kept (Courant newspaper discovered) on payroll and benefits for six months. They spent millions in launching it and by HE CEO estimates from pooled annual financial reports, they lost between \$10-to-\$20 million providing back-office services to the State of Maryland for 3 years. The real issue here is that the exchange demanded, and their board and the state supported, that since they provided Medicaid enrollment services, that Medicaid should fund 80% of "all" call center expenses! The reality is that the exchange was so bad at processing Medicaid enrollments that most were canceled and then had to be reenrolled by the state Medicaid agency. The data confirms this as Medicaid had huge reenrollment issues approximately 3 months post open enrollment season for the exchange, almost every year.

The question is simple, as the exchange comingled funds, the CT Medicaid agency paid (pays) 80% of call center expenses, and the exchange lost \$10-\$20 million supporting the State of Maryland, how is that not an issue?