



Draft ConnectorCare Regulations

(VOTE)

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Board of Directors Meeting, October 10, 2013

Background



- Since 2006, non-Medicaid eligible individuals in Massachusetts with incomes up to 300% of the Federal Poverty Level (FPL) have had access to Commonwealth Care
- For coverage starting in 2014, the Affordable Care Act (ACA) expands Medicaid for individuals up to 133% FPL and establishes advance premium tax credits for people up to 400% FPL
 - However, there is a gap in the levels of premium and cost-sharing between what is provided with federal subsidies alone and what is currently offered through Commonwealth Care
- To maintain coverage for the Commonwealth Care population that is as affordable to this population as it is today, the Commonwealth is investing additional state dollars to “wrap” ACA tax credits and subsidies for the population earning up to 300% FPL that is eligible for coverage through the Health Connector in a new program: ConnectorCare
- Today, we are here to propose for your consideration draft regulations at 956 CMR 12.00 to authorize the Health Connector to operate the ConnectorCare program in a manner that closely resembles the Commonwealth Care program today

Similarities to Commonwealth Care



- Our proposed ConnectorCare regulations borrow heavily from the Commonwealth Care regulations
- As in Commonwealth Care today, eligibility is based on income up to 300% FPL
- Also, enrollees who choose the least expensive ConnectorCare plan will pay a base enrollee premium tied to their income level; enrollees who choose more expensive plans will pay higher premiums
 - ConnectorCare Plan Type 1 members will have a \$0 premium regardless of plan choice
- Similar to Commonwealth Care today, cost-sharing will vary by “plan type” and enrollees within a given income level will have access to the same co-pays, regardless of the ConnectorCare plan they choose

Through the Seal of Approval process, the ConnectorCare program, which will serve the bulk of our anticipated membership in 2014, has succeeded in preserving many strengths of Commonwealth Care, including protecting access and affordability for the 0-300% FPL population.

Distinctions from Commonwealth Care



Changes in the proposed regulations relative to Commonwealth Care today are mainly to comply with federal law, remove provisions that are no longer relevant, or to effectuate state policy decisions.

Distinctions from Commonwealth Care: Eligibility



- Eligibility for ConnectorCare:
 - Individual’s tax household Modified Adjusted Gross Income (MAGI) does not exceed 300% FPL; and
 - Individual is eligible for federal premium tax credits through the Health Connector
- As a reminder, eligibility for federal premium tax credits includes:
 - U.S. citizen, national or lawfully present immigrant;
 - Is not incarcerated;
 - Is a Massachusetts resident;
 - Has a MAGI between 0-400% FPL;
 - Not eligible or enrolled in other qualifying public minimum essential coverage or affordable employer-sponsored coverage that meets minimum value requirements
- Commonwealth Care eligibility was based on gross income and included crowd-outs for eligibility for public or private insurance
 - As a practical matter, now individuals with access to employer-sponsored insurance (ESI) that is not affordable, even if it is minimally subsidized, will newly be able to access subsidies through the Health Connector, as will students that have access to student health insurance plans

Distinctions from Commonwealth Care: Enrollment



- ConnectorCare premium assistance payments will wrap only the portion of the Enrollee's premium above their maximum federal premium tax credit
 - Enrollees are allowed to advance less than their maximum federal premium tax credit and save any amount unused to be credited to them later, at tax time
 - If an Enrollee chooses to advance less than the maximum monthly tax credit amount, the Enrollee will still be eligible for the ConnectorCare program, but they will be required to pay the incremental difference in premiums to avoid any windfall at tax time
- For people who have difficulty making their premium payments:
 - Financial hardship waivers will be available with some greater consumer protections (*i.e.*, increase the look-back period from 6 months to 12 months for bankruptcy hardship reason)
 - No longer offering payment plans due to operational complexity and increased financial exposure to the Commonwealth

