

VIRGINIA STATE CORPORATION COMMISSION

**HEALTH BENEFIT EXCHANGE ADVISORY COMMITTEE
2026 QUARTER 1 MEETING**

Microsoft Teams

Meeting ID: 238 747 574 291 87

Passcode: hH2QF9jL

March 19, 2026, 2:00pm

Members Present

- **Lee Biedrycki**
- **Doug Gray**
- **Lou Rossiter**
- **Kip Piper**
- **Sheenu Kachru**
- **Julie Bataille**
- **David Cummins**

HBE Staff Present

- Holly Mortlock
- Christie Peters
- Carly Rhyne
- Alicia Pullen
- Victoria Drescher
- Amber Sherr
- Janna Hatcher

Members Absent

- Duke Storen
- Marvin Figueroa
- Steven Ford
- Scott White
- Cameron Wit
- Scott Castro
- Craig Connors
- Elizabeth Cunningham

Others Present

- **Julie Blauvelt**
- **Sarah Hatton**
- **Ryan Kelly**

I. Call to Order- Chairman Lou Rossiter

II. Roll Call

III. Director's Update- Holly Mortlock, HBE Deputy Director of External Affairs and Policy

- **Total Enrollment (Plan Year 26):** Approximately 371,000 enrolled, down from 389,000 the previous year (~5% decline).
- **Disenrollments:** Roughly 71,000 consumers have left since November 1. Additional decreases expected following the end of the 90-grace period.
- **Demographics:** Younger enrollees are declining at a faster rate, raising concerns about the long-term risk pool stability.
- **Plan Shifts:**
 - Bronze plans now comprise 41% of enrollment (up from 31% previously).
 - Catastrophic plan enrollment doubled, though still a small portion of total enrollment.
- **Affordability:**
 - Plans costing under \$10/month decreased from 30% to 11%, leaving many consumers paying significant portions of income toward premiums.
 - Financial assistance decreased from 87% to 78% over the past three years, highlighting affordability pressures on the population.

Policy & Legislative Updates

- **State Legislative Topics:**
 - Reinsurance continuation and potential new subsidies
 - Response to Advisory Committee state-funded subsidy recommendation (see transcript excerpt below)
 - Easy enrollment initiatives
 - Prescription drug cost containment
- **Proposed State Subsidies:**
 - House proposal: Targeting 138–200% FPL population (~117,000 consumers)
 - Senate proposal: Replace enhanced federal tax credits for all consumers receiving ePTCs (~240,000 consumers)
- **Federal Rule Changes:**
 - New citizenship and income verification requirements
 - Increased administrative burden for eligibility determinations

IV. Strategic Priorities

- Key question: What actionable steps can the committee recommend?
 - Targeted subsidies for those who can realistically afford coverage.
 - Support to ensure continued enrollment for those in subsidized plans.

- Focus on maintaining the health and balance of the risk pool.
- Recognition that resources should not be spent encouraging enrollment of individuals who cannot afford coverage.

V. Affordability & Market Challenges

- High-deductible plans are often unaffordable for many consumers.
- Minimal premium savings from HSA-qualified plans versus non-HSA plans, coupled with large upfront deductibles, makes them less attractive.
- Cost of care remains the primary barrier, which is largely outside the committee's direct control.

VI. Risk Pool & Market Dynamic

- Healthier enrollees leaving the exchange weakens the risk pool.
- Small, self-insured employers are able to “harvest” healthier employees, reducing overall pool stability.
- Adverse selection presents challenges for insurers and hospitals.

VII. Navigator Program & ROI

- Assessment needed of the effectiveness of navigator support:
 - Enrollment versus retention impact
 - Potential for increased funding or enhanced operational support
- Example provided: ~\$2M investment in navigators yielded ~6,000 enrollments.

VIII. Targeted Outreach & Provider Engagement

- Proposal for a “**Commonwealth Wellness Program**”:
 - Promote preventive care and wellness exams covered at 100%
 - Use tools offered by carriers to engage consumers in understanding how lifestyle affects health outcomes
 - Goal: Improve long-term health and reduce claims, while supporting enrollment retention

IX. Hospital & Provider Engagement

- Potential for hospitals and health systems to subsidize coverage for low- to moderate-income populations (138–200% FPL).
- Example – Bon Secours (2014–2017)
- Challenges:
 - Limited by alignment and space.

X. HSA & High-Deductible Plan Support

- Consumers often lack knowledge or financial capacity to maximize HSA benefits.
- Education and outreach may improve utilization and reduce gaps in coverage.
- Many high-deductible plans may not provide enough premium savings to justify higher financial risk for lower-income families.

XI. Administrative Burden & H.R. 1

- Federal rule changes will increase verification and compliance requirements
- Recommended tracking:
 - Administrative costs
 - Budget impacts
 - Staffing/resource requirements
- Collaboration with Social Services may reduce duplication of eligibility processes and improve efficiency.

XII. Data & Future Requests

- Committee recommended:
 - Breakdown of new vs returning enrollees
 - Urban vs rural enrollment changes
 - ROI analysis for navigators and other outreach programs
 - Administrative cost tracking for HR1 implementation
- Subcommittee recommended to further explore and provide detailed guidance on subsidy programs, enrollment support, and wellness initiatives.

XIII. Action Items / Recommendations

1. Conduct ROI analysis of navigator program support.
2. Evaluate state-funded subsidies for 138–200% FPL.
3. Develop strategies to retain enrolled individuals, including wellness outreach.
4. Explore HSA and high-deductible plan education/support programs.
5. Track administrative impacts of HR1 and collaborate with Social Services for efficiency.
6. Consider establishing a subcommittee for detailed review and guidance on actionable recommendations.

XIV. Public Comment

- No public comments were received.

XV. Adjournment

- Motion to adjourn: **Approved**
- Meeting adjourned at approximately 3:28 PM

Advisory Committee Recommendation Discussion -- *Transcript Excerpt*

Holly Mortlock 4:05

I wanted to talk with you all about the committee recommendation on marketplace premium costs. There was a subcommittee that met and provided some recommendations to the exchange about how to help stabilize premiums for our enrollees. And the first approach was recommended was a state funded premium subsidy.

We did see that type of proposal reflected in the budget amendments that came through the General Assembly this year. Consistent with the State Corporation Commission posture as an independent body, we are not able to take a position on those amendments, but we were able to bring technical assistance to the committees and their staff to help them understand how this would be implemented and what each of these proposals would look like if they if they passed as they were and implemented for our enrollees.

The proposed budget amendments that we saw regarding subsidy did not include any language beyond household income as a percent of federal poverty level for eligibility criteria. So again, while we don't take a position on any piece of legislation or budget item implementing an asset test would have been very fundamentally different from what we do as an exchange and would involve some complex data that we don't have access to at HBE. An asset test would be quite technologically complex, so we absolutely appreciate the committee's thoughtfulness, but just wanted to let you know that particular provision was not seen in the General Assembly bills or budget amendments.

We do remain engaged with them on any subsidy discussion that would be helpful to them; providing them with additional technical assistance as they work towards their special session.