



*The Commonwealth of Massachusetts
Commonwealth Health Insurance Connector Authority
100 City Hall Plaza
Boston, MA 02108*

CHARLES BAKER
Governor

MARYLOU SUDDERS
Board Chair

KARYN POLITO
Lieutenant Governor

LOUIS GUTIERREZ
Executive Director

Board of the Commonwealth Health Insurance Connector Authority

Minutes

Thursday, July 9, 2015
9:00 AM to 12:00 PM

One Ashburton Place
Boston, MA 02108
21st Floor Conference Room

Attendees: Louis Gutierrez, Marylou Sudders, Rina Vertes, Mark Gaunya, Michael Chernenw, Nancy Turnbull, Louis Malzone, Kevin Beagan (representing Daniel Judson), Kristen Lepore, Dolores Mitchell. Dimitry Petion participated by telephone due to geographic distance.

The meeting was called to order at 9:02 AM.

Secretary Sudders began by introducing Rachel Kaprielian, the regional director for New England for the Department of Health and Human Services. She stated that Ms. Kaprielian has held many government positions in Massachusetts, serving as the Massachusetts Secretary of Labor and Workforce Development as well as the Registrar of the Registry of Motor Vehicles. Ms. Kaprielian expressed her desire to be a partner and advocate for the New England states. She stated that Secretary Burwell is committed to providing states with the necessary tools to be successful. In response to a question from Ms. Turnbull, Ms. Kaprielian stated that she would be able to share ideas and data regarding strategies to reach difficult-to-reach populations.

- I. Minutes:** The minutes of the June 11, 2015 meeting were approved by all but Nancy Turnbull and Dolores Mitchell, who abstained because they were unable to attend the June 11 meeting.
- II. Executive Director's Report:** Mr. Gutierrez began by stating that the Health Connector (CCA) continues to see steady increases in enrollment. He stated that there are currently

164,711 enrollees in medical coverage and 42,923 in dental plans, totaling more than 200,000 members for the first time since implementation of the Affordable Care Act (ACA). He added that there are 19,719 members in ConnectorCare and that CCA made its one millionth eligibility determination this month.

Mr. Gutierrez then discussed the risk adjustment program, stating that CCA proceeded with Massachusetts' first issuance of risk adjustment settlement notices. He summarized the risk adjustment program, stating that it is required by the ACA and intended to balance risk across issuers. He stated that a third party will review all calculations as an added precaution to ensure accuracy. Finally, Mr. Gutierrez stated that CCA continues to make improvements to the customer experience.

III. Customer Experience Update: The PowerPoint presentation "Customer Experience Update" was presented by Vicki Coates, CCA's Chief Operating Officer, and Patricia Wada, Special Advisor to the Commonwealth and Program Lead for the Health Insurance Exchange Project. Ms. Coates began by giving an update on the current state of CCA inventories, stating that aged inventory has been eliminated. She added that the verifications document processing team met its June 30 checkpoint and is on track to resolve the verifications backlog by July 31. She then described improvements to the call center and stated that the call center is currently reaching Average Speed to Answer and call handle time requirements. She added that the call abandonment rate is at an all-time low but noted that call volume is also down.

Ms. Coates then described new features being installed in the online payment portal. She stated that improvements planned for the upcoming weekend include validation of the customer's account and demographic information. She noted that the payment portal will also now display a customer's premium amount, balance due and any existing credit. Additionally, she stated that beginning in October, the payment portal will require an email address so that customers can receive confirmation emails after making payments. Ms. Coates then discussed the highest priority operational challenges in the coming two months. She stated that CCA aims to gain the same confidence as a bank regarding money transfer and that the call center must hold first call resolution gains even as call volume increases. She added that Customer Service Representatives must be able to answer a wider range of customer questions. Additionally, she stated that CCA is working with health plans to simplify the processes of 834 and 820 file transfers.

Lastly, Ms. Coates discussed an ongoing call center customer satisfaction survey. She stated that she plans to present results to the Board regularly and that the first round of the survey is being conducted manually but will be automated beginning August 1. She noted that about 1,800 responses per month are expected. She then discussed the results of the survey to date, stating that issue resolution is improving and the number of times a customer calls the call center is trending positively as well. She added that wait time satisfaction and overall satisfaction are improving and stressed that continuing to see these gains is a major goal in the coming months.

