MASSACHUSETTS HEALTH CONNECTOR

the right place for the right plan

2017 Qualified Health and Dental Plan Seal of Approval (SOA)

Board of Directors Meeting, March 10, 2016

2017 Seal of Approval Overview

Through the 2017 Seal of Approval (SOA), Health Connector staff hope to further simplify the consumer shopping experience by streamlining our product offerings and bolstering the ability to conduct "apples-to-apples" comparison shopping.

- As part of the 2017 SOA, we are proposing several key changes to the Qualified Health Plan (QHP) and Qualified Dental Plan (QDP) product shelves aimed at achieving these goals
  - Propose eliminating the second standardized Gold plan design, standardizing the Bronze tier, standardizing additional benefit categories, and more
  - Overall, we are proposing to focus the number of allowable plan offerings on our QHP product shelf, and institute a cap on the number of allowable offerings on our QDP shelf
- In addition, we are pursuing strategies to reduce the level of administrative effort needed for carriers to offer coverage through the Health Connector, and seeking feedback from the Board on a few prominent decision points that will influence the SOA materials that we publish later this month
- Finally, we are looking to leverage this year's SOA to start influencing the way products in our marketplace address the health needs of our members, such as opioid use disorder therapy and chronic disease management through value-based insurance design

2017 QHP Seal of Approval Overview

	Proposed Changes for 2017
Standardized Plan Offerings	• Increase number of benefit categories that we standardized • Require only one Standardized Gold plan design • Standardize Bronze tier, seeking feedback on specific design • Minor modifications to some plan designs to meet 2017 AV requirements
Catastrophic Plans (Non-group Only)	No changes
Non-standardized Plans	No changes (originally considered increasing allowable number to 4 per carrier, but based on feedback received to date, we propose to maintain the status quo and leave the limit at 3)
Frozen Plans	No changes (*i.e.,* continue to permit carriers to freeze a plan so that existing members may remain in it but new members cannot enroll)
Benefits	• Implement pediatric vision coverage requirement • Encourage inclusion of pediatric dental EHB coverage
Decision Support	• Add identifiers to plan names for online shopping and associated Health Connector notices to facilitate plan design comparisons
Network Flags	No changes
Strategic Initiatives	• Seeking carrier feedback on Value Based Insurance Design (VBID) principles for future SOAs • New requirements to help address opioid use crisis
Small Business Health Options Program (SHOP)	• Pending (SHOP SOA recommendations expected in April or May*)

** The Health Connector has not yet selected a future SHOP solution and, as such, is delaying SOA items regarding SHOP. The Health Connector anticipates that SHOP SOA recommendations will be available in April or May, and we will seek feedback from the Board and carriers prior to publication.*

2017 QDP Seal of Approval Overview

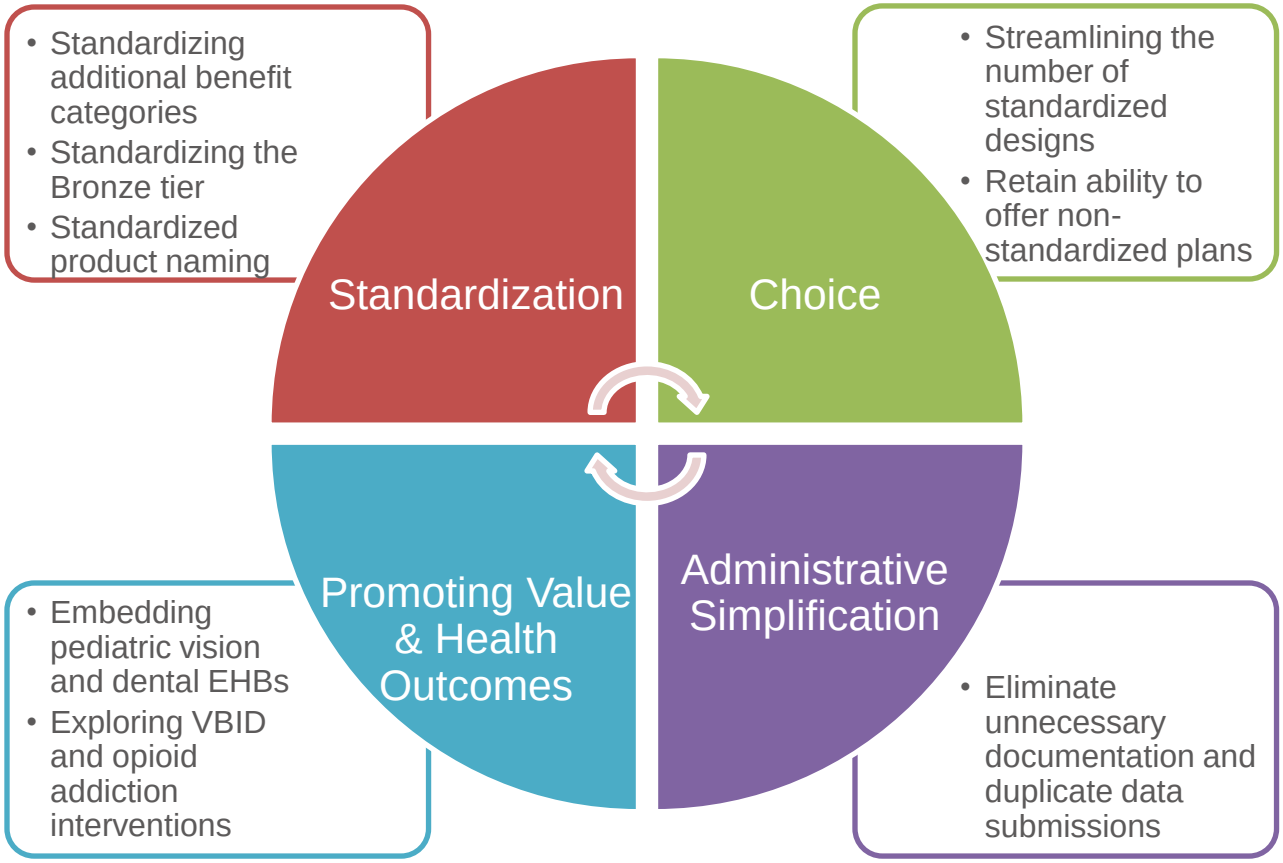
	Proposed Changes for 2017
Standardized Plan Offerings	• Institute cap on number of allowable additional network variations on standardized plan designs
Non-standardized Plans	• Institute cap on number of allowable non-standardized plans, inclusive of network variation
Frozen Plans	No changes
Decision Support	• Add identifiers to plan names for online shopping and associated Health Connector notices to facilitate plan design comparisons
Network Flags	No changes
Strategic Initiatives	• Seeking carrier feedback on dental quality measurement approaches
Small Business Health Options Program (SHOP)	• SHOP SOA recommendations expected in April or May*

** The Health Connector has not yet selected a future SHOP solution and, as such, is delaying SOA items regarding SHOP. The Health Connector anticipates that SHOP SOA recommendations will be available in April or May, and we will seek feedback from the Board and carriers prior to publication.*

Qualified Health Plans (QHPs)

2017 QHP Product Shelf

The proposed 2017 Qualified Health Plan (QHP) product shelf requirements seek to balance innovation and diversity while responding to requests to simplify and streamline the product offerings.



2017 QHP Product Shelf: Standardization

The Health Connector's current standardized plan design requirements define some, but not all of the benefit categories, making it difficult for consumers to compare "apples-to-apples".

- We propose to increase the number of cost-sharing categories that we standardize to enhance the "apples-to-apples" comparison shopping experience
  - This results in the addition of seven (7) new standardized benefits, for a total of twenty-one (21)
  - The selected plan cost-sharing categories are important benefits to many consumers and are prominently displayed in the online shopping experience
  - The standardized cost-sharing values were developed through an analysis of carriers' current benefit designs and incorporate feedback from carriers (specifically, the decision to not require a 4th tier for prescription drug coverage)

Plan Feature/ Service		Newly Standardized for 2017
Annual Deductible (family = 2x)		
Annual Out-of-Pocket Maximum (family = 2x)		
PCP Office Visits		
Specialist Office Visits		
Emergency Room		
Urgent Care		✓
Inpatient Hospitalization		
Skilled Nursing Facility		✓
Durable Medical Equipment		✓
Rehabilitative Occupational and Rehabilitative Physical Therapy		✓
Laboratory Outpatient and Professional Services		✓
X-rays and Diagnostic Imaging		✓
High-Cost Imaging		
Outpatient Surgery: Ambulatory Surgery Center		
Outpatient Surgery: Physician/Surgical Services		✓
Prescription Drug	Retail Tier 1	
	Retail Tier 2	
	Retail Tier 3	
	Mail Tier 1	
	Mail Tier 2	
	Mail Tier 3	

2017 QHP Product Shelf: Standardization (cont'd)

For last year's SOA, the Health Connector asked carriers to develop Bronze plan designs to address challenges in the creation of a plan that met both the 2016 Actuarial Value calculator and Minimum Creditable Coverage (MCC) requirements.

