

Report to the Massachusetts Legislature: **Activities and Accomplishments of the Massachusetts Marketplace**

Fiscal Year 2018



Massachusetts Health Connector
April 2019



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Preface

Massachusetts has a long history of health care reform efforts aimed at expanding health insurance coverage to its residents. The Massachusetts Health Connector is proud to be a key part of the legacy created when the Commonwealth's landmark health reform law, Chapter 58 of the Acts of 2006, was passed and included a state-based Exchange: a place where individuals, families, and small businesses can find, compare, and get help to afford health coverage.

This report focuses on Fiscal Year (FY) 2018, during which the Health Connector continued to offer new and renewing members with access to quality health care coverage within a vibrant, competitive, and stable market despite a challenging federal policy landscape. The Health Connector's commitment to continually improving the member experience was underscored by the advancement of its technological capabilities, used to provide a seamless enrollment process. In FY18, the Health Connector continued to effectively provide affordable coverage – including having the lowest average member premium of any exchange in the country – ensuring that the state's health insurance landscape is more competitive, efficient, and easier for consumers to navigate.

The sustained success of health reform in Massachusetts would not be possible without the support and assistance of the Legislature and many state agencies. The Health Connector would like to thank the Office of the Governor, the General Court, the Executive Office of Health and Human Services, MassHealth, the Executive Office for Administration and Finance, the Division of Insurance, the Group Insurance Commission, the Department of Revenue, the Executive Office of Technology Services and Security, the Center for Health Information and Analysis, the Department of Public Health, the Division of Unemployment Assistance, the Massachusetts Board of Higher Education, the Health Policy Commission, the Office of the Attorney General, and the Massachusetts Office of Business Development for their ongoing commitment to Massachusetts health reform.

The Health Connector is governed by a Board of Directors consisting of 11 members. The staff of the Health Connector wishes to extend its deepest gratitude to all past and current Directors for their commitment to health reform. Directors who served in FY18 are:

- Secretary of the Executive Office of Health and Human Services Marylou Sudders, Chair of the Board;
- Secretary of the Executive Office for Administration and Finance Michael Heffernan, succeeding Secretary of the Executive Office for Administration and Finance Kristen Lepore in August 2017;
- Michael Chernew, Ph.D., Leonard D. Schaeffer Professor of Health Care Policy at Harvard Medical School;
- Mark S. Gaunya, GBA, LIA, Co-owner and Chief Information Officer, Borislow Insurance;
- Roberta Herman, M.D., Executive Director of the Group Insurance Commission;
- Gary Anderson, Commissioner of the Division of Insurance
- Louis F. Malzone, Executive Director of the Massachusetts Coalition of Taft-Hartley Funds;
- Dimitry Petion, President and CEO of Mulberry Systems, Inc.;
- Nancy Turnbull, Senior Lecturer on Health Policy and Associate Dean at Harvard School of Public Health;
- Rina Vertes, President of Marjos Business Consulting; and

- FayeRuth Fisher, Political Director of 1199 SEIU MA, succeeding Celia Wcislo, Assistant Division Director of 1199 SEIU United Health Care Workers East in June 2018.

1.0: Introduction

1.1: History of the Health Connector

In Massachusetts, Chapter 58 of the Acts of 2006, our state’s health reform law, and the Health Connector were built on the understanding that access to affordable and comprehensive coverage is a fundamental need of all Commonwealth residents. For over a decade, the Health Connector has maintained an essential role in the Massachusetts merged non-group and small-group market, including through the state’s transition to the federal Patient Protection and Affordable Care Act (ACA), which became law in 2010 and with implementation in 2014.

Through that transition, including adjusting state policies and regulations to conform to the ACA and the new availability of federal premium tax credits and cost-sharing reductions to subsidize individuals purchasing coverage from health insurance Exchanges like the Health Connector, Massachusetts continued its commitment to keeping insurance affordable for low-income individuals and created the ConnectorCare program to supplement federal subsidies. ConnectorCare provides additional support to members to reduce both premiums and out-of-pocket costs, like co-pays. The program serves Health Connector members with income under 300 percent of the Federal Poverty Level (FPL), which is around \$36,000 a year for an individual, or \$74,000 for a family of four. ConnectorCare has been critical to preserving coverage gains made in Massachusetts prior to the ACA and driving competition that helps keep premiums stable and low in the merged market.

In the next chapter of the Health Connector’s history, the Exchange will continue to improve value and the member experience for non-group enrollees while creating opportunities to meet the needs of the small-group market in Massachusetts. Though the external policy landscape of the Exchange has changed since its inception, the mission and results remain consistent, as hundreds of thousands of people rely on the Health Connector for affordable health insurance. Key milestones in Massachusetts’ commercial market are highlighted in Figure 1.

Figure 1: Milestones in Massachusetts Market Reform

1992 – 1996
Massachusetts introduced consumer protections to the non-group and small-group market, including guaranteed issue and a state version of adjusted community rating rules.
2006 – 2008
Massachusetts enacted Chapter 58 of the Laws of 2006 (Chapter 58), comprehensive reforms that aimed to achieve near-universal health coverage. Key components of Chapter 58 included: <ul style="list-style-type: none"> • The creation of the Health Connector, an independent agency that serves as an "exchange" marketplace to assist individuals and small employers in accessing health insurance, as well as subsidies to promote affordable coverage for residents with incomes up to 300 percent FPL through the Commonwealth Care program. • State shared responsibility requirements for individuals and employers. • The merger of the non-group and small group markets into a single risk pool.

2010 – 2014

Massachusetts prepared to implement the ACA, opting to retain its state-based marketplace and merged market structure. Additionally, the Commonwealth enacted comprehensive cost-containment legislation.

2014 – 2018

Massachusetts retained its state-based marketplace, the Health Connector, and transitioned Commonwealth Care enrollees to ConnectorCare, a new program within the Exchange for residents with income up to 300 percent FPL that includes federal Advance Premium Tax Credits (APTCs) and Cost Sharing Reductions (CSRs) and maintains a “state wrap” to meet a state affordability schedule that sets lower enrollee contributions than the federal affordability schedule. Residents between 300-400 percent FPL are also eligible for premium tax credits.

As of July 2018, the Health Connector had over 254,000 enrollees, including nearly 193,000 ConnectorCare enrollees under 300 percent FPL and approximately 15,000 APTC-only enrollees with incomes between 300-400 percent FPL.

1.2: FY18 Priorities

In FY18, the Health Connector prioritized preserving the state’s coverage gains to the greatest extent possible, maintaining market stability, and preventing undue disruption for members and carriers as states like Massachusetts faced uncertainty around the continuance of federal funding of Cost Sharing Reductions (CSRs) for 2018. Because carriers are obligated to provide CSR-enriched coverage for eligible ConnectorCare members, the federal government’s threatened withdrawal of CSR during 2017 funding meant carriers and the Commonwealth needed to work together to identify a solution to sustain funding of those plans.¹ The aggregate value of CSRs for the following benefit year was estimated approximately \$146M.² To prepare for the risk that CSR payments could be discontinued, the Health Connector partnered with the Massachusetts Division of Insurance (DOI) to develop two sets of rates in summer 2017:

- One set of premium rates assumed an ordinary course of business, accounting for standard premium changes year-over-year.
- An alternative set of rates accounted for the possibility of federal CSR withdrawal by allowing significant cost increases exclusively for on-Exchange non-group Silver tier Qualified Health Plans (QHPs) from ConnectorCare-participating carriers. These rates would increase federal premium subsidies in lieu of cost sharing subsidies being available.

Less than two weeks before the start of Open Enrollment for 2018 coverage, the federal government announced the immediate termination of CSR payments, resulting in the Health Connector and DOI opting to allow the use of the “CSR withdrawal loaded” rates for 2018 plans in order to preserve the stability of ConnectorCare and the market more generally.³ The Health Connector’s response to this change in federal policy allowed carriers participating in ConnectorCare to replace missing federal CSR revenue and continue to provide affordable coverage to low and middle income individuals. The strategy ensured all ConnectorCare and most Silver tier members who only receive Advance Premium Tax Credits (APTCs) would be held harmless in the increase in Silver plan rates because of the consequent increase in APTCs. The vast majority of other states took similar action in response to the federal Administration’s sudden withdrawal of a critical source of federal funding from Marketplace enrollees.

Unsubsidized Silver tier enrollees, however, experienced the full impact of these premium increases, both in Massachusetts and around the nation. Unsubsidized members from the five impacted carriers ended up facing premium increases in plan year 2018 that not only accounted for regular market trends but also an additional percentage from the “Silver load.” As a mitigation strategy to prevent harm resulting from federal actions, the Health Connector worked to ensure this population was aware of all of the options available to them to get into a new plan without a “federal CSR withdrawal load,” including:

- Enrolling directly with their carrier “off-exchange” in a nearly identical Silver tier product without the CSR-related rate increase;
- Shifting to a different metallic tier plan from that carrier through the Health Connector; or
- Shopping for an entirely new plan from a different carrier through the Health Connector.

The Health Connector continues to prefer a permanent solution to the ongoing absence of federal CSRs, and is closely monitoring Congressional and judicial developments that may ultimately restore the missing federal CSR funds and restore an undistorted unsubsidized market.

