



*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, February 11, 2016  
9:00 AM to 11:00 AM

One Ashburton Place  
Boston, MA 02108  
21<sup>st</sup> Floor Conference Room

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**Attendees:** Louis Gutierrez, Marylou Sudders, Daniel Judson, Mark Gaunya, Rina Vertes, Celia Wcislo, Nancy Turnbull, Dolores Mitchell. Louis Malzone participated by phone due to geographic distance. Lauren Peters attended as the representative of Kristen Lepore.

The meeting was called to order at 9:07 AM.

- I. Minutes:** The minutes of the January 14, 2016 meeting were unanimously approved.

After approving the minutes, the Board celebrated Dolores Mitchell with a gift and thanked her for her many years in public service as she recently retired from her position as commissioner of the Group Insurance Commission (GIC). Mr. Gutierrez stated that Ms. Mitchell is a strong example of the best in public service and that she has been with the Health Connector since its founding. Ms. Turnbull and Ms. Wcislo echoed these comments and stated that they greatly admire and respect Ms. Mitchell. Ms. Mitchell remarked that her work has been gratifying but that Massachusetts, and the country still has a lot of work to do. She underscored the importance of letting righteous causes prevail and stated that health care can be done well and at lower cost. She added that it has been a pleasure to work with Mr. Gutierrez and thanked Health Connector staff for all of their work. Secretary Sudders noted that Ms. Mitchell ended her tenure on the Health Connector Board with a strong Open Enrollment period.

**II. Executive Director's Report:** Mr. Gutierrez stated that Open Enrollment 2016 is completed and that he is appreciative of the work and passion of staff and support from the Board. He added that a lot of work remains, especially regarding systems and long term operational improvements. He then reviewed enrollment growth during Open Enrollment, stating that approximately 37,000 new members enrolled in health coverage with a total enrollment of over 201,000. Additionally, he said, there were over 53,000 members enrolled in dental coverage as of February 1. He stated that those with plans selected for coverage starting March 1 are encouraged to pay by February 23 to secure their enrollment. He noted that all six of the Health Connector's walk-in centers will remain open through the end of February. He then discussed the Health Connector's next major activity following Open Enrollment, which was delivering tax forms to more than 172,000 members enrolled in Qualified Health Plans (QHPs) in 2015. He commented that Internal Revenue Service (IRS) Form 1095 reconciliation can be confusing and that for many members, this will be their first year of 1095 reconciliation. Mr. Gutierrez stated that the 2017 affordability schedule will be reviewed at this meeting. He provided an update on the Section 1332 waiver application, stating that a draft waiver was released last week for the first phase of the review process and that the first public hearing was also held, with an additional hearing to be held in Springfield.

**III. 2016 Open Enrollment Update:** The PowerPoint presentation "2016 Open Enrollment Update" was presented by Vicki Coates and Ashley Hague. Ms. Hague began the presentation by stating that Open Enrollment concluded on January 31 and that it was the Health Connector's first Open Enrollment period conducting renewals. She stated that just over 201,000 members are enrolled in QHPs currently, with almost 37,000 new members this Open Enrollment period. She added that that number changes slightly as people make changes to their applications and plan selections. She stated that the customer experience has been smooth and that the Health Connector is now transitioning to closed enrollment. Next, Ms. Hague reviewed a snapshot of the operations, policy and outreach activities conducted during Open Enrollment, noting that many different communications were sent with high open rates. She then shared a chart with new and renewing membership numbers for 2015 and 2016. She noted that members have the option to enter race and ethnicity information when completing an application and, of the 27,000 new members who provided that information, about 12 percent are of Hispanic, Latino or Spanish origin, eight percent are African American and four percent are Chinese. In response to a question from Mr. Chernew, Ms. Hague stated that the Health Connector conducted a survey via Survey Monkey to see where people came to the Health Connector from and that a larger survey will be conducted over the summer to see where people go when they leave their QHP. In response to a question from Mr. Chernew regarding the All Payer Claims Database (APCD), Audrey Gasteier, Director of Policy and Outreach at the Health Connector, replied that the APCD is building the capability to track people over time when they transition between different types of coverage. Ms. Turnbull commented that people also move in and out of MassHealth, and Ms. Hague noted that since MassHealth has rolling enrollment, Open Enrollment is not a constraint for that program. She also noted that the uninsured are likely disproportionately eligible for MassHealth. Ms. Hague stated that the retention rate for members renewing their coverage in 2016 was 94 percent, surpassing the Health

