

**Report to the  
Massachusetts Legislature:**

# **Activities and Accomplishments of the Massachusetts Marketplace**

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**Fiscal Year 2022**



Massachusetts Health Connector  
April 2023



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## Preface

Massachusetts has an extensive 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 public interest legacy created when the Commonwealth's landmark health reform law, Chapter 58 of the Acts of 2006, was passed and included a state-based Marketplace: a place where individuals, families, and small businesses can find, compare, and get help to afford health insurance coverage. As a result of that legacy, Massachusetts has the highest rate of insurance in the country, with over 97 percent of residents insured.

The work of the Health Connector and the sustained success of health reform in Massachusetts has benefited from 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 our collaborative efforts towards 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 Fiscal Year 2022 (FY22) included:

- 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;
- Gary Anderson, Commissioner of the Division of Insurance;
- Matthew Veno, Executive Director of the Group Insurance Commission;
- Michael Chernew, Ph.D., Leonard D. Schaeffer Professor of Health Care Policy at Harvard Medical School;
- Filaine Deronnette, Vice-President at Large of 1199 SEIU MA
- FayeRuth Fisher, Political Director of 1199 SEIU MA
- Mark S. Gaunya, GBA, LIA, Co-owner and Chief Information Officer, Borislow Insurance;
- Dimitry Petion, President and CEO of Mulberry Systems, Inc.;
- Keisha O'Marde-Jack, Chief Human Resources Officer at Upstream USA;
- Nancy Turnbull, Senior Lecturer on Health Policy and Associate Dean at Harvard School of Public Health; and
- Rina Vertes, President of Marjos Business Consulting.

## Executive Summary

During Fiscal Year (FY) 2022, spanning portions of the 2021 and 2022 plan years, the COVID-19 pandemic continued to impact the Health Connector's work and associated policy responses. Throughout 2021 and 2022, economic changes and federal policies providing extended Medicaid coverage to many individuals resulted in enrollment changes for the Health Connector. In 2021, the Health Connector undertook special efforts to rapidly implement provisions of the new American Rescue Plan (ARP) which expanded generosity and eligibility of ACA premium subsidies. ARP subsidy expansion materially enhanced the population of state residents eligible for premium subsidies under the Affordable Care Act as well as the amount of those subsidies. ARP subsidy expansion was set to end in 2022; however, the Inflation Reduction Act (IRA), signed into law in August 2022, extended ARP subsidy expansion through 2025.

Ending FY22 with 227,829 non-group medical plan enrollees and 11,344 small-group medical enrollees, the Health Connector experienced a 16 percent decrease in non-group and a 15 percent increase in small-group membership when compared to the end of FY21. The non-group membership decrease is largely attributable to protected Medicaid coverage rules as a result of the federal Public Health Emergency that have temporarily suppressed typical enrollment flow dynamics for the Health Connector. The Health Connector's continued position as a source of high-quality and affordable health coverage in the state, even as broader dynamics temporarily alter its enrollment, is a result of the strategic approaches it took to its work in FY22:

- The Health Connector implemented new ARP subsidies and conducted broad-based outreach approach to generate awareness of new, lower premiums.
- The ConnectorCare program provided low-to-moderate income residents with affordable health coverage with zero-to-low dollar cost sharing and no deductibles. Premiums increase gradually with income, with plans as low as \$0 a month for those with incomes up to 150 percent of the Federal Poverty Level (FPL) and \$134 a month for those at 300 percent of the FPL.
- The Health Connector launched its Simple Sign-Up program, designed to help facilitate outreach and enrollment of uninsured Massachusetts residents by leveraging the state tax filing process.
- The Health Connector continued to address health inequities through its Seal of Approval (SOA) plan design and certification process.
- Health Connector for Business continued to offer Massachusetts businesses with up to 50 employees a way to provide health insurance with flexible benefit options as well as premium rebates for participating in a wellness program. The Health Connector uses multi-channel outreach strategies including paid media, event participation, and close relationships with brokers to promote Health Connector for Business to small businesses across the Commonwealth.
- The Health Connector continued administration of the state-level requirement that adult state residents carry health insurance and efforts to bolster public awareness of the requirement to carry health coverage, the health and financial benefits of coverage, and how to enroll in coverage.

The Health Connector remains committed to supporting the changing needs of state residents who depend on Exchange coverage by using data to improve the member experience by quickly responding to and resolving customer issues at the member and operational levels. The Health Connector also continued implementation of its strategic plan for 2020-2022 to ensure a clear and measurable pathway to future policy, programmatic, and operational improvements.

The Health Connector will continue to build on its 15-year legacy of providing residents of Massachusetts with access to high-quality health insurance, responding to consumer needs and an ever-evolving policy and market landscape. The Health Connector looks forward to working with other stakeholders to help Massachusetts to continue to lead the nation in health reform and coverage expansion.

## **1.0: Introduction**

### **1.1: Mission statement and values**

The mission of the Health Connector is to advance access to high-quality health care by serving as a transparent and transformative marketplace for Massachusetts residents and small businesses to come together and easily find, compare, and enroll in affordable health insurance by:

1. Structuring a health insurance eligibility and shopping experience that makes it easy for individuals and small businesses to understand their health insurance options and choose, enroll in, and maintain coverage that best meets their needs.
2. Promoting affordability in the health insurance market and health care system through the power of transparent competition.
3. Capably assessing and executing health care reform policymaking and other regulatory responsibilities to promote health insurance coverage and shared responsibility for sustaining health care reform.
4. Fully embodying the high standards inherent to serving as the Commonwealth's official public Health Insurance Exchange.
5. Promoting robust public engagement.

### **1.2: History of the Health Connector**

In Massachusetts, Chapter 58 of the Acts of 2006, the state's landmark 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. Since its creation, 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 was largely implemented between 2014 and 2015. Through that transition, 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 at the point of service, such as co-pays. The program serves Health Connector members with income under 300 percent of the Federal Poverty Level (FPL), which is around \$38,640 a year for an individual, or \$65,880 for a family for 2022 plans. 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-cost in the merged market. See Appendix A for a timeline of milestones in Massachusetts market reform.

## **2.0: Federal Policy Updates**

### **2.1 Extension of ARP's Enhanced Subsidies through the IRA**

The American Rescue Plan Act (ARP) was signed into law in March 2021 and represents the most significant federal expansion of coverage and affordability since the ACA was passed. Through 2021

and 2022, ARP increased affordability for hundreds of thousands low- and moderate-income residents across the country by enhancing and expanding premium subsidies available through state-based Exchanges like the Health Connector. Approximately two-thirds of Health Connector members had lower premiums on their bills than they would have without ARP.

High impact provisions of the ARP in effect throughout 2021 and 2022 include:

1. **Expansion of APTC generosity:** For 2021 and 2022, the ARP expanded federal Advance Premium Tax Credit (APTC) generosity for individuals with income under 400 percent FPL (about \$51,000 for an individual or \$105,000 for a family of four) in a manner that more closely mirrors the premiums Massachusetts has provided for over a decade than what the ACA originally provided for.
2. **Expansion of APTC eligibility:** For 2021 and 2022, the ARP removed the “cap” on receiving APTCs, making subsidies available to households with incomes above 400 percent FPL for the first time. This ensures that a family’s contribution towards a benchmark plan premium will not exceed 8.5 percent of their household income.

While ARP’s expansion of APTCs was set to expire at the end of 2022, the Inflation Reduction Act (IRA), signed into law by President Biden on August 16, 2022, included a three-year extension of the enhanced ACA premium tax credits to 2025. Extension of these enhanced subsidies will make coverage more affordable for nearly 200,000 Massachusetts residents heading into 2023 Open Enrollment. Extension of the enhanced subsidies beyond 2022 is particularly impactful given heightened costs of household goods and services. This extension will bring \$160M-\$175M additional APTC support into the state for the purpose of premium affordability in 2023 alone.

**Table 1. Impact of IRA Extension of Enhanced APTCs**

Premium Savings for Massachusetts Residents in 2023 Due to IRA	
ConnectorCare	Up to \$29/month
APTC eligible enrollees above 400 percent FPL	Average of \$219/month

Source: Health Connector September 2022 Board Presentation. Federal Policy Updates. [https://www.mahealthconnector.org/wp-content/uploads/board\\_meetings/2022/09-08-22/Policy-Updates-090822.pdf](https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2022/09-08-22/Policy-Updates-090822.pdf).

## 2.2 ARP Savings for Massachusetts Residents

In Massachusetts, the new and expanded ARP subsidies enabled state residents to save hundreds of dollars per month on Health Connector plans. All subsidized Health Connector enrollees are receiving more tax credits as a result of ARP. Overall, members in APTC-only plans are receiving \$42 million more in APTCs per year as a result of the ARP while ConnectorCare members are receiving \$158 million more per year. Approximately 70 percent of Health Connector members earning below 400 percent FPL reported that ARP subsidies were very or extremely helpful to them, reducing cost burdens in other aspects of their lives. Members consistently report how this premium relief has made it easier for them to handle other rising costs in their household budgets – like childcare, transportation, housing, and food.

**Table 2. Premium Reduction Examples Resulting from ARP Premium Subsidy Expansion**

	43-year-old in Great Barrington	43-year-old in Framingham	43-year-old in Quincy	43-year-old in Fall River
<b>Annual Income</b>	\$48,000	\$52,000	\$48,000	\$52,000
<b>Monthly premium before ARP</b>	\$429	\$390	\$390	\$379
<b>Monthly premium after ARP</b>	\$261	\$348	\$292	\$348
<b>Annual Savings</b>	<b>\$1,980</b>	<b>\$504</b>	<b>\$1,176</b>	<b>\$372</b>

Source: Health Connector June 2022 Board Presentation. Federal Policy Updates.

[https://www.mahealthconnector.org/wp-content/uploads/board\\_meetings/2022/06-09-22/Federal-Policy-Updates-060922.pdf](https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2022/06-09-22/Federal-Policy-Updates-060922.pdf).

The additional premium support drove Massachusetts' strong performance compared to other state Exchanges during OE22 with 28,000 newly enrolled members and robust retention of existing members (92 percent). Enrollment in plans with APTC-only has nearly doubled since March 2021, from 17,700 to 34,100 members. There was also a 76 percent increase in the proportion of new members enrolled in a health plan with APTCs during OE22.