- Carriers offered a wide variety of designs, with significant variation in many plan features, including deductibles and the use of coinsurance
  - Some carriers designed plans that met the MCC deductible cap of $2,000/$4,000, while others sought and received MCC certification
  - In 2016, we indicated our intention to re-standardize the Bronze tier for 2017 and expected to build on the variety of designs offered by carriers in 2016, selecting features from multiple carriers to develop our recommendation(s)

Plan Feature/ Service		BCBS	HNE	HPHC	NHP	MM 1	MM 2	BMCHP	THP-D	THP-P	UHC	FCHP
Medical Deductible		$3,350	$2,000	$3,100	$2,750	$2,050	$1,900	$2,500	$3,350	$3,300	$5,500	$3,000
Rx Deductible		NA	NA	N/A	NA	NA	$250	NA	NA	NA	NA	NA
MOOP		$6,550	$6,850	$6,200	$6,550	$6,550**	$6,850	$6,550	$6,550	$6,550	$6,500	$6,850
PCP visit (injury/illness)		$60 √	$75 √	$40 √	$50 √	$50 √	$50	$50 √	$50 √	$40 √	$0 √	$60 √
Specialist Visit		$75 √	$50 √	$65 √	$75 √	$80 √	$80 √	$75 √	$75 √	$65 √	$0 √	$75 √
ER Services		$1,000 √	$1,000 √	$750 √	$1,000 √	$750 √	$750 √	$750 √	$1,000 √	$750 √	$0 √	35% √
Inpatient Hosp. Servs.		$1,000*√	$1,000 √	20% √	$1,000 √	$1,000*√	35% √	$1,000 √	30% √	$1,000 √	$0 √	$1,000 √
High-Cost Imaging		$1,000 √	$1,000 √	$750 √	$1,000 √	$1,000 √	$1,000 √	$1,000 √	$1,000 √	$750 √	$0 √	$850 √
Outpatient Facility Fee		$1,000 √	$1,000 √	$1,000 √	$500 √	35% √	35% √	$1,000 √	$1,000 √	$500 √	$0 √	35% √
Rx	Tier 1	$50 √	$25	$5 √	$60 √	$30 √	$30	$35 √	$50 √	$25 √	$20 √	$40 √
	Tier 2	$125 √	50%	50% √	$80 √	50% √	50% √	50% √	$100 √	$75 √	$40 √	$100 √
	Tier 3	$175 √	50%	50% √	$100 √	50% √	50% √	50% √	$150 √	$100 √	$250 √	$100 √
	Tier 4	$175 √	50%	50% √	$100 √	50% √	50% √	50% √	$150 √	$100 √	$250 √	$100 √

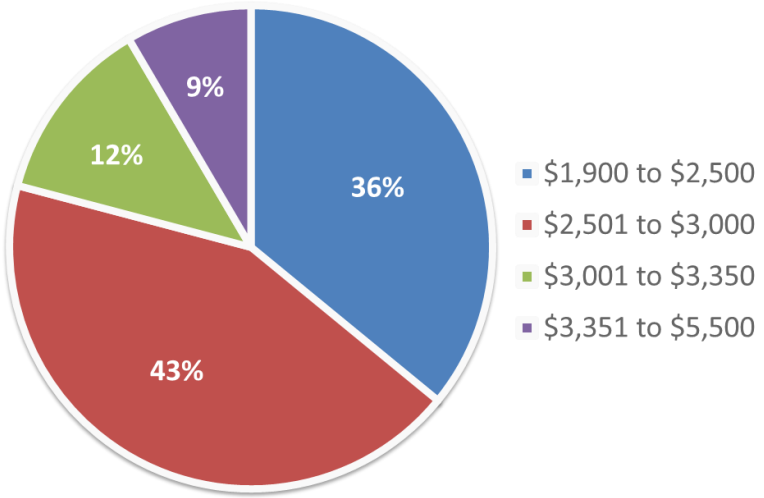
*Check (√) indicates that this benefit is subject to the annual deductible. * Indicates "copay per stay". ** Indicates* $6,550 per individual contract,$6,850 per person $13,100 per group.

2017 QHP Product Shelf: Standardization (cont'd)

With the benefit of the wide variety of 2016 offerings for our review, we have developed several bronze plan design options for consideration and are recommending an MCC-compliant plan leveraging co-pays for prescription drugs (Bronze B).

- By request, we are showing Bronze options for consideration, some of which are MCC compliant; others would require MCC certification
- For the plans that would otherwise meet MCC, we offered 1 design with co-insurance on the prescription benefit and 1 design with copays
  - We recommend the copay design to minimize consumer cost exposure on a benefit with high utilization
  - We also wanted to propose an offering that would meet MCC to maintain consistency with our regulatory responsibilities
- For the options that would require MCC certification, we displayed as samples a $3,000 deductible as that is in the range of the most popular deductibles on the 2016 Bronze tier
  - The most popular Bronze plan is Neighborhood Health Plan's $2,750 deductible plan with ~2,800 members
  - BMC HealthNet Plan's $2,500 deductible plan with ~1,800 members follows in popularity

2016 Bronze Membership, by deductible range



2017 Standardized Bronze Options

Plan Feature/ Service *A check mark (√) indicates that this benefit is subject to the annual deductible*		Cost-Sharing			
		Bronze A	**Bronze B**	**Bronze C**	**Bronze D**
Annual Deductible - Medical (family = 2x)		$1,750	$1,750	$2,750	$2,750
		$3,500	$3,500	$5,500	$5,500
Annual Deductible – Prescription Drug (family = 2x)		$250	$250	$250	$250
		$500	$500	$500	$500
Annual Out-of-Pocket Maximum (family = 2x)		*$7,150*	*$7,150*	*$7,150*	*$7,150*
		$14,300	*$14,300*	*$14,300*	*$14,300*
PCP Office Visits		$50√	$50√	$25√	$25√
Specialist Office Visits		$75√	$75√	$40√	$40√
Emergency Room		$750√	$750√	$500√	$500√
Urgent Care		$75√	$75√	$40√	$40√
Inpatient Hospitalization		*$1,000√*	*$1,000√*	*$1,000√*	*$1,000√*
Skilled Nursing Facility		*$1,000√*	*$1,000√*	*$1,000√*	*$1,000√*
Durable Medical Equipment		*20%√*	*20%√*	*20%√*	*20%√*
Rehabilitative Occupational and Physical Therapy		$75√	$75√	$40√	$40√
Laboratory Outpatient and Professional Services		*$50√*	*$50√*	*$50√*	*$50√*
X-rays and Diagnostic Imaging		*$175√*	*$175√*	*$175√*	*$175√*
High-Cost Imaging		*$1,000√*	*$1,000√*	*$1,000√*	*$1,000√*
Outpatient Surgery: Ambulatory Surgery Center		$1,000√	$1,000√	$750√	$750√
Outpatient Surgery: Physician/Surgical Services		*$0√*	*$0√*	*$0√*	*$0√*
Prescription Drug	Retail Tier 1	$35√	$35√	$20√	$25√
	Retail Tier 2	50%√	$75√	50%√	$75√
	Retail Tier 3	50%√	$100√	50%√	$100√
	Mail Tier 1	$70√	$70√	$40√	$50√
	Mail Tier 2	50%√	$150√	50%√	$150√
	Mail Tier 3	50%√	$300√	50%√	$300√
2017 Final FAVC		61.25%	61.64%	61.74%	61.86%

2017 QHP Product Shelf: Standardization (cont'd)

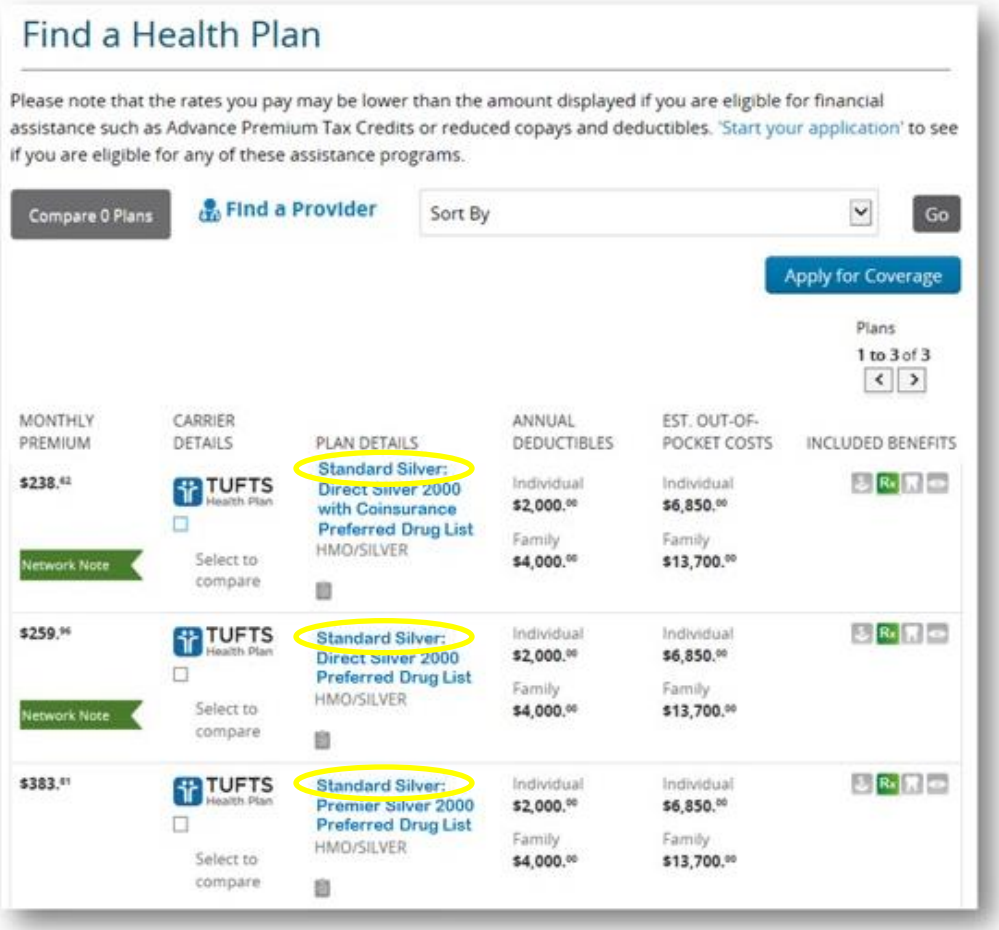
- Standardizing additional benefit categories
- Standardizing the Bronze tier
- Standardized product naming

Standardization

MASSACHUSETTS HEALTH CONNECTOR

Health Connector staff believe that standardized plan designs provide consumers with a unique opportunity to compare across carriers and metallic tiers, but we recognize that the current online shopping experience does not effectively identify standardized options.

