MEMORANDUM

To: Health Connector Board of Directors
Cc: Louis Gutierrez, Executive Director
From: Ashley Hague, Deputy Executive Director, Strategy & External Affairs
Brian Schuetz, Director of Program & Product Strategy
Heather Cloran, Associate Director of Program & Product Strategy
Date: July 8, 2016
Re: Conditional Award of the 2017 Seal of Approval

BACKGROUND

On March 10, 2016, the Health Connector issued its 2017 Seal of Approval (SOA) Request for Responses (RFR) and recertification invitation to solicit Qualified Health Plans (QHPs) and Qualified Dental Plans (QDPs) to be offered through the Commonwealth's Affordable Care Act (ACA)-compliant Marketplace beginning in 2017. The purpose of this memorandum is to provide the Health Connector Board of Directors with the staff recommendation on the conditional award of the 2017 SOA to recommended QHPs and QDPs.

INTRODUCTION AND EXECUTIVE SUMMARY

The certification and recertification of QHPs and QDPs is a required function of an ACA-compliant Marketplace. The Health Connector's annual SOA is the process by which the Health Connector performs this required function and certifies QHPs and QDPs. In order for an Issuer to receive the SOA, QHPs and QDPs must meet all applicable ACA requirements, including metallic tier and Actuarial Value (AV) specifications, coverage of all Essential Health Benefits (EHBs) as well as provider network and service area requirements. QHPs and QDPs must also comply with the Health Connector's SOA requirements, including minimum portfolio specifications, standardized plan designs and, as applicable, experience and ability to serve lower-income populations.

Changes to the federal AV calculator for 2017 necessitated minor changes to a number of standardized medical plans. In addition, as part of the Health Connector's ongoing efforts to enhance the comparison shopping experience, the 2017 SOA made a number of modifications to the plan submission requirements for standardization, choice and the promotion of vale and health outcomes.

This memorandum presents the Health Connector staff recommendation for the conditional award of the 2017 SOA to plans offered by ten (10) existing medical Issuers and three (3) existing dental Issuers. The award of the conditional SOA is based upon an initial review of the responding Issuers' compliance with ACA certification requirements and further Health Connector prescribed RFR requirements. Award of the final SOA is conditioned upon the Issuers' successful completion of all Division of Insurance (DOI) form and rate filings. Health Connector staff will make a recommendation for award of the final SOA, based in part upon Issuers' completion of the DOI rate filing process, to the Health Connector Board of Directors in September of 2016.

2017 SEAL OF APPROVAL OVERVIEW

Issuers seeking the Health Connector's SOA for 2017 were required to demonstrate compliance with certain minimum ACA-certification requirements, including:

- **Licensure and Accreditation:** Plan Issuers must be licensed and in good standing with the DOI
- **Plan Benefit & Cost Sharing Requirements:** Plans must provide coverage for the ten (10) statutorily prescribed EHB categories and include coverage in alignment with the state's EHB benchmark plan selection. Plan designs must comply with federal cost-sharing limits, metallic tier and AV requirements. QHPs must cover all state mandated benefits and meet Minimum Credible Coverage (MCC) standards. QDPs must cover the Pediatric Dental EHB Benchmark Plan benefits, meet reasonable limits on cost-sharing and comply with AV requirements (70% or 85% +/- 2%)
- **Network Adequacy:** Plans must demonstrate inclusion of a sufficient number and distribution of providers, including Essential Community Providers
- **Service Area**: Plans must include Service Areas that cover a minimum geographic area and are established without regard to racial, ethnic, language or health status-related factors
- **Marketing**: Issuers must comply with state requirements related to marketing of plans and may not employ marketing practices that discourage enrollment of individuals with significant health needs in QHPs. The Health Connector enforces this requirement as part of its contracting process with QHPs
- **Federal Quality Standards:** Issuers must meet the applicable federal requirements regarding the submission of Quality Improvement Strategy activities, the submission of enrollee satisfaction survey and meeting the requirements of quality reporting standards
- **Rating Methodology and Premium Review**: All proposed plans must meet state and federal requirements related to rate development methodology and permissible rate increases

Furthermore, Issuers seeking the Health Connector's 2017 SOA as a QHP (as opposed to a QDP) must also meet the following Health Connector requirements:

- **Standardized Plan Offerings:** Issuers must offer at least one plan on their broadest commercial network that conforms to each of the four (4) standardized plan designs (one (1) Platinum, one (1) Gold, one (1) Silver, one (1) Bronze). Issuers may propose one (1) additional version of each standardized plan offered on a different network (*e.g.*, narrower or tiered) for a maximum of eight (8) possible standardized plans offered
- **Bronze Plan Offering:** Within the standardized offering requirements, Issuers must propose a Bronze plan on the Standardized Bronze #1 design, but have the option of indicating whether they would request to offer, in lieu of the Standardized Bronze #1, the Standardized Bronze #2 (Health Savings Account (HSA)-compatible) design. In order for the Health Connector to allow an Issuer to offer the Standardized Bronze #2 (HSA-compatible) in lieu of the Standardized Bronze #1 plan, a sufficient number of the Standardized Bronze #1 plans must be proposed. Issuers must propose one (1) Bronze plan on their broadest commercial network, with the option to withdraw the offer if a sufficient number of Bronze plans are available in each zip code

- **Catastrophic Product Offerings:** Issuers must propose at least one (1) Catastrophic plan design with the option to withdraw the offer if a sufficient number of Catastrophic plans are available in each zip code
- **ConnectorCare-Compatible Plan Offerings:** Issuers must propose one (1) ConnectorCare-Compatible Silver plan that may be offered on its broadest commercial network, on a narrower or limited network, or on a network that is broader than its broadest commercial network. The network proposed for a ConnectorCare-Compatible plan is required to meet ConnectorCare plan Network access requirements, as defined by the Health Connector
- **Non-standardized Product Offerings:** Issuers are permitted to propose up to three (3) Non-standardized plans, inclusive of network variation limitations. Specifically, Issuers may offer each of these plans on any of their networks (*i.e.*, there is not a broadest network requirement for the Non-standardized shelf), but if they choose to offer one plan design on more than one network, each additional network variation will count toward their maximum of three (3) allowable Non-standard plans

Issuers seeking the Health Connector's 2017 SOA as a QDP (as opposed to a QHP) must comply with all ACA certification requirements and the following additional Health Connector requirements:

- **Standardized Plan Offerings:** Issuers must offer at least one (1) plan on all of the Standardized plan designs. Issuers may propose one (1) additional version of each plan offered on a different network (*e.g.*, narrower or tiered) for a maximum of six (6) possible standardized plans offered
- **Non-standardized Product Offerings:** Issuers are permitted to propose up to three (3) Non-standardized plans, inclusive of network variation limitations. Specifically, Issuers may offer each of these plans on any of their networks, but if they choose to offer one plan design on more than one network, each additional network variation will count toward their maximum of three (3) allowable Non-standard plans

  Small- and Non-Group Market Offerings: Issuers must offer small-group products if they offer these outside of the Health Connector, and non-group products if they offer these outside of the Health Connector

Through the 2017 SOA, the Health Connector has worked 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 SOA, we made several key changes to the QHP product shelf aimed at achieving these goals:

- **Gold:** The Health Connector eliminated the requirement that carriers must offer a second standardized Gold plan, the 2016 "Gold A" design, allowing carriers the flexibility to, at their discretion, continue to offer this design as a Non-standard or frozen plan for 2017
- **Bronze:** For 2017, the Health Connector developed two (2) Standardized Bronze plan designs: the Standard #1 plan that meets the Minimum Creditable Coverage (MCC) requirements and uses co-pays for most major services, and a Standard #2 design that is HSA-compatible

- **Additional Standardized Benefits:** For Standardized plans, the Health Connector increased the number of cost-sharing categories that are standardized from fourteen (14) to twenty-one (21)
- **Opioid Use Disorder Treatment and Prevention:** As part of the Commonwealth's efforts to address the Commonwealth's opioid use crisis, the Health Connector, coordinating with the Opioid Prevention Task Force, added requirements to the 2017 ConnectorCare plan designs to reduce cost and access barriers to opioid use disorder prevention and treatment
- **Pediatric Essential Health Benefit Coverage:** For 2017, the Health Connector required the inclusion of pediatric Essential Health Benefit (EHB) vision and dental coverage as part of all QHPs

We also leveraged this year's SOA to begin influencing the product design of plans in our marketplace to address the health needs of our members, seeking carrier comments regarding the strategies and targets for Value-based Insurance Design (VBID) in future Health Connector product designs.

QHP ISSUER RESPONSE, EVALUATION AND RECOMMENDATIONS

The QHP certification process is a joint effort between the Health Connector and the DOI. The majority of ACA-required categories for certification are fulfilled through the DOI's comprehensive plan review process, which is in place for the merged market. In addition to working closely with the DOI, the Health Connector's policy and actuarial staff support its evaluation of the QHP SOA responses.

The Health Connector received proposals from ten (10) existing QHP Issuers; Blue Cross Blue Shield of Massachusetts (BCBSMA), BMC HealthNet Plan (BMCHP), CeltiCare Health Plan (CeltiCare), Fallon Health (Fallon), Harvard Pilgrim Health Care (HPHC), Health New England (HNE), Minuteman Health(Minuteman), Neighborhood Health Plan (NHP), Tufts Health Plan - Direct (Tufts – Direct) and Tufts Health Plan – Premier (Tufts - Premier). No new QHP Issuers proposed offerings for 2017, and United Healthcare did not offer plans for consideration for the 2017 SOA.

The Health Connector team reviewed each Issuer's proposed product portfolio to confirm adherence to the minimum and maximum product portfolio requirements. The Health Connector reviewed proposed Standardized plans for adherence to the Health Connector's prescribed cost-sharing requirements.

In our review of proposed Non-standardized plans, Health Connector staff sought to apply a consistent approach for evaluating the various plan designs. Beyond ensuring that proposed Non-standardized plans meet or are likely to meet state and federal requirements, Health Connector staff also more broadly reviewed the suite of newly proposed Non-standardized plans to determine whether and to what extent each plan would supplement the Health Connector's Standardized product shelf with added value and plan design choice. The Health Connector will perform a meaningful differentiation analysis, comparing Non-standardized plans to the existing Standardized product offerings, when rates are submitted in mid-July.

Qualified Health Plan Shelf Overview

Overall, the ten (10) medical carriers responded to the 2017 SOA with a total of sixty-two (62) QHPs proposed for sale to new and renewing members for the non-group and small group shelves, along with four (4) frozen plans available for renewal only. The responses to this year's SOA result in a 25% reduction in health plans offered through the Health Connector compared to 2016.

Issuers	Platinum	Gold	Silver	Bronze	Catastrophic	Total
Blue Cross Blue Shield	1	1	1	1	1	5
BMC HealthNet Plan	1	1	2	1	0	5
CeltiCare Health	1	1	1	0	0	3
Fallon Health	2	3 (+2 frozen)	4	2 (+2 frozen)	1	12 (+4 frozen)
Health New England	1	4	1	0	0	6
Harvard Pilgrim Health Care	1	2	2	1	0	6
Minuteman Health	2	1	2	2	1	8
Neighborhood Health Plan	1	2	2	1	0	6
Tufts Health Plan - Direct	1	2	2	1	1	7
Tufts Health Plan - Premier	1	1	1	1	0	4
TOTAL	12	18 (+2 frozen)	18	10 (+2 frozen)	4	62 (+4 frozen)

QHP Standardized Plan Submissions

All ten (10) Issuers responding to the QHP SOA proposed at least one plan for each of the four (4) Standardized plan designs on the Issuer's broadest commercial network. Standardized plan designs included prescribed cost-sharing amounts across twenty-one (21) benefit categories, as defined by the Health Connector.

For 2017, one Issuer, Fallon Health, elected to offer their Standardized plan designs on an additional network. Fallon Health continues to propose offering Standardized plans on one (1) additional network beyond its broadest commercial network; its Direct Care network.

Standardized QHP Submissions – Bronze

For last year's SOA, the Health Connector asked Issuers to develop Non-standardized Bronze plan designs to address challenges in the development of a plan that met both the parameters of the 2016 federal AV calculator and Massachusetts' MCC requirements. Issuers responded with a wide variety of designs, with significant variation in plan features, including deductibles and the use of coinsurance. Given the new and highly varied landscape of potential Bronze offerings as a result of the change in the federal AV calculator, the Health Connector indicated at the time that it would leverage the 2016 Bronze plan designs as it

moved back towards standardizing the Bronze tier for 2017, selecting features from multiple carriers to develop our recommendation.

For 2017, we developed two (2) Standardized Bronze plan designs: the Standard #1 plan that meets the MCC requirements and uses co-pays for most major services, and a Standard #2 design that is HSA-compatible.

