



*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, April 12, 2012  
9:00 AM to 12:00 PM  
One Ashburton Place  
Boston, MA 02108  
21<sup>st</sup> Floor Conference Room

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**Attendees:** Jay Gonzalez, Glen Shor, Ian Duncan, Louis Malzone, Nancy Turnbull, Joseph Murphy, Julian Harris, Andres Lopez, George Gonser and Jonathan Gruber. Catharine Hornby attended in place of Dolores Mitchell. Celia Weislow was absent due to personal illness.

The meeting was called to order at 9:06 AM.

- I. Minutes:** The minutes of the March 8, 2012 meeting were approved by unanimous vote.
- II. Executive Director's Report:** Glen Shor opened by updating the Board on the enrollment figures for Commonwealth Care (CommCare) and Commonwealth Choice (Comm Choice). Mr. Shor stated that CommCare enrollment climbed in April to 175,226, an increase of roughly 2,000 members from March, which reflects the reintegration of the Commonwealth Care Bridge (Bridge) Program. Mr. Shor then informed the Board that there are currently 41,363 members enrolled in CommChoice, an increase of roughly 2500 members from March. Mr. Shor noted the significant increase in CommChoice membership was due to the re-launch of Business Express and natural recurring payment activity dynamics.

Next, Mr. Shor provided the Board with an update on the reintegration of the Aliens with Special Status (AWSS) population into CommCare. Mr. Shor announced that phase one, reintegration of individuals formerly enrolled in the Bridge program, was completed on March 1, 2012. A total of 12,474 individuals transitioned to CommCare as of that date, the majority of which decided to stay with CeltiCare. Mr. Shor stated that phase two, reintegration of approximately 26,000 individuals on the AWSS waitlist, is already underway. Mr. Shor noted the release from the waitlist began on March 26th, 2012. Mr. Shor expressed his appreciation to MassHealth for their assistance in performing the technology work necessary for the reintegration. Mr. Shor also thanked the advocacy community for their help with the eligibility changes for CommCare and re-enrollment.

Mr. Shor also took a moment to recognize the sixth anniversary of Massachusetts health care reform, acknowledging both the state's enormous successes and ongoing challenges. Mr. Shor recognized the Commonwealth Health Insurance Connector Authority (CCA) staff and noted their energy and commitment to health care reform stems from their understanding of how access to health insurance can transform lives. Mr. Shor then shared a few member testimonials and stated that such stories should be a source of energy as the CCA moves forward.

**III. FY 2013 Commonwealth Care MCO Procurement (VOTE):** Jean Yang opened by sharing the results of the FY 2013 CommCare MCO Procurement, stating that the CCA is pleased with the outcome which met the goals set forth at the start of the process. The power point presentation entitled "Commonwealth Care FY2013 Procurement Results" was used during Ms. Yang's presentation to the Board and was subsequently posted to the CCA website. Ms. Yang explained that by building on the demonstrated success of FY12, the CCA was able to pursue significant savings in FY13 without cutting benefits. In summarizing the FY13 bid results, the CCA projects that FY13 will achieve another 5% decrease in aggregate capitation rates relative to FY12. Ms. Yang added that the majority of plans proposed a rate cut for FY13, and every single plan now has rates lower than those from FY11.

Stephanie Chrobak then provided an overview of the operational plan for FY13. Ms. Chrobak stated that even before procurement results were finalized, her team has been working on developing an operational plan for FY13 open enrollment. Ms. Chrobak then noted that in preparation for FY13 open enrollment, the CCA plans to leverage feedback from the Year 2 member survey to improve communications, benefit materials and customer support. Ms. Chrobak added that based on member survey results and advocate feedback, the CCA will simplify and improve the content in open enrollment packets. Nancy Turnbull asked whether the open enrollment packets will include any materials targeted specifically at PT1 members informing them that they might face new changes in their health plans. Ms. Chrobak indicated that all open enrollment packets are customized by plan type, but also noted that she would have her staff provide additional information regarding Ms. Turnbull's question. Ms. Chrobak added that open enrollment is the busiest time of year for the call center. Last year during open enrollment, 69% of members who made a change did so over the phone. Given this, and the feedback from the Year 2 member survey on the importance of customer service, Ms. Chrobak emphasized the importance of members receiving the support they need.

