

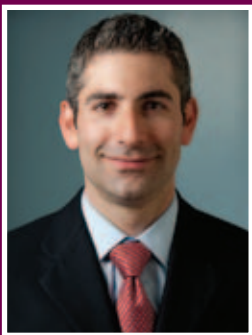


Massachusetts Health Connector 2012 Progress Report





Jay Gonzalez



Glen Shor

A Message from the Chairman of the Board and Executive Director

On August 6, 2012, Governor Patrick signed into law groundbreaking health care cost containment legislation that will make high-quality health care more affordable for the Commonwealth's families and employers.

This exciting moment represented the culmination of years of work by diverse stakeholders to establish a framework for containing health care costs by providing better care; a deep commitment to sustaining our gains in health insurance coverage since 2006's historic state reforms; and the unwavering belief that Massachusetts can lead the nation in making health care more affordable, just as it has in making health care more accessible.

The drive to make health care more affordable without sacrificing quality and access is nothing new to the Health Connector. We've kept the costs of the state-funded Commonwealth Care program in check while continuing to maintain comprehensive, affordable coverage for members; built a world-class web-shopping tool that makes it easier for small employers and individuals to find affordable coverage; and partnered with state agencies and public colleges to get the best deal on health insurance for the families and students they respectively serve.

This Progress Report highlights recent successes on all of these fronts and the Health Connector's efforts to lay the groundwork for even greater progress. With all of the state's leading health insurance carriers now participating in our Business Express program, new products and programs being launched through the Health Connector to enhance shopping and wellness, and new tools available under national health reform to improve access to affordable coverage, "Health Connector 2.0" stands to keep on delivering for small employers and consumers.

The report also continues to feature the stories of people whose lives or livelihoods have been touched by the Health Connector. For example, when Joe Hickey was diagnosed with cancer, he didn't have insurance. Until someone told him about options available through the Health Connector, Joe dejectedly summed up his prospects: "I figured I was screwed." Thanks to his personal resilience, his friends, his caregivers and the Health Connector, Joe is now cancer-free.

With the strong leadership of the Health Connector Board and the enduring support of the Patrick Administration and the Legislature, we remain confident that the Health Connector will continue to make a positive difference for the people of Massachusetts. As wonderful as the past six years have been, the future looks even brighter.

Sincerely,

Jay Gonzalez
Secretary for Administration and Finance
and Chairman of the Connector Board

Glen Shor
Executive Director



The Commonwealth Health Insurance Connector Authority is an independent state agency that helps Massachusetts residents find health insurance coverage and avoid tax penalties.

Save Big on health insurance.



You could save hundreds of dollars by shopping for health insurance—and the Health Connector is the easiest way to do it.

The Health Connector is *the* place to compare all leading plans side by side, making it easier to save and find the coverage that fits your family the best. Shop for health insurance at the Health Connector. It's like money in the bank.

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Now's the time to choose the best plan for you.**

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Supreme Court ruling will help st



Strengthen Massachusetts reform

The past 12 months

have been challenging and rewarding as the Health Connector helped Massachusetts reach new heights with 439,000 newly insured since implementation of the state's landmark 2006 health reform law while moving ahead at breakneck speed to ready the Bay State for major provisions of national reform that will take effect in January 2014.

"Running our day-to-day activities at the same time that we are preparing for the future has been a lot like changing the tires on a moving bus," said Executive Director Glen Shor. "Fortunately, we've been able to keep the bus moving forward with no mishaps."

On June 28 the bus received a boost forward when the U.S. Supreme Court upheld the constitutionality of national health care reform. Massachusetts found out that its work done to date in planning for the Affordable Care Act (ACA) had not been for naught.

"We have already shown here in Massachusetts how economically important and morally right health care reform can be," said Governor Deval Patrick to a national audience that day. "We live in a state right now where 99.8 percent of children have access to quality care. Why should it be any other way?"

Echoing that sentiment was Shor, who noted, "The Affordable Care Act strengthens our state reforms, and the court's decision affirms everything about the Massachusetts approach, particularly the fact that it is rooted in wanting the very best for our citizens. Critical subsidies for coverage will be expanded for our residents. There will be additional tax credits for small businesses. Seniors can count on relief with Medicare prescriptions.

"And the law gives hope to people across the country that barriers to needed care will fall, and a new world of better health and stronger families lies within our reach. It's a great day to say we come from Massachusetts, and it's a great day to be an American."

At the heart of the dispute before the Supreme Court case was the constitutionality of the ACA's individual mandate, which requires people across the country who can afford health insurance to maintain coverage. Just a few weeks before the court ultimately upheld the national insurance mandate, a report issued by the Health Connector and the Massachusetts Department of Revenue demonstrated strong compliance with Massachusetts' own pre-existing requirement that adults have health insurance. The number of Bay Staters subject to a tax penalty continues to decline, going from 67,000 in 2007 to 53,000 in 2008, 48,000 in 2009 and 44,000 in 2010.

