



*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**

Monday, December 28, 2020
11:30 AM to 12:30 PM

Live Stream

<https://www.youtube.com/user/TheMAHealthConnector>

Attendees: Louis Gutierrez, Marylou Sudders, Nancy Turnbull, Michael Chernew, Mark Gaunya, Matthew Veno, Rina Vertes, Gary Anderson, Dimitry Petion, FayeRuth Fisher, Zaranique Watson Pope, Cassandra Roeder (who was sitting by designation on behalf of Secretary of Administration and Finance Michael Heffernan)

The meeting was called to order at 11:30 AM.

- I. Executive Director's Opening Comments:** Mr. Gutierrez began the meeting by welcoming the Board and wishing them a restorative holiday season. He thanked members for participating in the off-cycle meeting to resume unfinished business that needs to be completed prior to year-end. He noted that Open Enrollment continues through January 23, 2021 and that the Board can expect a brief update on activity as part of today's meeting. He stated that CCA reapproached the landlord regarding the lease renewal following the last Board discussion and in the interest of providing enough time for the items before the Board, would yield to Mr. Egan for an update on the lease renewal item.

- II. 100 City Hall Plaza Lease Renewal (VOTE):** The Presentation "100 City Hall Plaza Lease Renewal (VOTE)" was presented by Andrew Egan. Mr. Egan began the presentation by providing the Board with background on the current Health Connector (CCA) office space and lease details, and a high-level review of the lease proposal that was previously before the Board on December 10, 2020. Mr. Egan stated that in response to the movement towards the hybrid work model, CCA revisited the lease renewal in an effort to amend the lease proposal enabling CCA to transition to the hybrid model more quickly.

Mr. Egan informed the Board of the changes to the lease renewal proposal compared to the original proposal, noting that CCA will forgo renewal of the third floor in its entirety and in exchange, the three months of rent abatement on the third floor at the end of 2020 will no longer be offered, and the spending allowance for office space improvements was reduced. He stated that despite a slight increase in the price-per-square foot costs, CCA stands to save \$1.2 million in the amended lease renewal compared to the original proposal as a result of releasing the 3rd floor upon renewal. Mr. Egan provided a review of the updated lease renewal analysis, noting that market rates remain around \$65 per square foot for similar buildings in Boston and that vacancies in Boston offices remain below average despite the pandemic. He stated that CCA retains the right to sub-lease the fifth and sixth floors that are being retained, should there be a need to adjust the physical footprint further.

With no questions or discussion, the Board voted unanimously by rollcall vote to authorize CCA to extend the lease at 100 City Hall Plaza based on the terms proposed in the presentation.

The Secretary thanked CCA for returning to the landlord for further discussion and noted that the future of work details would be forthcoming.

III. Update on Health Connector for Business and Broker Commissions (VOTE): The Presentation “Update on Health Connector for Business and Broker Commissions (VOTE)” was presented by Chaitra Sanders. Ms. Sanders began the presentation by providing a review the Health Connector for Business’s (HCB) objective and continued work to support small employers in the Commonwealth, elaborating that in line with DOI guidance, CCA has provided payment flexibility to small groups throughout the pandemic. She informed the Board that the question of authorizing CCA to update the broker commission structure effective January 1, 2021 was also before them for a vote.

Ms. Sanders then shared findings from the first member survey that HCB has fielded, which shows that 86 percent of small groups expressed satisfaction with the platform and choice models, and of the groups that worked with a certified broker, 93 percent were satisfied with the assistance they received.

Ms. Sanders reviewed enrollment expectations, noting that CCA adjusted expectations in response to the pandemic, assuming little to no growth for 2020, however over the last year membership remained relatively stable with only slightly higher than normal terminations and a retention rate of above 80 percent. She stated that there was an 11 percent growth in membership over the past year, with the addition of 402 new groups and over 2,000 individuals lives, only slightly lower than originally expected prior to the pandemic. She provided review of the choice model structures, noting that the models continue to appeal to small employers and account for more than half of the selections by small groups.