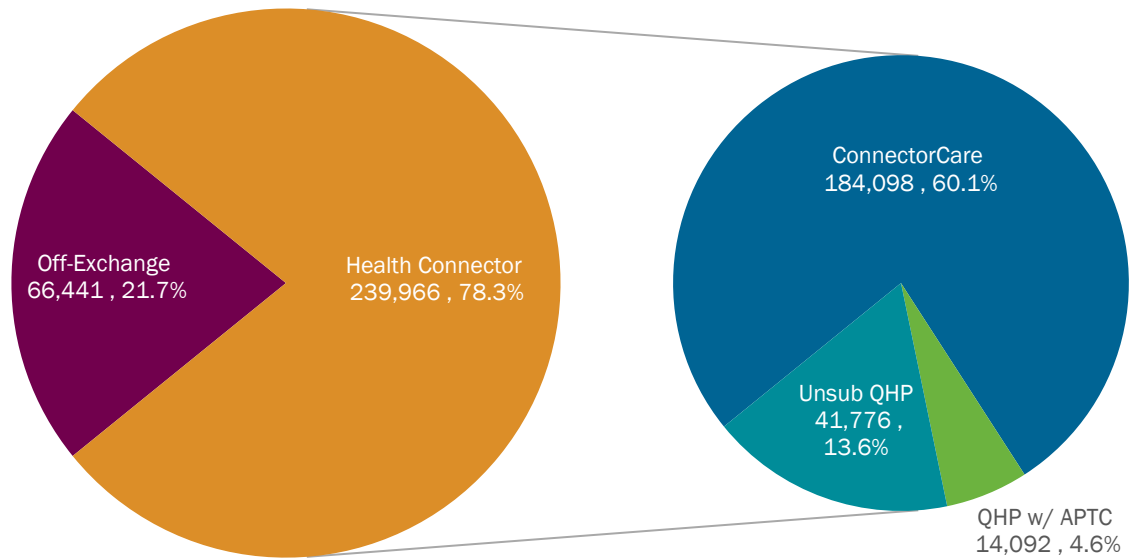
2.0: Non-group Membership

At the end of FY18, the Health Connector provided coverage to over 254,000 individuals. These Massachusetts residents received high-quality coverage through Qualified Health Plans (QHPs) certified by the Health Connector. Plans are organized into four metallic tiers that represent the richness of the benefits provided: Platinum, Gold, Silver, and Bronze. Platinum plans provide low out-of-pocket costs for services, but have higher premiums, while Bronze plans have higher out-of-pocket costs for services, but lower monthly premiums. Additionally, the Health Connector offers “Catastrophic” plans with higher cost-sharing for individuals under age 30 or who have a financial hardship that makes purchasing more robust coverage unaffordable.

Individuals (non-group members only) under 400 percent of the Federal Poverty Level (FPL) may qualify for federal tax credits to reduce their premiums, and individuals under 250 percent may qualify for cost-sharing reductions (CSRs) to reduce their out-of-pocket costs. The ACA allows for the premium tax credits to be taken during the tax year or claimed when filing after the tax year closes. When used during the tax year, they are known as advance premium tax credits (APTCs). In addition to federal subsidies, Massachusetts provides enrollees with incomes under 300 percent FPL with supplemental state subsidies via the ConnectorCare program.

The Health Connector covers 80 percent of the state’s non-group market, with 20 percent of Massachusetts’s individual purchasers obtaining coverage outside of the Exchange by purchasing coverage from a carrier directly (see Figure 2). While the availability of subsidies draw many consumers to the Health Connector, 46,980 members were enrolled in the Exchange without subsidies, representing 14 percent of the non-group on-exchange enrollment and 43 percent of unsubsidized members in the overall unsubsidized market segment overall.

Figure 2: Massachusetts Non-Group Membership On and Off Exchange as of March 2018



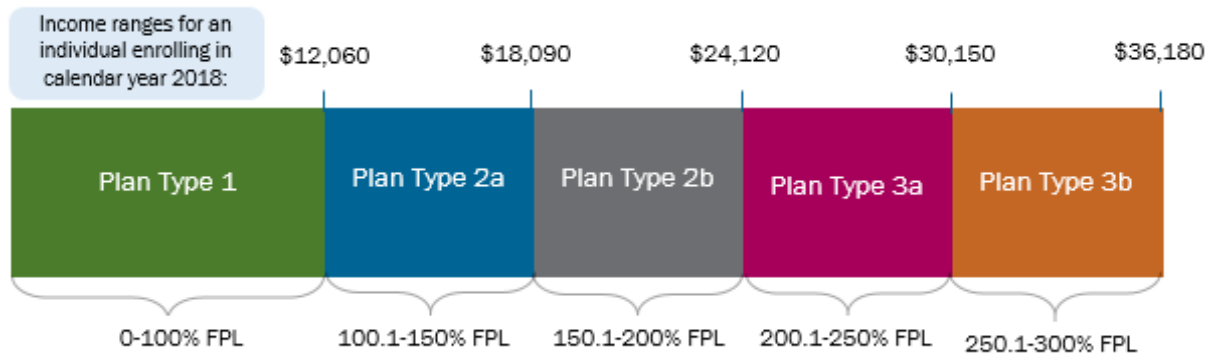
Source: CHIA Enrollment Trends August 2018 Databook. Data from March 2018.

<http://www.chiamass.gov/enrollment-in-health-insurance/>.

2.1: ConnectorCare Membership

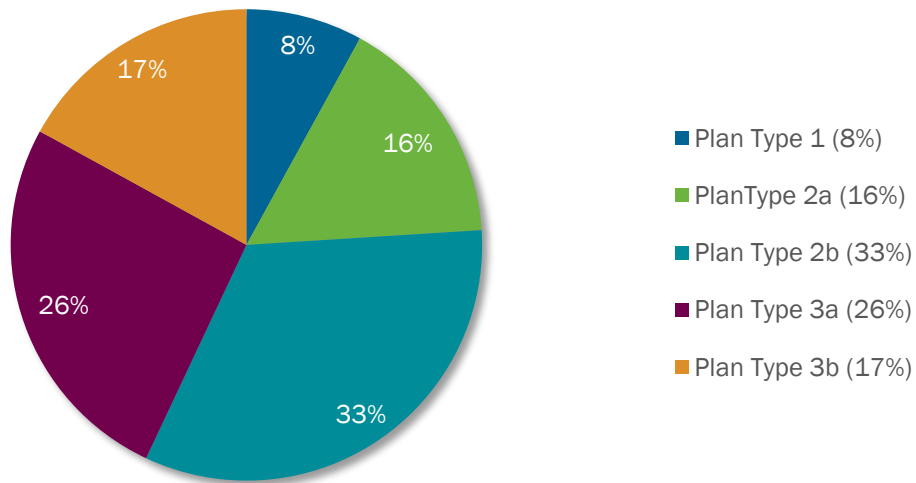
The ConnectorCare program provides comprehensive, affordable health insurance to Massachusetts residents with incomes below 300 percent FPL. Because federal premium tax credits and cost-sharing subsidies are supplemented with state funds in this program, ConnectorCare coverage is more generous than the federal standard. There are five ConnectorCare Plan Types that depend on an individual's income (see Figure 3). Enrollees make small premium payments on a sliding scale, in monthly minimum amounts ranging from \$0 to \$126 monthly, but receive the same benefits regardless of premium and plan type. Enrollees who do not choose the lowest cost carrier may pay more than the minimum premium. ConnectorCare plans have low co-pays for covered services and never include coinsurance or deductibles. In FY19, ConnectorCare enrollees were able to select plans from five different carriers.

Figure 3: ConnectorCare Plan Types by Income



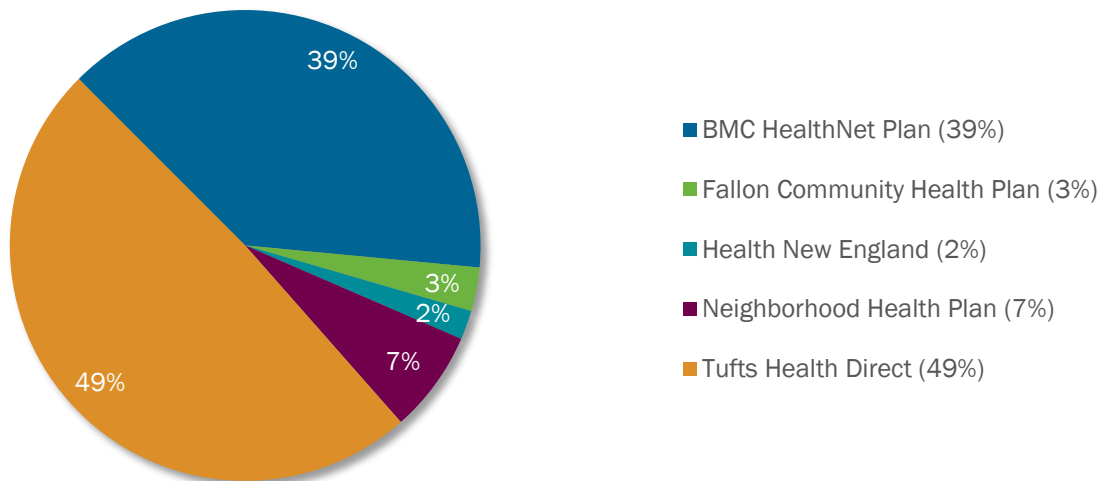
The ConnectorCare program had 192,512 active members as of July 2, 2018, with the highest volume of members enrolled in Plan Type 2b (33 percent). These enrollees had income between 150.1 and 200 percent FPL or \$18,090 to \$24,120 for an individual. Depending on their region and carrier selection, individuals in this income bracket had access to monthly premiums that ranged from \$44 (all individuals in the Plan Type are guaranteed at least one plan at this enrollee contribution level) to \$287 in 2018.