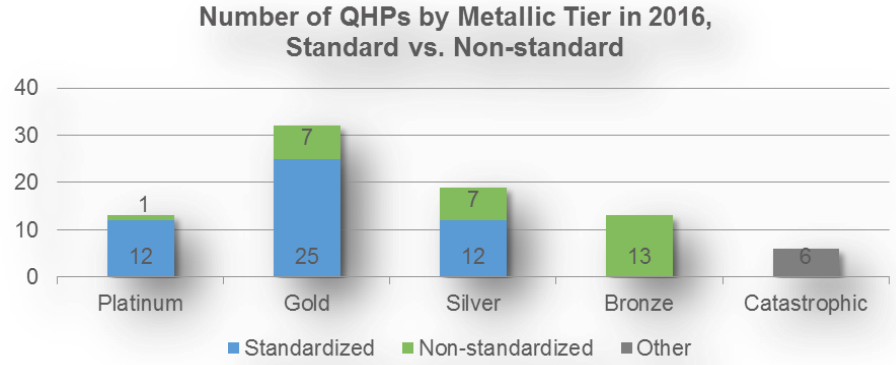
- We propose to modify the presentation of standardized plans in the Health Connector's online shopping experience and associated notices/bills by adding a "Standard" identifier and the plan's metallic tier preceding the plan marketing name
  - Non-standardized QHPs would also have an identifier
  - This approach is focused on addressing the limitations of the Health Connector's online experience and, as such, this identifier would not be required for use off-exchange or on carrier's marketing materials
- We also propose to formalize, without changes, the existing "Network Flag" rules for plans with smaller or tiered networks developed during last year's Open Enrollment

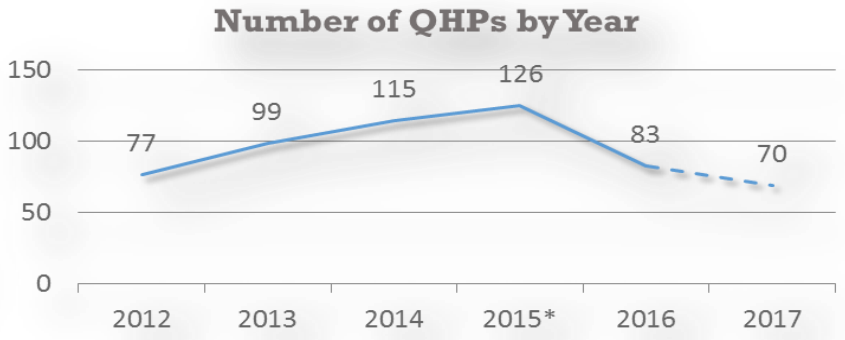


2017 QHP Product Shelf Requirements: Choice

Our goal is to balance choice and access to innovative plan designs against the need for simplicity to ensure consumers are able to compare their plan options without feeling overwhelmed.

- In recent years, we have been working to focus the total number of plans offered through the Health Connector as more carriers have joined our shelf and as we have increased our emphasis on streamlining the consumer experience





** Increase in 2015 driven by new carrier entrant (United HealthCare), three new non-standardized offerings and two additional network designs.*

Note also that the figure for 2017 is projected; actual counts will not be available until September 2016.

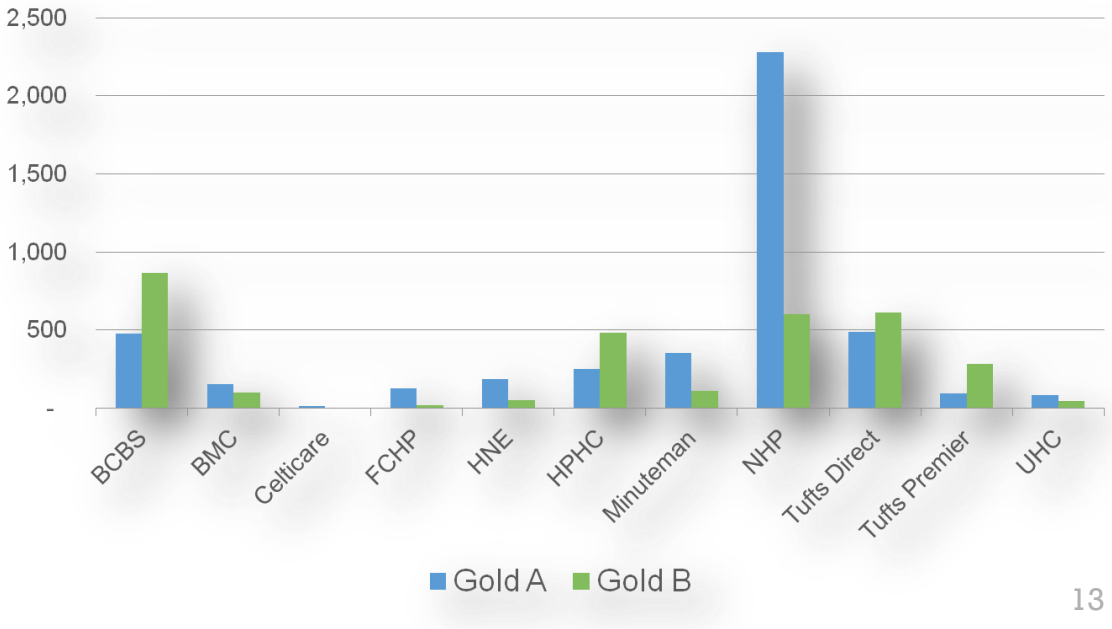
- For 2017, we propose to support this goal by streamlining the number of standardized plan offerings while maintaining access to non-standardized plan designs within the parameters we set for 2016 (*i.e.,* no more than 3 non-standard plans)

2017 QHP Product Shelf: Choice (cont'd)

MASSACHUSETTS HEALTH CONNECTOR

To streamline our standardized product shelf, we propose eliminating one of the standardized Gold plan designs so that each metallic tier has only one standardized plan design to choose from.

- We recommend eliminating the 2016 "Gold A" plan design
  - This recommendation removes the requirement that a carrier must offer a second Gold plan and provides carriers with the flexibility to, at their discretion, continue to offer this design as a non-standard or frozen plan for 2017
- With the exception of one particularly popular Gold A plan, enrollment in Gold A vs. Gold B is nearly even (with Gold B attracting slightly more membership when excluding the carrier offering the popular Gold A plan)
- Gold A plans tend to offer the better price point, with an average premium price that is 3.55% less than Gold B
- Nevertheless, we are recommending retaining the Gold B plan design, as a survey of carriers and Board members indicated that retention of Gold B was preferred, notably because co-insurance is absent from the Gold B plan design



2017 QHP Product Shelf: Choice (cont'd)

MASSACHUSETTS HEALTH CONNECTOR

Plan Feature/ Service *A check mark (√) indicates that this benefit is subject to the annual deductible*		Gold A	Gold B
Annual Deductible (family = 2x)		$500	$1,000
		$1,000	$2,000
Annual Out-of-Pocket Maximum (family = 2x)		$3,250	$5,000
		$6,500	$10,000
PCP Office Visits		$20	$30
Specialist Office Visits		$35	$45
Emergency Room		30%√	$150√
Urgent Care*		$35	$45
Inpatient Hospitalization		30%√	$500√
Skilled Nursing Facility*		30%√	$500√
Durable Medical Equipment*		30%√	20%√
Rehabilitative Occupational and Rehabilitative Physical Therapy*		$35	$45
Laboratory Outpatient and Professional Services*		30%√	$20 √
X-rays and Diagnostic Imaging*		30%√	$20 √
High-Cost Imaging		30%√	$200√
Outpatient Surgery: Ambulatory Surgery Center		30%√	$250√
Outpatient Surgery: Physician/Surgical Services*		30%√	$0√
Prescription Drug	Retail Tier 1	$15	$20
	Retail Tier 2	50%√	$30
	Retail Tier 3	50%√	$50
	Mail Tier 1	$30	$40
	Mail Tier 2	50%√	$60
	Mail Tier 3	50%√	$150
2017 Final FAVC		81.38%	81.43%
Percent Enrolled Population		9%	6%

Note: Enrollment data from January 31, 2016

2017 QHP Product Shelf: Choice (cont'd)

Non-standardized plans offer carriers the flexibility to include innovative offerings or plans popular outside of the Health Connector, but this flexibility needs to be balanced with the goal of maintaining a streamlined plan comparison experience for consumers.

- To that end, we propose that carriers may continue to submit up to three (3) non-standardized plans, inclusive of network variation limitations
  - In 2016, carriers used approximately half (54%) of the available non-standardized plan options, with nearly all of the current non-standard offerings coming from five carriers (see Appendix)
  - The Health Connector will continue to solicit feedback as to the appropriate number of non-standardized plans for future years and, in particular, the opportunity for different models for the non- and small-group product shelves

The ability to freeze plans, permitting renewal but not new enrollment, allows the Health Connector and carriers to minimize consumer disruption when modifying plan offerings.