The Health Connector's appeals process remains a viable option for tax filers who don't feel the numbers alone tell their particular stories. Residents may pursue their appeals in writing, on the phone or in person. Of the nearly 13,000 cases that have been decided since tax year 2007, more than 68 percent have been decided favorably for the appellants.

"Reform is about insuring Massachusetts residents, not penalizing them," stated General Counsel Edward DeAngelo. ■

Connector 2.0 poised to play a m

Although 2012

marked the sixth anniversary of health reform in Massachusetts, it was also a very formative year for the Health Connector as the organization morphs into “Connector 2.0” – a health insurance Exchange that not only complies with the federal Affordable Care Act when the main provisions of the law take effect in 2014 but also makes it easier than ever for individuals and small employers to access comprehensive, affordable health insurance. The year’s experiences underscored how the Health Connector has already been a major force for health care cost containment and is busy laying the foundations to achieve even more success on this front in the years to come.

“As an organization, we have made remarkable strides during the past six years and have been a major contributor to the success of Massachusetts health reform,” said Executive Director Glen Shor. “But the landscape is changing and so must our focus as we know we will also play a meaningful role in reform moving forward.”

Cost Containment Successes

On April 11, 2012, Governor Patrick led a diverse contingent of key public and private stakeholders to mark the sixth anniversary of Massachusetts health reform at the same venue it was signed into law, Faneuil Hall. Although there were no fifes or drums this time, there was much to celebrate.

“Health care reform is a values statement, and it is working in Massachusetts,” said

‘Health reform is a values statement, and it is working in Massachusetts.’

Governor Deval Patrick

Governor Patrick. “As a result of our successful implementation of the 2006 law, more people are covered, more businesses are offering insurance, we have healthier residents and we’ve done it all in a cost-effective and responsible manner.”

- 98.1% of all Massachusetts residents are covered.
- 99.8% of Massachusetts children are covered.
- 439,000 newly insured since 2006
- The percentage of businesses offering coverage has grown since reform from 69% in 2001 to 77% in 2010.
- Implementation has been cost-effective as evidenced by an updated analysis this year by the Massachusetts Taxpayers Foundation which showed that it has accounted for only 1.4% net increase in state spending.
- People are healthier and getting better treatment, more people are receiving cancer screenings like colonoscopies, more women are getting pre-natal care, and emergency room visits have decreased.

major role in next phase of reform

On the very next day, April 12, 2012, the exact anniversary date of Massachusetts health reform, the Health Connector Board of Directors approved an average 5 percent reduction in per person costs paid to carriers for covering Commonwealth Care members for the second year in a row. The ambitious and innovative FY12 procurement saved \$35 million from the year-over-year decrease in rates, and the FY13 bidding process is projected to generate an additional \$62 million in savings.

“Our new fiscal reality demands that we look toward creative solutions to controlling health care costs while continuing to provide quality health care,” said Secretary of Administration and Finance Jay Gonzalez, who also chairs the Health Connector board. “This news is great for both Commonwealth Care members and the Commonwealth’s taxpayers.”

Quality is not sacrificed in the savings. For the second year in a row, an independent survey of Commonwealth Care members conducted and released by Market Decisions showed a high degree of satisfaction with the program.

- 77% were extremely satisfied or satisfied with the program.
- 86% rated their quality of care excellent, very good or good.
- Only 5% reported postponing or not getting preventive care screening.
- The percent of members visiting a hospital emergency room dropped from 33% to 28%.

‘Our new fiscal reality demands that we look toward creative solutions to controlling health care costs while continuing to provide quality services.’

Secretary Jay Gonzalez

“The Commonwealth Care program remains strong with high levels of member satisfaction,” said Director of Operations Stephanie Chrobak. “Excellence in member education, communication and customer service are critical elements of member satisfaction and will be improved even more as we move forward.”

Overall, the Health Connector’s experience in running Commonwealth Care demonstrates the ability of a health insurance Exchange to promote competition and innovation among private health insurance carriers for the benefit of consumers. Spurred by the way the Health Connector has structured the program – with standardized benefits for enrollees, member premiums that vary based on price of the carrier they choose, and risk adjustment to ensure carrier competition takes place on a level playing field – comprehensive, affordable coverage has been maintained at an average annual premium trend of less than three percent over the life of the program.

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Lawyer 'brokers' Business Express deal for



North Shore firm

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With years of human resources experience at both a Fortune 500 company and a non-profit, as well as an informed broker at his side, Atty. Brendan Ward says it was easy choosing the right Business Express plan through the Health Connector.

The Nahant native who is now affiliated with Mavros & Fitzgerald in Lynn said, "I was already familiar with the plans. The prices were great and my local chamber of commerce hooked me up with a broker who was incredibly helpful."

"There are many options with leading carriers in the Commonwealth that allow brokers to shop, compare and select the best plan for their small business client based on premiums and out-of-pocket co-pays that make it affordable without compromising coverage," said broker John Vigliotti of Amesbury.

Ward is already recommending Business Express to others.

