



Steward Health Care System LLC
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August 25, 2017

Louis Gutierrez, Executive Director
Commonwealth Health Insurance Connector Authority
100 City Hall Plaza, 6th Floor
Boston, MA 02108

Re: Comments on 1332 Waiver Request

Dear Executive Director Gutierrez:

Steward Health Care System LLC (“Steward”) is a fully integrated national health care services organization committed to providing the highest quality of care in the most cost efficient manner in the communities where our patients live. Steward owns and operates 18 community hospitals across four states, serves over 800 communities and employs over 23,000 employees. In addition to our hospitals, the Steward provider network includes more than 3,000 physicians, 25 urgent care centers, 42 preferred skilled nursing facilities, substantial behavioral health offerings and more than 3,700 hospital beds under management.

Our innovative, community-based Steward Health Care Network includes several thousand physicians who care for approximately 2 million patients annually, including Medicare beneficiaries under Medicare’s Next Gen ACO program. Steward is recognized as one of the nation’s leading accountable care organizations and our hospitals have received the country’s top awards for quality and safety.

Steward strongly supports the Connector’s efforts to stabilize the fully-insured market as well as explore opportunities for state flexibility and innovation in order to introduce more choice and lower premiums for individuals and small businesses. We offer the following suggestions to supplement the Connector’s commercial market reforms and increase the affordability of health insurance for Massachusetts residents.

1. Allow providers to pay monthly premiums for individuals who are eligible to enroll in a ConnectorCare plan from the Health Safety Net.

According to state regulations, patients eligible for ConnectorCare plans are only eligible for coverage from the Health Safety Net for 90 days. Our experience has shown that once the 90 days expire, patients often choose not to enroll in the ConnectorCare plans due to the increased out-of-pocket expenses they will incur. Thereafter, they are no longer

eligible for the Health Safety Net and become uninsured. The next time these patients seek medical care, often through a hospital's Emergency Department, they incur significant costs for themselves and for hospitals in the form of uncompensated care or bad debt. Allowing providers to pay the monthly premiums for these patients greatly increases access to coordinated care and offers an alternative means for providers to lower cost and expand access.

2. Empower the Connector, through its annual Seal of Approval process, to select at least one narrow network product, in every geographic rating area, that is at least 30% lower premium than existing HMO premium plans.

Current efforts to encourage consumers to choose high value (lower cost, high quality) providers through mechanisms such as tiered, or limited network plans are not accompanied by meaningful financial incentives for consumers to make the shift to high-value, narrow network products. Efforts to contain costs should be accompanied by corresponding efforts to incentivize individuals to utilize high quality, affordable providers. The Connector should require health plans to issue affordable health insurance products with premiums that are no less than 30% below existing HMO premiums.

In Steward's experience, health insurance products and plan design options need to include aggressive premium reductions of at least 30% below existing HMO products in order to meaningfully incentivize consumers to change their behavior toward high value providers. Requiring plan options that are 30% lower than existing HMO premiums will provide consumers with the appropriate financial motivation to choose products that offer high value providers and sufficient coverage for their health needs.

Thank you for your leadership in promoting innovative products for individuals and small businesses. We appreciate your consideration of our suggestions.

Sincerely,



David Morales
Chief Strategy Officer