- We propose that carriers may submit any plan offered in 2016 for "Frozen" status in 2017, which will not count against a carrier's plan submission limits for 2017
  - For example, carriers may elect to freeze their 2016 Bronze or Gold A plans to reduce member disruption and maintain membership continuity
  - The Health Connector reserves the right to reject a plan for frozen status, for example, if the plan has extremely limited membership

2017 QHP Product Shelf: Choice (cont'd)

MASSACHUSETTS HEALTH CONNECTOR

Overall, for 2017, we expect the total number of plans that we offer to go down as the total number of allowable plan offerings will decrease.

- Few carriers reach the plan offering maximums. In 2016, only six (6) carriers elected to offer non-standardized plans
  - Five (5) carriers do not offer any non-standardized plans
  - One (1) carrier offers a single non-standardized plan
  - One (1) carrier offers one (1) non-standardized plan on two (2) networks
  - Five (5) carriers offer two (2) or three (3) non-standardized plans

2016 (Maximum)	Standard (Broadest Network)	Standard (Other Network)	Non-Standard	Other
Platinum	1	1	3	n/a
Gold	2	2		n/a
Silver	1	1		n/a
Bronze	n/a	n/a	2	n/a
Catastrophic	n/a	n/a	n/a	1
Total (14)	4	4	5	1

2017 (Maximum)	Standard (Broadest Network)	Standard (Other Network)	Non-Standard	Other
Platinum	1	1	3	n/a
Gold	1	1		n/a
Silver	1	1		n/a
Bronze	1	1		n/a
Catastrophic	n/a	n/a	n/a	1
Total (12)	4	4	3	1

2017 QHP Product Shelf: Choice (cont'd)

MASSACHUSETTS HEALTH CONNECTOR

2016 Product Shelf: Maximum vs. Actual Plan Offerings, All Carriers

2016 (Maximum)	Standard (Broadest Network)	Standard (Other Network)	Non-Standard	Other
Platinum	11	11	33	n/a
Gold	22	22		n/a
Silver	11	11		n/a
Bronze	n/a	n/a	22	n/a
Catastrophic	n/a	n/a	n/a	11
Total (154)	44	44	55	11

2016 (Actual #)	Standard (Broadest Network)	Standard (Other Network)	Non-Standard	Other
Platinum	11	1	14	n/a
Gold	22	3		n/a
Silver	11	2		n/a
Bronze	n/a	n/a	13	n/a
Catastrophic	n/a	n/a	n/a	6
Total (83)	44	6	27	6

2016 (Actual % of Max)	Standard (Broadest Network)	Standard (Other Network)	Non-Standard	Other
Platinum	100.0%	9.1%	42.4%	n/a
Gold	100.0%	13.6%		n/a
Silver	100.0%	18.2%		n/a
Bronze	n/a	n/a	59.1%	n/a
Catastrophic	n/a	n/a	n/a	54.5%
Total (53.9%)	100.0%	13.6%	49.1%	54.5%

2017 QHP Product Shelf: Administrative Simplification

We propose substantive changes to the submission requirements and formats to reduce the burden on carriers and simplify the Health Connector's analysis and administration.

- Overall, we anticipate that these changes will reduce existing carrier submission workload by more than 25 percent
- We propose to modify the formats of the transmittal letter, plan and rate information submissions to improve ease of completion and data accuracy
- For medical carriers, we propose to leverage the carrier's provider search submissions for network analysis activities
  - New entrants will be required to submit a full network data submission and existing carriers will be required to provide descriptions of material changes anticipated for January 1, 2017
- We propose to remove the requirement for existing carriers to submit materials already collected from other sources (*e.g.,* DOI) or collected from prior year's SOA submissions
  - New entrants will be required to submit all documentation and existing carriers will be required to provide descriptions of material changes since the 2016 submission
- We also propose to formalize carrier signoff on critical components to reduce uncertainty and confusion, including identification of the silver plan to be considered for ConnectorCare and the accuracy of data submissions

2017 QHP Product Shelf: Value & Health Outcomes

As part of our efforts to ensure access to important health services, for 2017 the Health Connector is recommending the inclusion of pediatric EHB coverage, both vision and dental, in QHPs. These recommendations address federal requirements and ensure parity with the market outside of the Heath Connector.

- We propose that carriers must include pediatric vision essential health benefit (EHB) coverage as a required benefit for all QHPs in accordance with federal requirements
- We also propose to strongly encourage carriers to provide pediatric dental EHB coverage for all QHPs
  - Currently, the Health Connector allows QHPs sold on-exchange to not include pediatric dental EHB coverage as we also offer stand-alone pediatric dental QDPs, flexibility not afforded to the outside market
  - The inclusion of pediatric dental EHB coverage would move the Health Connector into parity with the off-exchange market and ensure access to these important pediatric services
  - Carriers have flexibility as to the specific mechanism they use to include pediatric dental EHB coverage, allowing for such coverage to be offered co-bundled, as a dual certificate, as a rider, or embedded
  - We anticipate proposing pediatric dental EHB coverage as a core QHP requirement for Plan Year 2018 and, for carriers that do not offer this benefit in 2017, we will be seeking feedback as to the challenges/barriers they faced in otherwise complying with our request

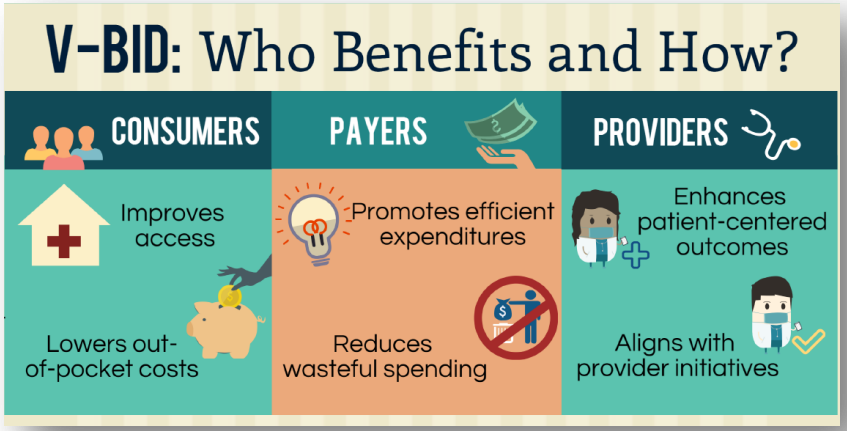
2017 QHP Product Shelf: Value & Health Outcomes (cont'd)

- Embedding pediatric vision and dental EHBs
- Exploring VBID and opioid addiction interventions

Promoting Value & Health Outcomes

MASSACHUSETTS HEALTH CONNECTOR

We are interested in identifying and implementing strategies that generate value for consumers and the health care system. To that end, we intend to obtain carrier feedback regarding their overall approach to the implementation of value-based insurance design (VBID), where cost sharing amounts are based on the value of the services provided, rather than just the costs of those services.



- Specifically, the Health Connector will be seeking comments regarding the most appropriate health conditions to target with VBID, the process for identifying high- or low-value services and/or providers, the role of disease management and care coordination, and the opportunity for the addition of supplemental benefits for targeted populations
- The Health Connector will review responses and will seek to develop recommendations for the incorporation of select VBID principles in the 2018 Seal of Approval

** Graphics excerpted from "V-BID Infographic (2016)," University of Michigan Center for Value-Based Insurance Design, http://vbidcenter.org/wp-content/uploads/2016/02/v-bid-infographic.pdf*

2017 QHP Product Shelf: Value & Health Outcomes (cont'd)

The Health Connector is also looking to develop requirements for QHP and ConnectorCare carriers that will support the Commonwealth's effort to address the crisis of opioid use and will be seeking feedback from the Board and the market.

- We are considering mechanisms for carriers to report on their progress on opioid use disorder treatment and management, including a detailed questionnaire
  - This approach is designed to serve as a measure of progress against the opioid questionnaire in last year's SOA, and to allow carriers to describe any barriers that may be impeding full implementation of legal standards or best practices
- We are also considering plan design and certification requirements to address important treatments and access to needed providers
  - Defining zero cost sharing for key treatments for substance use disorders and associated services for QHPs and/or ConnectorCare plans
  - Defining minimum network access standards for key provider types in a similar manner to the current Essential Community Provider (ECP) model

We expect that requirements related to opioid use disorder treatment will be provided in an amendment to the Seal of Approval Request for Responses to be published on or around March 31th, 2016, following further deliberations and consideration.