Mr. Chernew inquired about the email requirement for the online payment portal, asking how that is handled for customers who may not have email addresses. In response, Ms. Coates stated that customers without email addresses are those who pay by check and that CCA is trying to expand the types of payment it accepts. She added that the email verification functionality is an improvement because previously, a customer could enter any email address when making a payment even if it was not the address associated with their account. In response to a question from Ms. Mitchell, Ms. Coates stated that CCA does not currently accept credit card payments but hopes to do so in the future. She added that such functionality will not be in place in time for Open Enrollment. Further, she added that CCA's assister and advocate communities have expressed interest in adding a credit card payment option. In response to a question from Ms. Mitchell, Ms. Coates stated that it has not been decided who would pay the transaction fees associated with credit card payments.

In response to a question from Ms. Turnbull, Ms. Coates described some actions taken to facilitate faster resolution for assisters or other people sitting directly with a client. Ms. Coates stated that a dedicated assister phone line is being implemented so that when the system locks while an assister is helping a customer, the assister has quicker access to help. She stated that the direct phone line for Navigators is being piloted in August and will be in production about a month later. Additionally, she stated that permissions to perform identity proof unlocking are being expanded to allow a wider range of people to perform that function. In response to a question from Ms. Turnbull regarding actions being taken to ensure that customers churning between MassHealth and CCA are covered under the appropriate program, Ms. Coates stated that CCA is working with MassHealth to determine what changes would be most impactful and could be put in place in advance of Open Enrollment. Secretary Sudders added that there is strong commitment from both MassHealth and CCA staff to identify the top issues. Secretary Sudders commended CCA's work to improve the customer experience by resolving both individual complaints as well as identifying their root causes. She also thanked Ms. Coates for providing the data publicly to display the improvements.

- IV. Conditional Award of 2016 Seal of Approval (VOTE):** The PowerPoint presentation “Conditional Award of 2016 Seal of Approval (VOTE)” was presented by Heather Cloran, Ashley Hague and Brian Schuetz. Ms. Hague began by explaining the Seal of Approval (SoA) process, stating that this topic was last presented to the Board in March and that this midpoint presentation shows to the Board the responses CCA received from issuers for the 2016 SoA Request for Responses (RFR). She stated that the conditional SoA is not a final recommendation for 2016. She discussed the rate filing process, stating that issuers have submitted rates to the Division of Insurance (DOI) but final rates will not be available until August. She explained that another round of review will be conducted before the Board is presented with CCA's recommendation of the final SoA at the September meeting. She added that ConnectorCare plan recommendations will be presented at that meeting as well. In response to a question from Ms. Mitchell, Ms. Hague stated that this part of the process is “conditional” in that it is conditioned upon the products successfully completing the DOI rate review process. She added that the

conditional SoA is presented as a way to signal to the market the types of products under consideration.

Ms. Hague then discussed the product shelf under consideration, stating that CCA is trying to simplify its shelf and is revisiting the number of standardized plan designs. She noted that a Platinum and Gold design were eliminated and that Bronze, as a standardized tier, was also eliminated. She explained that these preliminary results represent the maximum number of plans that can be considered for approval but that this number can be revisited in September at the final SoA.

Mr. Schuetz outlined the preliminary results of the SoA. He stated that the number of Qualified Health Plans (QHPs) was reduced from 126 to 81, a reduction of one third, but that all 11 issuers were retained. He added that any one consumer is likely to have fewer than the total number of plans available to them based on geographic availability. He then discussed the ACA and CCA SoA requirements for QHPs and Qualified Dental Plans (QDPs), stating that CCA's requirements add another level of analysis to the process. Mr. Schuetz described the SoA review process and stated that submissions were reviewed by CCA and independent third parties (Gorman Actuarial and Boston Benefit Partners) as well as DOI.