The ARP also addressed significant affordability challenges among 55- to 64-year-old, pre-Medicare eligible adults in the individual market who were not eligible for subsidies and left to pay the full commercial premium of a health plan. Because of the ARP, pre-Medicare adults are now saving thousands of dollars on health insurance each year.

**Table 3. ARP Impacts for 55-64-year-olds Earning \$52,000/year**

	55-year-old in Chelsea	64-year-old in Pittsfield	55-year-old in Hyannis	64-year-old on Martha's Vineyard
<b>Monthly Costs Before ARP</b>	\$543/month	\$694/ month	\$588/ month	\$902/ month
<b>Monthly Costs After ARP</b>	\$339/month	\$283/month	\$352/month	\$268/month
<b>Annual ARP Savings</b>	\$2,448	\$4,932	\$2,832	\$7,608

Source: Health Connector June 2022 Board Presentation. Federal Policy Updates. [https://www.mahealthconnector.org/wp-content/uploads/board\\_meetings/2022/06-09-22/Federal-Policy-Updates-060922.pdf](https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2022/06-09-22/Federal-Policy-Updates-060922.pdf).

### 2.3 Federal Public Health Emergency (PHE)

The Families First Coronavirus Relief Act (FFCRA) directed Medicaid agencies to keep all enrollees covered for the duration of the federal Public Health Emergency (PHE), including individuals who report eligibility changes that would normally qualify them for Health Connector coverage. The end of the PHE will mean the end of continuous coverage requirements in Medicaid programs nationwide resulting in tens of thousands of individuals becoming eligible for Health Connector coverage.



The U.S. Department of Health and Human Services has committed to providing a 60-day notice prior to the end of the PHE, which has been in place since January 2020. Health Connector staff continue to work closely with colleagues at MassHealth to plan for the eventual conclusion of the PHE and are preparing for a large-scale coverage transition between their programs. The Health Connector and MassHealth are also partnering with carriers, providers, advocacy organizations such as Health Care for All (HCFA), and community groups to ensure readiness for the eventual transition to ensure smooth transitions and avoid coverage losses.

### **3.0: Non-group Membership**

At the end of FY22, the Health Connector provided coverage to 227,829 non-group health plan enrollees, a decrease of 16 percent compared to FY21 enrollment. This decrease is mainly attributable to maintenance of members in MassHealth for the duration of the federal public health emergency associated with federal COVID-19 relief packages. 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.

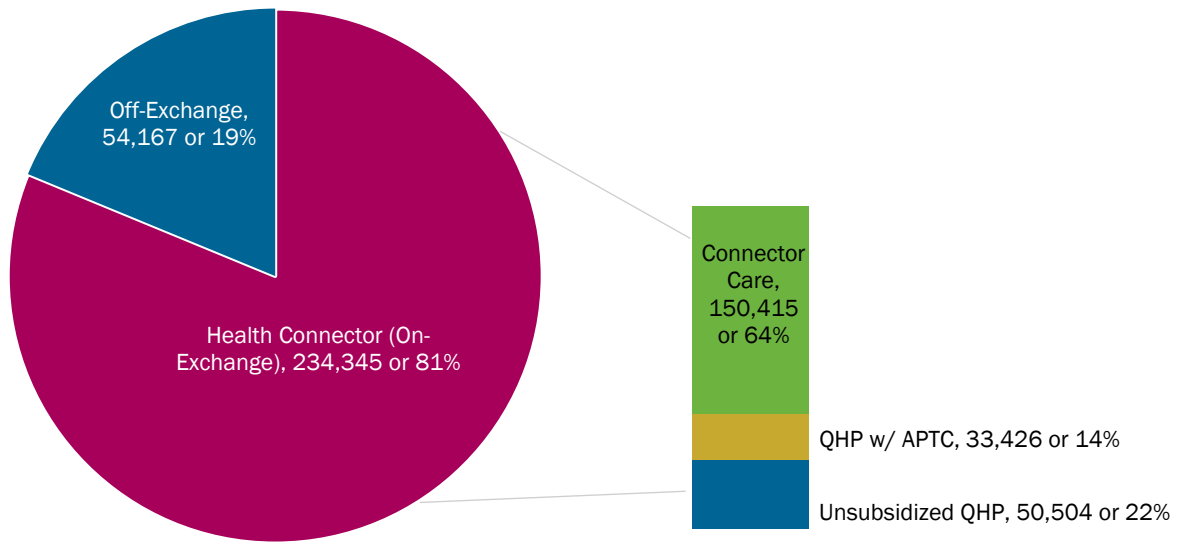
Prior to March 2021, individuals (non-group members only) under 400 percent FPL could qualify for federal tax credits to reduce their premiums. In March 2021, federal tax credits became available to households with incomes above 400 percent FPL for the first time, ensuring that they do not have to spend more than 8.5 percent of their household income on health insurance premiums. In August 2022, the Inflation Reduction Act extended the availability of premium tax credits for households over 400 percent of FPL through 2025.

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.

#### **3.1: Massachusetts non-group market**

The Health Connector serves 81 percent of the 288,512 individuals in the non-group market in Massachusetts, mostly through the ConnectorCare program.

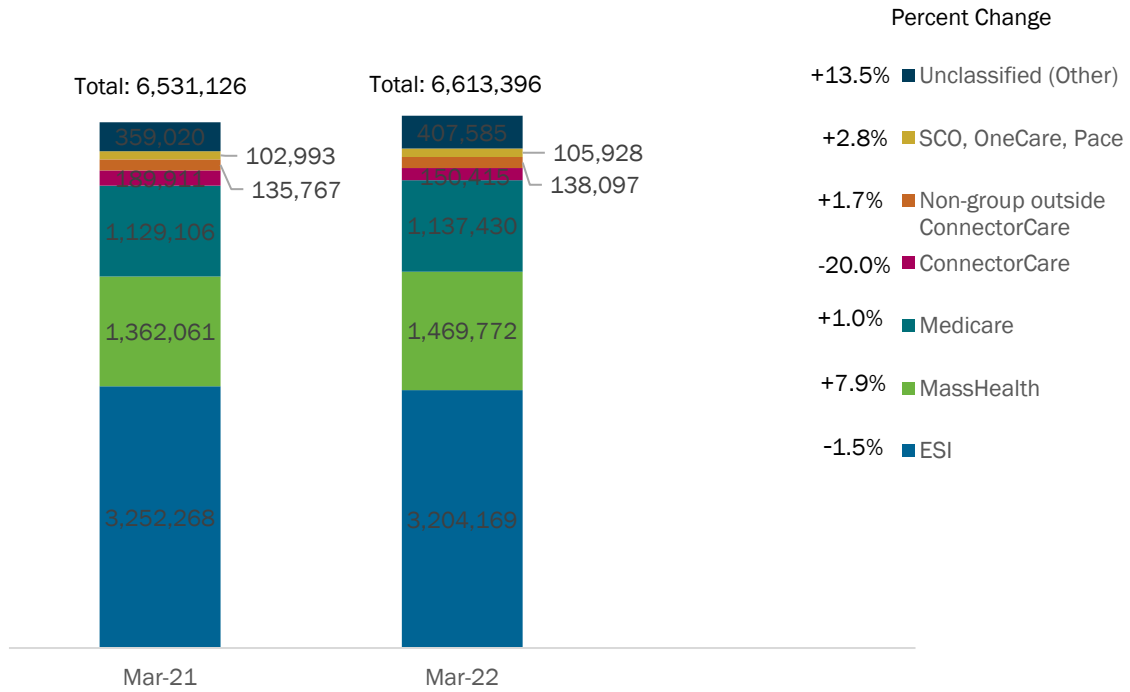
Figure 1. Massachusetts Non-Group Membership by Exchange Use, March 2022



Source: CHIA Enrollment Trends, September 2022 (data through March 2022). <https://www.chiamass.gov/enrollment-in-health-insurance/>.

In FY2022, the overall Massachusetts market increased by 1.5 percent, driven by enrollment in MassHealth. Employer Sponsored Insurance (ESI) coverage decreased by about 1.5 percent. Overall non-group coverage also decreased with ConnectorCare enrollment decreasing by about 20 percent between March 2021 and March 2022, due in part to Medicaid coverage protections required as part of the federal public health emergency keeping members in MassHealth coverage who would otherwise be Health Connector eligible.

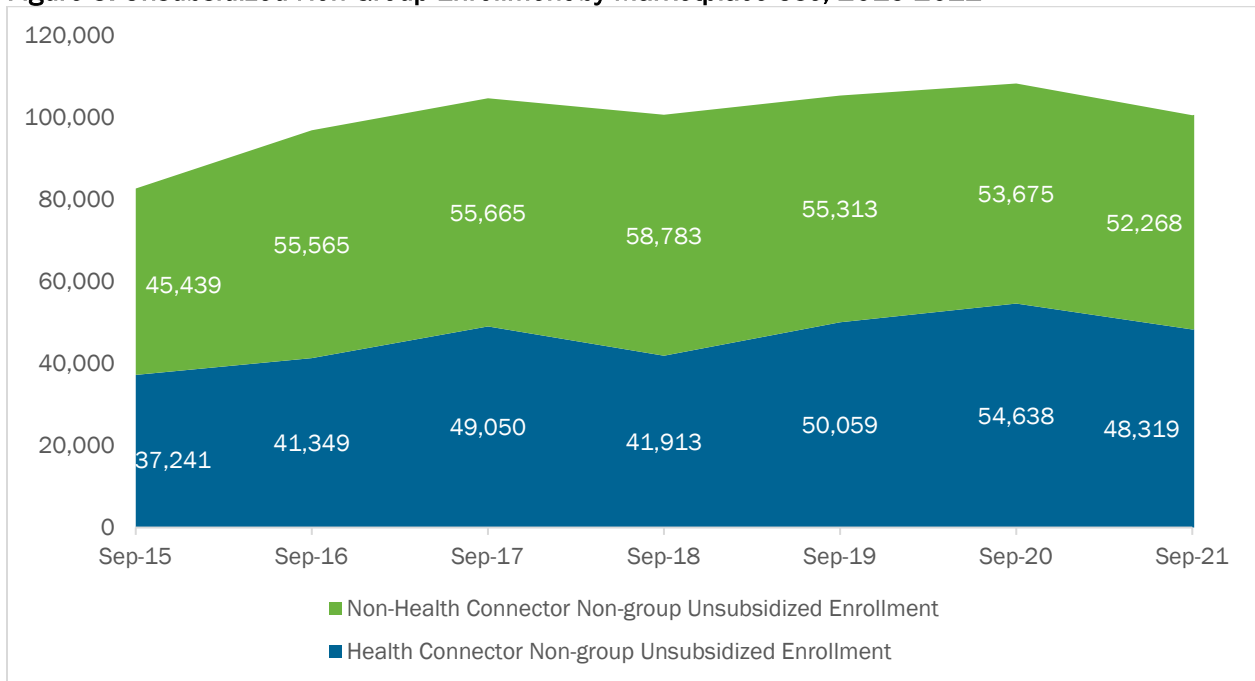
**Figure 2. Massachusetts Health Coverage by Insurance Type, 2021-2022**



Source: CHIA Enrollment Trends, September 2022 (data through March 2022). <http://www.chiamass.gov/enrollment-in-health-insurance/>.