Proposed 2017 Standardized QHPs

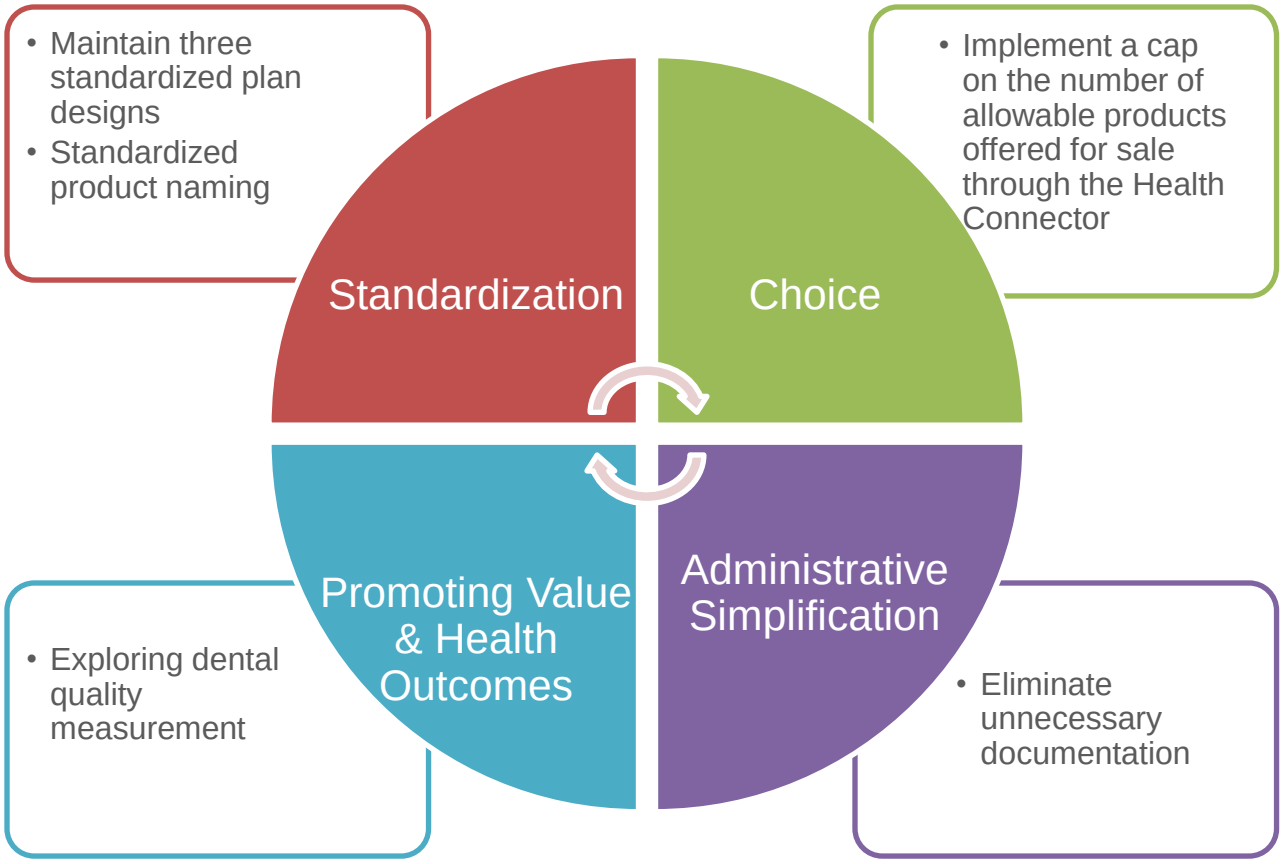
Plan Feature/ Service *A check mark (√) indicates that this benefit is subject to the annual deductible*		Cost-Sharing			
		PLATINUM	GOLD	SILVER	BRONZE
Annual Deductible (family = 2x)		N/A	$1,000	$2,000	$2,000
		N/A	$2,000	$4,000	$4,000
Annual Out-of-Pocket Maximum (family = 2x)		$3,000	$5,000	$7,150	$7,150
		$6,000	$10,000	$14,300	$14,300
PCP Office Visits		$25	$30	$30	$50√
Specialist Office Visits		$40	$45	$50	$75√
Emergency Room		$150	$150√	$700√	$750√
Urgent Care		**$40**	**$45**	**$50**	**$75√**
Inpatient Hospitalization		$500	$500√	$1,000√	*$1,000√*
Skilled Nursing Facility		**$500**	**$500√**	**$1,000√**	***$1,000√***
Durable Medical Equipment		**20%**	**20%√**	**20%√**	***20%√***
Rehabilitative Occupational and Rehabilitative Physical Therapy		**$40**	**$45**	**$50**	**$75√**
Laboratory Outpatient and Professional Services		**$0**	**$20 √**	**$25√**	***$50√***
X-rays and Diagnostic Imaging		**$0**	**$20 √**	**$25√**	***$175√***
High-Cost Imaging		$150	$200√	$500√	*$1,000√*
Outpatient Surgery: Ambulatory Surgery Center		$500	$250√	$750√	$1,000√
Outpatient Surgery: Physician/Surgical Services		**$0**	**$0√**	**$0√**	***$0√***
Prescription Drug	Retail Tier 1	$15	$20	$20	$35√
	Retail Tier 2	$30	$30	$60	$75√
	Retail Tier 3	$50	$50	$90	$100√
	Mail Tier 1	$30	$40	$40	$70√
	Mail Tier 2	$60	$60	$120	$150√
	Mail Tier 3	$150	$150	$270	$300√
2017 Final FAVC		91.73%	81.43%	71.84%	61.64%
Percent Enrolled Population		11%	6%	29%	0%

Note: Enrollment data from January 31, 2016; percentages do not add up to 100% because they do not include non-standardized plan enrollment and catastrophic enrollment.

Qualified Dental Plans (QDPs)

2017 QDP Product Shelf

The proposed 2017 Qualified Dental Plan (QDP) product shelf requirements seek to align the dental shelf with the requirements set for QHPs.



2017 QDP Product Shelf: Standardization

For 2017, the Health Connector is seeking to bring the Qualified Dental Plan (QDP) product shelf requirements into alignment with medical shelf.

- We propose that carriers continue to be required to offer (1) one plan for each of the required three standardized plan designs: Family High, Family Low and Pediatric-only
- We also propose instituting a cap on the number of additional network variations that a carrier is permitted to offer on the standardized plan designs

> Example: Carrier A submits the minimum 3 standardized plan designs, and proposes to offer all designs on a second network. Carrier A has used up all 6 of its allowable standardized plans and any additional network variations of a standardized design must be submitted as a non-standardized plan.

- As a result, carriers will be permitted to submit one (1) additional version of each plan offered on a different network (*e.g.,* smaller) for a maximum of six (6) possible standardized plans offered, aligning the dental and medical shelves
  - In 2016, one issuer offered three network variations on a single standardized plan design, so we expect that this recommendation will result in a slight reduction in dental carriers' product offerings

2017 Standardized QDPs

Plan Feature/ Service *A check mark (√) indicates that this benefit is subject to the annual deductible*	Cost-Sharing		
	Family High	**Family Low**	**Pediatric Dental EHB**
Plan Year Deductible	$50/$150	$50/$150	$50
Deductible Applies to	Major and Minor Restorative	Major and Minor Restorative	Major and Minor Restorative
Plan Year Max (>=19 only)	$1,250	$750	N/A
Plan Year MOOP <19 Only	$350 (1 child) $700 (2+ children)	$350 (1 child) $700 (2+ children)	$350 (1 child)
Preventive & Diagnostic Co-Insurance In/out-of-Network	0%/20%	0%/20%	0%/20%
Minor Restorative Co-Insurance In/out-of-Network	25%/45%	25%/45%	25%/45%
Major Restorative Co-Insurance In/out-of-Network	50%/70%	50%/70% No Major Restorative >=19	50%/70%
Medically Necessary Orthodontia, <19 only, In/out-of-Network	50%/70%	50%/70%	50%/70%
Non-Medically Necessary Orthodontia, <19 only, In/out-of-Network	N/A	N/A	N/A
Percent Enrolled Population*	27%	72%	1%

Note: Enrollment data from Dell FMS on March 1, 2016

2017 QDP Product Shelf: Standardization (cont'd)

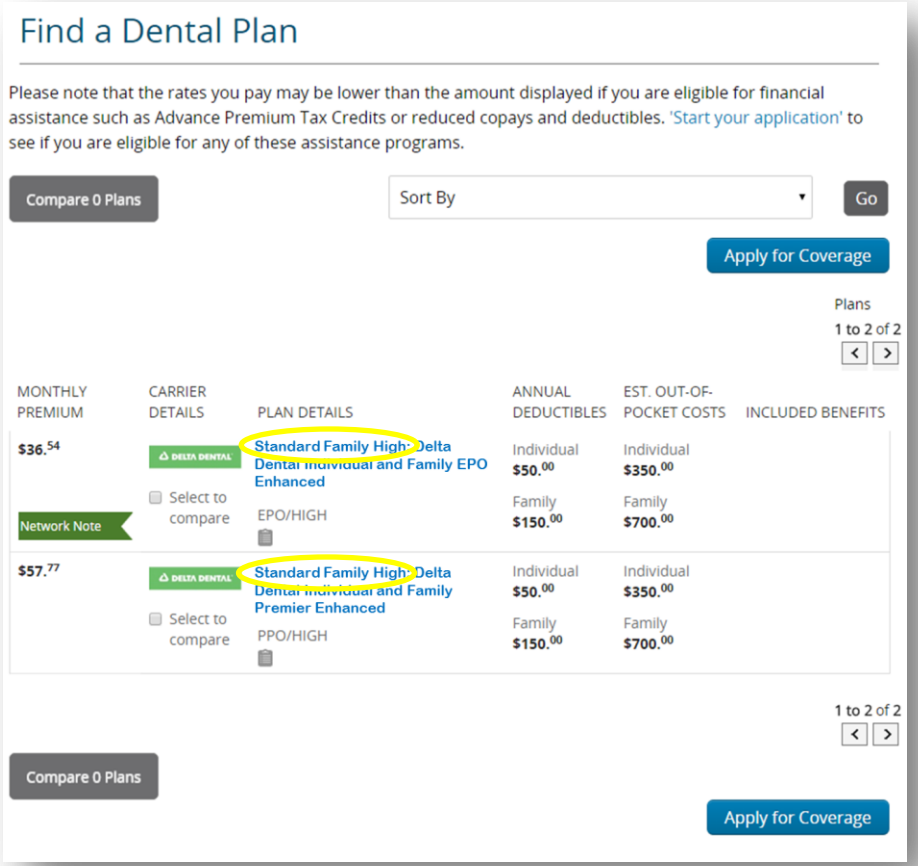
- Maintain three standardized plan designs
- Standardized product naming

Standardization

MASSACHUSETTS HEALTH CONNECTOR

The Health Connector offers standardized dental plans with the same goal of supporting consumer comparison shopping, but the challenge of effectively identifying standardized options exists in online dental shopping, as well.

