



*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, September 13, 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, Dolores Mitchell, Glen Shor, Ian Duncan, Celia Weislo, Nancy Turnbull, Joseph Murphy, Julian Harris, Jonathan Gruber, George Gonser and Louis Malzone. Andres Lopez was absent.

The meeting was called to order at 9:07 AM.

- I. Minutes:** The minutes of the July 12, 2012 meeting were approved by unanimous vote.
- II. Executive Director's Report:** Glen Shor opened by reporting that Commonwealth Care (CommCare) membership as of September 1, 2012 is 192,322, which represents an increase over August 2012 membership. Mr. Shor explained that the growth in CommCare membership can partly be attributed to the continuing reintegration of the aliens with special status (AWSS) population into the program. He continued by informing the Board that the program also saw an increase in non-AWSS membership and assured the Board that CCA staff is looking into the reason for this increase. Mr. Shor reminded the Board that a memo on CommCare open enrollment period was provided to them earlier in the week. He then explained that CommCare open enrollment would typically be discussed during a Board meeting; however since the agendas for the next few months are already full, this memo, which will be posted on the CCA website for public consumption, will serve as a summary of this open enrollment period. Mr. Shor encouraged members of the Board to provide the CCA staff with any questions they may have about open enrollment.

Next, Mr. Shor informed the Board that September 1, 2012 enrollment for Commonwealth Choice (CommChoice) is 42,396 members. He stated that membership increased 7% from August 1, 2012 enrollment, which is due to the non-group open enrollment period for Massachusetts, which runs between July 1 and August 15. Mr. Shor remarked that this increase in membership is particularly impressive in light of the fact that year-over-year premium trend for August and September effective dates were relatively flat, which shows that

consumers are finding value in the CommChoice shopping experience. Mr. Shor informed the Board that a memo will be sent to them next week summarizing the non-group open enrollment period and that this memo will also be made publically available.

Finally, Mr. Shor welcomed back Kaitlyn Kenney from maternity leave and announced that Dick Powers will be retiring in early October. Mr. Shor stated that Mr. Powers has had a highly significant role in telling the story of health care reform in Massachusetts, largely doing so by being able to show the human side of the reform and making the information accessible to people outside of the health care industry. Secretary Gonzalez thanked Mr. Powers for his service to the Commonwealth.

Dolores Mitchell arrived at 9:18.

**III. Commonwealth Choice 2013 Seal of Approval (VOTE):** Sarah Stephany began by reviewing the current CommChoice product shelf and then discussing the requirements and responses for the 2013 Seal of Approval. The slide deck entitled “Commonwealth Choice 2013 Seal of Approval” was used during this presentation and was subsequently posted to the CCA website. Ms. Stephany highlighted the fact that the CCA invited carriers to propose plans that varied from the standardized benefit packages currently offered through Commonwealth Choice. She reported that four carriers (Fallon Community Health Plan, Harvard Pilgrim Health Care, Health New England, and Neighborhood Health Plan) submitted non-standardized plans. Ms. Stephany also noted that Fallon proposed offering their Silver and Bronze plans on a new provider network (Steward Community Care Network). Finally, Ms. Stephany informed the Board that the CCA received a response from Network Health, which will be a new entrant into CommChoice.

Nancy Turnbull asked if she was correct in understanding that the CCA did not receive proposals for non-standardized plans from Tufts Health Plan and Blue Cross Blue Shield of Massachusetts, which Mr. Shor and Ms. Stephany confirmed. Ms. Turnbull then asked if the proposed premiums of the non-standardized plans were utilized as part of the CCA’s review of these proposed plans. Jean Yang responded that premium was a factor in Wakely Consulting Group’s actuarial analysis of the non-standardized plans. Next, Ms. Turnbull asked if the CCA is comfortable with the limited network products that have been proposed. Ms. Yang replied that Wakely’s analysis revealed that the proposed premiums of the narrower network products accurately reflect the size of the provider network offered. Celia Wcislo requested further information on how the benefits of the proposed non-standardized plans vary from the standardized plans currently offered through CommChoice. Ms. Stephany provided some examples of how the benefits of the non-standardized plans vary from the existing standardized plans. Ms. Yang stated that the CCA would provide the Board with the details of the proposed non-standardized plans after the meeting. Mr. Shor made the point that the non-standardized plans proposed here are meant to supplement the current standardized plans offered through Commonwealth Choice, not to supplant them, and that the CCA was looking for the non-standardized plans to have significant differences in the plan designs from the benefit tier they most resemble based on actuarial value.

