



*The Commonwealth of Massachusetts*  
*Commonwealth Health Insurance Connector Authority*  
*100 City Hall Plaza, 6<sup>th</sup> floor*  
*Boston, MA 02108*

DEVAL PATRICK  
Governor

TIM MURRAY  
Lieutenant Governor

JAY GONZALEZ  
Board Chair

GLEN SHOR  
Executive Director

**Board of the Commonwealth Health Insurance Connector Authority**

**Minutes**

Thursday, February 9, 2011  
9:00 AM to 12:00 PM  
One Ashburton Place  
Boston, MA 02108  
21<sup>st</sup> Floor Conference Room

---

**Attendees:** Jay Gonzalez, Dolores Mitchell, Glen Shor, Ian Duncan, Celia Weislo, Nancy Turnbull, Andres Lopez, Joseph Murphy, Julian Harris, Jonathan Gruber, George Gonser and Louis Malzone.

The meeting was called to order at 9:09 AM.

- I. Minutes:** The minutes of the December 8, 2011 meeting were approved by unanimous vote.
- II. Executive Director's Report:** Secretary Gonzalez opened by discussing Governor Patrick's budget proposal. He stated that he and the Governor are proud to have proposed a budget which will fully fund the reintegration of the aliens with special status (AWSS) population into Commonwealth Care (CommCare) and provide the same level of benefits currently offered to members. Secretary Gonzalez stated that the CommCare MCO procurement strategy is designed to keep the cost of the program within the proposed budget. He added that the Governor's proposal contains an increase of tobacco taxes and that the funding resulting from these taxes would be dedicated to the CommCare Trust Fund. Secretary Gonzalez acknowledged House Speaker DeLeo's announcement that no new taxes will be proposed in the state budget, which could present some challenges for the CommCare budget.

Glen Shor provided the Board with the February enrollment figures for CommCare (158,490) and Commonwealth Choice (CommChoice) (39,333). Mr. Shor then explained that an item devoted to the discussion of the re-launch of Business Express had been removed from the agenda in order to save time for discussion of the other agenda items. However, Mr. Shor did announce that Business Express will be re-launched on February 10, 2012 with full participation from the CommChoice carriers. Mr. Shor stated that now small businesses in the Commonwealth will even have greater reason to utilize Business Express, which offers users no annual or user fees, a fast and user-friendly shopping experience and access to a wellness program called Wellness Track which can provide up to a 15% rebate for qualifying employers. He informed the Board that the Commonwealth Health Insurance Connector

Authority (CCA) will be launching an advertisement campaign next week to promote Business Express and that the CCA has already conducted broker workshops to spread word about the product's re-launch. Secretary Gonzalez thanked the CCA and CommChoice carriers for their persistence and hard work on this project. He added that the re-launch of Business Express is an important step towards making purchasing health insurance easier and cheaper for small businesses which is an important priority for Governor Patrick.

**III. Remote Participation by Board of Directors (VOTE):** Edward DeAngelo began by explaining to the Board that the Office of the Attorney General recently adopted a regulation that allows remote participation by board members of state agencies upon approval by the agency's board. Mr. DeAngelo explained that this regulation would permit board members to vote while participating remotely. Mr. DeAngelo added that meetings will still need to have a quorum physically present and members wishing to participate remotely will need to provide a legitimate reason for not being able to attend in person. Dolores Mitchell asked the rest of the Board if they thought that allowing remote participation is a good step to take. Secretary Gonzalez stated that he strongly prefers all Board members to attend in person, but if members are in a situation where a vote needs to be taken and a member cannot be present but could attend by phone, he would like to have that option available. Nancy Turnbull seconded Secretary Gonzalez's statement. Ms. Mitchell stated that she is not opposed to adopting this measure but she shared her observation that other organizations she has been a part of that have allowed remote participation have seen a decline in their in-person attendance rates. Ms. Mitchell expressed her view that Board members should be present barring extraordinary circumstances. Celia Wcislo also expressed the importance of Board members physically attending meetings as she has found that it can be difficult to remain attentive throughout an entire meeting when attending remotely. The Board voted unanimously to allow remote participation by Board members in future Board meetings, in accordance with the requirements of chapter 940 of the Code of Massachusetts Regulations, section 29.10, and using any of the methods of remote participation listed in that regulation.