- Similar to our vision for QHPs, we also propose to modify the presentation of standardized dental plans in the Health Connector's online shopping experience
  - Non-standardized QDPs would also have an identifier
- Also in line with our QHP requirements, we propose to formalize, without changes, the existing "Network Flag" rules for plans with smaller or tiered networks



2017 QDP Product Shelf: Choice

As with medical plans, non-standardized QDPs offer carriers design flexibility, which we seek to balance with a simple consumer experience.

- Carriers may continue to submit no more than three (3) non-standard QDPs and, newly for 2017, this limit will be inclusive of network variation, aligning the dental and medical shelves

> Example: Carrier A proposes to offer 2 non-standardized plan designs, and offers 1 design on a single network and the second design on 2 different networks; Carrier A has used up all 3 of its allowable non-standardized plans.

  - In 2016, only 3 non-standardized plan designs were offered on the non-group dental shelf, so we do not expect that this recommendation will significantly impact dental carriers' product offerings

2016 (Maximum)	Standard (Broadest Network)	Standard (Other Network)	Non-Standard
Family High	1	No max	3 (no network variation max)
Family Low	1	No max	
Pediatric-only	1	No max	
Total	3	No max	No max

2017 (Maximum)	Standard (Broadest Network)	Standard (Other Network)	Non-Standard
Family High	1	1	3
Family Low	1	1	
Pediatric-only	1	1	
Total (9)	3	3	3

2017 QDP Product Shelf: Choice (cont'd)

The ability to freeze plans offers similar consumer value on the dental shelf.

- We propose that carriers may submit any plan offered in 2016 for "Frozen" status in 2017, which will not count against a carrier's plan submission limits for 2017
  - For example, carriers may elect to freeze alternative network standardized plan offerings to reduce member disruption and maintain membership continuity
  - We do, however, reserve the right, as with QHPs, to reject a plan for frozen status, for example, if the plan has extremely limited membership

2017 QDP Product Shelf: Administrative Simplification

For dental plans, we propose similar substantive changes to the submission requirements and formats to reduce the burden on carriers and simplify the Health Connector's analysis and administration.

- We propose to modify the formats of the QDP submission material in parallel to the changes on the medical shelf
- For dental carriers, we will need to continue to require the submission of network data templates
- We propose to remove the requirement for existing carriers to submit materials already collected from other sources (*e.g.,* DOI) or collected from prior year's SOA submissions
  - New entrants will be required to submit all documentation and existing carriers will be required to provide descriptions of material changes since the 2016 submission
- Also in parallel to medical, we propose to formalize carrier signoff on critical submission components and data

2017 QDP Product Shelf: Value & Health Outcomes

While the measurement and reporting of health plan quality is well established, dental quality metrics are comparatively limited.

- We propose to seek carrier comments regarding methods to measure and report on the quality of outcomes as a means to improve oral health
  - Specifically, the Health Connector is seeking comment on the use of measurement approaches such as the Dental Quality Alliance Pediatric Measure Set, NCQA/HEDIS, Healthy People 2020, National Quality Measures Clearinghouse, and the CHIPRA Pediatric Quality Measures Program, and other evidence-based oral health care performance measures and measurement resources to report quality metrics to consumers
  - The Health Connector will review responses and will seek to develop recommendations for the incorporation of dental quality measures in the 2018 Seal of Approval

Certification Criteria

Key Certification Criteria

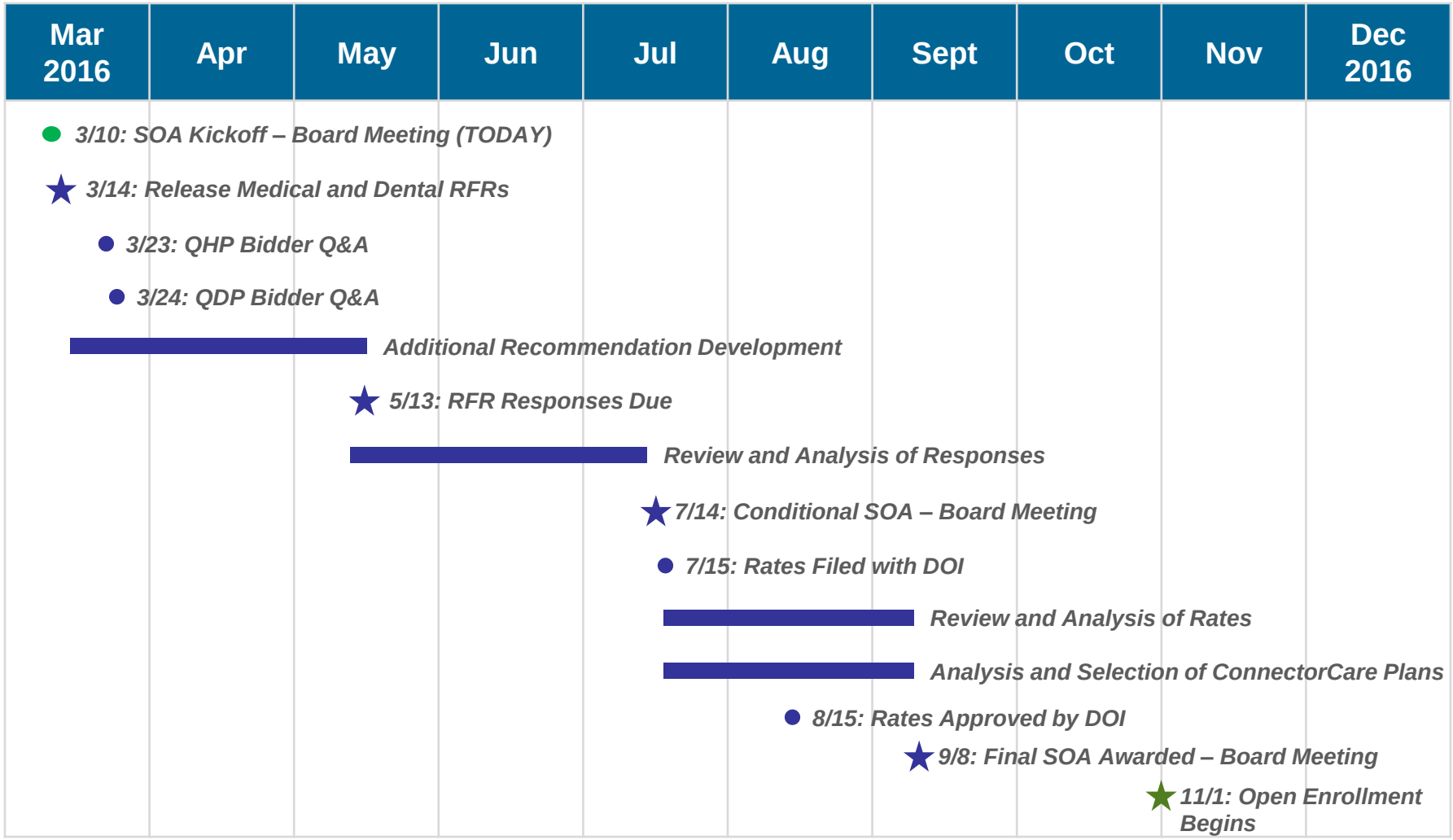
In addition to compliance with the product shelf and other programmatic requirements, responding carriers are also required to satisfy each of the certification elements outlined below.

High Level Criteria	Key Certification Elements	CCA	DOI
Carrier Qualifications	Licensure		✓
	Solvency		✓
	State Accreditation		✓
	Federal/Exchange Accreditation	✓	
Product and Benefit Design	Cover all Essential Health Benefits (EHBs)		✓
	Comply with all state and federal requirements		✓
	Non-discriminatory plan designs		✓
Premium and Rating Methodology	Obtain applicable regulatory approval		✓
	Identification of lowest cost Silver plan(s)	✓	
Network Adequacy	Must meet defined network adequacy standards (ConnectorCare only)	✓	✓
	Must include sufficient number of Essential Community Providers		✓
	Must meet defined Service Area Standards	✓	
Marketing	Must comply with state marketing law(s)		✓
Quality Standards	Must meet federal requirements re: Quality Improvement Survey work	✓	
	Compliance with enrollee satisfaction survey and quality reporting standards	✓	
Non-discrimination	Compliance with non-discrimination requirements (new for 2017)*	✓	

**The Health Connector is considered a "covered entity" for purposes of nondiscrimination laws and, as such, all QHP and QDP Issuers who offer products on our shelf are required to comply with all of the provisions of Section 1557 of the ACA (42 U.S.C. §18116).*

SOA Timeline

SOA Timeline



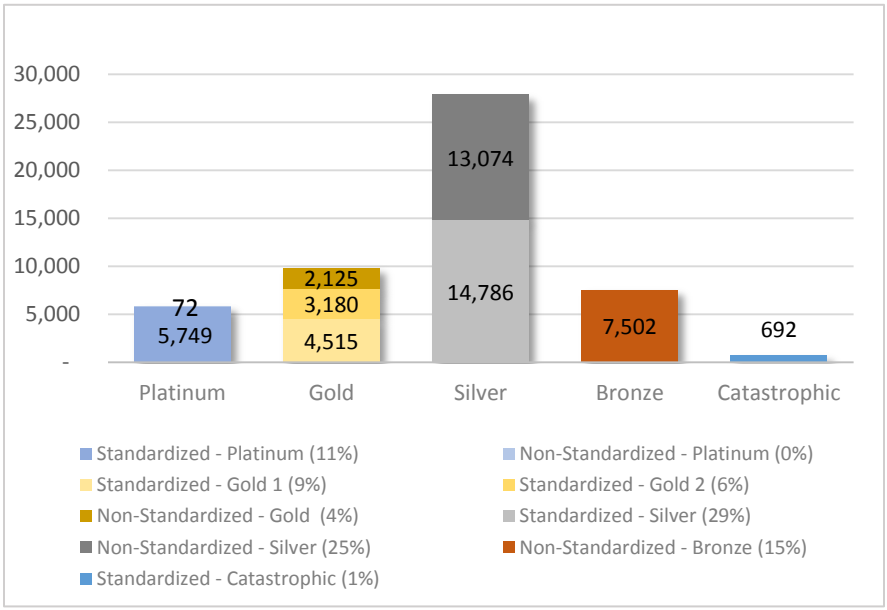
All dates subject to change. Changes to dates published on CommBUYS will be amended and re-posted to CommBUYS.

