



*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 23, 2012  
9:08 AM to 11:18 AM  
One Ashburton Place  
Boston, MA 02108  
21<sup>st</sup> Floor Conference Room

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**Attendees:** Glen Shor, Ian Duncan, Jonathan Gruber, Julian Harris, Louis Malzone, Dolores Mitchell, Joseph Murphy, Nancy Turnbull, and Celia Wcislo. Candace Reddy attended in place of Jay Gonzalez. Andres Lopez was absent.

The meeting was called to order at 9:08 AM.

- I. Minutes:** The minutes of the February 9, 2012 meeting were approved by unanimous vote.
- II. Executive Director's Report:** Glen Shor provided an update on the Commonwealth Care (CommCare) procurement. The Request for Proposals (RFP) was released on February 16, 2012 and a bidders' conference is scheduled for February 27. Responses are due by March 16 and a Board vote on the Fiscal Year 2013 CommCare contracts will be held at the April meeting. Mr. Shor explained that the reintegration of Aliens with Special Status (AWSS) population into CommCare is underway. The first phase, reintegration of individuals currently enrolled in the Commonwealth Care Bridge (Bridge) program into CommCare, has begun. The special open enrollment period for this population ends February 24. Current Bridge members will be enrolled in CommCare for a March 1 effective date. Waitlisted and newly eligible AWSS will be able to enroll for a May 1 effective date. Mr. Shor noted that Board members should expect to see a significant spike in CommCare enrollment in March as a result.

Mr. Shor announced that the Commonwealth Health Insurance Connector Authority (CCA) was awarded a Level 1 Establishment Grant from the United States Department of Health and Human Services (HHS), which the CCA will utilize to fund planning activities as staff continues to work on the transition to an Affordable Care Act (ACA) compliant Exchange. The CCA was awarded the full \$11.6 million dollars requested under the grant proposal. Mr. Shor expressed his gratitude to Governor Patrick for his support of the funding opportunity and to MassHealth for their assistance in preparing the grant proposal. Mr. Shor also thanked Kaitlyn Kenney and the Policy Team for their work. Candace Reddy congratulated CCA staff.

**III. Exchange Project Management Contract Extension (VOTE):** Kaitlyn Kenney and Roni Mansur came before the Connector Board to request approval to continue the CCA's engagement with Deloitte Consulting, LLP (Deloitte) for ongoing project management assistance. Mr. Mansur provided background on the initial procurement and the scope of services requested. In fall of 2011, the CCA issued an RFP for the purpose of securing project management assistance associated with ACA transition efforts. Respondents were asked to bid on both an initial scope of services and a subsequent scope of services. The first phase, completed over eight weeks, included a current state assessment, recommendation of an internal governance structure, establishment of a Project Management Office (PMO), and development of a project plan and Roadmap. The subsequent scope of services, which the CCA could choose to execute based upon completion of Phase 1, included facilitation of the governance model, operation of the PMO, and support of the Roadmap. Mr. Mansur explained that, in November 2011, the Board voted to approve the CCA recommendation to award the contract to Deloitte and authorized the CCA's discretion to pursue Phase 2. CCA staff is returning to the Board to report on Deloitte's performance and seek authorization to commence Phase 2. Deloitte has successfully completed all deliverables required under Phase 1. While reviewing the governance model developed by Deloitte, Jonathan Gruber stated that creating a system to enable efficient and accurate eligibility determinations for affordable health insurance will require significant effort. He requested clarification of where this process exists on the governance model matrix. Mr. Mansur explained that the Front End workgroup will be responsible for that deliverable. Mr. Gruber noted that it will be imperative for Massachusetts to be a leader in the development and implementation of a successful eligibility determination process. Nancy Turnbull asked if there were areas identified by the gap analysis other than those reviewed in the presentation. Ms. Kenney explained that there were a number of areas identified across multiple business functions, such as risk mitigation programs. Mr. Shor added that the gap analysis was based on the Health Connector's transition planning efforts and that Deloitte provided candid feedback regarding areas of need. Dolores Mitchell stated that transition planning requires a significant amount of time and resources. She inquired how other states are managing implementation. Mr. Gruber explained that, while ACA implementation is difficult for all states, Massachusetts faces a unique set of challenges in aligning existing reform with new Federal requirements.