Approximately half of the Commonwealth’s unsubsidized consumers purchase health insurance on-Exchange while the other half purchase coverage directly from carriers. The absolute number of total non-group unsubsidized enrollees increased by 4,084 or 4 percent between September 2021 and March 2022. The proportion of on-Exchange members remained consistent at about 48 percent.

**Figure 3. Unsubsidized Non-Group Enrollment by Marketplace Use, 2015-2022**



Source: CHIA Enrollment Trends, September 2022 (data through March 2022). <https://www.chiamass.gov/enrollment-in-health-insurance/>.

### 3.2: ConnectorCare membership

The ConnectorCare program provides comprehensive, affordable health insurance to Massachusetts residents with incomes up to 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 approach enabled by the ACA for the same income category. There are five ConnectorCare Plan Types that vary by an individual’s income. Enrollees make small premium payments on a sliding scale, in monthly minimum amounts ranging from \$0 to \$134 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 that increase gradually with income but never include coinsurance or deductibles.

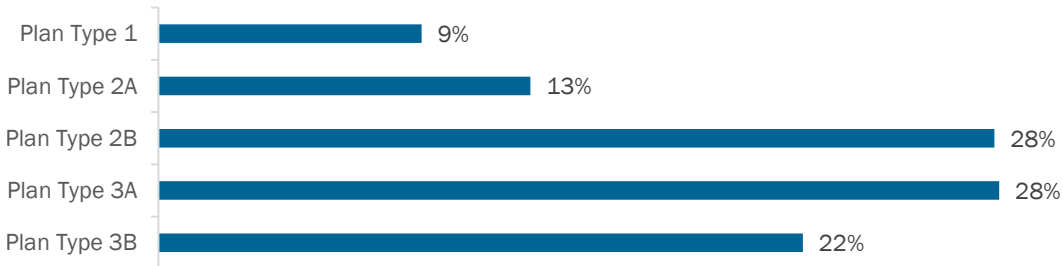
In FY22, five carriers—AllWays Health Partners, WellSense (formerly Boston Medical Center HealthNet Plan), Fallon, Health New England (HNE), and Tufts Direct—participated in the ConnectorCare program, with up to four different carriers available in any given region. In 2021, HNE expanded its geographic coverage area, newly entering Worcester County. In 2022, the ConnectorCare landscape remained stable with no changes to carrier geographic participation or material provider network composition. The Health Connector continues to assess the risk of “bare counties” in Franklin, Dukes, and Nantucket Counties, which currently have only one ConnectorCare option.

**Table 4. ConnectorCare Plan Types by Income**

Plan Type	Federal Poverty Level (FPL) Range	Income Ranges for Individuals Enrolling in CY2022
Plan Type 1	0-100 percent	Up to \$13,590
Plan Type 2A	100.1 – 150 percent	\$13,591 to \$19,320
Plan Type 2B	150.1 – 200 percent	\$19,321 to \$25,760
Plan Type 3A	200.1 – 250 percent	\$25,761 to \$32,200
Plan Type 3B	250.1 – 300 percent	\$32,201 to \$38,640

The ConnectorCare program had 141,379 active members at the end of FY22, with the highest volume of members enrolled in Plan Type 3A (28 percent). These enrollees had income between 200.1 and 250 percent FPL or \$25,761 to \$32,200 for an individual. Individuals in this income bracket had access to plans with a monthly enrollee premium contribution of \$90 in 2022. Enrollee contribution amounts represent the maximum a member would pay based on their sub-region, plan type, and carrier chosen. Actual enrollee contributions may be lower according to a member’s specific age, sub-region, and income. A member may pay less than the contributions published due to enhanced APTC via the American Rescue Plan through 2022 (and recently extended via the Inflation Reduction Act through 2025).

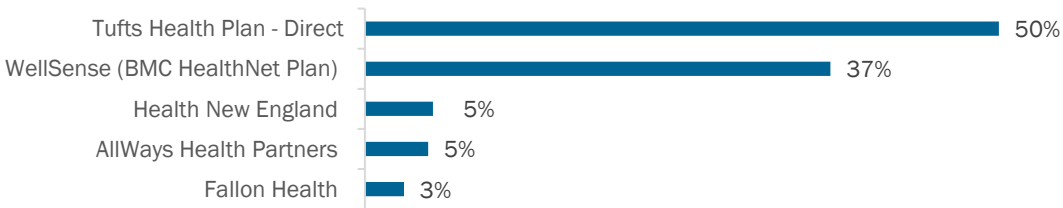
**Figure 4. ConnectorCare Enrollment by Plan Type, July 2022 (n=141,380)**



Source: Health Connector Board Summary Report, July 2022. [https://www.mahealthconnector.org/wp-content/uploads/board\\_meetings/2022/07-14-22/Board-Summary-Report-July-2022.pdf](https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2022/07-14-22/Board-Summary-Report-July-2022.pdf).

Approximately 87 percent of ConnectorCare enrollees chose Tufts Health Direct or WellSense (Boston Medical Center HealthNet Plan). WellSense and Tufts Direct were the lowest-cost ConnectorCare plan options available in 13 of 16 ConnectorCare regions across the state.

**Figure 5. ConnectorCare Enrollment by Carrier, July 2022 (n=197,105)**

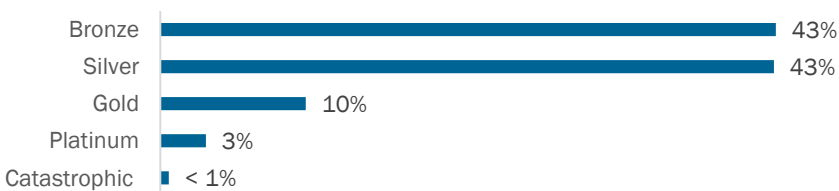


Source: Health Connector Board Summary Report, July 2022. [https://www.mahealthconnector.org/wp-content/uploads/board\\_meetings/2022/07-14-22/Board-Summary-Report-July-2022.pdf](https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2022/07-14-22/Board-Summary-Report-July-2022.pdf).

### 3.3: Non-group Membership Outside ConnectorCare

At the end of FY22, 86,450 individuals were enrolled in Qualified Health Plans with either no subsidies or only federal APTCs. The share of individuals over 300 percent FPL enrolled in Silver tier plans and Bronze tier plans was approximately the same at about 43 percent. In FY22, the share of individuals over 300 percent FPL enrolled in Bronze plans declined compared to FY21, when about half of all individuals over 300 percent FPL enrolled in Bronze tier plans. This change is likely due to the increased APTCs available through the American Rescue Plan providing more affordable options for members. While a combined 86 percent of individuals over 300 percent FPL were enrolled in either a Silver or Bronze plan, 10 percent were enrolled in a Gold plan, 3 percent enrolled in a Platinum plan, and less than 1 percent enrolled in a Catastrophic plan.

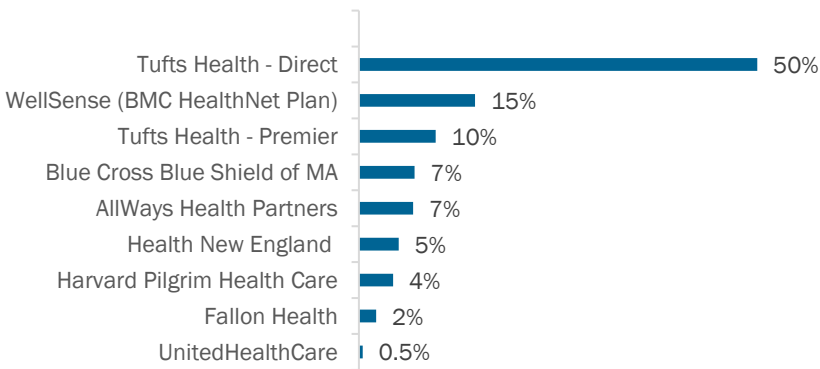
**Figure 6. Non-ConnectorCare (>300% FPL) Enrollment by Metallic Tier, July 2022 (n=86,455)**



Source: Health Connector Board Summary Report, July 2022. [https://www.mahealthconnector.org/wp-content/uploads/board\\_meetings/2022/07-14-22/Board-Summary-Report-July-2022.pdf](https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2022/07-14-22/Board-Summary-Report-July-2022.pdf).

Tufts Health Direct was the most popular carrier among members over 300 percent FPL in non-group coverage, with 50 percent of APTC-only and unsubsidized enrollment, followed by WellSense and Tufts Health Premier, with 15 percent and 10 percent enrollment, respectively.

**Figure 7. Non-ConnectorCare (>300% FPL) Enrollment by Carrier, July 2022 (n=86,455)**



Source: Health Connector Board Summary Report, July 2022. [https://www.mahealthconnector.org/wp-content/uploads/board\\_meetings/2022/07-14-22/Board-Summary-Report-July-2022.pdf](https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2022/07-14-22/Board-Summary-Report-July-2022.pdf).

The health insurance carriers selected by the Health Connector’s over 300 percent FPL individual coverage enrollees differ substantially from those chosen by individual coverage shoppers outside the Health Connector. Although individual coverage enrollees with incomes over 300 percent FPL are divided nearly equally between Health Connector and non-Health Connector individual coverage plans, a comparison of members by carrier shows notable differences in enrollment patterns. Health Connector members are more likely to “shop around” and engage in the comparison-shopping experience offered by the Exchange, leading them to choose lower-cost carriers and narrow-network products. Off-Exchange shoppers tend to choose higher-cost carriers that have broader networks.