Figure 4: ConnectorCare Enrollment by Plan Type



Nearly 88 percent of ConnectorCare enrollees chose Tufts Health Direct or Boston Medical Center (BMC) HealthNet Plan. Tufts Health Direct was the lowest-cost ConnectorCare plan option available in 2018 in six of the 14 ConnectorCare regions across the state while BMC HealthNet Plan was the lowest-cost ConnectorCare plan option available in five ConnectorCare regions, including the greater Boston area.

Figure 5: ConnectorCare Enrollment by Carrier



2.2: Non-group Membership Outside ConnectorCare

At the end of FY18, 61,593 individuals were enrolled in Qualified Health Plans with either no subsidies or only federal APTCs (i.e., households with income between 300 and 400 percent FPL). Approximately 45 percent of non-group, non-ConnectorCare members enrolled in plans on the Silver tier. Tufts Health Direct was the most popular carrier among these non-ConnectorCare members, with 43 percent of non-ConnectorCare enrollment, followed by Boston Medical Center HealthNet Plan and Neighborhood Health Plan, with 19 percent and 13 percent enrollment, respectively.

Figure 6: Non-ConnectorCare Enrollment by Metallic Tier

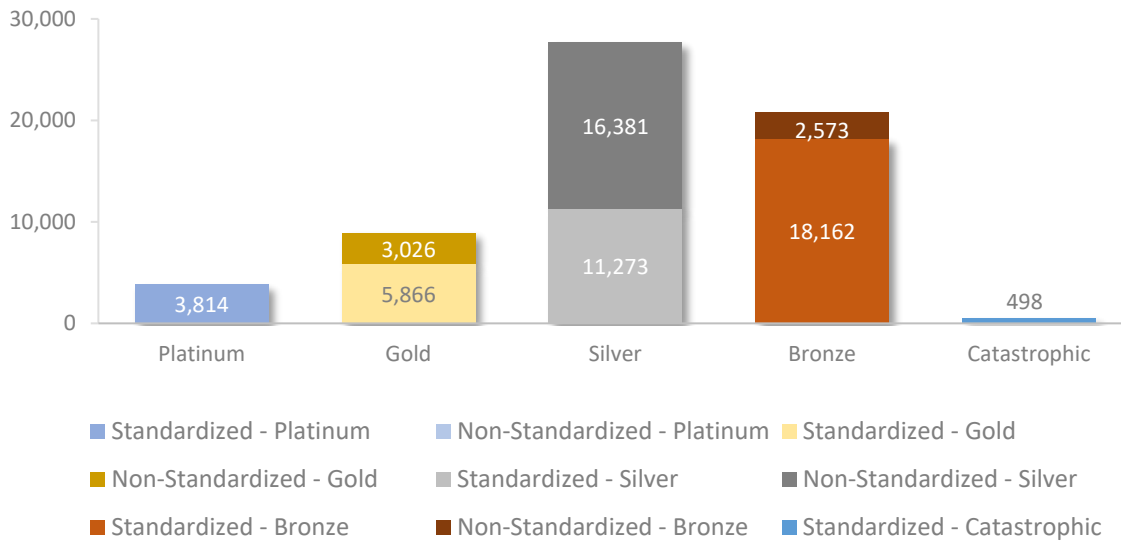
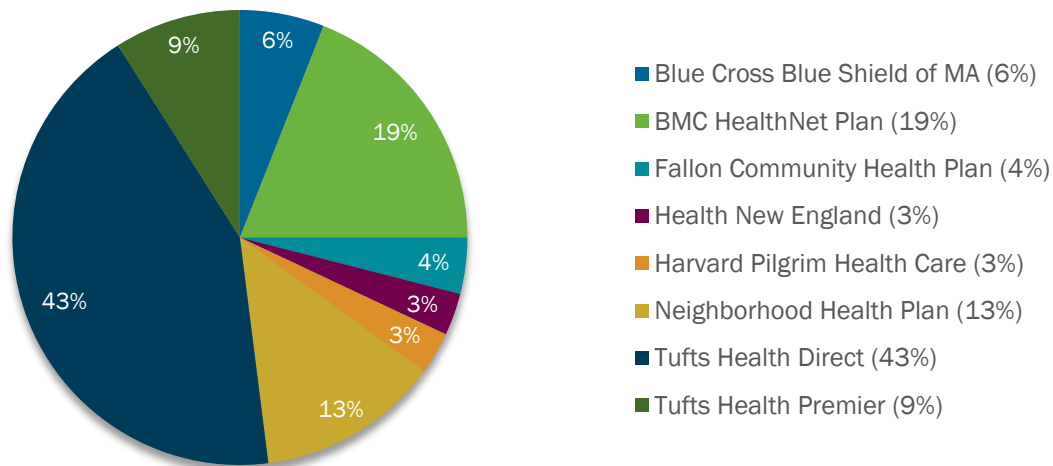


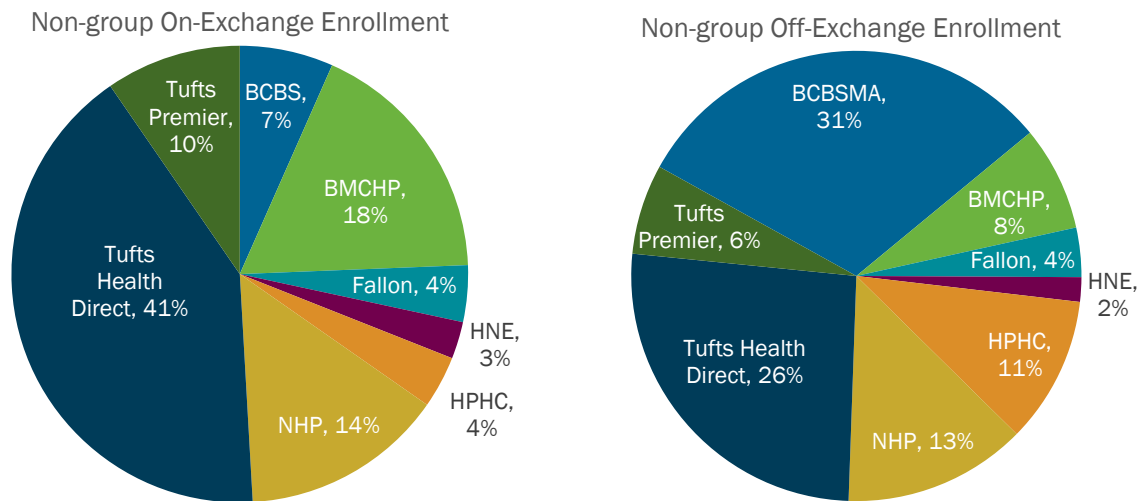
Figure 7: Non-ConnectorCare Enrollment by Carrier



The health insurance carriers selected by the Health Connector’s non-group, non-ConnectorCare enrollees (on-exchange) differ substantially from those chosen by non-group shoppers outside the

Health Connector (off-exchange). Although non-group, non-ConnectorCare enrollees are divided nearly equally between Health Connector and off-exchange plans, an updated comparison of membership by carrier (see Figure 8) shows notable differences in enrollment patterns. These differences indicate that consumers are more likely to “shop around” and engage in the comparison shopping experience offered by the Health Connector.

Figure 8: 2018 Non-ConnectorCare Non-Group Enrollment On- and Off-Exchange by Carrier



Source: CHIA Enrollment Trends August 2018 Databook. Data from March 2018. <http://www.chiamass.gov/enrollment-in-health-insurance/>. Enrollment totals for On-Exchange Non-Group enrollment do not include ConnectorCare enrollment. Excludes carriers with negligible enrollment.

3.0: Small Group Membership

During FY17, the Health Connector procured a new small group market Exchange solution, entering a cooperative agreement with the District of Columbia Health Benefit Exchange (DCHBX). By utilizing DCHBX’s service model and platform, the Health Connector transitioned to a new small-business shopping platform for employers with 50 or fewer employees, known as “Health Connector for Business,” which offers the Health Connector opportunities for:

- Savings on technology and operational costs;
- Compliance with federal requirements to allow employees to choose from all plans across all carriers from one metal level; and
- Growth opportunities to better serve a range of small employers through brokers.

Health Connector for Business was designed to:




- Keep premiums low for small businesses and their employees by offering the Health Connector’s competitive Exchange model to small employers, giving small businesses greater purchasing power;
- Connect small employers to the full Massachusetts carrier market, with no fees, even for the smallest employers;
- Engage the broker community through on-going in-person and online training sessions;

- Promote smart, active shopping through decisions support tools and new “employee choice” models; and
- Help price sensitive small employers who do not currently offer group coverage discover affordable health insurance products they may not otherwise find - lowering costs without compromising Massachusetts strong coverage standards.

