

VIRGINIA STATE CORPORATION COMMISSION

**HEALTH BENEFIT EXCHANGE ADVISORY COMMITTEE
2025 QUARTER 4 MEETING**

Microsoft Teams

Meeting ID: 218 356 222 087

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December 18, 2025, 2:00pm

Members Present

- **Scott White**
- **Lee Biedrycki**
- **Doug Gray**
- **Lou Rossiter**
- **Craig Connors**
- **Kip Piper**
- **Sheenu Kachru**
- **Julie Bataille**

HBE Staff Present

- **Keven Patchett**
- **Holly Mortlock**
- **Christie Peters**
- **Alicia Pullen**
- **Victoria Drescher**

Members Absent

- Kevin Erskine
- Janet Kelly
- Cheryl Roberts
- Karen Shelton
- Liz Cunningham
- Scott Castro
- David Cummins

Others Present

- **Danielle Nowell**
- **Sara Cariano**

I. Call to Order- Chairman Lou Rossiter

II. Subcommittee report

The Subcommittee on Premium Costs proposes that the Advisory Committee recommends a “Two-Pronged” approach to mitigate rising premium costs:

1. Increase the premium savings target in Virginia’s Reinsurance Program from 15% to 20%.
2. Create a state-funded premium subsidy program for Virginians with incomes up to 200% FPL to purchase coverage through the Marketplace.

- The Committee has added the following amendment to the proposal: A total net worth asset tests should be included for making subsidies to individuals with state funds.
- If existing subsidies remain in place, the Advisory Committee will not go forward with proposal.
- See below for excerpt from the meeting transcript for the Committee discussion of recommendation.

III. Director's update- Keven Patchett, HBE Director

- Federal uncertainty continues to threaten coverage for tens of thousands of Virginians.
- Many consumers appear to be taking a “wait and see” approach due to uncertainty around enhanced premium tax credits (EPTCs).
- Slight enrollment increase observed near December 15, despite Virginia's December 31 deadline for January 1 coverage.
- PY2026 began with ~360,000 auto-reenrolled consumers; terminations have slightly exceeded new enrollments.
- Future enrollment changes may occur as premium payments come due in January and due to nonpayment terminations.
- Affordability impacts span all income levels.
- Approximately 19,000 lawful documented immigrants lost subsidy eligibility; only a portion have terminated coverage to date.
- Fewer Virginians are expected to qualify for lower-cost plans going forward.
- Confirmed that auto-enrolled consumers are notified of their 2026 premiums, including any increases.

Providing support to consumers with premium increases

- Premium increases present significant challenges; primary response is enhanced marketing, outreach, and consumer education.
- Outreach strategy refocused on core goals: building consumer confidence in the marketplace, available options, and support resources.
- Messaging emphasizes education on premium changes and encourages use of Virginia's extended open enrollment period.
- Broad outreach channels used, including digital and social media, print, billboards, and direct mail.
- New branding initiative launched in partnership with the Virginia Tourism Board using the “Virginia is for Coverage” campaign.

Call Center update

- Call center volume is down approximately 10% this year, with an early spike at the start of open enrollment.
- Increased call complexity related to expiration of enhanced premium tax credits (EPTCs).

- Call center performance and customer experience metrics remain strong.
- Average call duration increased by nearly 20% (from ~11 minutes to ~14 minutes).

IV. Federal Activity & Coverage Options Update

Holly Mortlock, Deputy Director of External Affairs & Policy

- Ongoing congressional activity continues regarding a possible extension of enhanced premium tax credits (EPTCs), with increased activity over the few months.
- **December 11:** Senate considered two proposals—one for a three-year EPTC extension and a Health Savings Account alternative without EPTCs.
- **Recent House action:** House passed a proposal including CSR funding, expanding availability of association health plans, and implementing a pharmacy benefit manager transparency reform, but no EPTC extension.
- Sufficient bipartisan support now exists to allow a House vote in January on a three-year EPTC extension.
- Congress expected to recess on the 19th; EPTCs scheduled to expire on the 31st.
- Exchange leadership anticipates potential Senate consideration and possible compromise in January.
- Staff will continue monitoring federal developments.

Catastrophic Coverage

- Exchange is evaluating expanded use of catastrophic plans as a potential tool if EPTCs are not extended.
- Catastrophic plans offer low premiums and very high deductibles, providing protection against major medical events.
- Historically limited enrollment due to age restrictions (i.e., 30 years or younger) and hardship exemption requirements.
- In plan year 2025, approximately 1,700 individuals enrolled in a catastrophic plan.
- CMS expanded eligibility to individuals under 100% FPL and over 400% FPL; hardship exemption still required for those over age 30.
- Exchange considering targeted outreach to consumers most at risk of losing coverage.
- Feedback and suggestions from board members welcomed.

V. Discussion

- High deductibles and out-of-pocket costs may deter enrollment and lead some consumers to forgo coverage.
- Early indications suggest shifts to lower metal tiers, though plan selection is complex and difficult to track.
- Concerns raised about marketplace complexity, including tobacco surcharges and inconsistent carrier practices.
- Staff to review issues and provide additional data, including ICHRA enrollment and

VI. Other Business

No business for the committee.