**IV. Draft CY 2012 Affordability Schedule (VOTE):** Kaitlyn Kenney opened by providing the Board with background information, including information on how the affordability standards are established under national health care reform. Ms. Kenney pointed out that the maximum allowable premium contribution in the Affordability Schedule has not changed for residents with incomes below 300% of the federal poverty level since 2008 because of the slow economy during this time and federal Recovery Act maintenance of effort requirements. In light of the Affordability Schedule not being adjusted across all income brackets in multiple years and an increase in average income, as reflected by federal poverty level standards, Ms. Kenney stated that the CCA is recommending a 1.5% increase in the maximum allowable premium contributions across all income brackets. Next, Ms. Kenney acknowledged that residents with an above median income (for whom health insurance is automatically deemed as affordable) are being required to spend an increasing percentage of their income on health insurance premiums, which have been progressively increasing. Finally, Ms. Kenney presented the proposed 2012 Affordability Schedules for individuals, couples and families.

Ms. Turnbull expressed her approval for the proposed 2012 Affordability Schedule as a short term solution, but acknowledged that there is a problem with the increasing amount of money residents with an above median income are expected to pay for health insurance. Jonathan Gruber thanked everyone who participated on the Affordability Schedule subgroup and stated that he thinks the proposed schedules are the right approach for 2012 but that the CCA should consider the possibility of beginning the transition to federal standards for 2013. Ms. Mitchell requested a quick summary of what has been accomplished on this topic at this meeting and does that have any connection to what is happening in Medicaid and the commercial market.

Ms. Kenney responded that what the CCA has done today is proposed an updated Affordability Schedule which intends to modestly adjust the schedule so people will be asked to contribute roughly the same percentage of their income towards their health insurance premiums. She stated that it is important to consider the state of the commercial market when considering how to adjust the Affordability Schedule. Ms. Kenney deferred on answering how the proposed adjustments to the Affordability Schedule are reflective of the current state of Medicaid. Ms. Mitchell stated that she has found that explaining the cost of health insurance to people is easier to do in a larger context. Secretary Gonzalez stated that the cost of health insurance is ultimately a factor when determining who is subject to the individual mandate and has historically been used to set premium contribution levels for CommCare. However, he said that the maximum premium contribution levels set for residents within certain income brackets are meant to be reflective of the economic situation of the residents within those brackets, rather than the cost of health insurance. Mr. Gruber made the observation that this was the first time the Board had clearly expressed what affordability means and that health insurance premiums levels are not a determining factor in establishing what a resident can afford. Secretary Gonzalez added that moving forward he would like to reassess how affordability standards are determined in a comprehensive way, taking into account the federal approach which determines affordability as a certain percentage of income. Ms. Wcislo expressed her view that utilizing a flat percentage of income level is not the proper way to define affordability and that a progressive approach should be used instead. Mr. Shor asked the Board not to lose sight of the fact the individual mandate in Massachusetts was constructed with the proper information and it has been used to motivate a significant number of residents to obtain health insurance without any major backlash. Ian Duncan asked if the CCA has an estimate of the number of residents that would be exempted from the individual mandate under the proposed 2012 Affordability Schedule. Ms. Kenney responded that it would be difficult to construct an estimate because of the lack of data regarding employee contribution levels, as most Massachusetts residents obtain health insurance through their employer. Mr. Gruber stated that most of the uninsured residents in Massachusetts have incomes below 150% of the federal poverty level and are not subject to the individual mandate. He added that the vast majority of people to whom the mandate applies have complied. Ms. Turnbull suggested that the CCA could provide Mr. Duncan with the 2009 Data on the Individual Mandate issued by the Department of Revenue, which contains data about the number of residents who were exempt from the individual mandate. The Board voted unanimously to approve the issuance for public comment of the Draft Affordability Schedule for Individuals, Couples, and Families for 2012, as set forth in the staff memorandum previously sent to the Board.