Health Connector for Business “Choice Models”




In FY18, Health Connector for Business introduced novel “choice models” to the Massachusetts small group market. There are three types of choice models available to small businesses:

Figure 9: Health Connector for Business “One Plan” Model

One Plan	 CARRIER	 CARRIER	 CARRIER
PLATINUM			
GOLD			One plan for all employees
SILVER			
BRONZE			

The “One Plan” model is a traditional offering where an employer selects one health plan and their employee is enrolled in the selected health plan.

Figure 10: Health Connector for Business “One Carrier” Model

One Carrier	 CARRIER	 CARRIER	 CARRIER
PLATINUM		Employees choose a plan at any level from same carrier	
GOLD			
SILVER			

The “One Carrier” model is an employee choice offering where an employer selects a reference plan from one carrier and their employee may choose any plan within the selected carrier across the platinum, gold, and silver metallic tiers.

Figure 11: Health Connector for Business “One Level” Model

One Level	 CARRIER	 CARRIER	 CARRIER
	GOLD	Employees choose a plan at the same level from any carrier	
SILVER			

The “One Level” model is an employee choice offering where an employer selects a reference plan from either the gold or silver metallic tiers. Their employee may choose any plan within the selected tier. The “One Level” model is novel to Massachusetts market. This model, which is unavailable anywhere else in the Massachusetts small group market, helps employers and employees manage costs while facilitating choices for a market segment that never had choice before.

In 2019, responding to employer demand, the Health Connector for Business introduced Health Savings Account (HSA) Compatible plans, out-of-state coverage PPO plans for the “One Carrier” model and new carriers to the platform. Dental plans, which were distributed through a separate platform in years past, will be transitioned to the platform.

3.1: Small Group Enrollment

By the end of FY18, the Health Connector had 5,654 small-group members among 1,257 groups. As with non-group enrollees, Silver tier plans are the most popular within small group members. Tufts Health Direct, Neighborhood Health Plan, and Harvard Pilgrim Health Plan share the majority of enrollees.

Figure 12: Small Group Enrollment by Metallic Tier

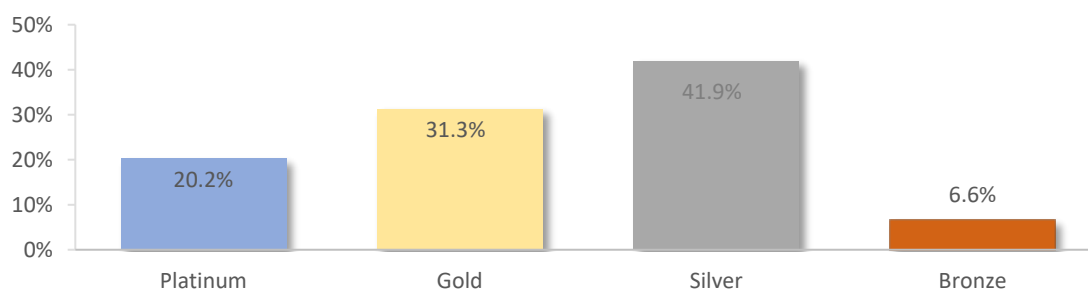
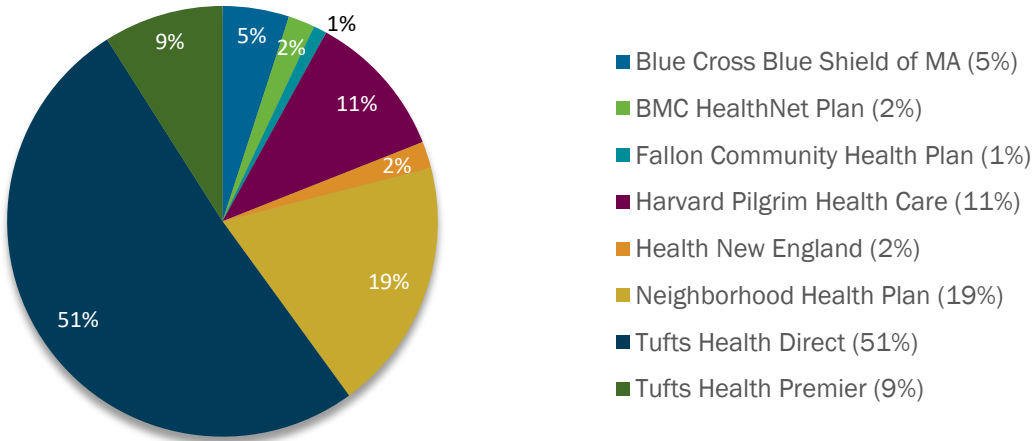


Figure 13: Small Group Enrollment by Carrier

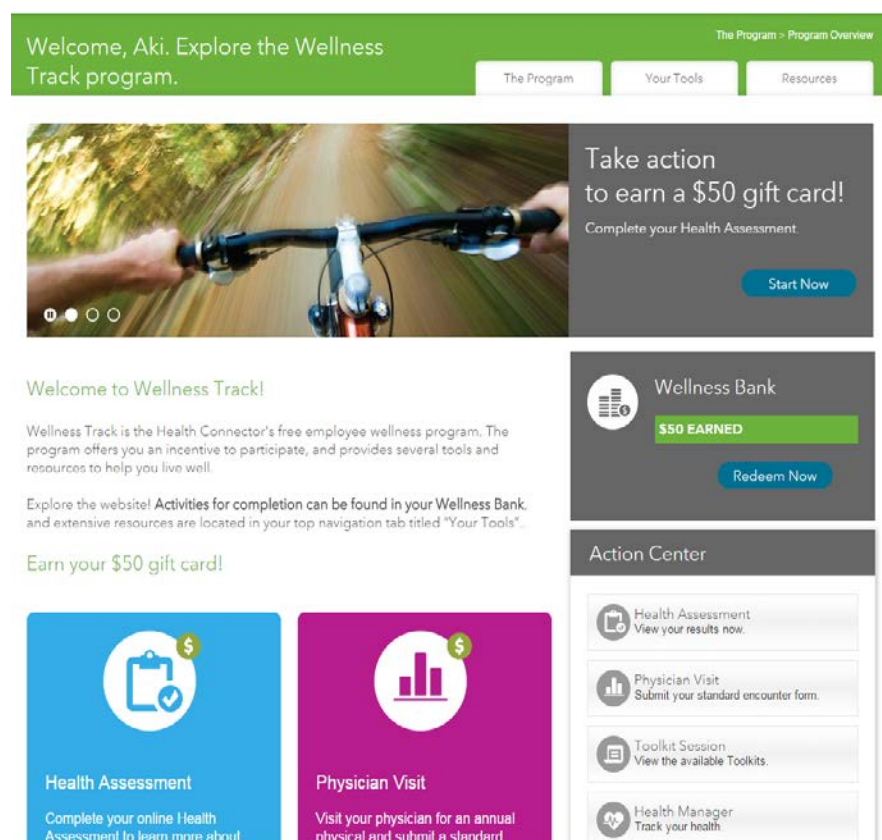


3.2: Wellness Track

Massachusetts small businesses shopping through the Health Connector have access to Wellness Track, a web-based worksite wellness and employer rebate program. Wellness Track provides small businesses with technical assistance to implement evidence-based employee health and wellness programs. Via the Health Connector website, participating employers and their employees have access to a web interface that offers customized wellness programs and a library of health information. While all small businesses enrolled in a plan through the Health Connector may participate in Wellness Track, certain employers may also be eligible to receive a rebate of 15 percent of the employer’s share of eligible employee health care costs.

In 2018, Wellness Track enrolled 402 companies, representing a 40 percent increase in membership when compared to enrollment in 2014. Additionally, the Wellness Track program completion rate doubled between 2014 and 2018, with 12 percent of employer groups completing the program in 2018. The Wellness Track also includes a web portal experience featuring an App Manager that is fully integrated with over 130 wearable fitness devices to help members manage their health.

Figure 14: Wellness Track Portal

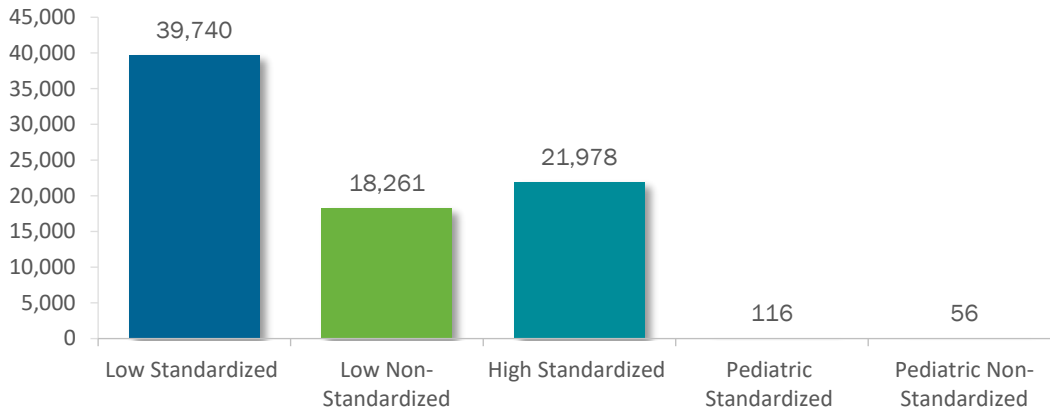


To qualify for a rebate, employers must promote a healthy work environment by implementing their choice of three wellness toolkits: nutrition, physical activity, or stress management. Each toolkit includes wellness activities (e.g., walking programs, healthy eating plans, and time management worksheets), resource lists and flyers for distribution to employees. Employees can qualify for rewards upon completion of a routine preventive care visit or a confidential online health risk assessment and fulfillment of activities outlined in their company’s chosen toolkit. The stress management toolkit includes smoking cessation resources.