### **3.4: Non-group member demographics**

The Health Connector’s membership reflects the diversity of the Commonwealth. Key demographic differences can be seen when comparing ConnectorCare members to APTC-only and unsubsidized members. ConnectorCare members come from populations that historically face cost barriers to enrolling in health coverage and accessing care when compared to other segments of the non-group market and the state population more broadly. ConnectorCare members are more likely to be women, speak a language other than English, and be non-citizens compared to Health Connector members who only receive APTCs and members who do not receive any subsidies. Unsubsidized members tend to be younger than members receiving subsidies as well as those in ConnectorCare.

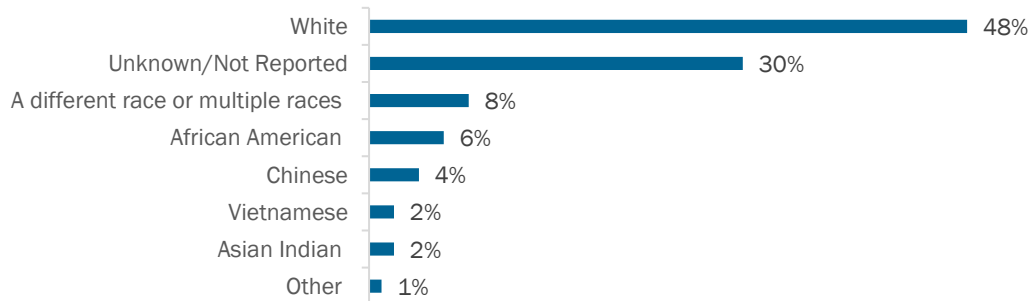
**Table 5. Health Connector Member Demographics: ConnectorCare vs. Non-ConnectorCare**

	<b>ConnectorCare ≤ 300% FPL</b>	<b>Non-ConnectorCare &gt;300% FPL</b>	
<b>Subsidy</b>	APTCs + State Wrap	APTCs only	No Subsidies
<b>Age (average)</b>	43 years old	44 years old	39 years old
<b>Gender</b>	55% women	52% women	50% women
<b>Household enrollment size (additional household members may have other coverage)</b>	80% Individual members 20% families	64% Individual members 36% families	77% Individual members 23% families
<b>Immigration status</b>	30% Lawfully present immigrants	13% Lawfully present immigrants	8% Lawfully present immigrants
<b>Language</b>	16% speak a language other than English 9% Spanish	6% speak a language other than English 3% Spanish	2% speak a language other than English 1% Spanish

Source: Health Connector Administrative Data

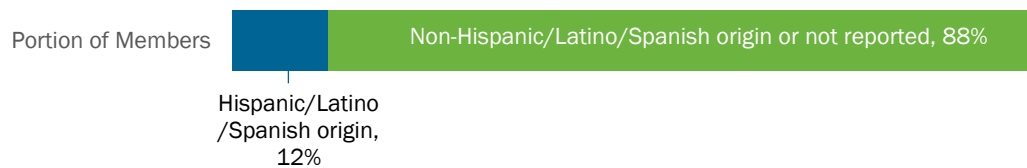
In FY22, nearly half of Health Connector members reported being White in their application for coverage and roughly 30 percent did not attest to a specific racial group. Approximately 12 percent of Health Connector members attested to being of Hispanic, Latino, or Spanish origin.

**Figure 8. Health Connector Members by Race**



Source: Health Connector Administrative Data

**Figure 9. Health Connector Members by Ethnicity**



Source: Health Connector Administrative Data

## 4.0: Small-group Membership

Health Connector for Business was designed to bring the Health Connector’s competitive state-based Marketplace model to small employers by connecting employer groups to the full Massachusetts carrier marketplace. Serving employers with 50 or fewer employees, Health



Connector for Business aims to maximize access and affordability by offering small employers in Massachusetts unprecedented flexibility, choice, and savings opportunities.

Both Chapter 58 of the Acts of 2006 and the Affordable Care Act require that the Health Connector offer small-group coverage to address the challenges faced by small businesses in providing insurance to employees. Health Connector for Business was implemented to serve the small-group market in a sustainable and meaningful way, reflecting the Commonwealth’s commitment to small employers. The Commonwealth benefits from a healthy and robust group insurance market and Health Connector for Business is a tool to help draw new employer groups into the merged market.

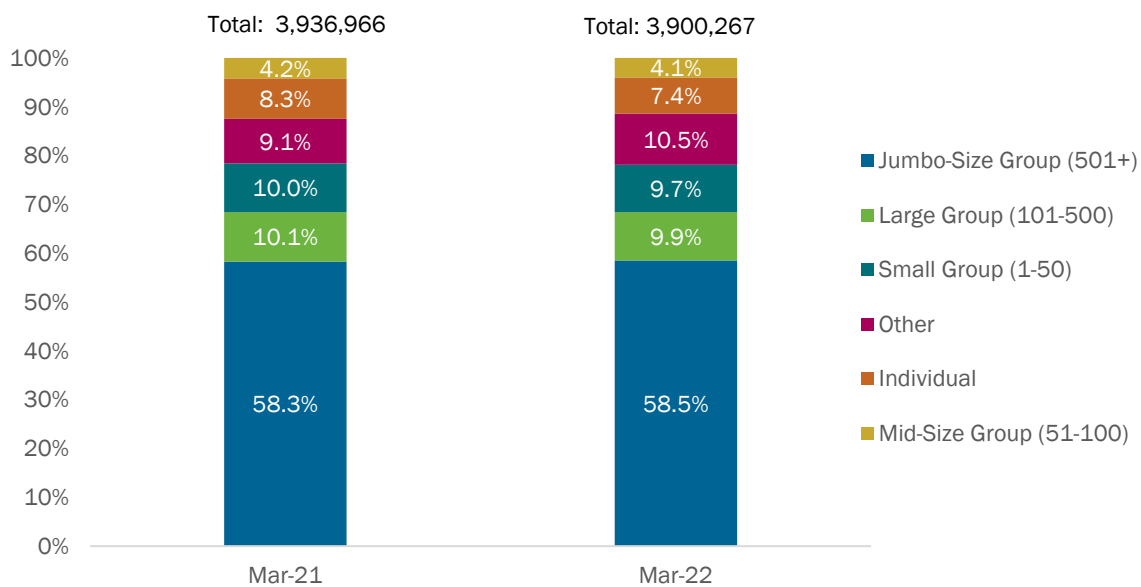
Through HCB, employers have three ways to offer health coverage so employees can find the plan that best meets their needs.

- **One Plan:** Employers choose one health plan, and all employees enroll in that same plan.
- **One Level:** Employers choose a benefit level. Employees can choose a plan from any carrier at the level their employer chooses. No matter what plan they choose, employers pay the same amount towards their coverage.
- **One Carrier:** Employers choose an insurance company (carrier). Employees can choose from several plans offered by that carrier at different benefit levels. No matter what plan they choose, employers pay the same amount towards their coverage.

#### 4.1: Massachusetts small-group market

In March 2022, small-group employees represented about 9.7 percent of all private commercial enrollment in Massachusetts, a slight decrease from 10 percent in FY2021. The total number of small-group market employees decreased by about 16,000 employees.

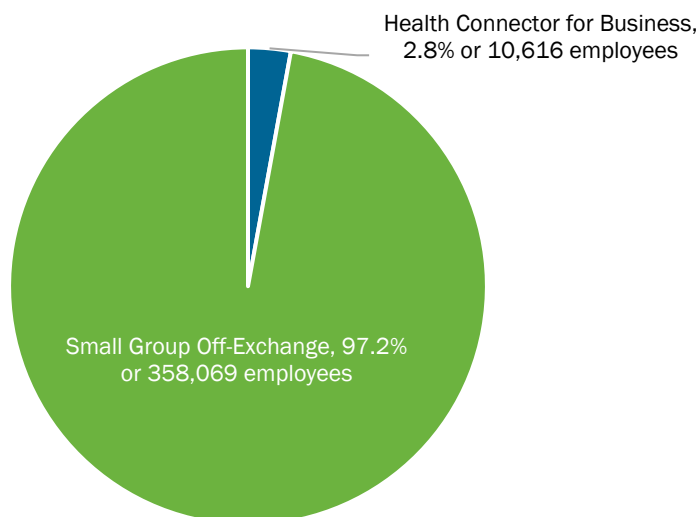
**Figure 10. Massachusetts Private Commercial Enrollment by Employer Size, 2021-2022**



Source: CHIA Enrollment Trends, September 2022 (data through March 2022). <http://www.chiamass.gov/enrollment-in-health-insurance/>.

The Health Connector serves 2.4 percent of the small-group market in Massachusetts, a 0.3 percentage point increase since September 2020. The Health Connector’s small-group membership has grown consistently in both size and in its share of the small-group market since the platform launched.

**Figure 11. Massachusetts Small-group Enrollment by Exchange Use, March 2022**

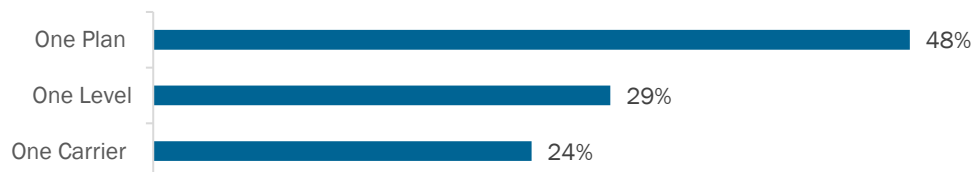


Source: CHIA Enrollment Trends, September 2022 (data through March 2022). <http://www.chiamass.gov/enrollment-in-health-insurance/>.

#### 4.2: Health Connector for Business (HCB) enrollment

By the end of FY22, HCB had 11,344 small-group members among 2,068 groups, representing a 15 percent increase in members and 14 percent increase in groups when compared to the end of FY21. HCB has continued to grow due to interest from a wide variety of market segments, industries, and regions. Among new sales, employer groups selected choice models, where an employer offers a reference plan but provides employees with the option to shop from other carriers, or other benefit levels from the same carrier. Approximately 53 percent of new groups elected to offer either “One Level” or “One Carrier” options.