Plan Feature/ Service *A check mark (✓) indicates that this benefit is subject to the annual deductible*		***Bronze #1 Standard***	***Bronze #2 Standard (HSA-compatible)***
Annual Deductible – Combined		*N/A*	*N/A*
		N/A	*N/A*
Annual Out-of-Pocket Maximum		*$2,750*	*$1,500*
		$5,500	*$3,000*
PCP Office Visits		*$250*	*$1,500*
Specialist Office Visits		*$500*	*$3,000*
Emergency Room		*$7,150*	*$6,550*
Urgent Care		*$14,300*	*$13,100*
Inpatient Hospitalization		*$25 ✓*	*$25 ✓*
Skilled Nursing Facility		*$40 ✓*	*$50 ✓*
Durable Medical Equipment		*$500 ✓*	*$750 ✓*
Rehabilitative Occupational and Rehabilitative Physical Therapy		*$40 ✓*	*$50 ✓*
Laboratory Outpatient and Professional Services		*$1,000 ✓*	*$1,000 ✓*
X-rays and Diagnostic Imaging		*$1,000 ✓*	*$1,000 ✓*
High-Cost Imaging		*20% ✓*	*20% ✓*
Outpatient Surgery: Ambulatory Surgery Center		*$40 ✓*	*$50 ✓*
Outpatient Surgery: Physician/Surgical Services		*$50 ✓*	*$50 ✓*
Prescription Drug	*Retail Tier 1*	*$25 ✓*	*$40 ✓*
	Retail Tier 2	*$75 ✓*	*$100 ✓*
	Retail Tier 3	*$100 ✓*	*$150 ✓*
	Mail Tier 1	*$50 ✓*	*$80 ✓*
	Mail Tier 2	*$150 ✓*	*$200 ✓*
	Mail Tier 3	*$300 ✓*	*$450 ✓*
2017 Final FAVC		*61.86%*	*61.90%*

Issuers were required to propose a Bronze plan on the Standardized Bronze #1 design, but had the option of indicating whether they would request to offer, in lieu of the Standardized Bronze #1, the Standardized Bronze #2 design. The Health Connector would permit Issuers to offer the Standardized Bronze #2 plan if we received a sufficient number of Standard Bronze #1 offerings.

All Issuers elected to submit the Bronze Standard #1 plan design, with no Issuers electing to take up the Standardized Bronze #2 design. Additionally, three (3) Issuers have requested to waive offering a standardized Bronze plan for 2017: CeltiCare, HNE and Tufts– Premier. Of the 713 zip codes included in the Health Connector's availability, none would have fewer than four (4) carriers available, exceeding the target of a minimum of two (2) carriers per zip code. As a result of the analysis, staff recommend

approving all of the Standardized Bronze plan waivers as sufficient access to Bronze plans will be available in each zip code.

Standardized QHP Submissions

Issuers	Platinum	Gold	Silver	Bronze	Total
Blue Cross Blue Shield	1	1	1	1	4
BMC HealthNet Plan	1	1	1	1	4
CeltiCare Health	1	1	1	Waive	3
Fallon Health	2	2	2	2	8
Health New England	1	1	1	Waive	3
Harvard Pilgrim Health Care	1	1	1	1	4
Minuteman Health	1	1	1	1	4
Neighborhood Health Plan	1	1	1	1	4
Tufts Health Plan - Direct	1	1	1	1	4
Tufts Health Plan - Premier	1	1	1	Waive	3
TOTAL	**11**	**11**	**11**	**8**	41

QHP Non-standardized Plan Submissions

For 2017, Issuers submitted a total of twenty-eight (28) Non-standardized plans for consideration. Five (5) of these submissions are new for 2017, while the remaining twenty-three (23) were previously offered in 2016. Of those previously offered, three (3) plans are the continuation of the previously required (for the 2016 SOA) "Gold A" standard design.

Platinum Tier Non-standardized QHPs

New Non-standardized QHP Submissions – Platinum

One (1) new Non-standardized Platinum plan was submitted for the 2017 SOA. This proposed plan is offered by Minuteman.

Plan Feature/ Service ***A check mark (✓) indicates that this benefit is subject to the annual deductible***	***Platinum Standard***	***Minuteman MyDoc HMO Platinum Extra Value***
Annual Deductible – Combined	*N/A*	*N/A*
	N/A	*N/A*
Annual Out-of-Pocket Maximum	*$3,000*	***$6,000***
	$6,000	***$12,000***
PCP Office Visits	*$25*	***$5***
Specialist Office Visits	*$40*	***$15***
Emergency Room	*$150*	***$250***

Urgent Care		*$40*	***$5***
Inpatient Hospitalization		*$500*	***$1,000***
Skilled Nursing Facility		*$500*	***$1,000***
Durable Medical Equipment		*20%*	*20%*
Rehabilitative Occupational and Rehabilitative Physical Therapy		*$40*	***$15***
Laboratory Outpatient and Professional Services		*$0*	***$25***
X-rays and Diagnostic Imaging		*$0*	***$50***
High-Cost Imaging		*$150*	***$250***
Outpatient Surgery: Ambulatory Surgery Center		*$500*	*$500*
Outpatient Surgery: Physician/Surgical Services		*$0*	*$0*
Prescription Drug	*Retail Tier 1*	*$15*	***$5***
	Retail Tier 2	*$30*	***$25***
	Retail Tier 3	*$50*	***$50***
	Mail Tier 1	*$30*	***$10***
	Mail Tier 2	*$60*	***$50***
	Mail Tier 3	*$150*	***$100***
2017 Final FAVC		*91.73%*	***91.12%***

Minuteman Proposal

The proposed new Non-standardized Platinum plan from Minuteman, "MyDoc HMO Platinum Extra Value," includes a number of VBID principles and offers significantly lower cost sharing for high frequency services such as office visits (primary care physician and specialist), urgent care and generic drugs compared to the standard design, with higher costs for inpatient hospitalizations, emergency room visits and skilled nursing facilities. Pending analysis of the premium rates, Health Connector staff believe that this new Non-standardized plan provides a sufficiently differentiated offering compared to the Standard design and recommend certifying this Non-standardized Platinum plan offering for both the non-group and small group shelves for 2017.

Existing Non-standardized QHP Submissions – Platinum

Non-standardized platinum tier plans that were available in 2016 were not offered for renewal in 2017.

Gold Tier Non-standardized QHPs

New Non-standardized QHP Submissions – Gold

The Health Connector did not receive any new Non-standardized Gold tier QHPs for 2017.

Existing Non-standardized QHP Submissions – Gold

Seven (7) Gold Non-standardized plans proposed by Fallon Health, HNE, HPHC, NHP and Tufts – Direct were previously awarded the 2016 SOA, including three (3) carriers, Fallon Health, NHP and Tufts – Direct proposing the 2016 Gold A Standard design with minor modifications as a Non-standardized offering for 2017. As there are limited changes to these plans, Health Connector staff recommend recertifying these Non-standardized Gold plan offerings for both the non-group and small group shelves for 2017.