Ms. Mitchell noted that actuarial services were used in the SoA process and asked if CCA has tasked its actuarial partners with modeling the effect of fewer plan choices in premiums. She noted that she is particularly interested in whether fewer choices would lead to greater risk and therefore higher premiums. In response, Ms. Hague stated that CCA has not asked for that analysis to date but it is something that could be considered in the future. Ms. Hague added that CCA is conducting interviews and market research with other state exchanges as it looks toward designing the 2017 SoA. In response to a question from Mr. Gaunya, Mr. Schuetz stated that about 5% of CCA's total membership is in the 45 plans recommended to be removed from CCA's shelf. Mr. Schuetz added that an additional 5% of membership is in one plan that is being frozen, such that the plan is continuing for existing members but is closed to new membership. In response to a question from Mr. Gaunya, Ms. Hague stated that CCA did not ask members if they wanted those plans eliminated but that CCA and carriers could take that into consideration. Mr. Chernew then stated that for complicated products, more choice can make shopping more difficult, but as an economist he agrees that consumers should have more choices. He said he is unclear whether the plans being proposed for elimination are substantively valuable.

Mr. Schuetz went on to state that as part of the plan closing process, CCA worked with carriers to map customers to the most similar plan with respect to benefit design. Ms. Hague added that the proposed elimination of some plans reflects a scaling back of plans that look very similar at the same tier. She stated that CCA proposes eliminating an extra Platinum plan and an extra Gold plan. In response to a question from Mr. Chernew, Mr. Schuetz stated that a plan with a tiered network would be considered a non-standardized plan. Ms. Mitchell commented that customers are very interested in the providers covered by a plan, and Ms. Hague noted that the concept of a broad network is relative to

the respective issuer and that provider search functionality is being reintroduced into the shopping experience to help customers choose plans covering their desired providers. Mr. Chernew noted that there is a connection between CCA and the rest of the health insurance market and that the existence of a plan outside CCA could signal whether or not CCA should offer that plan.

Ms. Cloran then provided an overview of the QDP responses to the SoA, stating that 13 plans were submitted for the non-group shelf and 25 for the small group shelf, reflecting an increase of one plan from 2015. She then outlined the standardized and non-standardized plan designs for QDPs and noted that the non-standardized plans represent a lower price point for coverage not traditionally included in dental plans. In response to a question from Ms. Turnbull, Ms. Cloran stated that one QHP issuer, Fallon, includes pediatric dental benefits. Ms. Turnbull noted that the ACA underlines that children have dental benefits and stated that she would like CCA to find a way to offer pediatric dental benefits. In response, Ms. Hague stated that CCA could look at issuers that offer such benefits outside of CCA.

Mr. Schuetz then reviewed the non-group and small group responses to the 2016 SoA, stating that 81 plans were submitted for the non-group shelf and 76 for small group. He added that no catastrophic plans were submitted for the small group shelf. Mr. Beagan asked if the frozen plans will be available outside of CCA. If these plans will be available in the rest of the market, he asked if CCA plans to make customers aware of this. In response, Ms. Hague explained that CCA has historically only messaged customers telling them that they can stay in their current plan or shop for a new plan if desired. In response to a query from Ms. Mitchell, Mr. Schuetz stated that it was the issuer's (Harvard Pilgrim Health Care) decision to freeze the plan. Ms. Turnbull then noted that in the past, there was concern that carriers may not make popular products available on the CCA shelf and suggested that a process be put in place to ensure that when carriers propose non-standardized plans for CCA's shelf, they are plans that customers are buying in the rest of the market. Ms. Hague stated that this issue will be part of the final SoA conversation at the September meeting of the Board. She added that CCA's contractors review enrollment and the popularity of plan designs as part of the SoA process. Ms. Vertes commented that it seems as though carriers are being forced to narrow the number of plans they offer on the CCA shelf and noted that Harvard Pilgrim may have frozen its plan because CCA limited the number of non-standardized plans that could be submitted. Mr. Gutierrez noted that CCA is unable to speak to issuers' motivations regarding the decision to freeze plans.