Ms. Kenney explained that, to maintain strong levels of support to current CommCare and Commonwealth Choice (CommChoice) customers as well as perform policy and programmatic responsibilities, the CCA will need continued project management support. The gap analysis identified a number of staff capacity concerns. Project management support will ensure the governance model and PMO can be sustained to effectuate the transition. Celia Wcislo asked if Deloitte would be responsible for day-to-day operations of the PMO. Ms. Kenney explained that they would, allowing senior staff to focus on strategic oversight and decision-making. She also noted that some CCA staff have begun to collaborate with Deloitte so the PMO can be moved in-house. Mr. Gruber asked if Deloitte will attend workgroup meetings. Ms. Kenney responded that they will and are responsible for documenting workgroup activities.

Ms. Kenney explained that the contract has not been modified since the Board's initial vote in November 2011. CCA staff recommended the Board approve continuing the engagement with Deloitte for an additional 14 weeks (January through May 2012). The contract will be funded through the Level 1 Establishment Grant. Mr. Gruber asked how ongoing ACA implementation will be managed after the 14-week engagement ends. Ms. Kenney explained CCA staff will re-evaluate the need for project management support as well as the deliverables produced by Deloitte at the end of Phase 2. Ian Duncan asked what deliverables, beyond management of the PMO, were expected under this extension and how soon CCA staff

anticipated completing work with Deloitte. Mr. Duncan expressed concerns about the high run rate. Ms. Kenney explained that the Roadmap sequences key milestones broken out in two week increments over the next six months which Deloitte will help to ensure are met. Mr. Mansur stated that some project management assistance will likely be needed through 2014, but after 14 weeks CCA staff will assess if the level can be reduced. Mr. Shor added that the next 14 weeks will require more significant project management support as staff continues to build out the models developed by Deloitte. Ms. Reddy agreed that the run rate was considerable, but it is an accurate reflection of the effort required to support transition efforts.

The Board voted unanimously to approve the execution of a new work order with Deloitte to provide continued project management support for the CCA, as recommended by CCA staff.

**IV. Risk Corridor, Risk Adjustment and Reinsurance (“3R”) Interagency Consulting Procurement (VOTE):** Jean Yang and Daniel Apicella explained that CCA staff has recently ended a competitive procurement for an actuarial consultant selected to support the Interagency 3R Workgroup’s planning and implementation efforts. CCA staff is requesting a Board vote to enter into a contract with Milliman, Incorporated (Milliman). Ms. Yang provided background on reinsurance, risk adjustment and risk corridors requirements defined under the ACA and further clarified by a Notice of Proposed Rulemaking (NPRM) issued by HHS. She added that HHS anticipated releasing the final rule by the fall of 2012. Ms. Turnbull noted that the small and non-group health insurance market in Massachusetts is unique and asked if the ACA allows a state to elect not to operate the temporary reinsurance program. Ms. Yang responded that, based on Federal guidance, it is not clear whether a state can decline to implement a reinsurance program. The Workgroup has initiated conversations with the Center for Consumer Information and Insurance Oversight (CCIIO) and will further explore this question with the actuarial consultant. Ms. Turnbull asked if the consultant will be required to provide recommendations specific to the Massachusetts market. Ms. Yang replied that part of the reason the Procurement Management Team (PMT) recommended Milliman is for their Massachusetts-specific experience. Julian Harris inquired whether the ACA allows the administering agency to charge an assessment. Ms. Yang explained that the NPRM does include language allowing an assessment fee for the reinsurance program, but is not aware of any assessment authorized for the administration of the risk adjustment program. Ms. Wcislo asked if the federal government is assuming the costs associated with the risk corridors program. Ms. Yang responded that the Federal government may bear some of the administrative costs. Ms. Turnbull requested CCA staff look into whether, for the purposes of the risk adjustment program, the small group is defined to include co-ops established under Chapter 288 of the Acts of 2010. Ms. Yang stated that staff will investigate this question further. Ms. Turnbull noted that this is important to understand, expressing concern about the impact co-ops may have on market rates. Ms. Reddy asked for clarification as to why a risk adjustment and risk corridors program is not administered within CommChoice. Ms. Yang explained that the market share is small, making it difficult to administer these programs. Mr. Shor added that claims data is not available to support these programs. Risk concerns within CommChoice are addressed by active management of the product shelf.