Next, Ms. Stephany reviewed how the CommChoice non-group shopping experience is being adjusted to accommodate the proposed non-standardized plans. Jonathan Gruber asked how the non-standardized plans will be grouped during the shopping experience. Ms. Stephany replied that these plans will be grouped into either the “Bronze Other” or “Silver Other” category based on their actuarial value. In regard to the webpage of the shopping experience where shoppers can compare plans side by side, Ms. Wcislo commented that she felt the use of arrows to indicate that standardized plans comply with the CommChoice standardization

requirements is confusing. She requested that the CCA determine a way to clearly identify the benefits of the standardized plans similar to the way the benefits of the non-standardized plans are presented in the screenshots presented to the Board. Ms. Mitchell asked if the CCA has a minimum membership requirement for CommChoice plans to remain open to new members. Ms. Stephany replied that no specific requirement has been set, but at the end of the next contract period the CCA plans on discussing with carriers which plans should continue to be offered. Mr. Gruber asked if there is some way to indicate specifically which plan benefit tier a non-standardized plan is similar to rather than broadly identifying them as being similar to Bronze or Silver. Mr. Shor responded that the CCA, in designing this page, had to determine how to present enough information about the plans without having too much information overwhelm shoppers. Therefore, Mr. Shor cautioned that providing more information could clutter the side-by-side comparison webpage. Ms. Yang added that the assessment of the plans conducted by the CCA was based on actuarial value, which could be very different from the value a shopper sees in a plan. Therefore, indicating that plans are similar to a sub-tier, such as Bronze Low and Silver High, would be arbitrary as compared to broadly grouping them into “Bronze Other” and “Silver Other.” However, Mr. Gruber pointed out that the CCA currently groups its standardized plans by these sub-tiers and that this issue illustrates the need for the CCA to provide a cost calculator to shoppers. Ian Duncan stated that the way narrow network plans are identified on the carrier logos is not clear to him. Ms. Stephany stated that what the CCA was trying to achieve with this label is to indicate that a given plan is offered on a narrower network than the broader network offered by that particular carrier. Therefore, the name of the carrier has been added to the existing narrow network label, so for example, a narrow network Fallon plan would be labeled “Smaller Fallon Network.”

Conversation then turned to the plans offered through CommChoice. Ms. Wcislo advised the CCA to conduct a review of their plans at some point and determine if some lower membership plans should be frozen in order to avoid overwhelming shoppers with an excess number of plans. Mr. Shor expressed his approval for Ms. Wcislo’s suggestion and stated that the plans offered through the 2013 Seal of Approval will serve as an opportunity to test some concepts around standardization and will inform the CCA’s product portfolio under the Affordable Care Act (ACA). Next, Ms. Turnbull added that she would like to make sure that the CCA’s product portfolio under ACA will include the most popular plans on the market. She then expressed her concern with the fact that the two largest carriers in Massachusetts did not offer non-standardized plans that are popular outside of the CCA during this Seal of Approval process. Ms. Turnbull emphasized that if the CCA is making changes to its shopping experience to accommodate these non-standardized plans, the plans should add value to the CCA’s product portfolio. Ms. Mitchell cautioned that popular plans are not always plans that provide good coverage and that the CCA needs to make sure that the plans they offer provide good coverage. Ms. Turnbull seconded Ms. Mitchell’s comment and added that she wants to make sure that carriers are not purposely withholding their more popular plans from the CCA.