Ms. Sanders informed the Board that CCA has made it a priority to work in collaboration with brokers, providing regular trainings which continue to be well received and noting that recent broker interest has focused on the ConnectWell program. She stated that brokers continue to be the leading source of new membership to the HCB platform, accounting for

74 percent of new sales membership in 2020 to date. She stated that the last update to the broker commission schedule occurred in 2018 and there is a need to adjust the broker commission structure accordingly to be competitive and on par with the rest of the market. She stated that the recommended increases before the Board for consideration have been included in the fiscal year 2021 budget, but do require Board approval. She stated that CCA conducted market research to inform the recommendations and reviewed the proposed changes in the broker commission structure, noting CCA does not recommend a change in the 1-4 group or dental plan commission structure. Mr. Gutierrez added that with respect to the 10+ carrier commission structure, the majority of off-Exchange commissions fall around the \$29 and \$30 with one outlier at the bottom of the range, explaining the rationale for CCA's recommendation.

Mr. Gaunya applauded the energy and effort of CCA to rebuild the relationships within the broker community. He stated that the review of the broker commission structure is a signal to the community that CCA is engaged in continuing to move forward. Lastly, he noted that many of these brokers are small businesses themselves and therefore, CCA is not only recognizing the service they provide but also supporting small business by taking this action.

In response to a question from Ms. Turnbull regarding how the broker commissions are paid out, Mr. Gutierrez stated that CCA's approach is not as complex as it might be in other spaces and Ms. Sanders elaborated that the commissions are for new and existing subscribers beginning as of January 1, 2021. Mr. Gaunya added that in the large group market there is a more complex structure that is based off of a percentage of premium, compared to a fixed amount in this space.

In response to a question from Mr. Petion regarding revisiting the commission broker structure for the 1-4-member group size, considering the fact that most small businesses in the state would fall within the 1-4 group size and that we are trying to reach those businesses, Ms. Sanders confirmed that the majority of commissions surveyed off-Exchange are set at \$10. Mr. Gaunya confirmed that this is accurate and remarked that in the private market commissions will reflect where a carrier is looking to grow their book of business, and so offering more incentive in this space may be valid for the future. Mr. Gutierrez appreciated the comment from Mr. Petion and insight from Mr. Gaunya and noted that enhancing the incentive to enroll the smaller groups, given their history of being underserved, deserves a careful look for next year.

Ms. Vertes commented on the different composition of the small 1-4 member groups from an actuarial value perspective, noting that they tend to be riskier, and while that does not make them bad groups, simply cautioned that if CCA provides incentives to attract these smaller groups, then it is important that the CCA small group risk pool is not compared to the off-Exchange risk pool without a clear understanding of the differences.

Dr. Chernew stated that while he doesn't care about parity for parity sake, though he supports the broker community, he appreciates that the rates CCA pays can expand coverage for certain groups across the Commonwealth. He stated that he would be

interested in learning how much CCA would stand to gain if more is paid in commissions and how much would be lost if the rates paid were less.

Mr. Gutierrez stated that parity has been important so that CCA does not disadvantage brokers who work with CCA but also does not take existing business away from carriers, noting that it is CCA's goal to reach those who are uninsured.

With no additional questions or discussions, the Board voted unanimously by rollcall vote to approve the revised broker commission schedule for Health Connector for Business beginning January 1, 2021.

- IV. Open Enrollment 2021 Update:** The Presentation "Open Enrollment 2021 Update" was presented by Marissa Woltmann. Ms. Woltmann began the presentation by informing the Board that enrollment is lower than years past and is likely in part due to the federal public health emergency and Medicaid enrollment protections that accompany it. She stated that among current members, CCA is experiencing strong retention and shopping activity. Ms. Woltmann then reviewed member activity in response to loss of subsidy eligibility, noting that this year the return to subsidies has been slower than in years past. She stated that this could be a result of income uncertainty as well as a changing composition of membership. She reviewed timing of member activity noting that members took action to update their accounts upon receiving their January bills which then returned them to subsidy eligibility.