"Business Express really does cut down on the bottom line," he said. "My partner is also a small business owner and he transferred his plan to Business Express. Because he shopped, it was ridiculously cheaper."

"The Health Connector has continuously worked to address the needs of the small business community through their work with brokers," added Vigliotti. "I believe the Health Connector will continue to offer and improve the plan offerings that will satisfy the needs of the small group market and the brokers who serve this market. I look forward to continuing my work with them."

The Health Connector expects to serve in excess of 200,000 members in Commonwealth Care in FY13. This includes Aliens with Special Status (AWSS), legal immigrants who have been in the country for less than five years. Initially members of Commonwealth Care, the AWSS population was removed from the program in 2009 due to legislative budget cuts. The Health Connector worked with the Executive Office for Administration and Finance and the Executive Office of Health and Human Services to preserve coverage for these legal immigrants by creating the Commonwealth Care Bridge program. This past year, however, the Massachusetts Supreme Judicial Court ruled they were entitled to full Commonwealth Care membership.

Approximately 27,000 Aliens with Special Status have been re-integrated into the Commonwealth Care program. Such individuals are either former Bridge members or were on a waiting list for coverage. While the federal government currently does not reimburse Massachusetts for their coverage, this population will be eligible for federal subsidies under national reform in 2014.

The Health Connector has taken other steps to stem the rising cost of health insurance, including working with the Division of Unemployment Assistance in 2012 to re-procure the Medical Security Program (MSP), which offers subsidized health insurance to low-income families on unemployment insurance. This initiative resulted in a 30 percent reduction in program costs and benefit changes that make MSP better aligned with Commonwealth Care and improve coverage for its lowest-income members.

For the past three years, the Health Connector has played an integral role as a member of the Student Health Program Steering Committee. Overall, the Steering Committee's efforts have significantly improved health insurance coverage for public college and university students. Thousands of college students now have improved access to providers and wellness programs, and nearly 20,000 students now have out-of-pocket maximums to protect them from excessive out-of-pocket spending. In addition, 7,500 students newly have access to prescription drug coverage while another 20,000 have coverage without benefit caps.

New parents find a

For the 2012-2013 academic plan year, more than 22,000 students will have 100% coverage for preventive services, including women's wellness visits and contraceptive services. While benefits have increased dramatically for students, premiums have increased only slightly. The Health Connector is committed to continuing to help public college students receive better value in health insurance and will be engaging campus and system leaders on "next steps" for this collaborative.

Re-Launch of Business Express

As the Health Connector achieved cost containment successes for Commonwealth Care members and others, it also made major strides towards making the Health Connector an important vehicle for small employers to find savings by shopping for health insurance – one of the cornerstones of Connector 2.0.

The Health Connector's Business Express program makes it easier than ever for small employers (often with the assistance of a broker) to compare their health insurance options on an apples-to-apples basis and find the coverage that best suits the needs of their workplace. Business Express can be a cutting-edge tool for small employers to find high-quality health benefit plans at a lower price than they knew existed or currently pay.

The re-launch of the Business Express program for small businesses in February was a major milestone for the Health Connector as it marked the first time in the history of the program that all of the major health insurance carriers in the state were participating – Blue Cross Blue Shield of Massachusetts, BMC HealthNet Plan, CeltiCare Health Plan, Fallon Community Health Plan, Harvard Pilgrim Health Care, Health New England, Neighborhood Health Plan and Tufts Health Plan.

Full participation by all the leading carriers will provide small employers with more options for enrolling in coverage through the Health Connector, and also offer market insights that will position the Health Connector to steadily enhance its value to small businesses.

Andrea Cunningham had everything all planned out when she left her position at Harvard Business School last year upon the birth of her son. The family would simply switch to her husband Jim's health plan.

What they hadn't planned on was Jim being laid off from his financial services job and subsequently losing their health insurance.

Their initial option was COBRA.

Price tag: \$2,100.

"I was complaining to a good friend about the price and he told me about the Health Connector," said the 30-year-old former manager and now full-time mother from Watertown. "I went to the website and it was fantastic. It was so easy to use and in less than five minutes we had all sorts of different plans that we could choose from. We were even able to put in all the doctors that we wanted and the website automatically removed plans that didn't include our doctors."

She also gave high marks to the customer service center representative who, Andrea said, "not only answered all our questions but seemed really sincere about wanting to help us and understanding that Jim's being laid off was stressful to us."

The Cunninghams quickly and easily found a Commonwealth Choice plan that suited their growing family's needs.

Price tag: \$900.

"We were able to get a better price by shopping and we're still getting quality insurance," said Andrea. "You can choose from the leading insurance carriers in the state, and when you shop through the Health Connector it comes with great customer service."

affordable options, even when plans go awry



“Businesses have been waiting for this, and I’m glad everyone is on board with these plans,” Senate President Therese Murray (D-Plymouth) said. “As we continue to focus on improving conditions for small businesses — the main drivers of our economy — it is important for us to keep looking at health care to make it a more practical and affordable system for business owners and employees. Business Express will help businesses find what works best for them.”