4.0: Dental Membership

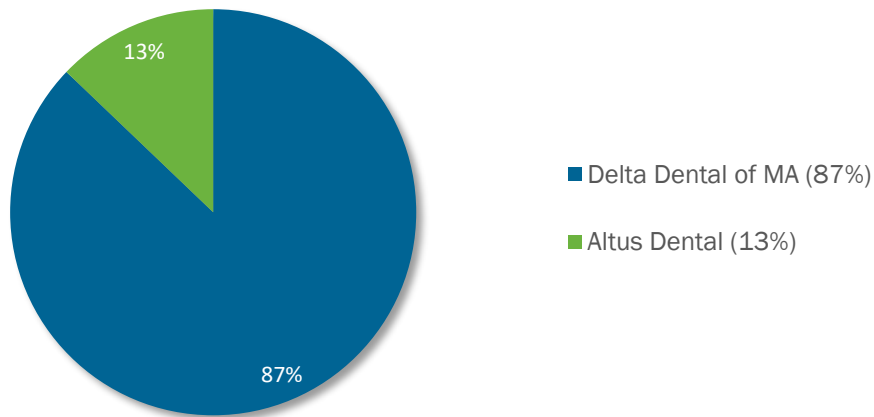
The Health Connector first began to offer dental coverage to individuals and small groups in January 2014. Between FY17 and FY18, enrollment in dental coverage increased by 11 percent with 80,151 individuals enrolled at the end of FY18. Most members chose to enroll in Delta Dental.

Figure 15: Non-group Dental Enrollment by Benefit Type



Delta Dental has the majority of small-group membership, as well, though small groups have four carriers to choose from, where individuals have two.

Figure 16: Non-group Dental Enrollment by Carrier



5.0: Administration and Operations

Chapter 58 created the Commonwealth Care Trust Fund (CCTF) to provide support for subsidized coverage through the Health Connector. Funding streams dedicated to the CCTF are state individual mandate penalties, dedicated tax revenue available through a surcharge on the state cigarette tax, and receipts from the employer medical assistance contribution.⁴ Additionally, Federal Financial Participation (FFP) available via MassHealth’s 1115 waiver matches a portion of the state’s spending on premium and cost sharing subsidies. Beyond premium supports for individuals, the Health Connector also administers wellness subsidies for employers as noted above and facilitates payments to carriers for certain state mandated benefits that must be paid for by the state under the ACA. Separately from the program budget, the Health Connector receives a percentage of enrollee premiums to support administrative costs.

5.1: ConnectorCare Budget

The ConnectorCare budget in Table 1 shows expected and actual spending for FY18. The federal government provides matching FFP payments only for citizens and certain other immigrants. While the immigrants who do not qualify for FFP are legally entitled to Health Connector coverage, the Commonwealth provides a larger portion of their subsidies. However, the total amount to cover those members is substantially lower than the costs for members who do qualify for FFP because non-qualified members comprise less than 20 percent of total enrollment. The FY18 ConnectorCare program budget was updated in January 2018 for the Governor's Budget. Health Connector programs were estimated at \$177.5 million net of FFP and the actual costs came in at \$174.6 million, a positive variance of \$2.9 million explained by lower membership than expected.⁵

Table 1: FY18 ConnectorCare Budget

FY18 Net Costs	FY18 Actuals as of October 2018	FY18 Budget as of January 2018
	Total	Total
ConnectorCare (Total)	\$132,809,000	\$135,736,000
Enrollees who do not qualify for FFP	\$23,248,000	\$24,076,000
State Premium Wrap	\$13,410,000	\$13,859,000
State CSR	\$9,838,000	\$10,217,000
Enrollees who do qualify for FFP	\$108,295,000	\$110,350,000
State Premium Wrap	\$57,584,000	\$59,091,000
State CSR	\$50,711,000	\$51,259,000
Cost Sharing Reconciliation (CY16)	\$1,265,000	\$1,253,000
State Mandated Benefits ⁶	\$403,000	\$404,000
2016 Medical Loss Ratio Rebate ⁷	-\$3,574,000	-\$3,574,000
CCTF Draw	\$45,000,000	\$45,000,000
Total Program Cost (Net of FFP)	\$174,638,000	\$177,510,000

5.2: Operational Support

The Health Connector engages two vendors to provide customer service and business operations support. NTT Data provides member support for non-group members. NTT provides shoppers and members with information by phone and in person and is able to provide assistance in a variety of different languages.⁸

5.3: Consumer Oriented Improvement Initiatives

The Health Connector strives to achieve the highest levels of customer satisfaction and enhance the customer experience by better understanding current member experiences. By soliciting feedback through survey research, the Health Connector has established baseline measures of customer satisfaction and perceptions.

In a survey conducted in early FY19, members reported coming to the Health Connector because they needed health insurance (58 percent) and it represented their best option for coverage (43 percent). Premiums continued to be the primary driver of plan choice among all members and were significantly more important than other factors (such as having a specific provider, a broad network, or low out of pocket costs). This information was gathered in a consumer survey completed by approximately 1,300 enrolled or recently dis-enrolled members. Nearly three-quarters (69 percent) of enrollees reported being satisfied with their Health Connector coverage. This is a significant decline since 2016, when 77 percent of members reported being satisfied with their coverage. Survey results indicate that affordability concerns combined with website and customer service frustrations are driving decreases in satisfaction. Member survey findings are being used to target key areas of enhancement that will make existing “core” activities easier to do (e.g., update an address, make a payment).

Online Payment Center

In late FY17, the Health Connector’s Online Payment Center was implemented as a result of consistent customer feedback and requests for access to more information online, self-service features, and paperless billing options. The Online Payment Center aims to provide a more integrated customer experience and achieve operational efficiencies and cost savings. Through the payment portal, members can:

- Transition from enrollment to payment without encountering an additional login screen;
- View premium charges and payment transactions;
- Make one payment for multiple plans;
- Select their own payment date;
- View and print their premium bills; and
- Sign up for paperless correspondence delivery.

In early FY18, the Health Connector embedded a survey within the Online Payment Center in order to collect member feedback on experiences with the new tool. In a two-month period, 3,167 responses were received (representing 2.2 percent of 144,332 payments made in the same time period). Forty-two percent of survey respondents indicated they were very satisfied with the Health Connector’s new payment center and 75 percent indicated being able to find everything they needed. Survey respondents were also offered an opportunity to suggest improvements for the Online Payment Center via a write-in response. Thirteen percent of survey respondents suggested improving navigation to the login portal for the Payment Center within their Health Connector account web-experience. Health Connector is utilizing member feedback from survey research to continually improve the member experience.

Call Center and Walk-in Centers

The Health Connector Call Center offered a strong and stable customer service experience during the 2018 Open Enrollment Period as compared to last year. There was a slight (2 percent) increase in the number of calls received between November and January compared to OE17. In OE18, members acted earlier than prior years resulting in a 14 percent increase in calls received in November 2017 and a 2 percent and 4 percent decrease in calls received in December 2017 and January 2018, respectively, compared to the previous year. Enrollment related calls were the top call driver, followed by calls related to applications and eligibility and billing and payment. The Health Connector walk-in centers assisted 36.5 percent more customers during OE18. The largest increase in foot

traffic was seen in the Boston and Springfield locations, with year over year increases of 53 percent and 50 percent, respectively.

In 2018, overall customer satisfaction with the Call Center remains comparable to last year’s open enrollment period. Despite customer dissatisfaction related specifically to premium increases due to loss of Federal Cost Sharing Reductions, OE18 ended with an overall customer satisfaction score of 71 percent in January 2018. The Health Connector continues to work with NTT’s customer satisfaction team to improve drivers of dissatisfaction by offering additional training to call center representatives, making process improvements, and by reducing the number of dropped calls while attempting to make call transfers.

5.4: Appeals and Waivers

The ConnectorCare program offers premium waivers to members who demonstrate extreme financial hardship according to criteria outlined in Health Connector regulations. Hardships include homelessness, eviction, or foreclosure; shut off of an essential utility; a sudden, significant increase in expenses due to domestic violence; death of a family member who was a primary child care provider; a family illness requiring full-time care; natural or manmade disaster; and bankruptcy. A breakdown of approved, denied, dismissed, and pending premium waiver requests in FY18 is available in Table 2 below. Reasons for dismissal of waiver applications include missing documents, submission by non-members, or other administrative reasons. In FY18, no applications were dismissed.