VII. Public Comment

No public comment.

VIII. Adjournment

Meeting adjourned at 3:01pm.

Transcript Excerpt
HBE Advisory Committee Meeting
December 18, 2025
Committee Recommendation Discussion & Vote

Rossiter, Lou 32:20

Oh, hi, Doug. Oh, good.

Do you want to present the subcommittee report, please?

Douglas Gray 32:26

Sure. So we had a a thorough discussion.

We spent at least an hour kind of going through data that was provided by the exchange and really looked at.

How many people joined after the enhanced subsidies were available by income group from, you know, 100% on up and what we determined was that.

There is a huge group both at between 138 and 100 and I'm sorry 138 and 200% about 55,000 people.

That appear to have joined because the enhanced subsidy made it low or no cost.

Above that, the numbers in in each band.

Are smaller and would be very, very expensive to subsidize.

So the first proposal is to subsidize.

People between 138 and 200% of federal poverty level, and I think the cost estimate is about 30 million. And so that is something that could possibly be done in January if they did pass an emergency bill and the exchange extended the open.

Enrollment period.

So that's the first proposal.

The second proposal was to increase the.

The the the target.

For the reinsurance program from 15% to 20% and I think.

The document that the SEC has are the the exchange has.

It's actually the SC CS document.

Allows them to go to 20%, but they would need would like guidance from the legislature to do that.

And it is possible to go above.

20%, but you'd have to modify your program going forward.

So first proposal.

Is has a possibility of being done this year. The second proposal would be clearly be for the following year. The second group of largest group of people is above 400%.

And that was another 40,000 people.

And then we will probably lose another 20.

1000 or or more because of the immigrant provisions of HR one.

Rossiter, Lou 34:52

Thank you.

Douglas Gray 34:53

That's it. Yep.

Rossiter, Lou 34:55

Very good. Any any comments from the subcommittee members 1st and then we'll open it for any questions or comments subcommittee folks, anything to add?

All right.

Douglas Gray 35:12

I should say.

Rossiter, Lou 35:12

What questions and comments do you have?

Oh, go ahead.

Douglas Gray 35:15

I should I. I was just going to say it was unanimous too.

Rossiter, Lou 35:18

Oh good.

Sheenu J. Kachru 35:22

That's why we're not breaking rank.

Douglas Gray 35:29

Exactly.

Rossiter, Lou 35:33

Any so any questions from anyone?

On the call, any Members?

Ex officio as well.

Douglas Gray 35:41

Looks like.

Connors, Craig 35:43

Lou, this is Craig.

Can you hear me?

Rossiter, Lou 35:45

Yes.

Connors, Craig 35:46

OK, I have a quick question.

On the that number, Doug, if I heard you correctly, you said approximately 20,000 is the estimate that we lose coverage because of the new immigration or legal status restrictions.

That's a lot higher than I thought.

What? Well, I guess do we have any more information on what the categorization of those folks are that would make that number so large?

Douglas Gray 36:07

Yes, the the the exchange can share the chart that we were looking at. But I mean it's interesting, 'cause when you look at the chart, you know it starts with 100% of federal poverty level, which you would normally think would be Medicaid, but because there's a.

Five year rule.

And the legislation basically says you're not eligible even though you're a legal immigrant in that period of time.

All of those folks are gonna lose access to the exchange.

Connors, Craig 36:38

OK.

That's right, I forgot about the five year moving. OK, thank you.

Rossiter, Lou 36:46

Other comments or questions?

Our ex officio members, any comments or questions?

All right.

It's I.

I had thought we would vote on this and make it a the advisory committee's proposals.

So since it's coming from a subcommittee, it doesn't require.

Well, the motion would be from the subcommittee.

Oh, Lee, you wanna say something?

Lee Biedrycki 37:21

Yeah. In the subcommittee meeting, we discussed also incorporating some guardrails so that we were able to ensure that individuals receiving this additional subsidy were truly eligible for that subsidy.

Because in the traditional.

On exchange world, you know it.

It's an.

It's an income only test, right?

An individual puts in their estimated modified adjusted gross income.

And the tax return validates that.

And the consumer goes along their merry way.

But it doesn't incorporate any kind of asset test.

So one example we had was.

A couple with \$1,000,000 horse farm that had a no cost plan.

Because their income was low enough in order for them to be eligible for a cost share reduction.

0 premium plan.

So the thing that we we kind of kicked around and I don't see it in the letter was that if this additional money were to be made available, it it should really be directed to individuals.

Who are in need for it based on income?

An asset as opposed to a pretty well to do individual who's able to claim little or no income in getting additional subsidy money.

Douglas Gray 39:05

Yeah. And I think it would be appropriate to add a paragraph that says appropriate guardrail should be considered.

If we move forward with the proposal.

Rossiter, Lou 39:22

Well, Lee, would you, would you like to see an asset test?

Raised as an asset test.