“The re-launching of the Health Connector’s Business Express program is great news for small businesses,” House Speaker Robert A. DeLeo said. “In these tough economic times, our Commonwealth will continue to focus on the needs of small businesses, which are vital to the rehabilitation of our economy.”

Some small business owners may also qualify for a 15 percent rebate of the premium the owner contributes towards his or her employees’ coverage by participating in Wellness Track, a Health Connector program that promotes healthy lifestyles. Under a proposal recently submitted by Governor Patrick and approved by the Legislature this year, eligibility for small businesses will be expanded to promote greater employer engagement in wellness activities.

As part of its Connector 2.0 efforts, the Health Connector is also conducting research on how to design an enhanced product suite, shopping experience and customer service support to make the Exchange an even stronger tool for small employers, and the brokers who often assist them, to compare health insurance options and enroll in coverage that best meet their needs.

“Our ongoing research and planning initiatives will help position us for success in engaging small business owners and brokers” said Director of Business Development Dave Kerrigan.

Legislation

This year marked the end of a very busy legislative session in Massachusetts, with numerous new laws affecting the Health Connector and moving it along towards Connector 2.0.

Health Connector w

Alda Maria Beretta Pardon freely admits the mistake she made when she bought “cheapest insurance I could find over the Internet, because I was certain I would never have to use it.”

In April 2011, the 26-year-old international student from Lima, Peru, who studies business at Northeastern University, was diagnosed with Non-Hodgkin’s Lymphoma. That’s when she found out she would have trouble even getting her ambulance bill paid, never mind the fact that her insurance only covered up to \$100,000.

“Having chemo plus dealing with the health insurance was making me crazy,” she remembered.

Her social worker at Dana Farber told her to get insurance she could trust, and suggested the Health Connector. She found the Commonwealth Choice Young Adult Plan that was just right for her

“I’ve had lots of chemotherapy and radiation and this past January I had a bone marrow transplant,” said the Quincy resident. “There are also plenty of visits to specialists and imaging tests. Thanks to the Health Connector, I am receiving the help I need and am recovering from treatment. I’m slowly regaining the energy that I need to live my life.

“I realize now how important it is to get good health insurance. It makes no difference if you are in your 20s, 40s or 60s because you never know when you are going to need it. The Health Connector is the best option.”

Alda hopes to receive her degree in 2014. Until then, she knows she can count on Commonwealth Choice and the Health Connector.

as her best option in battle against cancer



He gets by with more than a

Joe Hickey, a Somerville native and self-proclaimed graduate of the School of Hard Knocks, has friends in high places. In fact, he has friends from all stations in life, but you can find them all in the same place – close to his heart.

The divorced father of three adult sons has worked for more than 20 years as a curator and steward at Harvard University. His current assignment there is at the Fox Club, a social club whose notable alumni have included T.S. Eliot, Bill Gates and Maxwell Perkins (to whom Ernest Hemingway dedicated *The Old Man and the Sea*). Joe runs the club's day-to-day operations, oversees restoration projects in the summer and often provides guidance to student-members. Prior to that he worked at the Harvard Lampoon.

“I love them,” Joe says of his Harvard friends. “They’re like family to me. I keep it real with them because I’m as honest about my views as the day is long. I can be pretty blunt about things. I don’t treat them like their parents do. It’s kind of tough to hear the truth sometime.”

One of the students he mentored is John Barkett, Class of 2004.

“Joe took care of the club’s building back then,” John remembers. “I was the student treasurer, but Joe was the one who introduced and executed on all our cost management projects, like installing storm windows and investing in tables and chairs for our functions. To this very day, I often ask myself when confronted with a problem, ‘What would Joe do?’ ”

But on April 29, 2011, Joe was asking himself what he would do.



little help from his friends

“Other than getting the measles once, I don’t get sick,” Joe exclaimed. “I don’t think I’ve ever even had the flu. I always had insurance for my family, but when my youngest son turned 18, I realized I was paying \$600 a month for just myself. Why would I need insurance?”

On that April day, sitting in the doctor’s office with his younger brother, Joe remembers hearing only one word – carcinoma.

“I was stunned, literally in a daze. The doctor talked to me and I didn’t hear a thing she said.”

The diagnosis was colon cancer. Joe would require chemo, radiation and surgery. He had no insurance and he didn’t have the money for any of those treatments.

“I figured I was screwed.”

But he did have friends like Barkett, who at the time was working in the Office of Health Reform for the U.S. Department of Health and Human Services. One of his responsibilities was clearing the new federal health reform regulations before they got to the White House for approval.

“It was quite sobering,” Barkett said. “In Washington, people obsess over the length of a bill or a regulation. All Joe cared about was how long he had to live. Thank goodness he lived in Massachusetts.”

Barkett acted as Hickey’s advocate and found out in a short yet very anxious period of time that Joe would be eligible for Commonwealth Care through the Health Connector.