Connector's goal of 90 percent retention. Ms. Hague added that we don't yet know where people go when they leave the Health Connector, but that a survey will be done later this year to gather more information. She noted that last year, the majority of survey respondents indicated they left because they had access to health coverage elsewhere, such as through their employer, Medicaid or Medicare. In response to a question from Ms. Mitchell, Ms. Hague replied that the survey is conducted by the firm Market Decisions and gives respondents the opportunity to give negative responses, such as "I had technical difficulties so I left the Connector."

Ms. Hague then reviewed the Health Connector's recent new member survey, stating that many of the free form responses indicated that individuals heard about the Health Connector through the Department of Unemployment Assistance (DUA) or when they were evaluating COBRA. Mr. Chernew remarked that, given all of these dynamics, it is not necessarily negative if members leave the Health Connector and Ms. Hague agreed but noted it is still important to know how people heard about the Health Connector and why they left coverage. Mr. Chernew added that it is key to determine who was eligible for Health Connector coverage but did not enroll and why, and Secretary Sudders noted that this is speculative until we are able to track individuals over time. Ms. Hague reviewed metallic tier choices of renewing and new members, stating that renewing members generally stayed in the same tier but that there was a slight increase in movement out of the Bronze tier. She added that this may be due, in part, to a letter sent to 2015 Bronze enrollees encouraging them to evaluate their Bronze plan. She stated that new members mostly selected Silver and Gold plans, which is expected, but that automatic filtering to Silver and Gold was added to the shopping experience this year. She added that the filter can be removed and the new membership in Bronze and Platinum demonstrates that people were able to interact with the system as intended. Mr. Gaunya remarked that the Bronze mailing makes an implied suggestion regarding what plan choices people should make and that decision support is needed although it was not possible this year for budgetary reasons. Ms. Mitchell agreed with Mr. Gaunya's comment and stated that we should avoid steering people into choosing any particular type of plan.

Next, Ms. Hague discussed carrier choices of renewing and new members, stating that most of the renewing population stayed in the same carrier and that Tufts Direct remains the most popular carrier. Ms. Hague then reviewed results from the recent new member survey in detail, stating that most of the new population had been insured previously, usually with a small gap of zero to three months, and that almost 10 percent of respondents had been uninsured for more than a year or never had insurance previously. She noted that this is important because the chronically uninsured can be difficult to reach. She also reviewed themes from the free form responses about why individuals decided to enroll in a QHP and how they heard about the Health Connector. In response to a question from Ms. Peters, Ms. Hague stated that the Health Connector plans to analyze the demographic information of the new member survey respondents. Mr. Gaunya noted that there is a lot of opportunity to strengthen our partnerships with Community Health Centers (CHCs), and Secretary Sudders added that the uninsured tend to go to CHCs. Mr. Gutierrez added that the walk-in centers located at CHCs this year

were great successes. In response to a question from Ms. Wcislo, Ms. Hague stated that demographic analyses of new members are provided in the appendix.