Ms. Yang reviewed the key considerations for 3R planning. Referring to an earlier question from Ms. Turnbull, Mr. Gruber asked when the state would need to decide if it will operate a reinsurance program. Ms. Yang stated that a decision should be made as soon as possible, but further federal guidance is needed to support the analysis. Mr. Duncan asked if a reinsurance program would draw new risk bearing groups into the market. Ms. Yang explained that there is not enough data to answer this, but there is no definitive trend to indicate it would. Mr. Gruber stated that he agrees that a reinsurance program may not be appropriate for Massachusetts. Ms. Turnbull advised CCA staff not to expend significant resources on planning for this program.

Ms. Wcislo departed the meeting at 10:30 am, prior to a formal vote on the contract being called. She expressed her support of the contract with Milliman for actuarial consulting .

Mr. Apicella reviewed the procurement process. An RFP was issued on January 20, 2012 for an actuarial consultant to assist the Interagency Workgroup in developing an ACA-compliant approach to the 3Rs over a 10-week period. Based on the results of a competitive procurement, CCA staff is recommending the contract be awarded to Milliman. Ms. Turnbull asked what role Mintz Levin, LLC will have. Mr. Apicella explained Mintz Levin will provide legal and technical background on the ACA. Mr. Duncan asked for clarification as to what data Milliman is proposing to use for modeling. Ms. Yang explained that the Workgroup will request the consultant use the All Payer Claims Database (APCD), but, if APCD data is not ready in time, Milliman has its own dataset that can be calibrated to the Massachusetts market.

The Board voted unanimously to authorize the CCA to enter into a contract with Milliman to perform actuarial services, with a term of one year, with three one year extensions.

**IV. Business Express Re-Launch Update:** Mr. Mansur and Scott Devonshire provided an update on the Business Express (BE) re-launch. The re-launch of BE with full carrier participation fulfills the vision of Chapter 58 and the ACA. Mr. Mansur reviewed the program benefits, which include an easy to use website, choice, and the opportunity to participate in the CCA's free wellness program, Wellness Track. Wellness Track is free to businesses enrolled through BE and some businesses may be eligible for savings of up to 15% of their share of premiums for their participation. Mr. Gruber asked whether the product distribution in BE is similar to the rest of the small group market. Mr. Shor responded that there is not sufficient data to answer this question, but BE offers a good range of products. He added that tiered co-pay products are not yet offered through CommChoice, but are becoming more popular outside of the Health Connector. CCA staff is evaluating tiered co-pay products for the purposes of the upcoming Seal of Approval. Mr. Gruber stated that it is important the CCA does not fall behind market trends.

Mr. Mansur provided an overview of the re-launch marketing and outreach efforts. The two radio spots were played for those in attendance. Mr. Mansur thanked Dick Powers for his work coordinating the advertisements. Mr. Devonshire then provided a demonstration of the process that a new employer would follow. Ms. Turnbull asked if the SIC code is used to determine rates and what would happen if an employer entered the wrong code. Mr. Devonshire stated that some carriers do use the SIC code for rating and any errors would be caught by back end processing. Dr. Harris asked if an employer can upload the employee census or if he must enter it manually. Mr. Devonshire stated that, at this time, employers must enter the census manually. Mr. Shor added that CCA staff is working with brokers to solicit feedback on how to make the process more user friendly. Mr. Devonshire also provided a demonstration of how an employer would enroll in Wellness Track and determine eligibility for a rebate. Ms. Turnbull asked what the wage cap is in order to be eligible for a rebate. Mr. Devonshire stated that the company's average salary could not exceed \$50,000. Mr. Gruber asked if the CCA website provided any information for small businesses on the Federal tax credit. Mr. Devonshire responded that information is provided on both the employer and broker landing pages.

The meeting was adjourned at 11:18 AM.

Respectfully submitted,  
Nicole I. Waickman