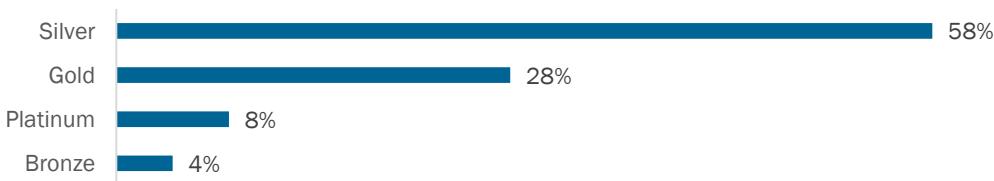
**Figure 12. HCB Small-group Enrollment by Choice Model, July 2022 (n=11,344)**



Source: Health Connector Board Summary Report, July 2022. [https://www.mahealthconnector.org/wp-content/uploads/board\\_meetings/2022/07-14-22/Board-Summary-Report-July-2022.pdf](https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2022/07-14-22/Board-Summary-Report-July-2022.pdf).

Silver tier plans are the most popular among small-group members.

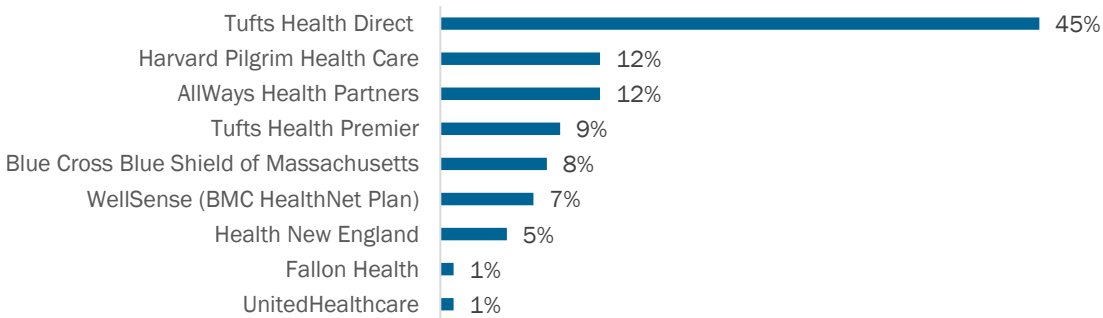
**Figure 13. HCB Small-group Enrollment by Metallic Tier, July 2022 (n=11,344)**



Source: Health Connector Board Summary Report, July 2022. [https://www.mahealthconnector.org/wp-content/uploads/board\\_meetings/2022/07-14-22/Board-Summary-Report-July-2022.pdf](https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2022/07-14-22/Board-Summary-Report-July-2022.pdf).

Most employees enrolled with Tufts Health Direct, AllWays Health Partners, and Harvard Pilgrim Health Plan (69 percent of all Health Connector for Business members).

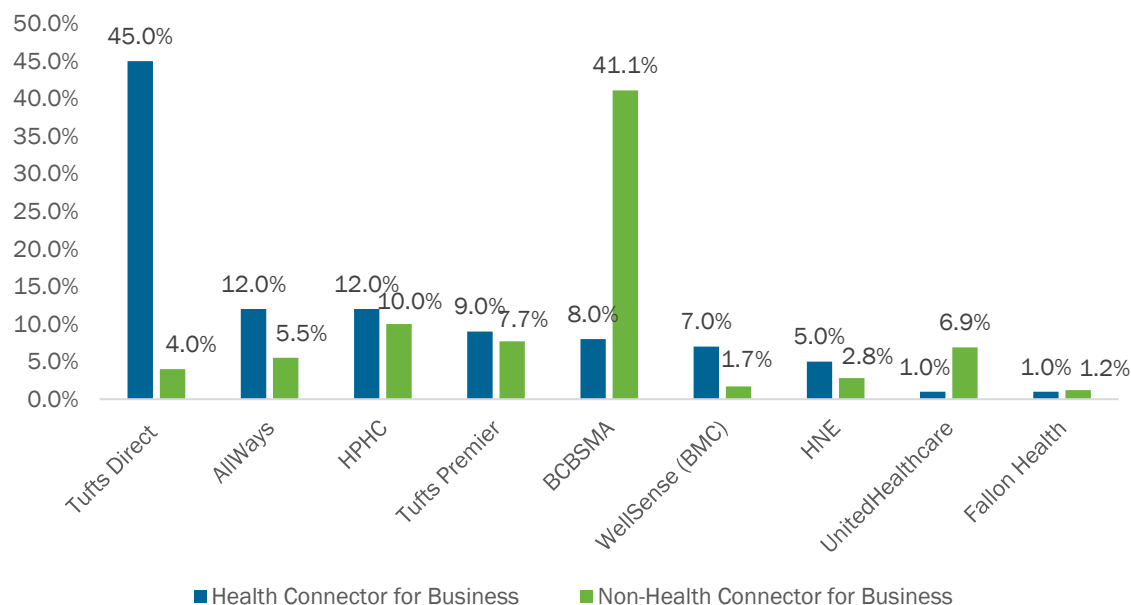
**Figure 14. HCB Small-group Enrollment by Carrier, July 2022 (n=11,344)**



Source: Health Connector Board Summary Report, July 2022. [https://www.mahealthconnector.org/wp-content/uploads/board\\_meetings/2022/07-14-22/Board-Summary-Report-July-2022.pdf](https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2022/07-14-22/Board-Summary-Report-July-2022.pdf).

Like trends seen in the non-group market, HCB small-group enrollees' plan selections differ substantially from those chosen by non-HCB shoppers, indicating that the Health Connector's comparison-shopping experience increases competition among carriers. Top carriers among on-Exchange small groups include Tufts Direct and AllWays Health Partners compared to BCBSMA and Tufts Premier for off-Exchange small groups.

**Figure 15. Small-group Enrollment On- and Off-Exchange by Carrier, March 2022**



Source: CHIA Enrollment Trends, September 2022 (data through March 2022). <http://www.chiamass.gov/enrollment-in-health-insurance/>.

### 4.3: ConnectWell Wellness Program

HCB administers a streamlined wellness program with the goal of increasing participation among enrolled small groups. The program, called ConnectWell, replaced the former HCB Wellness Track program in 2019. ConnectWell is designed to promote health and wellness by encouraging and rewarding eligible employers and employees for completing wellness activities. Employees can earn \$100 gift cards and employers can receive a 15 percent rebate on their health plan contributions.

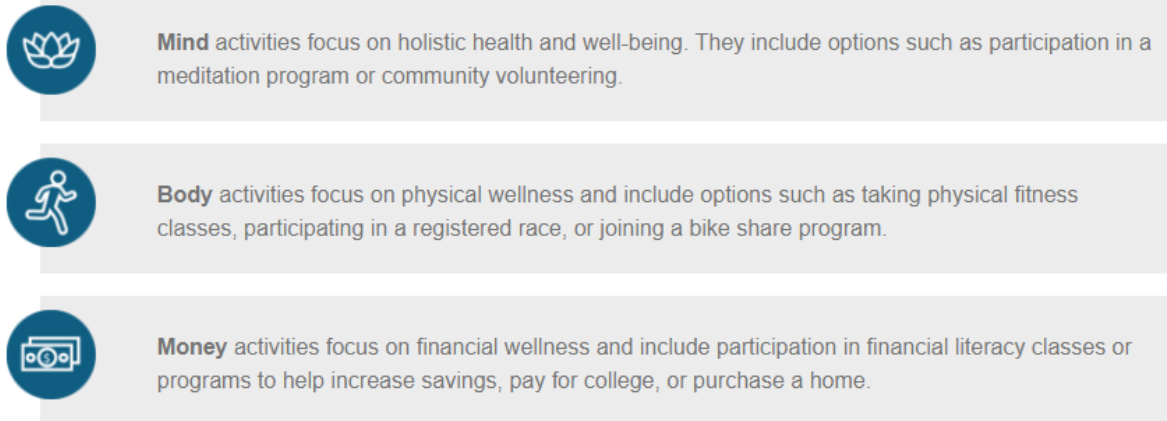
The Health Connector is statutorily required to:

- Administer a program that provides subsidies and technical assistance to small employer groups to implement a wellness program;
- Provide an annual subsidy of up to 15 percent of employer health care costs for up to no more than three years total;
- Document that 33 percent of employees meet participation requirements in order to provide the employer their subsidy;
- Make the program available to only groups with up to 25 enrolled full-time employees;
- Uniformly apply a standard for determining who is eligible for the rebate as well as a mechanism for providing the rebate; and
- Develop the evidence-based wellness program in consultation with the Department of Public Health.

ConnectWell is managed in-house by HCB, allowing eligible employers to participate without having to sign up with a third party. Upon enrollment into health insurance, eligible employers and their employees receive emailed communications from HCB about the program and how to participate. Employers are considered eligible for ConnectWell if they have 1-25 employees and are eligible for a rebate if 33 percent of their employees participate in wellness activities. Employees can choose from a range of activities to earn the incentive gift card. At minimum, employees must choose one activity

in one of three categories: mind, body, or money. At the end of the plan year, employers will receive a rebate based on what they contributed to their employees' insurance.

**Figure 16. ConnectWell Activities**



Source: Health Connector for Business ConnectWell webpage.  
<https://www.mahealthconnector.org/business/employers/connectwell-for-employers>

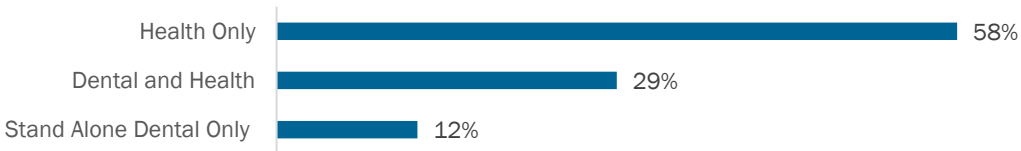
In 2021, 159 HCB employer groups were eligible for wellness rebates and 296 employees received \$100 gift cards. On average, employers received rebate checks of \$2,354. During plan year 2021-2022, 35 percent of employers who were eligible for a rebate were non-brokered compared to 47 percent plan year 2020-2021. Approximately 84 percent of overall HCB employers did not participate in ConnectWell. The Health Connector continues to encourage ConnectWell uptake by not only collaborating with employers and brokers but also by outreach to employees directly. Additionally, the HCB team continues to host live trainings about the program for both employers and brokers.

