



The Commonwealth of Massachusetts
Commonwealth Health Insurance Connector Authority
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Boston, MA 02108

DEVAL PATRICK
Governor

TIM MURRAY
Lieutenant Governor

GLEN SHOR
Board Chair

JEAN YANG
Executive Director

Board of the Commonwealth Health Insurance Connector Authority

Minutes

Thursday, March 14, 2013
9:00 AM to 12:00 PM

One Ashburton Place
Boston, MA 02108
21st Floor Conference Room

Attendees: Glen Shor, Jean Yang, Nancy Turnbull, Louis Malzone, George Gonser, Celia Wcislo, Jonathan Gruber, Julian Harris and Ian Duncan. Catherine Hornby attended in place of Dolores Mitchell. Robert Whitney attended in place of Joseph Murphy. Andres Lopez was absent.

The meeting was called to order at 9:05 AM.

- I. Minutes:** Robert Whitney made one correction to the minutes of the February 28, 2013 meeting. He asked that Joseph Murphy's name in the list of attendees be corrected, as the original version had him listed as "Joseph Murray." The minutes of the February 28, 2013 meeting were approved by unanimous vote, as revised.

- II. Executive Director's Report:** Jean Yang opened by reporting that March 2013 Commonwealth Care (CommCare) enrollment is 201,178, which represents about a 2,900 member increase from February 2013. She added that March 2013 Commonwealth Choice (CommChoice) paid membership is 40,561, which is an approximately 2,900 member decrease from the previous month. She attributed the decrease to payment activities. Next, Ms. Yang informed the Board that the Commonwealth Health Insurance Connector Authority (CCA) recently signed contracts with all five CommCare managed care organizations to renew their participation in the program. She stated that CCA will bring this topic before the Board in April for a vote to extend the contracts. Ms. Yang then notified the Board that CCA has been meeting with employer groups and brokers in an attempt to gain membership during the April renewal period. Finally, Ms. Yang provided an endorsement of a recent report issued by the Blue Cross Blue Shield of Massachusetts Foundation entitled "Reaching the Remaining Uninsured in Massachusetts: Challenges and Opportunities," stating that the report highlights the gaps that remaining in insuring residents of Massachusetts.

III. Final 2013 Affordability Schedule and Final Minimum Creditable Coverage Regulations (VOTE): The PowerPoint presentation “Individual Mandate: Amendments to Minimum Creditable Coverage Regulations (VOTE) and Calendar Year 2013 Affordability Schedule (VOTE)” was utilized during Kaitlin Kenney’s presentation. Ms. Kenney opened by recapping the prior discussion with the Board on the state and federal individual mandates under the Affordable Care Act (ACA). As part of this discussion, CCA recommended that the state individual mandate be maintained, along with the federal individual mandate. However, no residents would be put into a situation where they would pay both the state and federal penalty in the same year. Ms. Kenney stated that the focus of this presentation will be the state’s Minimum Creditable Coverage (MCC) regulations and Affordability Schedule, both of which are under the authority of the Board of CCA. Ms. Kenney continued by reviewing the proposed amendments to the MCC regulations. As part of these amendments, Ms. Kenney discussed indexing the maximum out-of-pocket and deductible limits using the average national premium growth. Celia Wcislo requested that CCA track how the deductible and out-of-pocket limits change over time as a result. Nancy Turnbull seconded this request and asked what information will be used to determine the average national premium growth. Ms. Kenney responded that this data will be provided by the U.S. Department of Health and Human Services. Ms. Turnbull asked if CCA could revisit tying the deductible and out-of-pocket maximum limits to the average national premium growth if the rate of growth in Massachusetts differs from the national average. Ms. Kenney responded that CCA will be tracking this issue and reporting on it annually.