Under the ACA, all individual eligibility decisions are appealable; prior to 2014, eligibility appeals were limited to Commonwealth Care. In FY18, the Health Connector received a total of 4,098 appeal requests from individuals (see Table 3). Among the 3,633 dismissed appeals, 309 were resolved without the need for a hearing. Fifty-two percent of the 885 hearings scheduled were dismissed for failure to appear. The remainder were approved or denied at hearing, as noted in the table below.

Table 2: FY18 Premium Waiver Requests

Approved	83
Denied	161
Dismissed	0
Pending	0
Total	244

Table 3: FY18 Appeal Requests

Approved	31
Denied	171
Dismissed	3,633
Pending	263
Total	4,098

6.0: Outreach, Assistance and Education

6.1: Non-group Assistance and Outreach

Navigator Program

The Health Connector selects and provides grant funds to a set of community organizations to serve as Navigators, providing community-based assistance to Health Connector members and potential members for the purposes of helping individuals obtain coverage and remain covered. The goals of the Navigator program are three-fold. Navigators are tasked with utilizing evidence-based strategies to reach the uninsured and those at risk of uninsurance, using culturally and linguistically appropriate methods to continue to generate awareness, and assisting with eligibility questions, renewals, application updates, shopping for plans, and payment.

The Navigator program is required by the ACA and supported by state funds. At the start of FY17, the Health Connector streamlined the Navigator organization selection process by extending the program to a two-year cycle. The 2017-2018 Navigator program includes the following organizations:

- Boston Public Health Commission, Boston
- Cambridge Economic Opportunity Committee, Cambridge
- Caring Health Center, Springfield
- Community Action Committee of Cape Cod & Islands, Inc., Hyannis
- Community Health Center of Franklin County, Greenfield
- Ecu-Health Care, North Adams
- Family Health Center of Worcester, Worcester
- Fishing Partnership Support Services, Gloucester, Plymouth, New Bedford, Chatham
- Greater Lawrence Community Action Council, Lawrence
- Health Care For All, Boston
- Hilltown Community Health Care Centers, Worthington
- Joint Committee for Children's Health Care, Everett
- Manet Community Health Center, North Quincy, Taunton, Hull
- People Acting in Community Endeavor (PACE), New Bedford
- Stanley Street Treatment and Resources, Fall River
- Vineyard Health Access/County of Dukes County, Vineyard Haven

The 2017-2018 Navigator organizations performed a wide variety of outreach activities in multiple languages and effectively reached both the uninsured and Health Connector members in need of support. During OE18, these 16 organizations collectively:

- Submitted 4,818 applications for 7,066 people;
- Enrolled 4,572 new members in coverage;
- Supported 27,985 ongoing members;
- Hosted 12 community enrollment opportunities;
- Attended nearly 489 community events to increase awareness about Open Enrollment.

Notably, Navigators not only assist members during Open Enrollment but continue to support members with post-enrollment needs, providing outreach and enrollment assistance year-round.

Open Enrollment 2018 Outreach, Education, and Marketing

In FY18, the Health Connector continued its emphasis on grassroots, community engagement and a direct outreach approach. Committing to a deeper and more informed outreach effort, the Health Connector developed outreach concepts, messaging, and visuals keeping specific higher-need populations in mind. The Health Connector conducted focused outreach in eight languages in addition to English including Spanish, Portuguese, Chinese, Haitian Creole, Vietnamese, Khmer and Polish with attention to 18 communities across the state. Outreach activities in FY18 target communities with higher rates of uninsured residents. Specifically, for the 2018 Open Enrollment Period, outreach activities included:

- Paid media, generating more than 1 million views, through nearly 3,000 spots on TV and radio, and in print outlets.
- Nearly 1,300 window signs reaching approximately 315,000 people
- Two telethons on Spanish-language television (Dec. 13, 2017, and Jan. 11, 2018) generating more than 250 phone calls for assistance and information.
- Earned media efforts resulting in a total of 116 stories (67 print, 29 radio, 20 TV).
- Two “Days of Coverage” (Dec. 19, 2017, and Jan. 18, 2018) included 12 events around the state and increased visibility and news coverage in advance of major deadlines.

Thirty-seven percent of new members (or approximately 9,000 individuals) who obtained coverage through the Health Connector during OE18 came from one of the 18 target communities identified for outreach.

Figure 17: Health Connector Day of Coverage



Year-Round Outreach, Education, and Marketing

Many of Massachusetts’ uninsured residents are new to the state or newly uninsured, and likely could become eligible for ConnectorCare coverage at any point during the year. The Health Connector launched a new year-round outreach and marketing campaign focused on ConnectorCare-eligible residents in order to encourage coverage at a point in time when it may be needed. The Health Connector conducted a tailored marketing campaign during closed enrollment, and also participated in more than 25 community and media events since the end of Open Enrollment, including:

- Sponsorship of the Latino Family Festival in August

- Sponsoring Little League teams throughout the state and hosting teams at Fenway through the Red Sox Foundation
- Participating in informational events with agencies like the United Way
- Hosting Latino club nights with El Mundo
- TV interviews discussing closed enrollment outreach, with Channel 7's "Urban Update"
- TV, digital, and print marketing to young, Latino men using humor and 'influencer theory' and reaching 450,000 people

6.2: Small Group Assistance and Outreach

Employer Engagement

While Navigators predominantly focus on individual members and shoppers, the Health Connector has sought other channels to help educate employers about available health insurance options. The Health Connector has presented at and sponsored many events across the state in FY18 in an effort to increase awareness among small business owners and their brokers about the Small Business Health Options Program, now known as "Health Connector for Business," which offers employers affordable, flexible coverage at a time when many are struggling to continue offering health insurance to their employees. The Health Connector ramped up these events with the launch of the new Health Connector for Business customer experience in FY18, engaging in a series of outreach events hosted in partnership with local Chambers of Commerce, employer associations and groups, and governmental agencies (e.g., Small Business Administration and Mass Office of Business Development) that support small business across the state.

The Health Connector has continued to engage an Employer Advisory Council to establish regular communication and dialogue with the business community. Established in FY14, the Council and the Health Connector discuss key policy and programmatic changes taking place in the reform landscape that may affect businesses and employees alike. Further, the Council is an opportunity for the Health Connector to answer questions and hear feedback from the employer community that can be used to improve and enhance its policies and operations in a manner that will help employers and employees better navigate the health insurance landscape in Massachusetts. The Council includes representatives from the Associated Industries of Massachusetts (AIM), the Retailers Association of Massachusetts (RAM), the National Federation of Independent Business (NFIB), the Massachusetts Restaurant Association (MRA), the Massachusetts Food Association (MFA), the Massachusetts Nonprofit Network (MNN), the Greater Boston Chamber of Commerce, the Massachusetts Business Roundtable, and the Massachusetts Taxpayers Foundation.

The Health Connector has also worked closely with Massachusetts brokers, educating them about the ACA and the Health Connector so that they can better serve individuals and small businesses throughout the Commonwealth. As of FY18, 237 brokers have attended online trainings and an additional 177 have registered. In addition to educating brokers, the Health Connector learns from them as well. A Broker Advisory Council convenes at least bi-annually to discuss topics important to small businesses, solicit feedback from brokers in the field, and raise awareness of challenges facing small businesses in Massachusetts.

In FY18, the Health Connector for Business team partnered with the New England Business Association to establish a co-branded marketing relationship and new distribution channel, planning approximately seven events in six months to drive awareness.

Small Group Outreach, Education, and Marketing

A mix of paid media and press endeavors created new awareness and growing brand visibility around Health Connector for Business. Outreach activities were held statewide, with a focus on four areas targeted in the Health Connector for Business Strategic Plan: Essex, Middlesex, Norfolk and Worcester counties. Paid marketing was driven by a targeted digital campaign that positioned Health Connector for Business directly with business owners through:

- Digital displays and videos which generated over 30 million impressions and 320,000 clicks
- Paid content stories and videos, featuring business owners
- Content delivered to brokers through Employer Benefits Advisor and LinkedIn mail

Earned media was opportunities to generate media coverage of the new Health Connector for Business platform included:

- Press releases and media outreach surrounded the launch and other key deadlines
- November launch was supported by a week-long tour in Eastern Massachusetts, generating TV, radio and print stories
- A February-March “radio tour” led to more than 12 interviews on stations across the state

The Health Connector is leveraging early learnings from market and outreach activities to create an expanded campaign for FY19 that focuses on direct business and increasing awareness among small employers least likely to be offering group coverage and who may be underserved in current group coverage landscape.

6.3: The Remaining Uninsured

Although Massachusetts has the highest health insurance coverage rate in the nation, there continues to be a small but persistent number individuals who lack coverage. The Health Connector is committed to reaching the remaining uninsured, particularly those groups who are more likely to be uninsured or experience gaps in health coverage. To address these disparities, the Health Connector conducted an analysis of internal and external data on the Commonwealth’s remaining uninsured population to inform a targeted population approach to outreach and enrollment. Informed by relevant data, research findings, and metrics on other environmental factors in Massachusetts, the Health Connector identified three sub-populations that disproportionately comprise the uninsured: Latinos, individuals at risk of losing Employer-Sponsored Insurance (ESI) and new Massachusetts residents. The Health Connector’s FY18 outreach efforts specifically targeted these groups along with historically harder-to-enroll populations, such as young men, with tailored interventions and messages. The Health Connector also deployed direct member communications such as Open Enrollment e-mail reminders to the eligible but unenrolled population. The Health Connector also coordinates with the Department of Revenue to target potential members through a direct mailing to Massachusetts tax filers who reported on their tax filings that they did not have health insurance during the tax year.