Next, Ms. Coates presented the “Customer Experience Update” portion of the presentation. She reviewed recent service center performance statistics and stated that she was very pleased with performance during Open Enrollment. In response to a question from Ms. Turnbull, Ms. Coates clarified that the “calls offered” chart represents all calls received during Open Enrollment. In response to a question from Mr. Chernew, Ms. Coates stated that the abandonment rate increased in January due to four busy Mondays as well as a day when one call center was closed due to weather. She added that on each of these days, a banner was posted to the Health Connector website to alert callers that wait times may be longer than usual. She then reviewed the top call drivers during Open Enrollment, which were enrollment questions followed by application and eligibility questions. She noted that the call drivers will change during closed enrollment. Next, Ms. Coates discussed walk-in center performance and noted that the walk-in centers were successful and will be extended through the end of February. She discussed the Ombudsman program as well as customer satisfaction and noted that the Health Connector will work to improve areas of continued customer dissatisfaction. She then compared call center metrics to last year’s Open Enrollment period, noting that many fewer calls were received this year and that there were no call center barriers for individuals enrolling in coverage in the last days of Open Enrollment. Ms. Mitchell remarked that it will be important to think about health insurance carriers’ experiences during Open Enrollment as they are a significant stakeholder, and Ms. Coates agreed. In response to a question from Ms. Turnbull, Mr. Gutierrez replied that the Health Connector is not yet able to track the number of plans shoppers click on but that it is something the organization would like to track in the future. Ms. Coates added that the Health Connector is able to track individuals using the provider search and plan comparison tools.

Ms. Coates then discussed the transition to closed enrollment, stating that the call center is now back to its normal hours of Monday through Friday, 8:00 AM to 6:00 PM. She thanked the community partners who hosted the Health Connector’s additional walk-in centers during Open Enrollment. She stated that individuals experiencing certain life events may be eligible to enroll in coverage during closed enrollment. She added that individuals can enroll in Qualified Dental Plans (QDPs) year-round without needing a qualifying event and that continuous enrollment is available for individuals eligible for MassHealth and ConnectorCare. She thanked all assisters for their work this Open Enrollment period and added that preparation for Open Enrollment 2017 has already begun. She noted that Open Enrollment may begin on November 1, 2016 but that this is not certain as the final federal rule has not yet been released. Ms. Wcislo requested that the Board of Directors engage in more policy discussion, such as ways to attract and retain the lowest cost plans through competition. Ms. Hague stated that discussion regarding plan offerings will be part of the Seal of Approval (SOA) presentation at the March Board of Directors meeting. Mr. Gaunya commended Mr. Gutierrez and Health Connector staff on a stable Open Enrollment period. He commented that health insurance is expensive because health care is expensive and that the root of the problem

needs to be addressed. Secretary Sudders noted that that may not be the role of the Health Connector Board, and Mr. Gaunya replied that perhaps it could be addressed under Section 1332. Secretary Sudders agreed that health care costs are an important part of the conversation. She recognized the extraordinary effort that went into this Open Enrollment period and the high number of individuals who re-enrolled in their coverage in 2016. Mr. Gutierrez recognized the instrumental efforts of his MassHealth colleagues and noted the Board's desire to shift toward more policy discussion.