## 5.0: Dental Membership

### 5.1: Non-group dental enrollment

The Health Connector first began to offer dental coverage to individuals and small groups in January 2014. Between FY21 and FY22, enrollment in non-group dental coverage decreased by about 6 percent with 108,781 individuals enrolled at the end of FY22. Among all Health Connector non-group enrollees, 29 percent were enrolled in health and dental plans and 12 percent were enrolled in standalone dental plans.

**Figure 17. Non-group Enrollment by Health and Dental Plan, July 2022 (n=259,989)**



Source: Health Connector Board Summary Report, July 2022. [https://www.mahealthconnector.org/wp-content/uploads/board\\_meetings/2022/07-14-22/Board-Summary-Report-July-2022.pdf](https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2022/07-14-22/Board-Summary-Report-July-2022.pdf).

**Figure 18. Non-group Dental Enrollment by Benefit Tier, July 2022 (n=108,821)**



Source: Health Connector Board Summary Report, July 2022. [https://www.mahealthconnector.org/wp-content/uploads/board\\_meetings/2022/07-14-22/Board-Summary-Report-July-2022.pdf](https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2022/07-14-22/Board-Summary-Report-July-2022.pdf).

## 5.2: Small-group dental enrollment

At the end of FY22, there were 847 small groups and 4,264 employees enrolled in dental coverage, a 33 percent and 46 percent increase compared to FY21, respectively. Approximately, 91 percent enrolled in Delta Dental and the remaining 9 percent enrolled in Altus Dental.

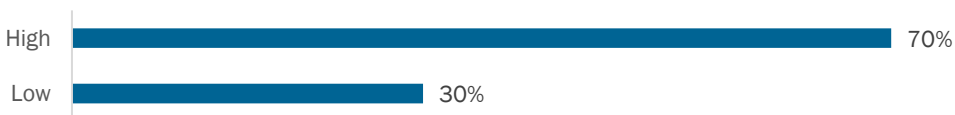
**Figure 19. HCB Small-group Dental Enrollment by Carrier, July 2022 (n=4,264)**



Source: Health Connector Board Summary Report, July 2022. [https://www.mahealthconnector.org/wp-content/uploads/board\\_meetings/2022/07-14-22/Board-Summary-Report-July-2022.pdf](https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2022/07-14-22/Board-Summary-Report-July-2022.pdf).

Approximately 70 percent of small-group members were enrolled in a high tier dental plan.

**Figure 20. HCB Small-group Dental Enrollment by Benefit Tier, July 2022 (n=2,962)**



Source: Health Connector Board Summary Report, July 2022. [https://www.mahealthconnector.org/wp-content/uploads/board\\_meetings/2022/07-14-22/Board-Summary-Report-July-2022.pdf](https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2022/07-14-22/Board-Summary-Report-July-2022.pdf).

## 6.0: Administration and Operations

Chapter 58 created the Commonwealth Care Trust Fund (CCTF) to provide support for subsidized coverage through the Health Connector and Health Safety Net. 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.<sup>ii</sup>

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 for the ConnectorCare program. 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 small assessment on carriers to support administrative costs.

### 6.1: Health Connector programmatic budget

The Health Connector programmatic budget shows actual spending for FY22. The federal government provides matching FFP payments only for citizens and certain 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. In FY22, Health Connector programs cost \$78.6 million, net of FFP.<sup>iii</sup>

Table 6. FY22 Health Connector Programmatic Budget

FY22 Net Costs	FY22 as of August 2022		
	July–December 2021	January–June 2022	Total
ConnectorCare Enrollees <sup>iv</sup>	\$8,216,000	\$34,928,000	\$43,144,000
State Premium Wrap	\$3,622,000	\$4,474,000	\$8,098,000
State CSR	\$31,359,000	\$31,578,000	\$62,937,000
Cost Sharing Reconciliation (CY20)	-\$26,765,000	-\$1,125,000	-\$27,890,000
State Mandated Benefits <sup>v</sup>	\$258,000	\$153,000	\$411,000
Medical Loss Ratio Rebate <sup>vi</sup>	-\$251,000	\$0	-\$251,000
Wellness program subsidies	\$127,000	\$148,000	\$275,000
CCTF Draw	\$17,500,000	\$17,500,000	\$35,000,000
<b>Total Program Cost (Net of FFP)</b>	<b>\$25,850,000</b>	<b>\$52,729,000</b>	<b>\$78,579,000</b>

### 6.2: Non-group and small-group customer experience vendors

The Health Connector engages vendors to provide customer service and business operations support to its non-group members and small groups.

For FY22, the Health Connector continued to engage with Softheon, Inc. for services including enrollment and premium billing services, notice generation and mailing, and member portal implementation. The Health Connector maintains a separate contractual agreement with Accenture for contact center and eligibility and enrollment support services including contact center planning and design activities to continue to improve the Health Connector member experience.

In 2022 the Health Connector implemented new features to allow members to interact with the organization via chat through member portal (both virtual and live agent). Members can also opt-in to receive text and emails with updates regarding their case status, information about how to pay, where to find walk-in centers, how to submit RFI documentation, and more. Enhancements were also made to the IVR that allow members to hear status and balance for current and future plans. Members can also utilize self-service options to pay for health and dental plans on one call and only enter their banking information once.

Support for small-group customers is provided by staff at the Washington, D.C., State-based Exchange (DCHBX). DCHBX contact center and technology performance is actively monitored to ensure appropriate and timely levels of service.

### **6.3: Additional member support initiatives**

#### **Non-group Call Center and Walk-in Centers.**

The Health Connector call center supported members and applicants during the OE22 period. The regular OE22 period ended with an overall customer satisfaction score of 85 percent in January 2022 compared to 82 percent at the end of OE21. Retention of existing members was high at 92 percent by the end of OE22.

In FY22, the Health Connector worked with its contact center vendor, Accenture, to continue to address drivers of member dissatisfaction by offering comprehensive training to call center representatives, making process improvements, and by reducing the number of dropped calls while attempting to make call transfers.

Due to the impacts of COVID-19, the Health Connector closed its walk-in locations (in Boston, Brockton, Springfield, and Worcester) in March 2020. Following several months of closure, the walk-in locations were reopened in December 2021 (Boston & Springfield) and January 2022 (Worcester). Key walk-in center services include payment drop-off and document drop-off. Payments can also be made online via the payment portal, by mail, and by phone through the automated self-service menu. Documents can also be mailed or uploaded to the HIX portal.

#### **Member Survey Research**

The Health Connector strives to achieve the highest levels of customer satisfaction and to enhance the customer experience by soliciting feedback through survey research that can be used to shape policy and programs. The Health Connector fields monthly surveys to new non-group members as well as new employer groups, eligible but unenrolled employer groups, and terminated employer groups. Additionally, annual non-group and small-group surveys are fielded to establish measures of customer satisfaction and perceptions.

In the Health Connector's FY22 annual non-group member experience survey of 1,200 current and former members, 77 percent reported being satisfied with their Health Connector coverage, representing a 1 percentage-point increase from 2021 when it was 76 percent. Compared to 2021, all subsidized members reported increased affordability, possibly due to enhanced American Rescue Plan (ARP) subsidies; however, cost remains a barrier to care for many, consistent with statewide surveys. One-fifth of respondents reported that the cost of medication prevented them from taking a prescription as often as required or taken a smaller dose.



In FY22, the Health Connector surveyed 503 current and former small groups to learn more about the employer experience with HCB. Small groups reported high levels of satisfaction with the small-group customer experience (86 percent compared to 86 percent in FY21 and 77 percent among non-group members). As with non-group members, finding an affordable plan can be a challenge small groups face when trying to obtain insurance. Compared to FY21, more small groups indicated that finding affordable plans is their greatest challenge in obtaining and offering health insurance (65 percent in FY21 vs. 76 percent in FY22). Still, businesses primarily choose HCB given its competitively priced plan offerings and ability to compare multiple plans from different carriers.

The Health Connector relies on these survey findings to support existing knowledge about enrollees and to prioritize key areas of operational and policy enhancement.

#### 6.4: 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 childcare provider; a family illness requiring full-time care; natural or manmade disaster; and bankruptcy. In FY22, 96 hardship waiver applications were approved. Reasons for dismissal of waiver applications include missing documents, submission by non-members, or other administrative reasons.

In FY22, the Health Connector received a total of 2,232 appeal requests from individuals. Among the 1,305 dismissed appeals, 183 were resolved without the need for a hearing. Fifty-six percent of the 754 hearings scheduled were dismissed for failure to appear. The remainder were approved or denied at hearing, as noted in the table below.

**Table 7. FY22 Appeal Requests**

Appeal Request Status	Count
Approved	12
Denied	164
Dismissed	1,305
Pending	401
<b>Total Requests</b>	<b>2,232</b>

## 7.0: Outreach, Assistance, and Education

### 7.1: Non-group assistance and outreach

#### Navigator program

On a regular cycle, through a competitive grant process, the Health Connector selects and provides grant funds to a set of community organizations to serve as Navigator grantees. The selected organizations provide community-based assistance to help individuals obtain health insurance coverage and remain insured.

The goals of the Health Connector Navigator grant 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 generate awareness about Health Connector coverage, and assisting with eligibility questions, renewals, application updates, shopping for plans, and payment.

The Navigator program is required by the Affordable Care Act (ACA) and is supported by state funds. For FY22, there were 19 Navigator grant organizations employing a total of 120 certified Navigators across the Commonwealth (see Appendix B).

During FY22 the Health Connector Navigator Grantees continued to work with COVID-19 restrictions in place. They responded to the changing needs of their communities and worked with people in a manner that they were most comfortable with – whether outdoors, over the phone, email or Zoom conference call – they remained committed to serving their communities, so that individuals and families were able to get and keep the health insurance coverage that they needed.

As they assisted members of their community obtain and retain insurance coverage and explain MassHealth protections, the numbers did show fewer state residents seeking assistance with new applications when compared to previous years (pre-pandemic). However, Navigators continued to support members year-round, submit materials, work through payment problems, discuss using their benefits – all in a culturally and linguistically appropriate way. The current Navigators offer help in 23 different languages (see Appendix B).