“I was walking home along the National Mall in Washington when I found out Joe’s application for coverage had been accepted. I immediately called Joe, who was with his brother,” Barkett remembers. “We were

crying and laughing at the same time. I never felt so close to someone even though I was 500 miles away. Now Joe wouldn’t have to worry about money or being a burden to his brother. He could just focus on getting better.”

‘ I was stunned,
literally in a daze.
The doctor talked to
me and I didn’t hear a
thing she said. ’

Joe Hickey

It was a long road as he underwent the recommended treatments and a nearly 10-hour surgery under the watchful eye and skilled hands of Dr. Jennifer Irani at Brigham and Women’s Hospital. A niece designed Hickey Strong bracelets, and more than 1,200 were worn by friends in support of Joe and his fight against cancer.

“I couldn’t have gotten through it all without my friends,” said Joe. “My old high school buddies came to visit me and take me to my appointments once a day, every day. The sickness has been the glue to our relationship.”





The parent of another of Joe's Harvard "kids" is even the CEO of the Boston hospital where he had his colon surgery.

And he's also grateful for his insurance through the Health Connector.

"The Health Connector was just amazing. It's what people need in their lives. Believe me, I'd rather have insurance and not need it than not have insurance and need it."

Joe has also been an inspiration to others who helped him through his struggle. More than 50 friends and family followed suit and had colon screenings.

"They discovered one of my sisters had colon cancer, too, but they got it early and now she is fine. This whole thing basically saved her life."

Joe now plans to spend more time working on his Mack The Knife routine in local karaoke bars. And he has a 1968 Oldsmobile Cutlass convertible that he hopes to clone into a 442.

Life is good!

But the sickness is now in Joe's rear view mirror because on July 18 he got the words he wanted so desperately to hear from Dr. Kimmie Ng – cancer-free.

"When I called Joe to congratulate him, he was the happiest man in the world," said Barkett. "In fact, he complained that he couldn't make phone calls because so many people were texting him, and he couldn't respond to texts because so many people were calling him.

"This was the second tear-filled conversation I had with Joe in the last 15 months. The first was when we heard his application for Commonwealth Care had been accepted. That day his brother and I could not hold back after the news had been relayed that Joe would not have to choose between bankruptcy and his life. The July 18 celebration this year was all sweet, no bitter."

Joe Hickey is grateful for all the friends in his life.

Friends from his Winter Hill neighborhood.

Friends like John Barkett.

Friends like his primary care physician, Dr. Aaron Kesselheim, who Joe remembers from the Harvard Lampoon.

Friends like one of his surgeons, Dr. Matt Carty, who Joe knew from his student days at the Fox Club.





Governor Patrick joined leading decision makers in April to mark the sixth anniversary of Massachusetts reform in historic Faneuil Hall

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“We really appreciate the dedication and commitment to the Health Connector shown by the Patrick Administration and the House and Senate during such a busy legislative session,” said Chief of Staff & External Affairs Ashley Hague. “Prioritizing the changes necessary to support the Health Connector’s transition to Connector 2.0 amidst a docket that included such landmark legislation as the recently enacted Health Care Cost Containment bill clearly shows that the Administration and the Legislature recognize the important role that the Health Connector plays in health care reform. Now it is time for us to use these tools to improve access to affordable coverage for the individuals and small businesses of Massachusetts.”

While the Affordable Care Act (ACA) was modeled after Massachusetts health reform, a number of laws related to the Health Connector were needed to transform the Health Connector into an ACA-compliant health benefits exchange – the formal term for Connector 2.0. The first change, enacted in May 2012, formally designated the Health Connector as the Massachusetts Exchange for federal purposes.

This was “probably the single most important piece of legislation related to the Health Connector in recent memory,” said Hague. While the Health Connector was

already empowered with most of the responsibilities required of an ACA-compliant Exchange, this new law recognized that there were a few very important new duties that had to be added. These included administration of new federal tax credits to help lower-income individuals and families purchase health insurance, as well as the certification of health insurance plans as meeting federal requirements for sale on the Exchange.

Several additional new laws were also enacted this year to clarify the role of the Health Connector in administering federal health reform, including enabling it to offer new types of health-related products such as dental plans and vision plans. And, although not required by the ACA, new laws were also enacted to authorize additional financial assistance for lower-income individuals and families purchasing their health insurance through the Health Connector to help ensure coverage continues to be affordable for them in Massachusetts.

There were numerous other laws passed related to the Health Connector this year, not necessarily related to implementing national health reform, but certainly solidifying the Health Connector’s role in setting health policy and influencing the health insurance market.

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One of his first prescriptions for patients will be th



e Health Connector

Paying for health insurance will be a lot easier for Andy Kalaydjian when he is a doctor, but right now he is a struggling medical student trying to make sound economic and health decisions. The Health Connector and Commonwealth Choice are helping him find that balance.

“The plan I chose is designed for us fundamentally fit twenty-somethings who are less likely to need medical attention” said the North Andover native and fourth-year student at the University of Massachusetts Medical School in Worcester. “It has saved me thousands of dollars these past three years.”

