

**MEMORANDUM**

To: Health Connector Board of Directors  
Cc: Louis Gutierrez, Executive Director  
From: Marissa Woltmann, Director of Policy and Applied Research  
Date: April 5, 2017  
Re: Calendar Year 2018 Affordability Schedules – Public Comment Summary and Adoption of Final Schedule

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**EXECUTIVE SUMMARY**

Health Connector staff recommend a final vote on the proposed Calendar Year (CY) 2018 affordability schedule as presented to the Health Connector Board of Directors at their February 23, 2017 meeting. Following the February Board meeting, the Health Connector issued the proposed affordability schedule for public comment. This memorandum summarizes public comments related to the Health Connector’s proposals and recommends adoption of the schedules as proposed in February, without modification.

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**BACKGROUND**

The Health Connector serves as the primary policymaker with regard to the Commonwealth’s requirement that individuals carry health insurance, also called the individual mandate. The Health Connector Board is required annually to devise a schedule that describes the percentage of income an individual could be expected to contribute towards the purchase of health insurance.<sup>1</sup> The primary purpose of this affordability schedule is to determine if an individual is subject to a penalty for forgoing insurance, or if the individual is not subject to a penalty because insurance would be deemed too costly.

In February, Health Connector staff proposed a draft CY 2018 affordability schedule for the Board’s consideration. The proposal reflected updates to the federal poverty standards, minor technical adjustments to the percentage of income considered affordable at certain income brackets, and a slight decrease for individuals over 400% of the federal poverty level (FPL) to maintain parity with the federal affordability standard.

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**DISCUSSION AND ANALYSIS OF PUBLIC COMMENTS**

The Health Connector issued the 2018 affordability schedule for public comment following the Board meeting on February 23, 2017. The Health Connector received written comments from the Affordable Care Today (ACT!!) Coalition.

The ACT!! Coalition expressed support for the proposed schedule, “as it maintains progressivity and protects low-income individuals by broadly aligning the percentage of income considered affordable

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<sup>1</sup> M.G.L. 176Q § 3.

with base ConnectorCare enrollee premiums.” The Coalition did not suggest modifications to the proposed schedule. We appreciate the thoughtful review and analysis by the ACT!! Coalition with regard to how the affordability schedule affects their constituents.

**CONCLUDING REMARKS**

We recommend that the Board vote to adopt the recommended affordability schedules for calendar year 2018 for individuals, couples, and families. We look forward to working with the Board, the ACT!! Coalition, and other interested stakeholders to address future approaches to defining affordability.

**RECOMMENDED CALENDAR YEAR 2018 AFFORDABILITY SCHEDULE**

INDIVIDUALS					
% of FPL	Income Bracket		Monthly Affordability Standard	Dollar Amount	
	Bottom	Top		Bottom	Top
0 - 100%	\$0	\$12,060	0%		
100.1 - 150%	\$12,061	\$18,090	0%		
150.1 - 200%	\$18,091	\$24,120	2.90%	\$ 44	\$ 58
200.1 - 250%	\$24,121	\$30,150	4.20%	\$ 84	\$ 106
250.1 - 300%	\$30,151	\$36,180	5.00%	\$ 126	\$ 151
300.1 - 350%	\$36,181	\$42,210	7.45%	\$ 225	\$ 262
350.1 - 400%	\$42,211	\$48,240	7.60%	\$ 267	\$ 306
Above 400%	\$48,241		8.05%	\$ 324	

COUPLES					
% of FPL	Income Bracket		Monthly Affordability Standard	Dollar Amount	
	Bottom	Top		Bottom	Top
0 - 100%	\$0	\$16,240	0%		
100.1 - 150%	\$16,241	\$24,360	0%		
150.1 - 200%	\$24,361	\$32,480	4.35%	\$ 88	\$ 118
200.1 - 250%	\$32,481	\$40,600	6.25%	\$ 169	\$ 211
250.1 - 300%	\$40,601	\$48,720	7.45%	\$ 252	\$ 302
300.1 - 350%	\$48,721	\$56,840	7.45%	\$ 302	\$ 353
350.1 - 400%	\$56,841	\$64,960	7.60%	\$ 360	\$ 411
Above 400%	\$64,961		8.05%	\$ 436	

FAMILIES					
Income Bracket			Monthly Affordability Standard	Dollar Amount	
% of FPL	Bottom	Top		Bottom	Top
0 - 100%	\$0	\$20,420	0%		
100.1 - 150%	\$20,421	\$30,630	0%		
150.1 - 200%	\$30,631	\$40,840	3.45%	\$ 88	\$ 117
200.1 - 250%	\$40,841	\$51,050	4.95%	\$ 168	\$ 211
250.1 - 300%	\$51,051	\$61,260	5.95%	\$ 253	\$ 304
300.1 - 350%	\$61,261	\$71,470	7.45%	\$ 380	\$ 444
350.1 - 400%	\$71,471	\$81,680	7.60%	\$ 453	\$ 517
Above 400%	\$81,681		8.05%	\$ 548	