7.0: Policy and Regulatory Responsibilities

7.1: Plan Certification

The Seal of Approval (SOA), as specified in Massachusetts General Laws Chapter 176Q, is a health plan designation awarded by the Health Connector, indicating that a health benefit plan meets certain standards regarding quality and value. Through the SOA process, the Health Connector is able to designate a set of high-value plan designs and request proposals from the state's leading health insurers to offer them on the Health Connector's shelf. Some plan designs are standardized across carriers, while others are unique designs submitted for consideration by individual carriers. The result is a set of plans that encourages market competition while focusing on keeping choices simple for consumers.

In FY18, the Health Connector certified 52 Qualified Health Plans from eight medical carriers for calendar year 2018 coverage. This represents 10 fewer Qualified Health Plans than certified in FY17 and two fewer medical carriers. The decrease in plans was a part of a planned refinement in tailoring the Health Connector product shelf. The SOA also certified 19 Qualified Dental Plans from four dental carriers for consumers to choose from. These plans were sold beginning on January 1, 2018.

7.2: Student Health Insurance Program

Chapter 224 of the Acts of 2012 (Chapter 224) shifted responsibility for Student Health Insurance Plans (SHIPs) to the Health Connector. Effective January 1, 2014, the SHIP regulations were amended to allow students enrolled in MassHealth or subsidized health plans through the Health Connector to waive their college or university SHIPs.⁹ This allows students access to affordable insurance while attending institutions of higher education. The Health Connector assists the public colleges and universities' with premium renewal negotiations while ensuring SHIP program compliance with federal and state rules.

After the implementation of the ACA in 2014, fewer students were enrolling in SHIPs, a trend most likely attributable to the increased availability of insurance options through MassHealth and the Health Connector. In FY17, the Health Connector partnered with MassHealth to launch the MassHealth SHIP Premium Assistance (SHIP PA) program with the public colleges and universities in the Commonwealth. Under the SHIP PA program, Massachusetts students are able to maintain their Medicaid benefits while enrolling in their schools' SHIPs, with the SHIP becoming the primary payer of services and MassHealth being secondary. In the program's first year (Academic Year 2016-2017), approximately 5,000 public college and university students opted to enroll in coverage.

Public college and university SHIP enrollment in Academic Year (AY) 2017-2018 increased significantly, with approximately 31,000 enrollees in the SHIP PA program due to the program being mandatory for MassHealth-eligible students at participating schools. Additionally, the program expanded to 48 private schools in AY 2017-2018, further adding to enrollment in SHIPs.

Academic Year 2018-2019 enrollment is expected to be similar to the prior year as the SHIP PA program will continue to be mandatory for MassHealth-eligible students attending participating schools. The program is adding several private schools for AY 2018-2019, for a total of 53 participating private schools.

7.3: The State Individual Mandate

The Health Connector is responsible for defining several policies related to the Commonwealth's requirement that adult individuals carry insurance if they have access to an affordable plan that meets certain coverage standards, known as the individual mandate. Massachusetts maintains this policy independent of a similar federal policy helping to keep Massachusetts the national leader in health coverage among residents as well as ensure that the coverage they have is high quality.¹⁰ Specifically, the Health Connector defines what is deemed "affordable" and the benefits that constitute Minimum Creditable Coverage (MCC). Compliance with the individual mandate reporting requirements, as well as with the requirement to maintain coverage, remains high. Data from the Department of Revenue show that 99 percent of state residents required to report coverage on their state income tax return do so. Individuals who did not have coverage may have to pay a penalty, unless they qualify for an exemption.

#StayCovered Campaign

In FY18, the federal administration signed a tax bill into law on December 22, 2017, which reduced the penalty for the federal individual mandate to zero, effective January 1, 2019. Massachusetts is the most insulated of any state with respect to the impact of the federal mandate being zeroed out because the Commonwealth has maintained an independent state mandate since 2007. The Health Connector spent the latter half of FY18 preparing for the impact of consumer confusion and erroneous perceptions that carrying health coverage is no longer required in Massachusetts.

The Health Connector developed a number of materials and resources to increase awareness of the state level individual mandate in the Massachusetts market. This effort was branded as a #StayCovered campaign. In collaboration with the Division of Insurance, the Health Connector developed detailed guides and advisories for consumers, employers, and brokers about the individual mandate and how to identify compliant coverage. The Health Connector has partnered with a broad coalition of stakeholders to help raise awareness of the requirements and opportunities to find quality health coverage.

Figure 18: Health Connector #StayCovered Campaign



Generally, the #StayCovered campaign incorporated reminder messaging in the Health Connector's regular marketing, public messaging, and outreach messages during both closed and Open Enrollment. The Health Connector established a special #StayCovered webpage where it houses all materials on individual mandate and awareness-raising resources for stakeholders to readily access, share, and leverage. Additionally, Health Connector staff created "sharables" for social media

distribution which may be amplified via carriers, consumer groups, elected officials, and others using hashtag #StayCovered.

Affordability

Individuals are required to purchase coverage if it is considered affordable. To that end, the Health Connector Board is required on an annual basis to develop an “affordability schedule” that defines the amount an individual could be expected to contribute towards the purchase of an MCC-compliant health insurance plan.¹¹ An adult is considered able to purchase affordable health insurance if his or her monthly contribution to subsidized insurance or the lowest cost insurance plan available through the Health Connector does not exceed the corresponding maximum monthly premium for his or her income bracket. In 2018, the amount considered affordable federally was 8.05 percent; the cap on the state schedule reflects this adjustment.¹²

Table 4. CY2018 Affordability Schedule for Individuals

CY 2018 Affordability Schedule: INDIVIDUALS					
Income Bracket				Affordable Monthly Premium Ranges	
Percent of FPL	Bottom	Top	Affordability Standard	Low	High
0 - 150 percent	\$0	\$18,090	0 percent		
150.1 - 200 percent	\$18,091	\$24,120	2.90 percent	\$44	\$58
200.1 - 250 percent	\$24,121	\$30,150	4.20 percent	\$84	\$106
250.1 - 300 percent	\$30,151	\$36,180	5.00 percent	\$126	\$151
300.1 - 350 percent	\$36,181	\$42,210	7.45 percent	\$225	\$262
350.1 - 400 percent	\$42,211	\$48,240	7.60 percent	\$267	\$306
Above 400 percent	\$48,241		8.05 percent	\$324	

Table 5. CY2018 Affordability Schedule for Couples

CY 2018 Affordability Schedule: COUPLES					
Income Bracket				Affordable Monthly Premium Ranges	
Percent of FPL	Bottom	Top	Affordability Standard	Low	High
0 - 150 percent	\$0	\$24,360	0 percent		
150.1 - 200 percent	\$24,361	\$32,480	4.35 percent	\$88	\$118
200.1 - 250 percent	\$32,481	\$40,600	6.25 percent	\$169	\$211
250.1 - 300 percent	\$40,601	\$48,720	7.45 percent	\$252	\$302

300.1 - 350 percent	\$48,721	\$56,840	7.45 percent	\$302	\$353
350.1 - 400 percent	\$56,841	\$64,960	7.60 percent	\$360	\$411
Above 400 percent	\$64,961		8.05 percent	\$436	

Table 6. CY2018 Affordability Schedule for Families

CY 2018 Affordability Schedule: FAMILIES					
Income Bracket			Affordability Standard	Affordable Monthly Premium Ranges	
Percent of FPL	Bottom	Top		Low	High
0 - 150 percent	\$0	\$30,630	0 percent		
150.1 - 200 percent	\$30,631	\$40,840	3.45 percent	\$88	\$117
200.1 - 250 percent	\$40,841	\$51,050	4.95 percent	\$168	\$211
250.1 - 300 percent	\$51,051	\$61,260	5.95 percent	\$253	\$304
300.1 - 350 percent	\$61,261	\$71,470	7.45 percent	\$380	\$444
350.1 - 400 percent	\$71,471	\$81,680	7.60 percent	\$453	\$517
Above 400 percent	\$81,681		8.05 percent	\$548	

Minimum Creditable Coverage

As a part of Massachusetts' own health reform effort, the Health Connector's Board of Directors created a "floor" of covered benefits that adult tax-filers must have in order to be considered insured and avoid tax penalties in Massachusetts. The level of coverage required is called Minimum Creditable Coverage (MCC). The benefits required in an MCC-compliant include:

- Ambulatory services, including outpatient, day surgery and related anesthesia
- Diagnostic imaging and screening procedures, including x-rays
- Emergency services
- Hospitalization
- Maternity and newborn care, including pre- and post-natal care
- Medical/surgical care, including preventive and primary care
- Mental health and substance abuse services
- Prescription drugs
- Radiation therapy and chemotherapy

Additionally, MCC standards prohibit lifetime and annual benefit limits on core services and set bounds for out of pocket spending. MCC-compliant plans must cap deductibles at \$2,000 for individual coverage and \$4,000 for family coverage, with separate prescription drug deductibles capped at \$250 for individual coverage and \$500 for family coverage.¹³ Sponsors of plans that do not meet specific MCC requirements, but that offer, on the whole, robust coverage, may ask the Health Connector to grant the plan MCC certification.