Kalaydjian explained he discovered the option while shopping for insurance on the Health Connector website.

“The basic coverage I have gives me peace of mind in knowing that I won’t be wiped out financially if I do need hospitalization or other major medical intervention,” he said. “That is exactly what insurance is supposed to do.”

Having aged out of his Young Adult Plan when he recently turned 27, he now has a Bronze level plan that, he notes, is still saving him money.

“As I get older and the likelihood of my needing medical services increases, I will surf the Connector website for plan choices and opt for the best coverage I can afford,” said Andy, whose professional interests lie in pain management and anesthesiology. “What I have now works very well for me while allowing me to lower my student loan debt.”

And he already knows some of the advice he will be giving his patients.

“Once I begin practicing, I will certainly advise my patients to make use of the Health Connector to find an insurance plan that fits both their income and their health care needs.”

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For example, the Legislature transferred authority over student health insurance programs and the “Fair Share” employer responsibility requirement from the Division of Health Care Finance and Policy to the Health Connector. It also recognized a role the Health Connector has long played in assisting other state partners with procuring health insurance, specifically adding this function to the Health Connector’s formal statutory charge.

The Federal Regulatory Process

A major focus for the Health Connector on the path to Connector 2.0 continues to be planning for implementation of national health reform. The federal government released several Notices of Proposed Rulemaking (NPRMs) over the course of the past year intended to provide stakeholders the opportunity to weigh in on the regulations governing major components of ACA implementation.

As a pioneer in implementing a major health reform initiative and operating a state Exchange, the Health Connector has relevant experience to draw upon in responding to many of the issues raised in these NPRMs. To share its experiences and perspectives, the Health Connector has provided comments in response to NPRMs on the following topics: the Establishment of Exchanges and Qualified Health Plans; Exchange Eligibility; Health Insurance Premium Tax Credits; and Reinsurance, Risk Corridors, and Risk Adjustment. Comments provided by the Health Connector have also addressed aspects of the rules that may directly impact the policy or operations of the Health Connector.

“The Health Connector is committed to operating an ACA-compliant Exchange come 2014, and the comments on proposed federal rules are intended to help ensure preservation or improvement in the health care coverage gains made in our state,” said Director of Policy and Research Kaitlin Kenney, who is also the Health Connector’s national health care reform coordinator.

Internal Reorganization

This past spring, the Health Connector made an important organizational change – a key step in its transformation to Connector 2.0. Specifically, the

Peace of mind knowi

“new” Program Management Team was created, led by Stephanie Chrobak. The team consists of staff who historically worked on either the Commonwealth Care or Commonwealth Choice programs. Today, staff on the Program Management Team have functional responsibilities for both programs, in recognition of the fact that national reform does not separate subsidized and unsubsidized coverage within health insurance Exchanges. Their responsibilities include daily operations and vendor management, project management, carrier relationship management and outreach and education.

“Merging the teams has been very successful. The new model gives us an opportunity to learn a great deal from each other, create efficiencies and design a new operational structure for 2014,” said Chrobak. “It is increasingly clear that there are important elements of both Commonwealth Care and Commonwealth Choice that must inform our new Exchange. This talented and dedicated team is instrumental to the realization of that vision.”

As an operating health insurance Exchange, one of the key challenges that leadership and staff at the Health Connector face over the next few years is balancing efforts and resources between planning and implementing changes required by ACA while running “day-to-day” operations to support more than 230,000 members with a high level of customer service through the Commonwealth Care and Commonwealth Choice programs. In order to prioritize and manage the transition to an ACA-compliant Exchange, the Health Connector established an ACA Transition Project Management Office (PMO) in November 2011.

One of the key initial deliverables of this PMO was to create a Health Connector 2.0 roadmap. The roadmap is a comprehensive plan that identifies key milestones that need to be achieved between now and 2014. These milestones span across various work areas, from policy to business operations to technology. In addition to the roadmap, an internal Health Connector governance structure was established to support efficient decision-making on key ACA-related issues. The governance structure also involved the creation of several internal Health Connector work groups which are tasked with defining the operating model for Health Connector 2.0.

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Lisa Allen got a good feeling whenever she was able to connect someone with the right health insurance plan. And that happened quite often because for ten years she was a Health HelpLine counselor at Health Care For All.

“It really made me feel good when I was able to help someone understand the system better and get the coverage they needed,” Lisa said. “I loved my job and I had great health insurance there.”

But then she had to make a decision a few years ago that no parent would want to face. It was either keep her full-time job and the benefits that go with it or leave to take care of her daughter, Latiesha, now 22 years old. The maternal instinct prevailed, and the lifelong Boston resident became her daughter’s caregiver.

Latiesha suffers from spinocerebellar ataxia type I. There is no specific treatment to delay or halt the progression of SCA1, a degenerative disease that can affect speech, walking and eating.

“From all my years advising other people, I knew all about the Health Connector and Commonwealth Care,” said Lisa. “The premiums are affordable and the services I receive are great. It can get very expensive if you don’t have health insurance, and I didn’t want to find myself in that situation.