Ms. Woltmann reviewed membership for January 1, 2021, noting that this will be the first time in seven years that CCA will not experience year-over-year growth in membership for January. She reiterated that this is likely attributed to an increase in member movement to MassHealth, and a decrease in movement out of MassHealth, likely on account of the public health emergency protections. She stated that the total pool of individuals who could be eligible to enroll through CCA is about 25 percent smaller than last year, though the percentage of members who are brand new to HIX remains comparable to last year. Ms. Woltmann informed the Board that shopping activity this year is just slightly lower than last year. She continued that if a member shops they do not necessarily decide to change plans, but those that do select a new plan appear to be driven by lower cost options. In response to a question from Ms. Turnbull regarding clarification of shopping activity, Ms. Woltmann confirmed that within the ConnectorCare population, and of the subset of those members that shopped, 20 percent decided to change plans.

For context, Secretary Sudders shared that MassHealth is projecting an 11 percent increase in enrollment for the fiscal year, approximately 20,000 lives a month. In response to a question from Ms. Turnbull regarding availability of data from agencies that tend to track this enrollment, Secretary Sudders noted that the data should be available in the coming weeks. She added that enrollment projections are in line with states that Massachusetts traditionally compares itself to. Ms. Turnbull noted that she is grateful for the extended Open Enrollment (OE) period that CCA always has, especially this year.

In response to a question from Ms. Turnbull regarding member activity in response to network changes, Ms. Woltmann noted that AllWays members are shopping more than

members with other carriers to find a plan that fits their needs. Ms. Turnbull stated that once things quiet down it would be helpful to understand how changes have been experienced on the ground.

Ms. Woltmann then provided an overview of OE media engagements and outreach. She noted that new this year, CCA is advertising on MBTA buses an effort targeted toward reaching individuals who are still commuting to work, likely into the city and on public transportation. She informed the Board of two virtual coverage days that occurred in December. She provided details on “Get Covered Day”, a collaboration between 15 states and the District of Columbia that promoted the importance of health insurance coverage nationwide. This included celebrity endorsements, and closer to home was supported by local elected officials on social media and Governor Baker and Lieutenant Governor Polito issued a Proclamation. On December 15th, the Health Connector hosted its Day of Coverage, also through a virtual campaign, that featured local media personalities, elected officials, artists and cooking demonstrations, generating a total of 7,500 total view. She noted that CCA has plans to maintain visibility through the end of the OE period on January 23rd. CCA will conduct direct member outreach and outreach to those who are eligible but unenrolled, host a second day of coverage, and has plans to leverage the AlertsMA text messaging platform to raise awareness.

Secretary Sudders stated that she would like to see CCA do a vlog next year for residents of the Commonwealth whose primary language is American Sign Language (ASL). She has learned that a primary source of information for the ASL community this year was through the Governor’s COVID briefings, and as such there is an effort to make sure that all major announcements released from the Executive Office of Health and Human Services have a vlog component.

Ms. Turnbull asked for a quick update on customer service operations given the final information presented references extended customer service hours during OE. Mr. Gutierrez stated that operations are within control, noting that abandonment rates and customer extreme dissatisfaction are within service level agreements, though there is still room for improvement. He continued that there is concern as CCA has been informed that Faneuil believes they are losing money on the account and have proposals to cut back, which will require a serious discussion. In response to a question from Ms. Turnbull regarding anticipated level of volume as we approach the end of OE, Mr. Gutierrez responded that customer service is well situated and staffed for the end of OE, but he is hesitant to project that there will be enough activity to potentially capture the six percent of membership that CCA is down for this timeframe given all of the circumstances.

With no further discussion or agenda items before the Board, the Board motioned and unanimously voted through roll call to adjourn at 12:16 PM.

Respectfully submitted,

Erin E. Ryan