Next, Ms. Kenney provided a summary of the comments on the proposed MCC regulation changes. During the discussion around deductibles, Ian Duncan asked how a pediatric dental deductible should be applied to a plan’s overall deductible, per the MCC regulations. Ms. Kenney responded that the regulations state that separate deductibles cannot sum to more than the overall deductible limit. Secretary Shor pointed out that if there are instances where determining which separate deductibles need to count towards the overall deductible, CCA has the authority to issue a bulletin to provide clarification. Later during the discussion of the comments, Jonathan Gruber asked if CCA had ever reported on which particular MCC criteria caused plans to seek exceptions to the MCC rules. Edward DeAngelo responded that CCA has presented the MCC certification process, but pertaining specifically to which criteria led to certification requests. Secretary Shor suggested that CCA could report to the Board about MCC certifications and the reasons for them. Mr. DeAngelo confirmed that CCA could do that in the future.

Following the discussion on the proposed MCC regulation changes, Ms. Kenney turned discussion to the proposed calendar year 2013 Affordability Schedule. Ms. Kenney recapped for the Board CCA’s proposed approach for phasing in the federal affordability standard under ACA and summarized the public comment received from the ACT!! Coalition, which voiced support of CCA’s approach for developing the calendar year 2013 Affordability Schedule. Ms. Turnbull expressed her approval of Ms. Kenney’s and CCA’s work in phasing in the federal affordability standard with the state’s Affordability Schedule.

The Board voted unanimously to approve the final Affordability schedules for individuals, couples and families for calendar year 2013. Finally, the Board voted unanimously to approve the adoption of amendments to the MCC standards (956 CMR 5.00) as final regulations.

IV. Navigator Program and Grant Application: The PowerPoint presentation “Massachusetts Navigator Program” was used by Niki Conte, Paul Landesman and Stephanie Nichols to lead discussion on this agenda item. Ms. Conte opened by providing an overview of CCA’s outreach and education efforts to date and how the transition to ACA will impact the focus of

outreach and education. Ms. Wcislo and Ms. Turnbull requested information about the locations and populations where CCA outreach and education efforts will be focused in the future. Ms. Yang stated that CCA will provide this information to the Board. Next, discussion shifted to the Navigator program, which is required to be administered by state exchanges, per ACA. Ms. Conte stated that Navigators will be compensated for their services through grants which will be administered by CCA. Mr. Gruber asked how these grants will be funded. Ms. Nichols replied that the grants will be funded by CCA. Mr. Duncan asked if individuals can be certified as Navigators. Ms. Conte responded that it is possible under federal law for an individual to be certified as a Navigator. However, she stated CCA's position will be to offer grants only to organizations that meet the requirements for certification. Ms. Turnbull asked if there is a possibility of overlap between certified Navigators and Certified Application Counselors (CACs). Ms. Yang said CCA needs to work through more of the details of the role CACs will fulfill and return to the Board. Ms. Turnbull pointed out that Navigators will need to be knowledgeable of MassHealth programs and eligibility, in addition to information about CCA plans, which Mr. Landesman confirmed. Secretary Shor requested that the Navigator grant application be distributed to the Board. Ms. Wcislo asked how CCA will track the utilization of grant funding by Navigator organizations. Ms. Yang responded that certified Navigator organizations will need to submit budgets to CCA. Ms. Wcislo asked if CCA expects that Navigator workloads will vary greatly based on when open enrollment occurs. Ms. Yang said the work carried out by Navigators will be ongoing, but she recognized that there will be certain times during the year when their workloads will be heaviest. Mr. Duncan asked if there are any specific goals that Navigator organizations will need to meet and how they will outreach the populations they serve. Ms. Yang responded that in order to be certified, Navigator organizations will need to be active in their community. In addition, CCA plans to assist Navigators in their outreach efforts. Ms. Conte added that CCA is currently working to establish success criteria for the Navigator program. Mr. Whitney asked if there are any limitations on how grants will be utilized by Navigators. Ms. Nichols responded that Navigators are only allowed to use grants to fund activities relating to assisting residents with health insurance, and not to fund any overhead costs of their organization. Ms. Conte ended this topic of discussion by stating that CCA will use its website to track Navigators' enrollment activities. Navigators will also need to report to CCA on their outreach activities and CCA will be developing a way for Navigators to communicate to CCA about trends they have observed in the populations they assist. Finally, Ms. Conte stated that CCA is working with the Executive Office of Administration and Finance to develop a method of evaluating the program after its first year.