“It gives me peace of mind knowing that I can care for my daughter and still have excellent health insurance.”

ng the Health Connector was there for her



A key lesson learned from the implementation of Massachusetts' health reform law in 2006 was the need to solicit and coordinate diverse stakeholder engagement. The PMO has established meetings and processes to manage interactions with various external stakeholders, including other state entities (e.g., MassHealth, Executive Office of Health and Human Services, Department of Revenue, Division of Health Care Finance and Policy), cross-agency planning forums, health insurance carriers, customers, brokers, Navigators, and the federal government.

“Managing the transition to a health insurance exchange that not only is ACA-compliant, but which also brings value to the Massachusetts health care industry, is a complex and challenging effort, but one which we are fully embracing” said Chief Operating Officer Roni Mansur. “We look forward to continuing to work with other state agencies, carriers, brokers and key stakeholders to fashion an Exchange that serves the needs of the individuals and small businesses of our state while also keeping the Massachusetts Health Connector at the forefront of health care reform nationally.”

HIX/IES, the “3R’s” and More

HIX/IES

The Health Connector has received a \$45 million Early Innovator Exchange Grant in conjunction with the Executive Office of Health and Human Services and the University of Massachusetts Medical School to help support the inter-agency Health Insurance Exchange/Integrated Eligibility System (HIX/IES) project.

HIX/IES will build an integrated, real-time eligibility determination system for Health Connector and MassHealth health insurance programs to ensure that people can readily find their way to the coverage options for which they qualify. Existing state eligibility systems will be significantly enhanced – and linked up with federal databases – to ensure a quick and seamless path to coverage. These improvements will ultimately be extended to determine eligibility for certain other state human services programs.

The project will also enable the Health Connector to enhance its already leading-edge shopping website

Church puts it

First Church in Cambridge is a true believer in health reform and is optimistic that the success with improving access to health care services experienced in Massachusetts can be replicated across the country.

And they practice what they preach as this year the church enrolled its employees in the Health Connector's Business Express program.

“I had been monitoring the website for a while but there were never enough options for us to consider,” said the Rev. Karen McArthur, affiliate minister of stewardship and finance. “Then I looked again in the spring and found what we needed.”

That coincided with the Health Connector's announcement earlier this year that all of the state's leading insurance carriers were now participating in the program. Those carriers are Blue Cross Blue Shield of Massachusetts, BMC HealthNet, CeltiCare, Fallon Community Health Plan, Harvard Pilgrim Health Care, Health New England, Neighborhood Health Plan and Tufts Health Plan.

As a result of shopping on the Health Connector website, the 10 percent premium increase they were facing with their old carrier was significantly reduced.

The church is also participating in Wellness Track, a wellness program through the Health Connector that could provide a rebate of up to 15 percent of what the church contributes to its employees' coverage as well as promote a healthier workforce.

McArthur has faith that Business Express will continue to grow and improve, adding, “We really wanted to participate in this because we really believe in it.”

s faith (and staff) in Business Express



to incorporate new decision support tools, improved functionality for brokers and other new features for the benefit of consumers. The objective is a best in-class Health Connector shopping experience that sets a new standard for consumer ease of use and satisfaction.

“The Health Connector’s website has already made it easier than ever before for individuals and small employers to shop for health insurance,” said Chief Information Officer Scott Devonshire. “This project will make our web-based shopping experience even friendlier for customers, whether eligible for subsidies or buying coverage on their own.”

HIX/IES is also tied to a collaborative where participating New England states can share lessons learned from developing the information technology backbone for their respective Exchanges, as well as participate in the development of cost-effective and reusable technology components.

3R’s

Under the ACA, three health insurance risk mitigation programs – collectively referred to as the “3R’s” – must be implemented in the small and non-group health insurance market.

- Temporary **R**einsurance
- Permanent **R**isk Adjustment
- Temporary **R**isk Corridors

Reinsurance will provide revenue protection for carriers that cover high-cost individuals in non-grandfathered individual plans sold both inside and outside of the Health Connector between 2014 and 2016.

Risk adjustment will redistribute premiums according to enrollee acuity in the individual and small-group market both inside and outside of the Health Connector. It will start in 2014.

Risk corridors will limit both losses and gains for issuers of Qualified Health Plans between 2014 and 2016.

“Robust 3R programs are a critical component of the overall success of ACA implementation by ensuring

Language was no bar

You never fully recover from the death of a loved one, but you have to find a way to move on. Luisa Coelho found herself in that unenviable position in February 2011 when her 57-year-old husband Ernie, an assembly worker and custodian, died of cancer.

“I was very worried because I am not fluent in English,” said the resilient Fall River resident who came to this country from the Azores looking for a better life in 1976. “I’ve had some medical problems of my own and I didn’t know how I was going to pay to see my doctors or get my medicine.”

She was told that she could stay on her late husband’s plan for a year, but it would cost \$450 a month, and she would have to pay the whole year in advance.