Secretary Gonzalez asked whether the contract is set for a one year term with an option to extend for six months. Ed DeAngelo stated that while the contract is for twelve months, the contract includes language that preserves the flexibility for the CCA to extend the contract if it elects such an option. Mr. Gruber asked how many CommCare members changed plans last year during open enrollment. Ms. Chrobak indicated that, historically, the activity during open enrollment represented roughly 3% of the CommCare membership. However, last year, the CCA saw a material increase of 7% during open enrollment which Ms. Chrobak attributed to changes in the CommCare program. Ms. Turnbull congratulated the Connector staff on its excellent work on the procurement, especially in light of the fact that this is an extraordinarily difficult fiscal time. Additionally, Ms. Turnbull expressed her view that Massachusetts is at a critical juncture regarding payment reform and the state is about to make large decisions about how to control health care costs. Ms. Turnbull cautioned that the state needs to think very carefully about how it deals with market consolidation and extreme payment disparities. Secretary Gonzalez asked Mr. Shor to remind the Board on the CCA's coordinated work in transitioning to payment reform throughout the remainder of the year. Mr. Shor replied that one can learn a lot from the CommCare experience, particularly the transformative power of an Exchange to spur competition and innovation. Mr. Shor also noted that while competition and

innovation are often positive, competition and innovation can also be tumultuous. Thus, it is important to ensure that competition and innovation benefit all members of society. Mr. Shor expressed his appreciation to the five health plans that have worked very hard to improve their cost structure, much of which was fueled not only by competition, but by a deep commitment to serve low income individuals. Mr. Shor further added that all five health plans have made courageous decisions about how to reconfigure their networks and all of them have re-approached their providers to leverage better pricing and explore new payment models that achieve significant savings through core delivery and better care. Mr. Duncan also congratulated the CCA staff on the results of the CommCare procurement. However, Mr. Duncan also noted his concern that the Boston Medical Center Health Net Plan (BMCHNP) FY13 rates decreased by roughly \$100 per member per month. Mr. Duncan asserted that the Board has a responsibility to ensure that all MCOs the CCA contracts with are in a sound financial position and able to withstand any adverse variation. Ms. Yang replied that the actuarial soundness of the proposed rates has been independently verified by an actuary. She also informed the Board that the CCA has looked into BMCHNP's financial reporting to ensure they are in a good position to assume a reasonable amount of risk. Ms. Yang further noted that it is the CCA staff's responsibility to monitor the performance of all the MCOs and report back to the Board as necessary. Secretary Gonzalez commended the CCA staff for its excellent work on the procurement, particularly in light of the current financial pressures faced by the state. He also reiterated the remarkable fact that all five plans' rates are less than they were in FY11. Additionally, Secretary Gonzales thanked the MCOs for engaging in the collective interest to make the CommCare program sustainable. The Board voted unanimously in favor of authorizing the Executive Director of the CCA, Mr. Shor, to move forward in awarding contracts to the MCOs.

- IV. National Health Care Reform Update:** Ashley Hague began by explaining that the National Health Care Reform presentation will focus on the CCA's analysis of subsidized health insurance coverage to date. Specifically, the presentation will look at the current state of subsidized health insurance in Massachusetts, explore opportunities for tomorrow, and provide a recommendation for the state moving forward. The power point presentation entitled "National Health Care Reform Update: Subsidized Health Insurance" was used during Ms. Hague's presentation to the Board and was subsequently posted to the CCA website.

The meeting was briefly adjourned upon Governor Patrick's arrival and resumed following the Governor's address (see below).

After a brief recess, Ms. Hague provided an overview of what subsidized health insurance will look like in the future. Ms. Hague explained that the ACA expands eligibility for MassHealth such that most legal residents at or below 133% FPL are eligible for the Medicaid State Plan. Additionally, the ACA also provides advanceable premium tax credits and cost-sharing subsidies for residents and AWSS up to 400% FPL. In discussing the key benefits of the new model, Ms. Hague explained that the current federal match rate of 50% will increase to 75% in 2014 and 90% in 2020. Mr. Gruber asked whether it is solely single adults that will receive the enhanced federal match. Ms. Hague responded that expansion populations, such as MassHealth Essential and the breast and cervical cancer treatment populations, will receive the enhanced federal match. Additionally, she noted that a number of populations served by MassHealth and Medicaid will also receive the enhanced match. Mr. Gruber asked how much the enhanced federal match will cost. Ms. Hague replied that based on the analysis produced to date, the figures show it will cost anywhere from \$400 million to upwards of \$500 million. Ms. Hague further added that in 2020, the cost could be anywhere between \$600 and \$900 million. Julian Harris highlighted that there are also some changes in the Affordable Care Act (ACA) around the 1115 waiver that will result in some lost revenue. Catharine Hornby

expressed her concern that due to the uncertain political climate, it appears there is a large amount of federal money that may not come through. Ms. Hornby cautioned against relying on the federal money. Ms. Hague clarified that the new model is driven by the ACA. Therefore, if the ACA is modified or scaled back, the federal funding would go back. Ms. Hague also explained that the plan of operation would not move forward until there is a final decision on the status of the ACA. Secretary Gonzalez indicated that the CCA needs to be ready for the world as it exists today, while continuing to be mindful of various risks and the need to potentially reevaluate and reassess to the extent anything changes.