- V. **Sub-connector Request for Information: Summary of Responses:** The PowerPoint presentation "Licensing Procedures Request for Information: Summary of Responses" was utilized by Ashley Hague, Roni Mansur and Brian Schuetz during this agenda item. Mr. Schuetz opened by providing background information on how the concept of Sub-connector is defined in Chapter 58 of Massachusetts General Laws as well as CCA's "straw man" model for how a Sub-connector would operate after CCA transitions to an ACA-compliant exchange. This model would allow Sub-connectors to utilize CCA's shopping experience as part of their own website. Through Sub-connectors utilizing CCA's shopping experience, CCA will be able to make the Wellness Track rebates offered by the Commonwealth, and federal small business health care tax credit available to small businesses purchasing through a Sub-connector, if ruled permissible by the federal government.

Mr. Gruber asked for an explanation of how money will flow between CCA and Sub-connector under this model. Mr. Schuetz answered that no money would be exchanged between CCA and a Sub-connector. Ms. Hague added that CCA would not charge an administrative fee to Sub-connectors for members they obtain through using the CCA shopping experience because

CCA will not be providing any back-end support. George Gonser asked if an entity, when operating as a Sub-connector, would only be able to sell Qualified Health Plans (QHPs), which Mr. Schuetz confirmed. Mr. Gruber asked about what would happen in an instance where a small business, shopping through a Sub-connector, purchases a plan offered through CCA, but not the Sub-connector. Mr. Schuetz replied that in this situation the small business would become a CCA member. Mr. Gruber asked how CCA plans to prevent Sub-connectors and brokers from steering their clients to plans offered by the Sub-connector because it would be financially beneficial for them to do so. Mr. Schuetz replied that CCA recognizes that “steering” is a risk that it has been discussing how to mitigate. Mr. Gruber asked how the Sub-connector model would benefit CCA. Mr. Mansur responded that it will allow CCA to offer their products to a larger number of small businesses than would otherwise be possible. Secretary Shor added that this model is meant to benefit small businesses in Massachusetts by allowing them greater access to the federal small business health care tax credit and Wellness Track rebates. Mr. Gruber responded that entering into Sub-connector relationships under the proposed model will take away CCA’s competitive advantage because tax credits and rebates, which were originally only offered through CCA, would now be available through Sub-connectors. In addition, he stated that small businesses shopping through Sub-connectors would not have access to CCA’s Employee Choice product, which he believes is a great benefit for small businesses. Ms. Turnbull stated that CCA has not attracted significant small business membership up to this point, and that this Sub-connector model would provide another avenue for membership to be brought to CCA. Mr. Gonser agreed with this statement, adding that the proposed model would provide the opportunity to raise awareness about CCA to the small business community. Ms. Wcislo also voiced her support for the model because it will provide small businesses in Massachusetts with greater access to federal tax credits and Wellness Track rebates. Catherine Hornby asked that CCA be mindful of any additional administrative costs added by the Sub-connector model, which could result in higher premiums for consumers.

Next, Mr. Gruber asked that CCA put more thought into the technical obstacles to offering the Employee Choice product through Sub-connectors. Mr. Duncan asked for clarification as to why Sub-connectors would not be able to offer CCA’s Employee Choice product to small businesses. Mr. Schuetz responded that because Sub-connectors would not offer plans from all of the carriers who participate with CCA there would be billing complexities, and as a result, costs, which would arise in cases where employees choose plans that are not offered by the Sub-connector. On that point, Mr. Duncan stated that if a Sub-connector did have relationships with all of the carriers who offer plans through CCA, they could offer CCA’s Employee Choice product. Mr. Shor confirmed this, but added that there are currently no entities that have relationships with all the carriers who offer plans through CCA. Louis Malzone asked if QHPs would carry the same premiums whether they are offered through CCA or a Sub-connector, which Mr. Schuetz confirmed. Finally, Ms. Wcislo requested a visual diagram of the Sub-connector relationship, including any cash flow among the involved entities.

The meeting was adjourned at 11:17 AM.

Respectfully submitted,
Andrew J. Graham