Mr. Schuetz then reviewed non-standardized plan submissions and noted that these plans offer new, differentiated benefits. He stated that CCA recommends that all of these new, non-standardized plans be considered for approval. Next, Mr. Schuetz discussed Bronze QHPs. He explained that due to changes in the federal Actuarial Value (AV) calculator, 2015 Bronze plans now have an AV of 67%, making them closer in value to a Silver plan design than Bronze. He stated that these Bronze plans offer a lower level of benefits than ever previously offered by CCA and that CCA staff recommend that enrollees be renewed into a plan with a similar AV. He added that CCA will bring a final

recommendation to the Board in September once DOI completes its rate review and approval. Mr. Schuetz outlined the QHP product shelf proposed by issuers for 2016 SoA consideration. In conclusion, he described the next steps in the SoA process, stating that CCA staff will work with the Board throughout the summer as final SoA recommendations are developed. In response to a question from Mr. Gaunya, Mr. Schuetz explained that AV requirements meant that CCA was unable to design Bronze plans that met Massachusetts Minimum Creditable Coverage (MCC) criteria this year. The Board unanimously approved CCA's recommendation to allow the 2016 conditional SoA to enable consideration of all recommended standardized and non-standardized QHPs and QDPs proposed by the 15 issuers enumerated.

- V. **Provider Search Procurement (VOTE):** The PowerPoint presentation "Provider Search Procurement (VOTE)" was presented by Andy Graham. Mr. Graham began the presentation by providing background on the need for a provider search tool and the vendor, Consumers' Checkbook, being recommended to the Board for a contract. He then reviewed the accelerated procurement timeline and the scores for each of the three bidders received from the Procurement Management Team (PMT). Mr. Graham then provided further background on Consumers' Checkbook, noting that the organization has implemented multi-carrier provider search tools in a number of exchanges around the country. In response to a question from Secretary Sudders, Mr. Graham stated that he tested the tool and that Consumers' Checkbook performed demos for CCA. Ms. Mitchell commented that Consumers' Checkbook sued the Medicare program for refusing to release scores on doctor performance and commended CCA for choosing Consumers' Checkbook. Mr. Graham then outlined the services being requested from Consumers' Checkbook, including data cleansing and management and regularly collecting updated provider files for the tool. In response to a question from Ms. Turnbull, Mr. Graham stated that psychologists and social workers will not be included in the initial launch of the tool but could be added in a future iteration, in addition to Community Health Centers (CHCs). Ms. Turnbull inquired about the level of integration with the CCA website and asked if a customer will need to write down the plans covering their Primary Care Physician (PCP) before they can continue shopping. Mr. Graham responded that this will be the case in the short term but greater integration into the CCA website is part of a longer-term solution. In response to a question from Mr. Petion, Mr. Graham stated that only medical professionals holding an MD or DO degree will be included in the initial launch of the plan and that behavioral health professionals holding PhDs will not be included in this first round. Mr. Petion noted that it will be important to include behavioral health specialists in the next version of the tool. Ms. Hague noted that the standardization of different types of providers presents a challenge for including them in the first iteration of the tool and that this challenge is easier to overcome with CHCs. Secretary Sudders echoed the importance of including behavioral health professionals in the provider search tool. In response to a query from Ms. Turnbull, Mr. Graham stated that the provider data will be updated at least monthly and could be updated more often if carriers can provide more frequent updates. Mr. Graham then displayed tool mock-ups and discussed the details of the proposed contract. Mr. Gaunya noted that he discussed this company with colleagues around the country and they spoke highly of Consumers' Checkbook. In response to a question from Mr. Gaunya, Mr. Gutierrez stated that CCA

has not asked health plans to build a provider search tool for CCA because it involves aggregation of data from many plans and it would not be in any one plan's interest to perform such work. The Board unanimously approved that CCA enter into a contract with Consumers' Checkbook on the terms outlined in the presentation, with an estimated budget of approximately \$630,000 for services performed between July 9, 2015 and June 30, 2018 with three optional one-year extensions.