Plan Feature/ Service *A check mark (✓) indicates that this benefit is subject to the annual deductible*		Gold Standard	FCHP Direct Care Deductible Hybrid 2000	HNE Gold A	HNE Essential 2000	HNE Wise Max HDHP
Annual Deductible – Combined		$1,000	$2,000	$500	$2,000	$2,000
		$2,000	$4,000	$1,000	$4,000	$4,000
Annual Out-of-Pocket Maximum		$5,000	$6,850	$5,000	$5,000	$5,000
		$10,000	$13,700	$10,000	$10,000	$10,000
PCP Office Visits		$30	$5	$20	$25	$0 ✓
Specialist Office Visits		$45	$15	$35	$25	$0 ✓
Emergency Room		$150 ✓	$250	30% ✓	$200	$0 ✓
Urgent Care		$45	$5	$40	$25	$0 ✓
Inpatient Hospitalization		$500 ✓	$1,000 ✓	30% ✓	$0 ✓	$0 ✓
Skilled Nursing Facility		$500 ✓	$1,000 ✓	30% ✓	$0 ✓	$0 ✓
Durable Medical Equipment		20% ✓	20%	20%	20%	$0 ✓
Rehabilitative Occupational and Rehabilitative Physical Therapy		$45	$15	$35 ✓	$25 ✓	$0 ✓
Laboratory Outpatient and Professional Services		$20 ✓	$0	$20	$0	$0 ✓
X-rays and Diagnostic Imaging		$20 ✓	$0	$20 ✓	$0 ✓	$0 ✓
High-Cost Imaging		$200 ✓	$350 ✓	30% ✓	$100 ✓	$0 ✓
Outpatient Surgery: Ambulatory Surgery Center		$250 ✓	$500 ✓	30% ✓	$0 ✓	$0 ✓
Outpatient Surgery: Physician/Surgical Services		$0 ✓	$0 ✓	$0 ✓	$0 ✓	$0 ✓
Prescription Drug	Retail Tier 1	$20	$5	$15	$15	$15 ✓
	Retail Tier 2	$30	$30	$50	$50	$25 ✓
	Retail Tier 3	$50	50%	$100	$75	$50 ✓
2017 Final FAVC		81.43%	80.59%	81.68%	80.63%	79.13%

Plan Feature/ Service *A check mark (✓) indicates that this benefit is subject to the annual deductible*	Gold Standard	HPHC Best Buy HMO 2000	NHP PRIME HMO 500/1000 20/35 30% FLEXRX 4-TIER	Tufts Direct Gold 500 with Coinsurance
Annual Deductible – Combined	$1,000	$2,000	$500	$500
	$2,000	$4,000	$1,000	$1,000
Annual Out-of-Pocket Maximum	$5,000	$5,250	$3,000	$3,250
	$10,000	$10,500	$6,000	$6,500
PCP Office Visits	$30	$25	$20	$20
Specialist Office Visits	$45	$40	$35	$35
Emergency Room	$150 ✓	$200	30% ✓	30% ✓
Urgent Care	$45	$40	$35	$35
Inpatient Hospitalization	$500 ✓	$250 ✓	30% ✓	30% ✓
Skilled Nursing Facility	$500 ✓	$250 ✓	30% ✓	30% ✓
Durable Medical Equipment	20% ✓	20% ✓	30% ✓	30% ✓
Rehabilitative Occupational and Rehabilitative Physical Therapy	$45	$25 ✓	$35	$35
Laboratory Outpatient and Professional Services	$20 ✓	$25 ✓	$35 ✓	$0

X-rays and Diagnostic Imaging		$20 ✓	$25 ✓	$35 ✓	30% ✓
High-Cost Imaging		$200 ✓	$200 ✓	30% ✓	30% ✓
Outpatient Surgery: Ambulatory Surgery Center		$250 ✓	$200 ✓	30% ✓	30% ✓
Outpatient Surgery: Physician/Surgical Services		$0 ✓	$0 ✓	30% ✓	30% ✓
Prescription Drug	Retail Tier 1	$20	$15	$15	$15
	Retail Tier 2	$30	$40	50% ✓	50% ✓
	Retail Tier 3	$50	$70	50% ✓	50% ✓
	Mail Tier 1	$40	$30	$30	$30
	Mail Tier 2	$60	$80	50% ✓	50% ✓
	Mail Tier 3	$150	$140	50% ✓	50% ✓
2017 Final FAVC		81.43%	78.01%	81.32%	81.38%

Silver Tier Non-standardized QHPs

New Non-standardized QHP Submissions – Silver

The Health Connector received three (3) new proposed Non-standardized Silver plans from BMCHP and Fallon.

Plan Feature/ Service A check mark (✓) indicates that this benefit is subject to the annual deductible		Silver Standard	BMC HealthNet Plan Silver B	FCHP Community Care Silver Coinsurance 35%	FCHP Select Care Silver Coinsurance 35%
Annual Deductible – Combined		$2,000	$3,000	$2,000	$2,000
		$4,000	$6,000	$4,000	$4,000
Annual Out-of-Pocket Maximum		$7,150	$7,150	$7,150	$7,150
		$14,300	$14,300	$14,300	$14,300
PCP Office Visits		$30	$30	$30	$30
Specialist Office Visits		$50	$50	$50	$50
Emergency Room		$700 ✓	$500 ✓	35% ✓	35% ✓
Urgent Care		$50	25% ✓	$30	$30
Inpatient Hospitalization		$1,000 ✓	25% ✓	$1,000 ✓	$1,000 ✓
Skilled Nursing Facility		$1,000 ✓	25% ✓	$1,000 ✓	$1,000 ✓
Durable Medical Equipment		20% ✓	30% ✓	35% ✓	35% ✓
Rehabilitative Occupational and Rehabilitative Physical Therapy		$50	$50	$50 ✓	$50 ✓
Laboratory Outpatient and Professional Services		$25 ✓	25% ✓	35% ✓	35% ✓
X-rays and Diagnostic Imaging		$25 ✓	25% ✓	35% ✓	35% ✓
High-Cost Imaging		$500 ✓	25% ✓	$500 ✓	$500 ✓
Outpatient Surgery: Ambulatory Surgery Center		$750 ✓	$750 ✓	35% ✓	35% ✓
Outpatient Surgery: Physician/Surgical Services		$0 ✓	$0 ✓	35% ✓	35% ✓
Prescription Drug	Retail Tier 1	$20	$30 ✓	$20	$20
	Retail Tier 2	$60	35% ✓	50%	50%
	Retail Tier 3	$90	35% ✓	50%	50%
	Mail Tier 1	$40	$60 ✓	$40	$40
	Mail Tier 2	$120	35% ✓	50%	50%
	Mail Tier 3	$270	35% ✓	50%	50%
2017 Final FAVC		71.81%	68.30%	69.39%	69.39%

BMCHP Proposal

The proposed new Non-standardized Silver plan from BMCHP, “BMC HealthNet Plan Silver B,” includes a significantly higher deductible ($3,000/$6,000) compared to the Standard design and applies coinsurance of 25% to 35% to many services. Pending analysis of the premium rates, Health Connector staff expect that this new Non-standardized plan will provide a sufficiently differentiated offering compared to the Standard design and recommend certifying this Non-standardized Silver plan offering for both the non-group and small group shelves for 2017.