- V. **Commonwealth Care FY 2013 MCO Procurement:** Jean Yang started by summarizing the agenda for the presentation and providing some background information on the budget situation for the Commonwealth as a whole and specifically for CommCare. Ms. Wcislo asked if the removal of the AWSS population affected the average age of the CommCare population, which has been progressively increasing since the creation of the program. Ms. Yang replied that the average age of the AWSS population is about the same as the CommCare population as a whole. However, she noted that the utilization rate of the AWSS population is lower than the CommCare population as a whole. Ms. Yang then provided an overview of the strategy for the AWSS reintegration and the FY 2013 MCO procurement.

Next, Daniel Apicella provided the Board with an update on the FY 2012 Oversight Initiative for CommCare. As part of this update, Mr. Apicella provided an overview of the financial performance of the low-cost MCOs (Network Health and CeltiCare). Mr. Duncan asked if the results presented are subject to further risk adjustment at the end of the year. Ms. Yang responded that these results are only for the first quarter of FY 2012, but are inclusive of risk adjustment payments. Mr. Apicella then provided the Board with a summary of the utilization

analysis conducted by the CCA for the CommCare MCOs. The main message of this summary was that the lowest cost MCOs' utilization did not notably decrease from FY 2011 to FY 2012, and it does not appear to be systematically lower relative to the higher-cost MCOs.

Jennifer Flint then provided some initial findings from the recently completed CommCare member survey. She explained that the survey was conducted by phone and mail during November and December 2011, in order to remain consistent with the previous year's survey. Ms. Flint stated that the results show that a vast majority of CommCare members continue to be satisfied with the program, while acknowledging that there has been a small drop in satisfaction with the program's servicing. Ms. Mitchell pointed out that the political discussion occurring during a given time needs to be taken into account when discussing increases or decreases in member satisfaction. Ms. Wcislo requested data on the percentage of CommCare members that actually visit their PCP. Next, Ms. Flint summarized the CCA's preparations for the reintegration of the AWSS population into CommCare. Ms. Wcislo asked what percentage of the CommCare customer service representatives speak at least two languages. Ms. Flint answered that 98% of the representatives speak at least two languages. Ms. Wcislo asked which languages are most commonly spoken on CommCare customer service calls. Ms. Flint said the CCA would attempt to collect data on this topic. Tatsiana Murauyeva pointed out that the CCA can obtain data from the language line, but the language line is only used when a representative does not speak the language of the caller.

Next, Ms. Yang presented the FY 2013 MCO procurement strategy in detail. She noted that the low bound of the actuarially sound rate ranged has been lowered due to the AWSS population, which is a lower acuity population than the CommCare population as a whole, being reintegrated into the program. Ms. Yang stated that plans can bid lower than the lower end of the actuarial rate range, but would need to justify such a bid. Mr. Duncan asked if the other plans will be notified if the rate range is adjusted downward because of an MCO bidding below the low end of the rate range. Secretary Gonzalez and Mr. Shor responded that the MCOs have one chance to bid during the procurement process and that bid should be their best offer.

Finally, Ms. Yang updated the Board on some of the other initiatives for the CommCare program which the CCA will be involved in during FY 2013. During discussion of the payment reform pilot, Ms. Wcislo asked if MassHealth is also working to develop a model for this initiative. Julian Harris responded that MassHealth has been coordinating with the CCA, the Group Insurance Commission and private health insurance carriers on developing a plan for the pilot program. Ms. Yang informed the Board that the CCA is working on launching a tobacco cessation program at the beginning of FY 2013 for CommCare, which is expected to be funded by the state legislature. Ms. Turnbull stated that the tobacco cessation program is one that can produce savings for the state in the short term. Secretary Gonzalez commented that he is very impressed with the work the CCA put into crafting the FY 2013 MCO procurement strategy. No Board members objected to the CCA releasing the request for proposals for this procurement. Ms. Wcislo voiced her thanks to Governor Patrick on proposing the proper funding for CommCare so the AWSS population can be reintegrated into the program without reducing the benefits available to CommCare members. Mr. Shor highlighted the excellent work done by the staff of the CCA in developing and managing the CommCare Bridge program so it was able provide former CommCare members in the AWSS population with as high a level of benefits as possible after they were removed from CommCare in 2009.

The meeting was adjourned at 11:20 AM.

Respectfully submitted,  
Andrew J. Graham