### **Open Enrollment 2022 Outreach, Education, and Marketing**

In FY21, the Health Connector’s communications and outreach strategy evolved due to COVID-19, with online events and social media replacing in-person community activities. In FY22, Open Enrollment activities were fueled by a return to community based, in-person events. Similar to OE21, in OE22, the ongoing pandemic required an enhanced focus on new populations, such as newly uninsured state residents who lost their employer coverage.

Priority populations outreached during OE22 also included the chronically uninsured and those newly eligible for enhanced subsidies due to the ARP. The Health Connector continued to target outreach to communities with large populations and high uninsured rates, including Boston, Springfield, Lowell, Lawrence, Lynn and New Bedford. To maximize OE22 visibility, paid and earned media opportunities were used to highlight the security of coverage, affordable plans, and access to COVID-related services. The Health Connector also continued to reinforce the need for coverage during a pandemic in OE messaging.

The Health Connector continued its engagement with ASG, a marketing and communications firm, on media outreach to these populations for the sixth year in a row. Ethnic media remained a key partner during OE22, including radio and TV programming.

In addition to returning to community events with COVID-precautions in place, the Health Connector utilized video, digital, radio and print outlets for messaging during OE22. Other outreach and marketing included direct member and unenrolled applicant outreach, continued local Navigator interview opportunities, ongoing signage placement in communities with higher rates of uninsurance, and continued public webinars.

## **7.2: Small-group assistance and outreach**

### **Employer Engagement**

While Navigators focus on individual members and shoppers, the Health Connector has sought other channels to help educate employers about available health insurance options. In an effort to increase awareness among small-business owners and their brokers about Health Connector for Business, the Health Connector presented at and sponsored many events across the state in FY22.

Additionally, the Health Connector engaged in a series of outreach events hosted in partnership with local Chambers of Commerce, employer associations and groups, and governmental agencies (e.g., Office of Economic Empowerment and Mass Office of Business Development) that support small business across the state.

### **Small-group Outreach, Education, and Marketing**

Through HCB, the Health Connector empowers small businesses across the Commonwealth to access quality, affordable coverage for their employees. HCB is supported by a comprehensive outreach program, which includes paid media, event participation, and close relationships with brokers across Massachusetts. The Health Connector continued to work closely with the broker community, providing direct access for brokers to Health Connector for Business staff to help brokers effectively manage clients. The Health Connector also held a series of trainings and policy update sessions for brokers.

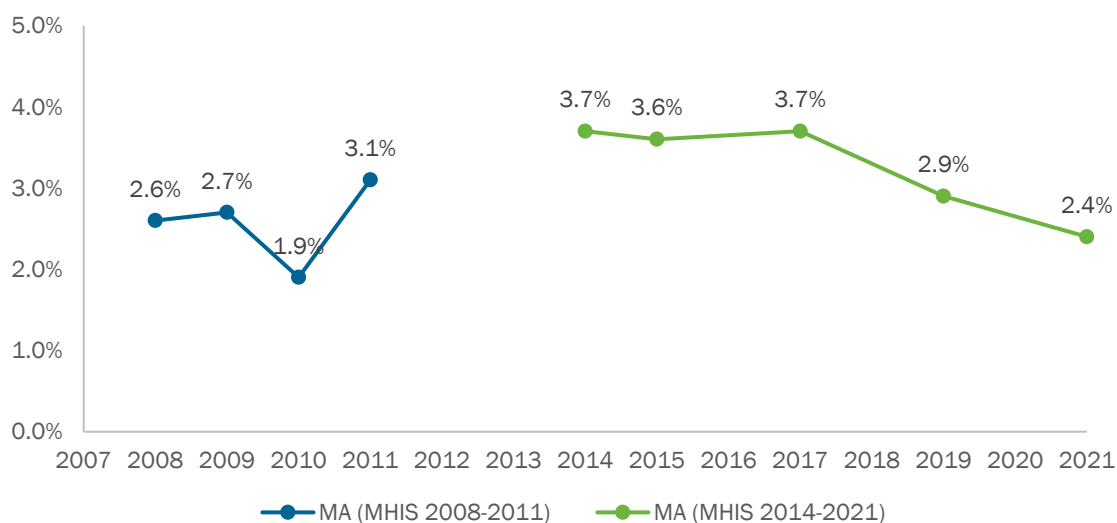
The Health Connector continues to engage with small-business owners and brokers directly, through participation in presentations and visibility opportunities. In response to COVID-19, HCB offered virtual engagement opportunities in addition to in-person events. Activities included: participation in annual meetings or high-profile events with a wide range of organizations, including MassAHU, the Massachusetts Non-profit Network, the Sustainable Business Network, and other organizations. HCB formed new partnerships with a variety of organizations in FY22 including the Massachusetts Restaurant Association and the Massachusetts Supreme Judicial Court Standing Committee on Lawyer Well-Being.

The Health Connector also participated in events and activities with Chambers of Commerce, including the Greater Boston Chamber of Commerce, the MA LGBT Chamber of Commerce, and others.

### **7.3: The remaining uninsured**

The Commonwealth consistently has the highest rate of coverage in the nation, attributed to a combination of innovative policies and a person-centered outreach strategy. In 2021, the uninsurance rate in Massachusetts declined slightly to 2.4 percent from 2.9 percent in 2019. In recent years, the state's uninsured rate has flattened with roughly 200,000 remaining uninsured residents. Though the uninsured rate in Massachusetts decreased by 0.5 percentage points from 2.9 percent to 2.4 percent between 2019 and 2021 and 0.8 percentage points from 3.7 to 2.9 between 2017 and 2019, these changes were not statistically significant.

**Figure 21. Uninsurance at the Time of Survey for Massachusetts, 2008-2021, CHIA 2021 MHIS**



Source: CHIA Massachusetts Health Insurance Survey 2021 (July 2022). <http://www.chiamass.gov/enrollment-in-health-insurance/>; <https://www.chiamass.gov/massachusetts-health-insurance-survey/>.

Compared to the general population, uninsured Massachusetts residents are more likely to be non-elderly adults (ages 19 to 64), male, Hispanic or Black, and have family income below 300 percent FPL. To address these disparities, the Health Connector analyzes state and federal data on the Commonwealth’s remaining uninsured population to inform a targeted population approach to outreach and enrollment. The low family income of many uninsured residents suggests that many may be eligible for public health insurance coverage or subsidized coverage through the Health Connector. In 2021, the most commonly reported reason for Massachusetts residents being uninsured was related to cost. Over 43 percent of uninsured residents reported that the cost of coverage was too high.

In FY22, the Health Connector launched its Simple Sign-Up program, designed to help facilitate outreach and enrollment of uninsured Massachusetts residents by leveraging the state tax filing process. Section 65 of the FY22 budget included a provision newly allowing the Health Connector to collaborate with the Department of Revenue on a check box on the state tax return that would allow tax filers to consent to have select information shared with the Health Connector for the purposes of eligibility estimates and outreach.

Notices including preliminary estimates for Health Connector coverage costs and program eligibility were sent to 15,000 households – representing roughly 20,000 household members. The Health Connector will monitor the impact of the Simple Sign-Up program on the remaining uninsured.

## 8.0: Policy and Regulatory Responsibilities

### 8.1: 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 can 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 FY22, the Health Connector certified 52 non-group and 64 small group Qualified Health Plans from nine medical carriers for calendar year 2022 coverage. Compared to the number of certified plans in FY21, this represents a net decrease of seven plans on the non-group shelf and a net decrease of eight plans on the small group shelf. The SOA also certified 12 Qualified Dental Plans from two dental carriers for consumers to choose from. These plans were sold beginning on January 1, 2022.

Throughout FY22, Health Connector staff designed its 2023 SOA certification process to address racial disparities in health status, access to care, and incidence of medical debt by eliminating cost sharing for high-value medications needed for treating select chronic conditions that disproportionately impact communities of color (diabetes, asthma, coronary artery disease, and hypertension). Staff also eliminated cost-sharing for primary care provider (PCP) sick visits in ConnectorCare to ensure timely management of these conditions. Health Connector staff will continue to leverage the SOA process to address health equity issues.

## **8.2: Student Health Insurance Program**

Chapter 224 of the Acts of 2012 (Chapter 224) shifted regulatory 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.<sup>vii</sup> This allows students to access affordable insurance while attending institutions of higher education. While not part of its regulatory responsibility, the Health Connector has also historically provided technical assistance to the public colleges and universities with premium renewal negotiations while ensuring SHIP program compliance with federal and state rules.

## **8.3: 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.<sup>viii</sup> Specifically, the Health Connector's Board of Directors 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. Individuals who did not have coverage may have to pay a penalty unless they qualify for an exemption.

### **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.<sup>ix</sup> 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.

The affordability schedule aligns with the ConnectorCare program's lowest cost premium in each plan type, though this alignment is not technically required. It helps support consumers in making choices about coverage and their household budgets by determining whether they would pay a penalty for not enrolling in coverage. The affordability schedule does not:

- Require employers, issuers or other coverage providers to offer plans deemed affordable by the schedule
- Penalize employers or issuers if individuals fail to enroll in the affordable coverage they offered
- Impact the federal individual mandate in any way

For Calendar Year 2022, the affordability schedule largely remained unchanged from the several years prior. See Appendix C for more information.

### **Minimum Creditable Coverage**

As a part of Massachusetts's health reform effort, the Health Connector's Board of Directors created a "floor" of covered benefits that adult tax-filers must have 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 plan 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. For 2021, deductibles in compliant plans could not exceed \$2,700 for individual coverage and \$5,400 for family coverage, with separate prescription drug deductibles capped at \$330 for individual coverage and \$660 for family coverage.<sup>x</sup> In 2022, these limits rose to \$2,750 for individual and \$5,500 for a family, with separate prescription drug deductibles capped at \$340 and \$680, for individual and family coverage respectively.<sup>xi</sup> 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 FY22, 1,801 plans were sent to the Health Connector for consideration as MCC-compliant. Of those, 1,780 were granted certification, 15 were denied, 6 were withdrawn from consideration or incomplete. The high rate of MCC-certification approval is attributable to the fact that non-compliant plans are less likely to submit 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, most state residents required to maintain insurance under the individual mandate are enrolled in MCC-compliant plans, ensuring that they have access to comprehensive coverage.

In FY20, the Health Connector made changes to the MCC regulations to align with market dynamics and current Health Connector practice. The Health Connector will continue to review and enhance MCC standards to be responsive to the needs of all state residents.