Fallon Proposal

The proposed new Non-standardized Silver plan from Fallon, “Select Care Silver Coinsurance 35%,” includes the same deductible and Maximum Out of Pocket (MOOP) cost as the Standard design, but applies coinsurance of 25% to many services and coinsurance of 50% to higher tier prescription drugs. Fallon Health has also submitted this same Non-standardized deign on their Community Care Network as “Community Care Silver Coinsurance 35%.” Pending analysis of the premium rates, Health Connector staff expect that these new Non-standardized plans will provide a sufficiently differentiated offering compared to the Standard design and recommend certifying these Non-standardized Silver plans offering for both the non-group and small group shelves for 2017.

<u>Existing Non-standardized QHP Submissions – Silver</u>

Four (4) Silver Non-standardized plans proposed by HPHC, Minuteman, NHP and Tufts - Direct were previously awarded the 2016 SOA. As there are limited changes to these plans, Health Connector staff recommend recertifying these Non-standardized Silver plan offerings for both the non-group and small group shelves for 2017.

Plan Feature/ Service **A check mark (✓) indicates that this benefit is subject to the annual deductible**	**Silver Standard**	**HPHC Core Coverage HMO 1750**	**Minuteman MyDoc HMO Silver Plus**	**NHP PRIME HMO 2000/4000 30/50 35% FLEXRX 4-TIER**	**Tufts Direct Silver 2200 with Coinsurance**
Annual Deductible – Combined	$2,000	$1,750	$2,000	$2,000	$2,200
	$4,000	$3,500	$4,000	$4,000	$4,400
Annual Out-of-Pocket Maximum	$7,150	$6,400	$7,150	$6,850	$7,150
	$14,300	$12,800	$14,300	$13,700	$14,300
PCP Office Visits	$30	$35 before deductible, 20% after deductible ✓	$15 ✓	$30	$50
Specialist Office Visits	$50	$35 before deductible, 20% after deductible ✓	$45 ✓	$50	$75 ✓
Emergency Room	$700 ✓	$250	$350 ✓	35% ✓	$500 ✓
Urgent Care	$50	$35 before deductible, 20% after deductible ✓	$15 ✓	$50	$75 ✓
Inpatient Hospitalization	$1,000 ✓	20% ✓	$1000 ✓	35% ✓	20% ✓

Skilled Nursing Facility		$1,000 ✓	20% ✓	$1000 ✓	35% ✓	20% ✓
Durable Medical Equipment		20% ✓	20% ✓	20% ✓	35% ✓	30% ✓
Rehabilitative Occupational and Rehabilitative Physical Therapy		$50	$35 before deductible, 20% after deductible ✓	$45 ✓	$50	$75 ✓
Laboratory Outpatient and Professional Services		$25 ✓	20% ✓	$50 ✓	$50 ✓	$0
X-rays and Diagnostic Imaging		$25 ✓	20% ✓	$150 ✓	$50 ✓	20% ✓
High-Cost Imaging		$500 ✓	20% ✓	$400 ✓	35% ✓	20% ✓
Outpatient Surgery: Ambulatory Surgery Center		$750 ✓	20% ✓	$750 ✓	35% ✓	$750 ✓
Outpatient Surgery: Physician/Surgical Services		$0 ✓	20% ✓	$0 ✓	35% ✓	$0 ✓
Prescription Drug	Retail Tier 1	$20	$5	$13	$30	$35 ✓
	Retail Tier 2	$60	$80	$30 ✓	35% ✓	50% ✓
	Retail Tier 3	$90	$110	$50 ✓	35% ✓	50% ✓
	Mail Tier 1	$40	$10	$26	$60	$70 ✓
	Mail Tier 2	$120	$160	$60 ✓	35% ✓	50% ✓
	Mail Tier 3	$270	$220	$100 ✓	35% ✓	50% ✓
2017 Final FAVC		71.81%	71.99%	70.89%	68.88%	68.12%

Bronze Tier Non-standardized QHPs

New Non-standardized QHP Submissions – Bronze

The Health Connector received one (1) new proposed Non-standardized Bronze plan from Minuteman. This plan is not HSA-compatible.

Plan Feature/ Service **A check mark (✓) indicates that this benefit is subject to the annual deductible**	**Bronze Standard #1**	**Minuteman MyDoc HMO Bronze 2500**
Annual Deductible – Combined	N/A	$3,000
	N/A	$6,000
Annual Deductible – Medical	$2,750	N/A
	$5,500	N/A
Annual Deductible – Prescription Drugs	$250	N/A
	$500	N/A
Annual Out-of-Pocket Maximum	$7,150	$7,150
	$14,300	$14,300
PCP Office Visits	$25 ✓	$25 ✓
Specialist Office Visits	$40 ✓	$50 ✓
Emergency Room	$500 ✓	$750 ✓
Urgent Care	$40 ✓	$25 ✓
Inpatient Hospitalization	$1,000 ✓	$1,000 ✓
Skilled Nursing Facility	$1,000 ✓	$1,000 ✓
Durable Medical Equipment	20% ✓	20% ✓
Rehabilitative Occupational and Rehabilitative Physical Therapy	$40 ✓	$50 ✓
Laboratory Outpatient and Professional Services	$50 ✓	$50 ✓
X-rays and Diagnostic Imaging	$175 ✓	$175 ✓
High-Cost Imaging	$1,000 ✓	$1,000 ✓

Outpatient Surgery: Ambulatory Surgery Center		$750 ✓	$1,000 ✓
Outpatient Surgery: Physician/Surgical Services		$0 ✓	$0 ✓
Prescription Drug	Retail Tier 1	$25 ✓	$30
	Retail Tier 2	$75 ✓	$75 ✓
	Retail Tier 3	$100 ✓	$100 ✓
	Mail Tier 1	$50 ✓	$60
	Mail Tier 2	$150 ✓	$150 ✓
	Mail Tier 3	$300 ✓	$200 ✓
2017 Final FAVC		61.86%	61.28%

Minuteman Proposal

The proposed new Non-standardized Bronze plan from Minuteman, "MyDoc HMO Bronze 2500," uses a combined medical/prescription drug deductible plan, different from the differentiated values in the Standard design, along with moderate variation in cost sharing for some services (urgent care, emergency room), but with generic drugs not subject to the deductible. Pending analysis of the premium rates, Health Connector staff expect that this new Non-standardized plan will provide a sufficiently differentiated offering compared to the Standard design and recommend certifying this Non-standardized Bronze plan offering for both the non-group and small group shelves for 2017.