In FY2018, 1,811 plans were sent to the Health Connector for consideration as MCC-compliant. Of those, 1,722 were granted certification, 84 were denied, and 5 were withdrawn from consideration. Similar to FY2016, the high rate of MCC-certification approval is likely attributable to the fact that non-compliant plans are not submitting applications. The Health Connector has engaged in education of plan sponsors to explain the Health Connector’s authority in the certification process, which has led to self-selection among applicants toward those that are most likely to be deemed compliant. Generally, the vast majority of state residents required to maintain insurance under the individual mandate are enrolled in MCC-compliant plans, ensuring that they have access to comprehensive coverage.

Tax Penalties

Individuals who are deemed able to afford health insurance but fail to comply are subject to a tax penalty on their state income tax return. Statute sets the penalty for non-compliance at no more than half of the lowest cost insurance premium for coverage available through the Health Connector. For those with incomes below 300 percent FPL, the penalty schedule is based on the lowest cost premium contributions for a ConnectorCare plan. Since individuals with income at or below 150 percent FPL are not required to make a premium contribution, there is no penalty for individuals in this income cohort. For those with income above 300 percent FPL, the schedule is based on half of the premium of the lowest cost Bronze plan in CY2018, or half of the premium of the lowest cost catastrophic plan for adults up to age 30. The penalties for CY2018, among other years, are shown in Table 7.¹⁴ The lower cost of catastrophic plans relative to young adult plans accounts for the reduction in the monthly penalty amount for young adults who earn more than 300 percent FPL.

Table 7. Penalty Schedule for Failure to Comply with the Individual Mandate, 2013-2018

	2013		2014		2015		2016		2017		2018	
	per month	per year*	per month	per year*	per month	per year*	per month	per year*	per month	per year*	per month	per year*
150.1 - 200 percent FPL	\$20	\$240	\$20	\$240	\$20	\$240	\$21	\$252	\$21	\$252	\$22	\$264
200.1 - 250 percent FPL	\$39	\$468	\$39	\$468	\$39	\$468	\$41	\$492	\$41	\$492	\$42	\$504
250.1 - 300 percent FPL	\$59	\$708	\$59	\$708	\$59	\$708	\$61	\$732	\$62	\$744	\$63	\$756
Above 300 percent FPL Young Adult**	\$84	\$1,008	\$58	\$696	\$60	\$720	\$71	\$852	\$74	\$888	\$119	\$1,428
Above 300 percent FPL Older Adult**	\$106	\$1,272	\$92	\$1,104	\$91	\$1,092	\$97	\$1,164	\$96	\$1,152		

*If the individual is without insurance for all twelve months of the year.

**Prior to 2014, Young Adult is defined as up to age 26, and Older Adult is defined as 27+. Starting in 2014, Young Adult is defined as up to age 30, and Older Adult is defined as 31+

Compliance with the Individual Mandate

Compliance with the state's individual mandate to obtain coverage remains high, demonstrating that standards like MCC and the affordability schedule are working as intended. The latest compliance data available comes from tax year 2015. As in past years, nearly all tax-filers complied with the insurance reporting requirement in tax year 2015, and 96 percent were insured at some point during the year. This rate has remained the same since the first analysis of individual mandate compliance conducted in 2008. A vast majority of individuals (93 percent) were insured for the full year with a policy that met the state's MCC requirements.

The ACA implemented a federal individual mandate that took effect in 2014. The Health Connector's Board of Directors opted to maintain the state individual mandate alongside the federal policy. This decision was driven by an interest in preserving the specific coverage standards that had worked well for Massachusetts's market in the preceding years. The Health Connector worked closely with other agencies, namely the Department of Revenue and the Executive Office for Administration and Finance, as well as other stakeholders, to address the policy differences between the state and federal mandates. The Interagency Individual Mandate Workgroup, comprising the Health Connector, Department of Revenue, Division of Insurance, and Executive Office for Administration and Finance, aims to continue to support the success of the state's individual mandate while reducing confusion and administrative burden on individuals. Among the actions taken by the Commonwealth is an opportunity for taxpayers to reduce any state penalty owed by the amount of federal penalty paid through a non-refundable offset. This prevents state residents from being dually penalized under two mandates.

8: Concluding Comments

Since Massachusetts's health care law was first passed, the state has paved the way for near-universal access. The Commonwealth has the highest rate of health insurance coverage in the nation and provides a competitive market for individuals and small businesses to make apples-to-apples comparisons before selecting a plan. The Health Connector remains committed to providing members and applicants with a seamless eligibility and enrollment process. Additionally, staff members continue to apply data-driven research to better understand Health Connector members and their experience on the Exchange, subsequently delivering strategic improvements to provide operational stability and member satisfaction.

The Health Connector continues to work diligently to advance access to high-quality health care by serving as a transparent marketplace for Massachusetts residents and small-businesses to come together and easily find, compare, and enroll in affordable health insurance. By maintaining this focus, Massachusetts will continue its work as a national leader in health care access and affordability, and continue to strive toward our shared goal of providing health care to everyone in the Commonwealth, as it has since its inception.

Looking to the future, the Health Connector will continue to build on the success we have achieved to date by developing and implementing a strategic plan around five issue areas of key significance in the medium and long term: strengthening the ConnectorCare program, supporting the

unsubsidized population, transforming the customer experience, better serving the small group market, and covering the remaining uninsured. A key focus in FY19 will be continuing to adapt to a changing federal landscape, including the 2017 termination of federal cost-sharing reductions, which required execution of a contingency plan to promote market stability, and ongoing litigation of provisions of the Affordable Care Act.

Continued success will continue to depend on and benefit from the Health Connector's collaborative relationship with other state, federal, and private sector partners all focused on the same goal of improving health care. The Health Connector looks forward to exploring innovative ways of ensuring Massachusetts' residents continue to have access to affordable and comprehensive health care coverage and is able to make the health insurance market work better for consumers.

Appendix

Abbreviations

ACA	Patient Protection and Affordable Care Act
AY.....	Academic Year
CY	Calendar Year
FPL	Federal Poverty Level
FY	Fiscal Year
Health Connector	Commonwealth Health Insurance Connector Authority
HCB.....	Health Connector for Business
MCC	Minimum Creditable Coverage
OE	Open Enrollment
SHIP.....	Student Health Insurance Program
SOA	Seal of Approval
TY	Tax Year

Endnotes

¹ The Health Connector filed a 1332 federal flexibility waiver to request permission for Massachusetts to establish a premium stabilization fund, instead of increasing premiums to offset the loss of CSRs. The application was “deemed incomplete” because federal reviewing agencies did not act to review on the requested timeline. <https://www.mahealthconnector.org/wp-content/uploads/Massachusetts-Request-for-1332-State-Innovation-Waiver-to-Stabilize-Premiums-090817.pdf>

² The federal CSR withdrawal could have resulted in liability of up to \$146M for the Massachusetts market. <https://betterhealthconnector.com/wp-content/uploads/Massachusetts-Request-for-1332-State-Innovation-Waiver-to-Stabilize-Premiums-090817.pdf>

³ US Health and Human Services. Payments to Issuers for Cost-Sharing Reductions (CSRs). October 12, 2017. <https://www.hhs.gov/sites/default/files/csr-payment-memo.pdf>

⁴ The non-supplemental version of the Employer Medical Assistance Contribution (EMAC) is used to help fund health insurance programs in the Commonwealth. EMAC supports state subsidies for unemployed workers and other workers who are not covered by employer-sponsored coverage who are on state-funded coverage programs. <https://www.mass.gov/service-details/learn-about-the-employer-medical-assistance-contribution-emac>

⁵ State expenses for the ConnectorCare program are independent of both FFP and federal ACA subsidies. The overall ‘value’ of the program is considerably higher when APTC and enrollee contributions are included.

⁶ The ACA requires states to defray the cost of benefits required by state law in excess of essential health benefits for individuals enrolled in any plan offered through an Exchange. 42 U.S.C. §18031D.

⁷ The Medical Loss Ratio (MLR) Rebate represents the state share of MLR rebates paid out through carriers.

⁸ In preparation for the end of NTT’s contract in June 2020, the Health Connector has begun planning for re-procurement for the following services: enrollment and billing, notices, technical services, and contact center and back office support. Support for small group customers is provided by staff at the Washington, D.C., State-based Exchange (DCHBX).

⁹ 956 CMR 8.00

¹⁰ 26 U.S.C. §5000A.

¹¹ M.G.L. 176Q §3

¹² The ACA set the federal affordability standard at 8 percent for 2014 and calls for annual indexing of the standard to reflect growth in health care spending and growth in the overall economy. This methodology resulted in a standard of 8.13 percent of income in 2016.

¹³ Massachusetts Health Connector. (2018). The Massachusetts Individual Mandate: Design, Administration, and Results. <https://www.mahealthconnector.org/wp-content/uploads/Individual-Mandate-Report-Nov2017.pdf>

¹⁴ Massachusetts Department of Revenue. (2018). Technical Information Release 18-2: Individual Mandate Penalties for Tax Year 2018. Available at, <https://www.mass.gov/technical-information-release/tir-18-2-individual-mandate-penalties-for-tax-year-2018>