Next, Ms. Hague introduced the Basic Health Plan (BHP) option, which the ACA offers as an alternative to the default coverage laid out in the law. Mr. Gruber noted that if Massachusetts elected not to implement a BHP, the AWSS population under 100% FPL would have to pay 2% of their income. Mr. Shor validated Mr. Gruber's statement and noted that consistent treatment of AWSS is one of the rationales for pursuing a BHP option. Ms. Hague stated that the Subsidized Insurance Workgroup recommends that Massachusetts adopt a BHP administered by MassHealth. Ms. Hague further noted that adopting a BHP would mitigate churn and care disruption as people's income changes within 0-200% FPL. Mr. Gruber expressed the view that while the BHP option does mitigate churn within 0-200% FPL, new churn is created at 200% FPL. Mr. Gruber further added that the state needs to look into how to mitigate potential new churn. Ms. Hague agreed with Mr. Gruber that this is a consideration that the state needs to recognize and work to solve. Mr. Duncan asked whether the plan design for a BHP would be the same. Ms. Hague responded that the state could make the BHP similar to a CommCare experience. Mr. Shor further added that there are different benefit concepts that need to be looked at, but the overall goal is to make the transition as smooth and seamless for individuals as possible. Mr. Gruber noted that since MassHealth would be assuming responsibility for covering this population, the CCA Board would still like to be involved in the process. Dr. Harris stated that MassHealth will come up with a way to update the Board on the 0-200% FPL population in particular. Mr. Duncan asked how many individuals today fall between 100% and 200% FPL. Ms. Hague responded that 120,000 individuals would be eligible for the BHP, which includes the AWSS population from 0-200% FPL.

While discussing the recommendations for Massachusetts, Ms. Hague indicated that the Subsidized Insurance Workgroup also recommends that the state "wrap" federal subsidies to help keep coverage affordable for individuals (200-300% FPL) shopping in the Exchange. Secretary Gonzales added that to the extent the state decides to subsidize a "wrap" around this population, it will be the job of the CCA to create a definition and rationale for a "wrap." Ms. Hornby asked whether individuals between 200-300% FLP will still be with the CCA. Ms. Hague replied in the affirmative and added that such a population will be shopping for a Qualified Health Plan (QHP) through the Exchange and the state could then "wrap" the federal subsidies. Ms. Hague added that the CCA will continue to have a role in how this is designed. In discussing the benefits for Massachusetts if a BHP is adopted, Ms. Turnbull asserted that part of maintaining, let alone improving, member experiences will be to ensure that MassHealth has the administrative resources it needs to provide excellent customer service to all of its members. Ms. Hague closed the presentation by emphasizing this is a major milestone for the Subsidized Insurance Workgroup and thanked everyone for their work in reaching this recommendation. Secretary Gonzalez also commended the workgroup and noted that he is confident that the workgroup's recommendation is the way to move forward.

- V. Governor Deval Patrick's Address:** Secretary Gonzalez welcomed Governor Patrick to the meeting and thanked the Governor for attending. In briefly discussing the Governor's connection with health care reform and the CCA, Secretary Gonzales stated that when the Governor came into office, he was charged with the task of making health care reform work.

Secretary Gonzalez further noted that the Governor has been very engaged and interested in the success of the CCA because the Governor understands that the CCA's work transforms lives.

Governor Patrick began by thanking both the CCA board members and staff for their work and commitment to health care reform. The Governor recalled his last visit to a CCA Board meeting over five years ago when the CCA was in its earliest stages. The Governor commended the CCA on its tremendous success, attributing such success to the ability of many disparate interests to come to the table and remain at the table to refine health care reform. Governor Patrick took a moment to highlight many of the state's health care reform successes, including the fact that 99.8% of Massachusetts children have health insurance, 77% of businesses offer insurance to their employees, and the growth of health insurance premiums has slowed to less than two percent. The Governor commended the CCA for its exceptional work, particularly with the FY13 CommCare MCO procurement results and its ability to drive premiums down. Governor Patrick concluded his remarks by indicating his commitment to finally addressing the unfinished business of Chapter 58, health care cost containment.

Next, Nancy Turnbull and Jonathan Gruber shared a few remarks with the Governor. Ms. Turnbull applauded the Governor and his administration for their work on health care reform. In reiterating the Governor's comment that one of the state's most important hallmarks was the broad based collaboration in passing Chapter 58, Ms. Turnbull emphasized that six years later, such collaboration has continued. She further highlighted such teamwork and cooperation is in stark contrast from the national conversation. Mr. Gruber also thanked Governor Patrick for his unyielding commitment to health care reform and indicated that national health care reform could not happen without the Governor's leadership in Massachusetts.

The meeting was adjourned at 11:30 AM.

Respectfully submitted,  
Kristin M. Faucette