Existing Non-standardized QHP Submissions – Bronze

One (1) Bronze Non-standardized plan proposed by Tufts - Premier was previously awarded the 2016 SOA. As there are limited changes to this plan, Health Connector staff recommend recertifying this Non-standardized Bronze plan offering for both the non-group and small group shelves for 2017. This plan is HSA-compatible.

Plan Feature/ Service **A check mark (✓) indicates that this benefit is subject to the annual deductible**	**Bronze Standard #1**	**Tufts Premier Bronze Saver 3300**
Annual Deductible – Combined	N/A	$3,300
	N/A	$6,600
Annual Deductible – Medical	$2,750	N/A
	$5,500	N/A
Annual Deductible – Prescription Drugs	$250	N/A
	$500	N/A
Annual Out-of-Pocket Maximum	$7,150	$6,550
	$14,300	$13,100
PCP Office Visits	$25 ✓	$40 ✓
Specialist Office Visits	$40 ✓	$65 ✓
Emergency Room	$500 ✓	$750 ✓
Urgent Care	$40 ✓	$65 ✓
Inpatient Hospitalization	$1,000 ✓	$1,000 ✓
Skilled Nursing Facility	$1,000 ✓	$0 ✓
Durable Medical Equipment	20% ✓	30% ✓
Rehabilitative Occupational and Rehabilitative Physical Therapy	$40 ✓	$65 ✓
Laboratory Outpatient and Professional Services	$50 ✓	40% ✓

X-rays and Diagnostic Imaging		$175 ✓	40% ✓
High-Cost Imaging		$1,000 ✓	$750 ✓
Outpatient Surgery: Ambulatory Surgery Center		$750 ✓	$1,000 ✓
Outpatient Surgery: Physician/Surgical Services		$0 ✓	$0 ✓
Prescription Drug	Retail Tier 1	$25 ✓	$35 ✓
	Retail Tier 2	$75 ✓	$100 ✓
	Retail Tier 3	$100 ✓	$150 ✓
	Mail Tier 1	$50 ✓	$70 ✓
	Mail Tier 2	$150 ✓	$200 ✓
	Mail Tier 3	$300 ✓	$300 ✓
2017 Final FAVC		61.86%	TBD

Frozen Plans

For 2017, the Health Connector allowed Issuers to identify a 2016 plan to be offered as "frozen" for the 2017 SOA. Frozen plans allow existing 2016 enrollees to renew into these plans for 2017 coverage, as well as add dependents as part of allowable life event changes, however, no new subscribers can enroll into the plan. Fallon Health has proposed four (4) Non-standardized Gold plans to be frozen in 2017. These plans do not include any material changes in benefits for 2017 and Health Connector staff recommend recertifying these Non-standardized Gold plan offerings as frozen plans for both the non-group and small group shelves for 2017.

Plan Feature/ Service *A check mark (✓) indicates that this benefit is subject to the annual deductible*		**Fallon Direct Care Gold Connector A**	**Fallon Select Care Gold Connector A**	**Fallon Direct Care Bronze Deductible 3000**	**Fallon Select Care Bronze Deductible 3000**
Annual Deductible – Combined		$500	$500	$3,000	$3,000
		$1,000	$1,000	$6,000	$6,000
Annual Out-of-Pocket Maximum		$3,000	$3,000	$7,150	$7,150
		$6,000	$6,000	$14,300	$14,300
PCP Office Visits		$20	$20	$60	$60
Specialist Office Visits		$35	$35	$75	$75
Emergency Room		35% ✓	35% ✓	$1,000 ✓	$1,000 ✓
Urgent Care		$20	$20	$60	$60
Inpatient Hospitalization		30% ✓	30% ✓	$1,000 ✓	$1,000 ✓
Skilled Nursing Facility		30% ✓	30% ✓	$1,000 ✓	$1,000 ✓
Durable Medical Equipment		30% ✓	30% ✓	30% ✓	30% ✓
Rehabilitative Occupational and Rehabilitative Physical Therapy		$20 ✓	$20 ✓	$75 ✓	$75 ✓
Laboratory Outpatient and Professional Services		35% ✓	35% ✓	$50 ✓	$50 ✓
X-rays and Diagnostic Imaging		35% ✓	35% ✓	$175 ✓	$175 ✓
High-Cost Imaging		35% ✓	35% ✓	$850 ✓	$850 ✓
Outpatient Surgery: Ambulatory Surgery Center		30% ✓	30% ✓	35% ✓	35% ✓
Outpatient Surgery: Physician/Surgical Services		30% ✓	30% ✓	35% ✓	35% ✓
Prescription Drug	Retail Tier 1	$15	$15	$40	$40
	Retail Tier 2	50% ✓	50% ✓	$100	$100

	Retail Tier 3	50% ✓	50% ✓	$100	$100
	Mail Tier 1	$30	$30	$80	$80
	Mail Tier 2	50% ✓	50% ✓	$200	$200
	Mail Tier 3	50% ✓	50% ✓	$200	$200
2017 Final FAVC		81.68%	81.68%	61.80%	61.80%

Catastrophic Plans

The Health Connector requires that all Issuers submit Catastrophic plan proposals, with the option to request the withdrawal of that offering if a sufficient number of Catastrophic plans are offered for each zip code. All Issuers submitted a Catastrophic plan, with six (6) Issuers submitting requests to waive out of offering the Catastrophic plan: BMCHP, CeltiCare, HNE, HPHC, NHP and Tufts– Premier. The number of withdrawal requests is higher than prior SOA submissions. The Health Connector has a target of a minimum of Catastrophic plans of at least two (2) carriers per zip code. Of the 713 zip codes included in the Health Connector's availability, thirty-five (35) would have fewer than the target of a minimum of two (2) carriers per zip code.

The team further reviewed the enrollment, based on May 2016 data, for Catastrophic plans in the zip codes where only one Catastrophic plan would be available in 2017.