“Because of the language barrier, it has been difficult for me to get anything but part-time jobs, and I couldn’t afford to pay that much for insurance,” she remembered.

It was when she went to St. Anne’s Credit Union to put joint accounts into her own name that someone told her about the Health Connector and Commonwealth Care. She found high quality coverage for \$58 per month.

“Now I know I won’t be a burden on my family with health insurance I can afford,” Luisa noted. “I got to keep my same doctors and the customer service people can speak my language and are very patient with any questions I have.

“I miss my husband dearly every day, but I want to thank the Health Connector for making life a bit easier for me since my beloved Ernie went to heaven.”

rier to getting good coverage in time of need



He hopes more surgery is not in his future, but if it is he knows he'll be well covered



It all began serenely enough for Robert Geary. He was spending a Fourth of July weekend with his family. They were on the beach building a sand castle. He must have planned to make a huge castle because he was using a snow shovel.

“I heard a pop, but I didn’t go to the hospital right away,” he remembered. “A couple of weeks later I got out of bed and something snapped again. But this time I couldn’t walk and the pain was excruciating.”

This time he had no choice but go to the hospital where he got the news that he didn’t want to hear: surgery.

“I was wary of surgery,” Robert said. “For two years I tried everything. Pain management. Acupuncture. Water therapy. Epidurals. Trigger point injections. When the pain didn’t get any better, I decided to have surgery last October.”

The 41-year-old Quincy native who had previously traveled the country working as a machinist would now have to walk with a cane.

“I don’t know what I would have done without Commonwealth Care,” he exclaimed. “I’ve never had a bad experience with the Health Connector. The premiums I pay are reasonable and all the doctors and specialists I’ve seen have been wonderful.”

Robert still faces the possibility of more surgery. He’s not looking forward to it. But if it comes to pass, he knows he has the peace of mind that quality health insurance coverage provides.

confidence and a level playing field among carriers,” said Chief Financial Officer Jean Yang.

In 2012, legislation was enacted charging the Health Connector with overseeing the development and administration of the federally mandated risk adjustment program specifically for Massachusetts’ small and non-group health insurance market. The Health Connector collaborates closely with multiple agencies on the overall 3R implementation strategy for the Commonwealth, co-chairing an interagency workgroup on this topic with the state’s Division of Insurance. Also included in the workgroup are the Executive Office for Administration and Finance, the Division of Health Care Finance and Policy, the Group Insurance Commission and MassHealth.

And More

The Health Connector is also working with MassHealth and other state partners to plan for smooth coverage transitions among the current 230,000 Health Connector members – and some individuals in other state programs – who will be subject to new federal rules in 2014. Under those new rules, some current Health Connector members may move to MassHealth, while others may move to new programs within the Health Connector. Many who are currently receiving subsidies as well as some who currently receive no government assistance will get advanceable premium tax credits instead. A robust public outreach and education campaign, rivaling those undertaken quickly after the enactment of Massachusetts health reform, will help ensure public awareness of new coverage options and resources.

“In order to at least minimize but hopefully eliminate any confusion around the changes and how reform will impact individuals and small businesses, the ACA provides us the opportunity to re-engage the public around health reform and ensure that health coverage in Massachusetts is maintained,” said COO Mansur.

The Health Connector has made substantial progress on the path to Connector 2.0, and there is important remaining work to be done over the next year. Differences in federal and state individual mandate laws, open enrollments and employer responsibility requirements are all in the process of being reconciled.

“Using our insights from our own experiences as an existing Exchange, Health Connector 2.0 is being designed to improve access to high-quality health care and transform the health care system by serving as the leading-edge marketplace for Massachusetts residents and small businesses to easily find and enroll in affordable health care,” said Executive Director Shor. “Not only will we meet ACA requirements, but we’ll also continue our work that serves the unique needs of individuals and small businesses, and brings high value to the market.

“Our experience running an Exchange has been and continues to be invaluable to our national health care reform implementation efforts,” said Shor. “Even with that experience, every day brings new challenges for an amazing and dedicated team at the Health Connector as we inch closer and closer to Connector 2.0.

“While the Connector may have a different look and feel to it in 2014, it will be just as critical to the success of national reform as it’s been to state reform. Not only do we look forward to serving individuals, families and small businesses, we look forward to doing it even better than we do today.” ■

Health Reform has been implemented as a cooperative effort of numerous state agencies, all of whom share in its success. We want to thank and acknowledge them.

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Department of Revenue
Division of Insurance
Group Insurance Commission
Executive Office of Health and Human Services
MassHealth
Division of Health Care Finance and Policy
Department of Public Health
Division of Unemployment Assistance
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An offshore view of Race Point Beach in Provincetown on a lazy summer afternoon

Produced by the Commonwealth Health Insurance Connector Authority

Jay Gonzalez, Chairman of the Board of Directors

Glen Shor, Executive Director

Richard R. Powers, Editor

Design: Niki Conte

Contributors: Kristin Faucette, Ashley Hague, Suzi Jervinis and Nicole Waickman

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