Lee Biedrycki 39:30

On our enrollment side right, dealing with the customer, we're supposed to ask them what their modified adjusted gross income is. And as I shared in the subcommittee, you know the 1st wave of enrollment we got in 2014.

Were self-employed individuals that had the ability to determine what their income was going to be right and it?

Rossiter, Lou 39:56

Mm-hmm. Mm-hmm.

Lee Biedrycki 40:00

Is also becoming pretty pervasive that.

Consumers have figured out that if they underestimate their income, they may have to repay the subsidy.

Rossiter, Lou 40:13

Mm-hmm.

Lee Biedrycki 40:14

But there's no provision for them to have to repay the cost share reduction.

Or services received.

Rossiter, Lou 40:21

Mm-hmm.

Lee Biedrycki 40:23

So the the federal component is what it is and we have to live by that.

But if the Commonwealth is going to throw additional resources in order to help ensure that vulnerable populations are able to have as affordable health care as possible, it seems to me there should be some provision to protect those funds.

So that we're making sure they're being used for those who truly need them as opposed to individuals who have a high net worth but a low taxable income.

Rossiter, Lou 41:01

Tip do you want to say something?

Kip Piper 41:03

I was just wondering about what a couple of things, whether the subcommittee is, it was talking about this.

A couple of other issues.

I mean the the the assets and that's always you know that's always tricky.

There's pros and cons and there's difficulties of, you know, identifying those and so forth.

The other aspect is the criticisms that have been raised, and this is really not.

I don't think this comes up in in the Commonwealth as much as it does in some other states, Florida in particular.

Where you have a, there's always people that sign up for insurance that don't have that aren't utilizers, right?

That's always natural, right?

Because after all, it's insurance, right?

So nobody ever signs up insurance and you know, wanting desperately to use it.

But on the other hand, there are anomalies that have been identified and abuses and gaming and so forth.

Of different patterns and I was wondering whether that's been discussed as well as also what this any kind of change like we're talking about here, if it were to be adopted for the Commonwealth, how does it fit?

Or the implications of what, if anything, that Congress ultimately can agree on and how that plays out?

So it's really 2 two points I guess.

Rossiter, Lou 42:31

Good point.

Yeah, good point.

Well, to to Lee's issue.

Guardrails doesn't seem quite like the right terminology. Does someone have a have a sentence we can add that that would convey the notion that?

And I said, I think I think the wording maybe.

Is.

Appropriate asset tests should.

Be in place.

Lee Biedrycki 43:10

Yeah, I would agree with that, that there should be an appropriate asset test in place in order to make sure that these funds were going to the individuals who truly need them.

Because again, we don't have the ability to modify anything on the federal language.

Rossiter, Lou 43:24

Right.

Lee Biedrycki 43:24

But when we're talking about a supplemental state, payment seems to me it would be prudent to make sure that we're preserving these resources for the population that needs them.

Rossiter, Lou 43:38

And also Lee, I think that that adding that sentence would might help with General Assembly consideration.

Lee Biedrycki 43:47

Agreed.

Sheenu J. Kachru 43:47

And I I I wonder if we shouldn't just call it as total net worth with example assets, because I think that that's what we're trying to get to, right?

Rossiter, Lou 43:57

Yeah, yeah, that's a good point.

Douglas Gray 44:00

Yeah, that, that, the devil's in the details when you come to trying to create one of these because it has to be something relatively simple to administer. If it's not, it's not going to be a doable concept, but.

Rossiter, Lou 44:05

Right.

Sheenu J. Kachru 44:11

Yeah, and. And that's why I just said, that's where I think it's like we're saying, we're trying to really look to the network networks for the specific lined item really assets.

Rossiter, Lou 44:26

OK.

So a sentence is should be added that says a total net worth.

And an asset test.

Should be included.

For making subsidies.

To individuals.

With state funds about that.

Douglas Gray 44:56

That works.

Rossiter, Lou 44:57

OK.

So is the committee agree we can add that?

Sheenu J. Kachru 45:04

Yes.

Rossiter, Lou 45:05

Good works for Doug runner. OK, great.

Connors, Craig 45:06

Yes.

Douglas Gray 45:06

Yet yes.

Lee Biedrycki 45:08

Yes.

Douglas Gray 45:09

Yep.

Rossiter, Lou 45:10

All right then.

Is there further discussion on the proposal?

Douglas Gray 45:15

I think the other question was about what happens if they they come along with a, you know, a late effort to continue the existing subsidies. And I I think we can be pretty sure that they wouldn't go forward with this proposal if that were the case.

Rossiter, Lou 45:32

Right, right.

Exactly. OK.

Then the proposals in front of you with the amendment, is there any further discussion?

Then all in favor.

I guess.

Say I.

Connors, Craig 45:56

I.

Sheenu J. Kachru 45:56

Aye.

Rossiter, Lou 45:59

Any opposed, say nay.

The motion carries and we thank the Subcommittee very much for their good work with either 2 great ideas.

That that can be taken up in in January.

And to to the benefit of the people we serve.

So now.

Let's turn to an update and we'll turn it over to Kevin.