- Twenty-six (26) of the thirty-five (35) zip codes have no current Catastrophic enrollment
- The remaining nine (9) zip codes have eleven (11) current Catastrophic members, and only five (5) of the current members would be displaced by the withdrawal of a plan currently offered. All of these members will be renewed into a Catastrophic plan from a different Issuer, but will have the option to select a different plan by their current issuer, including a Bronze plan for three (3) of the six (6) issuers, which is close in AV.

The RFR provides flexibility to have less than two (2) plans per zip code. Based on the analysis outlined above, staff recommend approving all of the Catastrophic plan waivers given the member impact on current enrollees will be very limited.

Plan Feature/ Service A check mark (✓) indicates that this benefit is subject to the annual deductible	**Catastrophic** (Federal Requirements)
Annual Deductible – Combined	$7,150 $14,300
Annual Out-of-Pocket Maximum	$7,150 $14,300
PCP Office Visits	$35 or 50% coinsurance for first three (3) non-preventative visits, then no charge after deductible
Specialist Office Visits	No charge after deductible ✓
Emergency Room	No charge after deductible ✓
Urgent Care	No charge after deductible ✓
Inpatient Hospitalization	No charge after deductible ✓
Skilled Nursing Facility	No charge after deductible ✓
Durable Medical Equipment	No charge after deductible ✓

Rehabilitative Occupational and Rehabilitative Physical Therapy		No charge after deductible ✓
Laboratory Outpatient and Professional Services		No charge after deductible ✓
X-rays and Diagnostic Imaging		No charge after deductible ✓
High-Cost Imaging		No charge after deductible ✓
Outpatient Surgery: Ambulatory Surgery Center		No charge after deductible ✓
Outpatient Surgery: Physician/Surgical Services		No charge after deductible ✓
Prescription Drug	Retail Tier 1	No charge after deductible ✓
	Retail Tier 2	No charge after deductible ✓
	Retail Tier 3	No charge after deductible ✓
	Mail Tier 1	No charge after deductible ✓
	Mail Tier 2	No charge after deductible ✓
	Mail Tier 3	No charge after deductible ✓

New Networks and Network Changes

No changes in service area or major provider networks were proposed in 2017 for nine (9) of the ten (10) current Issuers, including six (6) of the seven (7) current ConnectorCare issuers.

Material changes have been made to the service areas and provider networks of Fallon Health's Community Care network (ConnectorCare-specific network). The Fallon submission includes coverage for new zip codes in Worcester, Middlesex, Norfolk and Bristol counties. The review and approval of this expansion will be undertaken by the DOI as part of its filing review process for QHPs. Any impacts of this network expansion on the ConnectorCare program will be reviewed by Health Connector staff as part of the ConnectorCare 2017 program development activities and findings will be brought to the Board as part of the final SOA in September.

Issuer Responses – Value-based Insurance Design

As part of planning for SOA 2018 and beyond, the Health Connector sought Issuer comments regarding the strategies and targets for VBID, where cost-sharing amounts are based on the value of the services provided, rather than just the costs of those services.

All Issuers offered responses that highlighted their agreement in the value of VBID approaches, and most offered at least one example of a VBID element in their current products. Common themes included cost sharing and formulary design to encourage lower cost/generic/preferred prescription medication alternatives for chronic conditions; providing low- to no-cost sharing for screening, monitoring and maintenance provider visits for specific chronic or costly conditions; and promoting the use of telemedicine and telephonic outreach to promote wellness and chronic condition management.

For carriers that recommended target conditions, the responses were largely consistent and focused on prevalent chronic diseases such as asthma, chronic obstructive pulmonary disease and diabetes. In addition, some Issuers highlighted the opportunity for VBID in managing behavioral health conditions, such as diabetes, and on supporting maternal and child health, with a focus on high risk pregnancy.

Copies of the Issuers' responses are included for the Board's review. Staff plan to engage the Issuers in further discussion on VBID approaches, as well as other stakeholders and the Health Connector Board, to evaluate whether and to what extent we can adopt VBID strategies as part of our standardized product shelf for the 2018 benefit year.

QDP ISSUER RESPONSE, EVALUATION AND RECOMMENDATIONS

Health Connector staff reviewed all proposed QDP plan design features and networks. Proposed Standardized plans were evaluated to ensure that benefits were offered in compliance with Standardized plan designs and EHB requirements as described in the RFR. Furthermore, like the QHP certification process, the QDP certification process is similarly a joint effort between the Health Connector and the DOI. Standalone dental Issuers were also required to submit information to the DOI, including information on licensure and qualification, plan data and detailed network information.

For 2017, the Health Connector has aligned the QDP product shelf requirements with the medical shelf. As part of the SOA, we made several key changes to the QDP product shelf aimed at achieving these goals:

- **Plan Submission Limits:** The Health Connector instituted a cap on the number of additional network variations that a carrier is permitted to offer on the Standardized plan designs and made the limit of three (3) Non-standardized plans inclusive of network variation, aligning the dental and medical shelves
- **Dental Quality Measurement:** The Health Connector sought carrier comments regarding evidence-based oral health care performance measurement approaches to support reporting outcome quality metrics to consumers as a means to improve oral health

QDP Response Summary

The Health Connector received proposals from three (3) existing standalone dental Issuers: Altus Dental, Blue Cross Blue Shield of MA and Delta Dental of MA. MetLife and Guardian, which for 2016 only offer standalone dental to small groups through the Health Connector, did not offer plans for consideration of the 2017 SOA.

Issuers submitted proposals to meet the Health Connector's requirements to offer Standardized plans for all three (3) standardized plan designs (*i.e.,* Pediatric-Only, Family High and Family Low Plans).

In general, Issuers proposed to maintain their existing product portfolios, with only one change: the closure of the Delta Dental Individual and Family EPO Pediatric Exclusive Network Plan offered in 2016. As such, all Issuers met the minimum portfolio requirements, offering at least one (1) plan for each of the Standardized plan designs in the small-group, non-group or both market segments, depending on their current market participation. Consistent with their 2016 proposals, all three (3) Issuers submitted proposals for the small-group shelf while two (2) of the three (3) Issuers also submitted non-group plans.

Issuers	Non-Group	Small Group	Standardized Plans				Non-standardized Plans				All Plans
			High	Low	Pedi	Total	High	Low	Pedi	Total	
Altus Dental	✓	✓	1	1	1	3	-	-	-	0	3
Blue Cross Blue Shield of MA		✓	1	1	1	3	-	-	1	1	4
Delta Dental of MA	✓	✓	2	2	2	6	-	1	2	3	9

	Standardized Plans	Non-standardized Plans	All Plans
Non-Group	9	3	12
Small Group	12	4	16

New Non-standardized QDP Submissions – Family High

The Health Connector did not receive any new Non-standardized Family High QDPs for 2017.