VI. Health Connector Fiscal Year 2015 & 2016 Administrative Finance (VOTE): The PowerPoint presentation "Health Connector Fiscal Year 2015 & 2016 Administrative Finance (VOTE)" was presented by Kari Miller. Ms. Miller began the presentation by providing an overview of the presentation and stated that the FY15 year-end projection shows a net gain of \$8.4M but that the FY16 budget outlook projects a net loss of \$15.8M. She stated that the FY15 budget presented to the Board in July 2014 projected a net loss of \$10.1M. She explained that the major drivers for this variance include an allocation of \$9.4M in costs for hCentive/dual track implementation to the Health Insurance Exchange (HIX) budget instead of using reserves, a \$5.0M decrease in operating costs and a \$4.1M increase in revenue which offset existing administrative costs. In response to a question from Ms. Turnbull, she explained that the change in rules allowing the allocation to the HIX budget was a federal change and not specific to Massachusetts. She noted that as the ACA transition time period was extended, CCA was able to use federal revenue to offset existing costs for a longer period of time than initially planned. Ms. Miller then discussed the impacts of enrollment and member transition on the budget. She stated that membership impacts budget both on the revenue and expense side and that year-end enrollment was higher than anticipated. She noted that the Commonwealth Care extension and the timing of the closure of the temporary Medicaid program resulted in a slower ramp-up of members transitioning into ConnectorCare. Ms. Turnbull added that CCA did not receive supplementary funds for the additional month of Commonwealth Care administration. Ms. Miller then discussed FY15 expenditures in two categories: ACA transition costs and operating costs. She described the work undertaken in each category and noted that ACA transition costs are one-time costs offset by federal revenue. She stated that as of June 30, 2015, CCA has a reserve balance of \$34M.

Ms. Miller then provided an overview of the FY16 administrative budget recommendation. She stated that a net loss of \$15.8M is projected and will be funded from CCA reserves. She explained that the expected loss is partly a result of a phase-out of ACA transition funds. She noted that HIX operations and maintenance costs as well as consulting support may be needed through Open Enrollment. Ms. Miller then discussed the investments needed that were highlighted during the operational assessment, such as improvements to the existing payment portal and processing document backlogs. She then described the expected information technology (IT) development and integration needs in FY16 as well as expected new operating costs. She noted that MassIT will assess a chargeback to MassHealth and CCA for the HIX project and CCA expects to pay about \$3.3M for this in FY16. Ms. Miller then outlined the projected enrollment growth in FY16 and stated that most of the expected growth is within the ConnectorCare population, with an expected increase of about 25,000 members. In response to a

question from Ms. Turnbull, Ms. Miller noted that most of the expected enrollment growth is in QHPs, with a smaller proportion of the growth anticipated in QDPs. Ms. Miller then outlined the activities reflected in the projected FY16 ACA transition costs and operating costs. She discussed the FY16 administrative budget net position which would leave \$18M in reserves as of June 30, 2016. She noted that this amount reflects about four months of operating expenses. She then discussed CCA's financial sustainability and stated that reserves will be used for necessary investments. She added that CCA will work with stakeholders to determine a sustainability strategy. In conclusion, she presented the results of CCA's FY14 standard and A-133 financial audits. She stated that these results were impeccable and produced no findings and no comments.

Mr. Gaunya commended CCA for the transparency of the budget presented. He stated that as an owner of a small business, he must adjust when revenue does not match expenses and underscored the need for CCA to adjust expenses to be sustainable in FY16. Ms. Turnbull commented that it would be helpful to know what the steady state should be. Mr. Chernew stated that it would be interesting to determine what CCA's breakeven enrollment would be, and Ms. Turnbull added that this breakeven calculation should include enrollment by CCA program. Mr. Gutierrez echoed these comments and stated that finding a way to sustainability is a strong priority. He stated that FY16 remains a year in which a lot of operations work remains for Open Enrollment and that while some large items will subside, others will persist, and therefore CCA is exploring strategies to become more efficient as Ms. Miller outlined. Secretary Sudders noted that the Administration and Finance Subcommittee is working with CCA to look closely at CCA's budget and explore sustainability strategies. She stated that there will be a strong investment in outreach to reach the uninsured. Secretary Sudders explained that in addition, once redeterminations are finished, it will be clearer which members qualify for MassHealth and which belong in a CCA program. Ms. Vertes noted that sustaining and growing enrollment is directly related to the breadth of CCA's plan offerings and that should be kept in mind. The Board unanimously approved the administrative budget for FY16 proposed by CCA staff.

The meeting was adjourned at 10:50 AM.

Respectfully submitted,
Maria H. Joy