Appendix

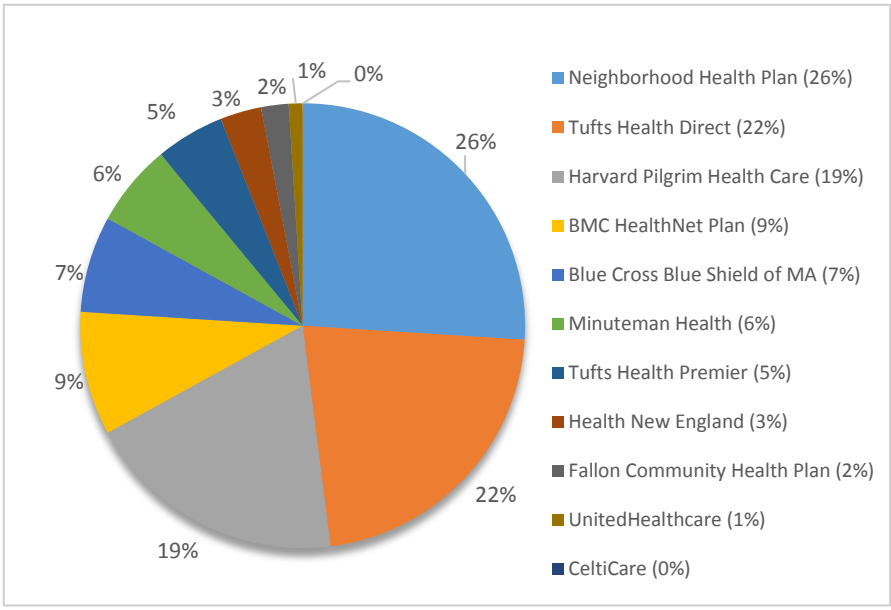
2016 QHP Enrollment Data

Looking at the 2016 benefit year to date, the largest portion of the Health Connector's Unsubsidized and APTC-only non-group population has selected plans on the Silver tier.

Non-group QHP Enrollment by Tier, Standard vs. Non-standard



Non-group Unsubsidized & APTC-only QHP Enrollment by Carrier

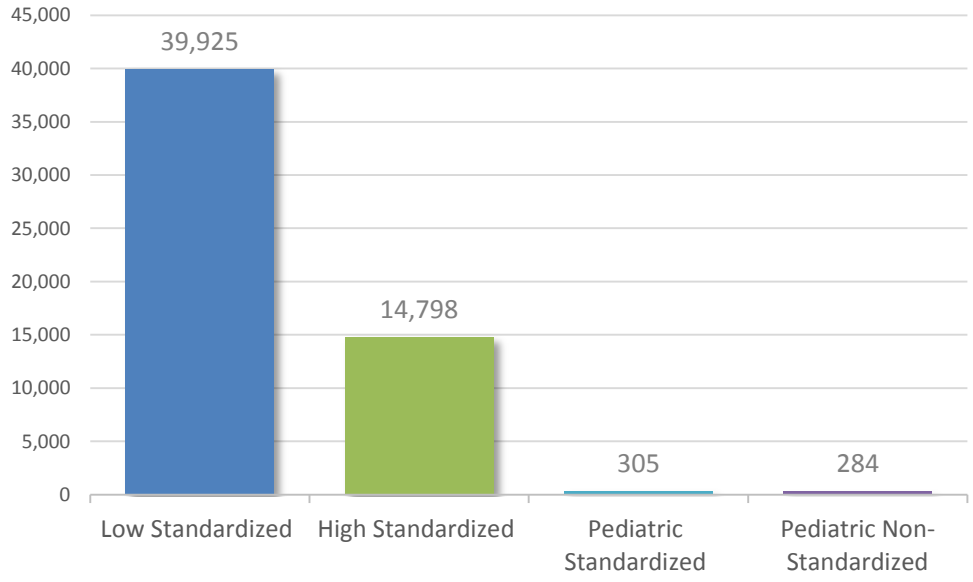


Note: Enrollment data from Dell FMS on March 1, 2016

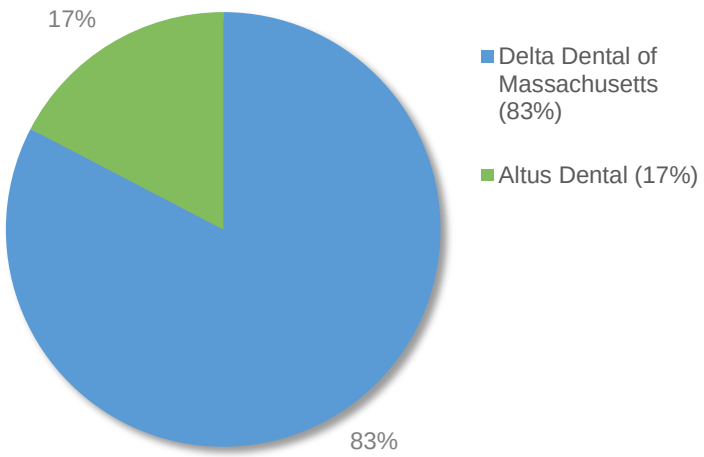
2016 QDP Enrollment Data

Looking at the 2016 benefit year to date, a significant majority of the Health Connector's non-group dental population has selected the Family Low standardized benefit design.