Next, Ms. Stephany presented screenshots of the CCA’s decision support tool which is being launched as part of 2013 Seal of Approval. During discussion of the “Deductible Page” of the decision support tool, Ms. Mitchell requested that language be added to this page explaining that preventive visits are not subject to an annual deductible. Mr. Duncan asked if members can pay pre-tax through a Section 125 plan. Ms. Stephany replied that the only non-group members who can use a Section 125 plan to purchase health plans through the CCA are non-benefits eligible employees who purchase insurance through the CCA’s Voluntary Plan. Ms. Mitchell asked if there are any consequences for an employer who does not set up a Section 125 plan. Mr. Shor responded that employers with at least eleven full-time equivalent employees must provide a Section 125 plan to their part-time employees or they may be subject to the Free Rider Surcharge.

During discussion of the “Co-insurance Page” of the decision support tool, Mr. Gruber expressed his concern that the page presents co-insurance in a negative light, even though electing a plan with co-insurance may be a better option for a shopper. Ms. Weislo pointed out that co-insurance can be a hefty and unexpected financial burden on consumers and that this page is meant to educate shoppers on the subject. However, Mr. Gruber stated that co-insurance operates in a similar way to deductibles, which he felt was not portrayed in a negative light. Ms. Turnbull reiterated the potentially high cost to consumers that could be incurred through co-insurance and encouraged using the decision support tool to educate shoppers on the subject. She also requested that a higher cost example be provided in the section of this page where annual out of pocket maximum is explained. Mr. Duncan stated that this conversation highlights the need to quickly make modeling tools available to shoppers. Mr. Shor concluded this conversation by emphasizing that the “Co-insurance Page” is an opportunity for the CCA to educate consumers on co-insurance and that it is not the CCA’s intention to portray it in a negative light. He said the CCA would like to keep this page as a part of the decision support tool and pointed out that shoppers will have the ability to skip this question when using the tool. Secretary Gonzalez encouraged the Board to provide any additional feedback on the decision support tool to CCA staff following the meeting. Secretary Gonzalez further commented on how complicated health insurance can be from the consumer perspective, which is the source of the Board’s interest in the decision support tool. He concluded by thanking the CCA staff for their thoughtful work on the 2013 Seal of Approval process. The Board voted unanimously to award the Seal of Approval for 2013 to all the plans, including existing and proposed standardized and non-standardized plans, outlined by CCA staff.

- IV. National Health Care Reform Update:** Camie Berardi opened by providing an overview of the exchange approval process and the Blueprint Application which needs to be completed as part of that process. The slide deck entitled “National Health Care Reform Update” was used during this presentation and was subsequently posted to the CCA website. Mr. Duncan asked if the CCA is administering the federal reinsurance program as part of ACA. Mr. Shor responded by saying the CCA will develop a state-specific risk adjustment program. Mr. Shor emphasized that this program would be more significant than the risk adjustment program in place for CommCare and stated that the CCA will need to apply to the federal government for approval of the program. Ms. Yang added that the Massachusetts Division of Insurance (DOI) will oversee the re-insurance program, which will last for three years and apply only to the non-group market. Joseph Murphy said DOI has begun engaging consultants in order to get this project moving. Next, Mr. Duncan asked if Massachusetts will need to establish a risk corridor program. Ms. Berardi replied that this program is required to be run by the federal government. Ms. Turnbull asked which states are setting up separate exchanges for the non-group and small group markets. Ms. Berardi said the CCA would follow up with the Board on this question. Finally, Daniel Apicella provided an update on the Level 1 and Level 2 Establishment Grant Application work being conducted by the CCA.

The meeting was adjourned at 10:45 AM.

Respectfully submitted,  
Andrew J. Graham