- IV. Proposed Affordability Schedule for Calendar Year 2017 (VOTE):** The PowerPoint presentation "Proposed Affordability Schedule for Calendar Year 2017 (VOTE)" was presented by Marissa Woltmann, Associate Director of Policy and ACA Implementation Specialist. Ms. Woltmann began by providing background on the state and federal individual mandates, noting that the Health Connector is responsible for setting affordability and coverage standards and managing appeals while the Department of Revenue (DOR) enforces the state mandate through the tax filing process. She stated that the affordability schedule determines whether an individual must pay a penalty for not having Minimum Creditable Coverage (MCC) but is independent of other aspects of state and federal health care reform. She noted that last year, policy decisions were reordered such that the affordability schedule was set before the Seal of Approval (SOA). She added that two other significant changes were made to the 2016 affordability schedule: it shifted to a percentage-based affordability standard, rather than fixed-dollar standards, and affordability standards were updated for individuals under 300 percent of the federal poverty level (FPL). Ms. Woltmann then reviewed feedback received during the development of last year's affordability schedule, including the incorporation of cost sharing and updating income percentages annually. She discussed cost sharing in greater detail, stating that cost sharing has increased over time and is now a significant component of a consumer's financial expenditure for health care, alongside premiums. She stated that, from 2013 to 2014, average member cost sharing increased by five percent. She explained that, while cost sharing is a significant burden, incorporating it into the affordability schedule would not reduce out of pocket costs. She noted that incorporating cost sharing into the affordability schedule may have a very different impact on two individuals enrolled in the same plan depending on how they use their coverage. In response to a question from Ms. Mitchell, Ms. Woltmann confirmed that the Massachusetts Health Insurance Survey results presented on Slide 8 are statewide results. Ms. Turnbull expressed disagreement with the statement that incorporating cost sharing into the affordability schedule would not achieve the desired goal. She stated that the absence of cost sharing is a problem because sometimes, individuals are compelled to purchase coverage that is not affordable to them. Ms. Wcislo commented that to avoid the penalty for not having insurance, some low-wage workers in the Service Employees International Union (SEIU) are enrolling in the insurance offered to them that has a low premium but a \$10,000 deductible. Mr. Chernew stated that the question presented here is whether to weaken the individual mandate, which is a different question from trying to determine how to help individuals who cannot find a health insurance plan that is affordable. Ms. Turnbull stated that one school of thought would like to keep as many people as possible subject to the individual mandate, while another says that unless coverage can be made affordable, perhaps the right outcome is that some people will not

be subject to the individual mandate. Mr. Chernew agreed, stating that that is where the real policy debate lies and added that the downside is that people could begin to drop out of coverage. Ms. Mitchell stated that the issue is not about insurance; it is about getting people access to the health care that they need. Mr. Gaunya remarked that the Center for Health Information and Analysis (CHIA)'s cost sharing calculations do not take into account employer actions such as reinvesting in health savings accounts on behalf of their employees. He stated that there is no question that cost sharing is increasing. He added that health care is the only commodity we buy that we do not know the cost or quality of before purchasing and that Massachusetts has higher health care costs per capita than any other state in the country. Mr. Chernew stated that the way cost sharing is structured matters. Ms. Turnbull commented that she is in favor of an income-based deductible. Ms. Mitchell noted that one of her first actions at the GIC was working to have the Commission agree to an income-based deductible. Ms. Gasteier agreed that the questions raised in this discussion are important. She noted that under the MCC standards, there is a maximum deductible, \$2,000 for individuals and \$4,000 for families, that individuals are compelled to pay.

Ms. Woltmann then discussed indexing affordability standards. She stated that, after evaluating whether an approach similar to the federal model would be feasible using Massachusetts data to index the affordability standards for the population below 400% FPL in the state schedule, the Health Connector is not proposing automatic updates to the schedule at this time. She then reviewed the proposed 2017 affordability schedule and stated that for individuals up to 400 percent FPL, the recommendation is to apply the 2016 affordability standards to updated FPL standards. For individuals over 400 percent FPL, she stated, a slight increase from 8.13 percent to 8.16 percent is recommended to keep pace with an indexed federal standard. She requested that the Board vote to approve the proposed schedule for public comment and noted that the Health Connector will continue to evaluate ways to improve the affordability schedule and the availability of affordable coverage in the market. Secretary Sudders clarified that this vote would move the proposed affordability schedule to a period of public comment. The Board voted unanimously to approve the issuance for public comment of the draft affordability schedules for individuals, couples and families for Calendar Year 2017, as set forth in the staff proposal. In response to a question from Ms. Wcislo, Ms. Woltmann replied that if an individual is offered insurance that is not considered MCC, that individual can enroll in coverage through the Health Connector but that the individual's subsidy depends on the details of the chosen plan. Mr. Chernew remarked that this is a complicated issue and noted that a summary detailing under what circumstances an individual can enroll in Health Connector coverage would be helpful. Secretary Sudders noted that employer-sponsored insurance has decreased recently.

The meeting was adjourned at 10:39 AM.

Respectfully submitted,  
Maria H. Joy