### 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.<sup>xii</sup>

**Table 9. Penalty Schedule for Failure to Comply with the Individual Mandate, 2020-2022**

		150.1-200 percent FPL	200.1-250 percent FPL	250.1-300 percent FPL	Above 300 percent FPL
2020	Per month	\$22	\$43	\$65	\$135
	Per year*	\$264	\$516	\$780	\$1,620
2021	Per month	\$23	\$44	\$66	\$142
	Per year*	\$276	\$528	\$792	\$1,704
2022	Per month	\$23	\$45	\$67	\$159
	Per year*	\$276	\$540	\$804	\$1,908

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

## 9.0: Conclusion

As the Commonwealth’s hub for outreach, education, and help paying for health coverage, the Health Connector remains committed to ensuring that all Massachusetts residents can access and afford high quality health care. Since its inception, the Health Connector has worked to build a strong programmatic and policy foundation to provide competitive health insurance options for members at all subsidy levels. Over the years, the Health Connector’s has grown to become the central and trusted pillar of affordable and high-quality health insurance for the diverse spectrum of the Massachusetts public, serving residents of all incomes, races, ethnicities, and backgrounds and connecting them to comprehensive health coverage that enables health care access and financial protection. In FY22, the Health Connector continued to support members and state residents through the ongoing pandemic and continued to implement provisions of the ARP to ensure individuals were able to access enhanced benefits and lower premiums as quickly as possible.

In the next fiscal year, the Health Connector will continue to monitor emerging trends around the pandemic-driven economic and health care environment as well as federal proposals to make temporary ARP benefits permanent. In anticipation of the end of the federal public health emergency, the Health Connector will continue work to stabilize customer service functions and take steps to make the agency more member-focused in product design and member communications. These steps will help prevent state residents from falling into coverage gaps as the state and nation unwind temporary policies implemented during the federal public health emergency.

The Health Connector will use research and qualitative and quantitative data to:

- Improve its understanding of member needs and preferences;

- Explore new pathways to enhance coverage levels; and
- Deliver strategic improvements, operational stability, and increased member satisfaction.

As always, continued success will depend on the Health Connector’s collaborative relationship with other state, federal, and private sector partners all focused on the 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 can make the health insurance market work better for consumers.

## Appendix

### Appendix A. Milestones in Massachusetts Market Reform

<b>1992 – 1996</b>
<ul style="list-style-type: none"> <li>▪ Massachusetts introduced consumer protections to the non-group and small-group market, including guaranteed issue and a state version of adjusted community rating rules.</li> </ul>
<b>2006 – 2008</b>
<ul style="list-style-type: none"> <li>▪ Massachusetts enacted Chapter 58 of the Laws of 2006 (Chapter 58), comprehensive reforms that aimed to achieve universal health coverage including:               <ul style="list-style-type: none"> <li>○ The creation of the Health Connector, an independent agency that serves as a Marketplace to assist individuals and small employers in accessing health insurance and subsidies for residents with incomes up to 300 percent FPL through the Commonwealth Care program.</li> <li>○ State shared responsibility requirements for individuals and employers.</li> <li>○ The merger of the non-group and small-group markets into a single risk pool.</li> </ul> </li> </ul>
<b>2010 – 2014</b>
<ul style="list-style-type: none"> <li>▪ Massachusetts prepared to implement the ACA, opting to retain its state-based Marketplace and merged market structure.</li> <li>▪ Additionally, the Commonwealth enacted comprehensive cost-containment legislation.</li> </ul>
<b>2014 – 2020</b>
<ul style="list-style-type: none"> <li>▪ Massachusetts retained its state-based Exchange, 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 including federal Advance Premium Tax Credits (APTCs) and Cost Sharing Reductions (CSRs) and maintaining a “state wrap” to meet a state affordability schedule that sets lower enrollee contributions than the federal affordability schedule.</li> <li>▪ Residents between 300-400 percent FPL were also eligible for premium tax credits.</li> </ul>
<b>2021</b>



- The passage of the federal American Rescue Plan in March 2021 included provisions that significantly expand premium subsidies through ACA Exchanges like the Health Connector. The new law:
  - Expanded federal APTC generosity, for 2021 and 2022, for individuals with income under 400 percent FPL (about \$51,000/individual or \$105,000/family of four).
  - Removed the “cap” on receiving APTCs for 2021 and 2022, making subsidies available to households with incomes above 400 percent FPL for the first time, ensuring that they do not have to spend more than 8.5 percent of their household income on health insurance premiums.
  - Enhanced subsidies for individuals receiving unemployment compensation for any week of 2021, making them eligible for a \$0 health plan with low-cost sharing.

## 2022

- As of July 2022, the Health Connector had over 271,700 members enrolled in Health Connector programs, including over 141,370 ConnectorCare enrollees and over 35,000 APTC-only enrollees.
- Health Connector members continued to benefit from ARP’s enhanced subsidies and the IRA extended subsidy enhancements through 2025.
- The Health Connector launched its Simple Sign-Up program, designed to help facilitate outreach and enrollment of uninsured Massachusetts residents by leveraging the state tax filing process.

## Appendix B. Navigators

### Navigator Organizations and Locations

Navigator Organization	Location(s)
Boston Public Health Commission	Boston
Cambridge Economic Opportunity Commission	Cambridge
Caring Health Center	Springfield
Community Health Center of Franklin County	Greenfield
Community Action Committee of Cape Cod & Islands	Hyannis
Ecu-Health Care	North Adams
Edward M. Kennedy Community Health Center	Framingham and Worcester
Family Health Center of Worcester	Worcester
Fishing Partnership Support Services	Gloucester, Plymouth, Hyannis, New Bedford
Greater Lawrence Community Action Council	Lawrence
HealthFirst Family Care Center	Fall River
Hilltown Community Health Center	Huntington, Amherst
Joint Committee for Children's Health Care	Everett
Manet Community Health Center	Quincy, Taunton
PACE (People Acting in Community Endeavors)	New Bedford
Vineyard Health Care Access	Oak Bluffs
Lynn Community Health Center	Lynn
Community Health Programs	Great Barrington, Pittsfield, Adams

**Navigator Languages Spoken**

Albanian	Kaba
Amharic	Khmer
Arabic	Mandarin
Berber	Nepali
Bulgarian	Portuguese
Burmese	Russian
Cape Verdean Creole	Sango
French	Serbian
German	Somali
Greek	Spanish
Haitian Creole	Vietnamese
Italian	

Appendix C. CY2022 Affordability Schedule

CY2022 Affordability Schedule for Individuals

Percent of FPL	Bottom of Income Range	Top of Income Range	Affordability Standard	Bottom of Affordable Monthly Premium Range	Top of Affordable Monthly Premium Range
0 - 150%	\$0	\$19,320	0%	\$0	\$0
150.1 - 200%	\$19,321	\$25,760	2.90%	\$47	\$62
200.1 - 250%	\$25,761	\$32,200	4.20%	\$90	\$113
250.1 - 300%	\$32,201	\$38,640	5.00%	\$134	\$161
300.1 - 350%	\$38,641	\$45,080	7.45%	\$240	\$280
350.1 - 400%	\$45,081	\$51,520	7.60%	\$286	\$326
Above 400%	\$51,521		8.00%	\$343	

CY2022 Affordability Schedule for Couples

Percent of FPL	Bottom of Income Range	Top of Income Range	Affordability Standard	Bottom of Affordable Monthly Premium Range	Top of Affordable Monthly Premium Range
0 - 150%	\$0	\$26,130	0%	\$0	\$0
150.1 - 200%	\$26,131	\$34,840	4.30%	\$94	\$125
200.1 - 250%	\$34,841	\$43,550	6.20%	\$180	\$225
250.1 - 300%	\$43,551	\$52,260	7.40%	\$269	\$322
300.1 - 350%	\$52,261	\$60,970	7.45%	\$324	\$379
350.1 - 400 %	\$60,971	\$69,680	7.60%	\$386	\$441
Above 400%	\$69,681		8.00%	\$465	

**CY2022 Affordability Schedule for Families**

<b>Percent of FPL</b>	<b>Bottom of Income Range</b>	<b>Top of Income Range</b>	<b>Affordability Standard</b>	<b>Bottom of Affordable Monthly Premium Range</b>	<b>Top of Affordable Monthly Premium Range</b>
<b>0 - 150%</b>	\$0	\$32,940	0%	\$0	\$0
<b>150.1 - 200%</b>	\$32,941	\$43,920	3.45%	\$95	\$126
<b>200.1 - 250%</b>	\$43,921	\$54,900	4.95%	\$181	\$226
<b>250.1 - 300%</b>	\$54,901	\$65,880	5.85%	\$268	\$321
<b>300.1 - 350%</b>	\$65,881	\$76,860	7.45%	\$409	\$477
<b>350.1 - 400%</b>	\$76,861	\$87,840	7.60%	\$487	\$556
<b>Above 400%</b>	\$87,841		8.00%	\$586	

<sup>i</sup> M.G.L. 176Q §7a

<sup>ii</sup> 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 those 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>

<sup>iii</sup> 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.

<sup>iv</sup> Includes enrollees who receive FFP as well as those who do not.

<sup>v</sup> 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 a Marketplace. 42 U.S.C. §18031D.

<sup>vi</sup> The Medical Loss Ratio (MLR) Rebate represents the state share of MLR rebates paid out through carriers.

<sup>vii</sup> 956 CMR 8.00

<sup>viii</sup> 26 U.S.C. §5000A.

<sup>ix</sup> M.G.L. 176Q §3

<sup>x</sup> Health Connector Administrative Bulletin 01-20. (2020). Guidance Regarding Minimum Creditable Coverage (MCC) Regulations For Calendar Year 2020. <https://www.mahealthconnector.org/wp-content/uploads/AdminBulletin01-20.pdf>

<sup>xi</sup> Health Connector Administrative Bulletin 06-21. (2021). <https://betterhealthconnector.com/wp-content/uploads/rules-and-regulations/AdminBulletin06-21.pdf>

<sup>xii</sup> Massachusetts Department of Revenue. (2012). Technical Information Release 22-3: Individual Mandate Penalties for Tax Year 2012. Available at <https://www.mass.gov/technical-information-release/tir-22-3-individual-mandate-penalties-for-tax-year-2022>