Existing Non-standardized QDP Submissions – Family High

The Health Connector did not offer any Non-standardized Family High QDPs for 2016.

New Non-standardized QDP Submissions – Family Low

The Health Connector did not receive any new Non-standardized Family Low QDPs for 2017.

Existing Non-standardized QDP Submissions – Family Low

One (1) Family Low Non-standardized plan proposed by Delta Dental was previously awarded the 2016 SOA. As there are limited changes to this plan, Health Connector staff recommend recertifying this Non-standardized Family Low plan offering for both the non-group and small group shelves for 2017.

Plan Feature/ Service	Family Low Standard Design	Delta Dental EPO Family Basic Exclusive Network Plan
Plan Year Deductible	$50/$150	$100/$300
Deductible Applies to	Major and Minor Restorative	Major & Minor Restorative
Plan Year Max (>=19 only)	$750	$750
Plan Year MOOP <19 Only	$350 (1 child) $700 (2+ children)	$350 (1 child)/ $700 (2+ children)
Preventive & Diagnostic Co-Insurance In/out-of-Network	0%/20%	0% In-Network, No Out-Of-Network
Minor Restorative Co-Insurance In/out-of-Network	25%/45%	<19-EHB-60% In-Network, No Out-Of-Network >=19-70% In-Network, No Out-Of-Network
Major Restorative Co-Insurance In/out-of-Network	50%/70% No Major Restorative >=19	60% In-Network, No Out-Of-Network No Major Restorative >=19
Medically Necessary Orthodontia, <19 only, In/out-of-Network	50%/70%	60% In-Network, No Out-Of-Network

New Non-standardized QDP Submissions –Pediatric-only

The Health Connector did not receive any new Non-standardized Pediatric-only QDPs for 2017.

Existing Non-standardized QDP Submissions –Pediatric-only

Three (3) Pediatric-only Non-standardized plans proposed by Blue Cross Blue Shield of MA and Delta Dental were previously awarded the 2016 SOA. As there are limited changes to these plans, Health Connector staff recommend recertifying these Non-standardized Pediatric-only plan offerings for both the non-group and small group shelves for Delta Dental, and the small group shelf only for Blue Cross Blue Shield of MA for 2017.

Plan Feature/ Service	Pediatric-only Standard Design	Blue Cross Blue Shield Dental Blue Pediatric Essential Benefits	Delta Dental EPO Pediatric Basic	Delta Dental EPO Pediatric Exclusive Network Plan
Plan Year Deductible	$50	$50	$100	$50
Deductible Applies to	Major and Minor Restorative	Major and Minor Restorative	Major and Minor Restorative	Major and Minor Restorative
Plan Year Max (>=19 only)	N/A	N/A	N/A	N/A
Plan Year MOOP <19 Only	$350 (1 child)	$350 (1 child)	$350 (1 child)	$350 (1 child)
Preventive & Diagnostic Co-Insurance In/out-of-Network	0%/20%	0% In-Network No Out-Of-Network	0%/20%	0% In-Network No Out-Of-Network
Minor Restorative Co-Insurance In/out-of-Network	25%/45%	25% In-Network No Out-Of-Network	60%/70%	25% In-Network No Out-Of-Network
Major Restorative Co-Insurance In/out-of-Network	50%/70%	50% In-Network No Out-Of-Network	60%/70%	50% In-Network No Out-Of-Network
Medically Necessary Orthodontia, <19 only, In/out-of-Network	50%/70%	50% In-Network No Out-Of-Network	60%/70%	50% In-Network No Out-Of-Network

New Networks and Network Changes

No new network designs have been proposed by dental Issuers for 2017 and there are no major changes in the provider availability of the currently offered networks.

Issuer Responses – Dental Quality Measurement

As a support to the development of the 2018 SOA and beyond, the Health Connector sought Issuer comments on dental quality measurement. While Issuers described a number of in-place quality improvement strategies, the responses included a limited number of active quality measurement activities, including member satisfaction surveys and measurement of higher-risk children receiving topical fluoride treatments.

Issuer recommendations for future quality measurement included evaluation of the use of the Dental Quality Alliance measures or the development of common measurement tools and reporting protocols for all Issuers, and the selection of "proxy of quality" measurements that are meaningful to consumers. All of the recommended measures identified by Issuers were process-based and focused on children.

One Issuer noted that the use of Current Dental Terminology (CDT) codes, and the lack of diagnostic codes in dental claims processing, does not provide data as to the underlying reason for a specific procedure and, as a result, limits some quality measurement approaches.

Copies of the Issuers' responses are included for the Board's review. Staff plan to engage in further discussion and analysis of the possibility of incorporating dental quality measurements into the 2018 benefit year SOA.

BOARD RECOMMENDATION AND NEXT STEPS

Health Connector staff recommend conditionally awarding the 2017 SOA to all proposed Standardized and Non-standardized Platinum, Gold, Silver, Bronze and Catastrophic QHPs and all proposed Standardized and Non-standardized QDPs for both the non-group and small group shelves.

All standardized QHPs and QDPs and select Non-standardized QHPs and QDPs, as outlined in this memorandum, proposed by the following Issuers are recommended for approval:

- Altus Dental
- Blue Cross Blue Shield of MA
- BMC HealthNet Plan
- CeltiCare Health
- Delta Dental of MA
- Fallon Health
- Harvard Pilgrim Health Care
- Health New England
- Minuteman Health
- Neighborhood Health Plan
- Tufts Health Plan – Direct
- Tufts Health Plan – Premier

The award of the final 2017 SOA is contingent upon the successful completion of the DOI's rate review and form filing process. In accordance with existing DOI processes, all QHP Issuers in the Massachusetts merged market and all QDP Issuers seeking the SOA submitted proposed premium rates for coverage effective January 1, 2017 no later than July 5, 2016. We will discuss with the Board the results of the premium rate review process and any proposed changes to our initial recommendation for the 2017 SOA later this summer.

Staff will also be working to propose which Issuers are eligible to offer ConnectorCare plans to qualified individuals in 2017. All QHP Issuers recommended for the conditional award of the 2017 SOA are required to provide premium rates to the Health Connector for all Silver plans. Working in collaboration with the DOI, Health Connector staff will validate the lowest-cost Silver plan from each QHP Issuer and will recommend which Issuers should be selected to offer ConnectorCare plans. We will also work closely with the Board later this summer to select those Issuers best positioned to serve the subsidized non-group market.

We anticipate returning to the Board at the September 8, 2016 Board meeting to present our final recommendation for the 2017 Seal Approval, based upon information received through the above-described processes.