Non-group QDP Enrollment by Benefit Design, Standard vs. Non-standard

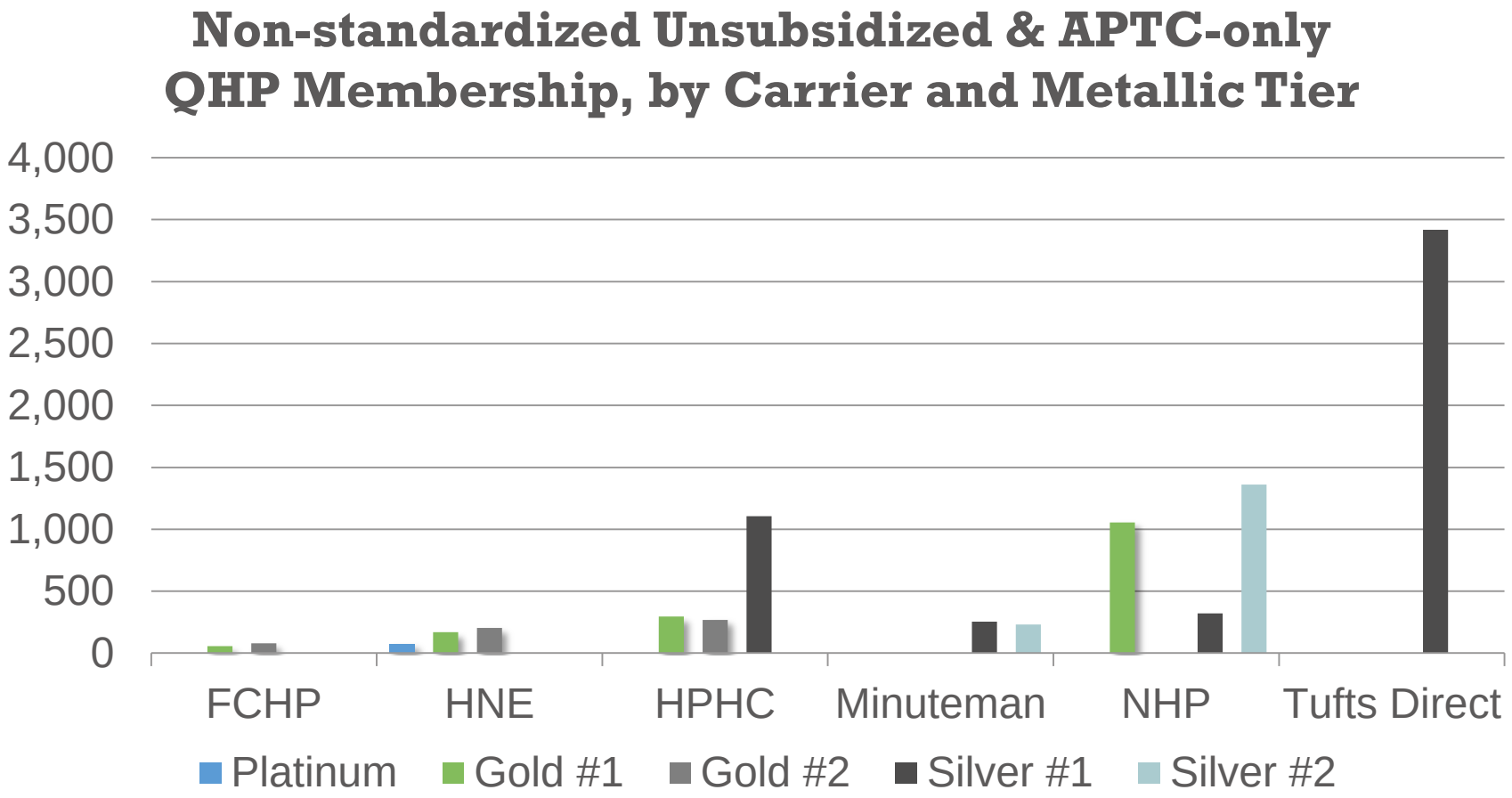


Non-group QDP Enrollment by Carrier



Note: Enrollment data from Dell FMS on March 1, 2016

2016 Non-standardized Plan Membership



Note: Enrollment data from Dell FMS on March 1, 2016

2016 Non-Standard Plans: Platinum

Plan Feature/Service		Platinum A (Standard)	Health New England [1]
Plan Marketing Name		Standardized Plan	HNE Essential 500
Annual Deductible *(Individual/Family)*		N/A	**$500/$1,000**
Annual Out-of-Pocket Maximum *(Individual/Family)*		$2,000 /$4,000	**$5,000 /$10,000**
PCP Office Visits		$25	**$20**
Specialist Office Visits		$40	**$20**
Emergency Room		$150	$150
Inpatient Hospitalization		$500	**$0** √
High-Cost Imaging		$150	**$75** √
Outpatient Surgery		$500	**$0** √
Prescription Drug	Retail Tier 1	$15	$15
	Retail Tier 2	$30	$30
	Retail Tier 3	$50	$50

*Costs in **bold** indicate the plan design feature is different from any of the standardized plan designs for the same benefit. Check (√) indicates that this benefit is subject to the annual deductible. Annual Deductible and Annual Out-of-Pocket Maximum represent individual amounts; family amounts are twice individual amounts, unless stated otherwise.*

[1] *Indicates new plan to 2016 shelf.*

2016 Non-Standard Plans: Gold

Plan Feature/Service		Gold A Standard	Gold B Standard	Harvard Pilgrim Health Plan	Harvard Pilgrim Health Plan	Neighborhood Health Plan
Plan Marketing Name		Standardized Plan	Standardized Plan	HPHC Best Buy HMO 1000	HPHC Best Buy HMO 2000	NHP Prime HMO 1500/3000 25/40
Annual Deductible (Individual/Family)		$500/$1,000	$1,000 /$2,000	$1,000/$2,000	**$2,000/$4,000**	**$1,500/$3,000**
Annual Out-of-Pocket Maximum (Individual/Family)		$3,000 /$6,000	$5,000 /$10,000	**$5,250/$10,500**	**$5,250/$10.500**	$5,000/$10,000
PCP Office Visits		$20	$30	**$25**	**$25**	**$25**
Specialist Office Visits		$35	$45	**$40**	**$40**	**$40**
Emergency Room		30% √	$150 √	**$250**	**$250**	$150 √
Inpatient Hospitalization		30% √	$500 √	**$250 √**	**$250 √**	**$250 √**
High-Cost Imaging		30% √	$200 √	$200 √	$200 √	**$150 √**
Outpatient Surgery		30% √	$250 √	**$0 √**	**$0 √**	**$250 √**
Prescription Drug	Retail Tier 1	$15	$20	**$5**	**$5**	$15
	Retail Tier 2	50% √	$30	**$50**	**$40**	**$25**
	Retail Tier 3	50% √	$50	**$70**	**$70**	$50

*Costs in **bold** indicate the plan design feature is different from any of the standardized plan designs for the same benefit. Check (√) indicates that this benefit is subject to the annual deductible. Annual Deductible and Annual Out-of-Pocket Maximum represent individual amounts; family amounts are twice individual amounts, unless stated otherwise.*

[1] Indicates new plan to 2016 shelf.

2016 Non-Standard Plans: Gold (cont'd)

Plan Feature/ Service		Gold A Standard	Gold B Standard	Health New England [1]	Health New England [1]	Fallon Community Health Plan [1]	Fallon Community Health Plan [1]
Plan Marketing Name		Standardized Plan	Standardized Plan	HNE Essential 2000	HNE Wise Max HDHP	FCHP Direct Care Deductible 2000 Hybrid	FCHP Select Care Deductible 2000 Hybrid
Annual Deductible (Individual/Family)		$500/$1,000	$1,000 /$2,000	**$2,000 /$4,000**	**$2,000 /$4,000**	**$2,000 /$4,000**	**$2,000 /$4,000**
Annual Out-of-Pocket Maximum (Individual/Family)		$3,000 /$6,000	$5,000 /$10,000	$5,000 /$10,000	$5,000 /$10,000	**$6,850 /$13,700**	**$6,850 /$13,700**
PCP Office Visits		$20	$30	**$20**	**$0 √**	**$5**	**$5**
Specialist Office Visits		$35	$45	**$20**	**$0 √**	**$15**	**$15**
Emergency Room		30% √	$150 √	**$150**	**$0 √**	**$250**	**$250**
Inpatient Hospitalization		30% √	$500 √	**$0 √**	**$0 √**	**$1000 √**	**$1000 √**
High-Cost Imaging		30% √	$200 √	**$100 √**	**$0 √**	**$300 √**	**$300 √**
Outpatient Surgery		30% √	$250 √	**$0 √**	**$0 √**	**$500 √**	**$500 √**
Prescription Drug	Retail Tier 1	$15	$20	$15	**$15 √**	**$5**	**$5**
	Retail Tier 2	50% √	$30	**$50**	**$25 √**	$30	$30
	Retail Tier 3	50% √	$50	**$75**	**$50 √**	50% √	50% √

*Costs in **bold** indicate the plan design feature is different from any of the standardized plan designs for the same benefit. Check (√) indicates that this benefit is subject to the annual deductible. Annual Deductible and Annual Out-of-Pocket Maximum represent individual amounts; family amounts are twice individual amounts, unless stated otherwise.*

[1] *Indicates new plan to 2016 shelf.*

2016 Non-Standard Plans: Silver

Plan Feature/ Service		Silver A (Standard)	Fallon Community Health Plan	Harvard Pilgrim Health Care	Neighborhood Health Plan	Minuteman Health
Plan Marketing Name		Standardized Plan	Fallon Community Care Silver A	HPHC Coverage 1750	NHP 1750/3500 50/75	MyDoc HMO Silver Plus
Annual Deductible (Individual/Family)		$2,000 /$4,000	$2,000 /$4,000	**$1,750/$3,500**	**$1,750/$3,500**	$2,000 /$4,000
Annual Out-of-Pocket Maximum (Individual/Family)		$6,850 /$13,700	$6,850 /$13,700	**$5,250/$10,500**	**$5,000/$10,000**	$6,850 /$13,700
PCP Office Visits		$30	$30	**$30 before ded then 20% after ded**	**$50**	**$15 √**
Specialist Office Visits		$50	$50	**$30 before ded then 20% after ded**	**$75**	**$45 √**
Emergency Room		$500 √	$500 √	**$250**	**$750**	**$350 √**
Inpatient Hospitalization		$1,000 √	$1,000 √	**20% √**	$1,000 √	$1,000 √
High-Cost Imaging		$500 √	$500 √	**20% √**	**$1,000 √**	**$400 √**
Outpatient Surgery		$750 √	$750 √	**20% √**	**$1,000 √**	**$750 √**
Prescription Drug	Retail Tier 1	$20	$20	**$5**	**$30**	**$13**
	Retail Tier 2	$50	$50	**$80**	$50	**$30 √**
	Retail Tier 3	$75	$75	**$110**	**$80**	**$50 √**

*Costs in **bold** indicate the plan design feature is different from any of the standardized plan designs for the same benefit. Check (√) indicates that this benefit is subject to the annual deductible. Annual Deductible and Annual Out-of-Pocket Maximum represent individual amounts; family amounts are twice individual amounts, unless stated otherwise.*

[1] Indicates new plan to 2016 shelf.

2016 Non-Standard Plans: Silver (cont'd)

Plan Feature/ Service		Silver A (Standard)	Minuteman Health [1]	Neighborhood Health Plan [1]	Tufts Health Plan [1]
Plan Marketing Name		Standardized Plan	MyDoc PPO Select Silver HSA 2000	NHP Prime HMO Silver Simplicity	Direct Silver 2000 with Coinsurance
Annual Deductible (Individual/Family)		$2,000 /$4,000	$2,000 /$4,000	$2,000 /$4,000	$2,000 /$4,000
Annual Out-of-Pocket Maximum (Individual/Family)		$6,850 /$13,700	**$5,550 /$11,000**	$6,850 /$13,700	$6,850 /$13,700
PCP Office Visits		$30	**$30 √**	$30	**$50**
Specialist Office Visits		$50	**$45 √**	$50	**20% √**
Emergency Room		$500 √	**20% √**	**35% √**	**$500 √**
Inpatient Hospitalization		$1,000 √	**20% √**	**35% √**	**20% √**
High-Cost Imaging		$500 √	**20% √**	**35% √**	**20% √**
Outpatient Surgery		$750 √	**20% √**	**35% √**	**$750 √**
Prescription Drug	Retail Tier 1	$20	**$20 √**	**$30**	**$30**
	Retail Tier 2	$50	**50% √**	**35% √**	**50% √**
	Retail Tier 3	$75	**50% √**	**35% √**	**50% √**

*Costs in **bold** indicate the plan design feature is different from any of the standardized plan designs for the same benefit. Check (√) indicates that this benefit is subject to the annual deductible. Annual Deductible and Annual Out-of-Pocket Maximum represent individual amounts; family amounts are twice individual amounts, unless stated otherwise.*

[1] *Indicates new plan to 2016 shelf.*