Distinctions from Commonwealth Care: Special Enrollment Periods



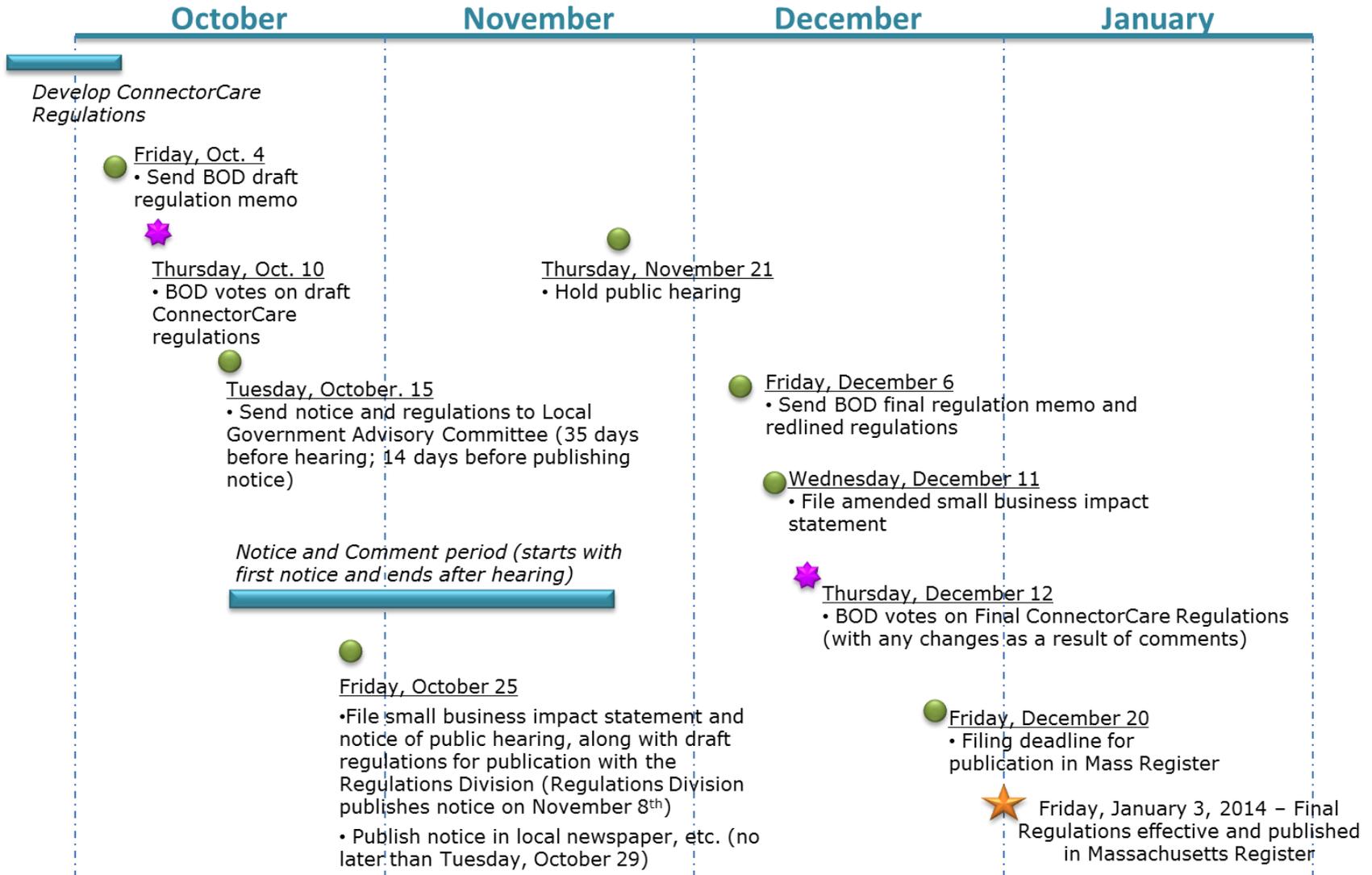
- In Commonwealth Care today, we have annual open enrollment periods allowing Enrollees to switch health plans for any reason
 - Outside of open enrollment, potential Commonwealth Care Enrollees can enroll in coverage offered by the program at any time of year, but they can only switch health plans if they meet a qualifying or triggering event set forth in the Commonwealth Care regulations
- Under the ACA, the Commonwealth Care population becomes part of the commercial non-group population, and so state and federal open enrollment rules for the commercial market apply
 - Specifically, the open enrollment period is the only time an individual may enroll in or make changes to their plan unless they experience a triggering event
 - Triggering events are life events that open up a special enrollment period and are dictated by federal and state laws (e.g., marriage, birth, move, etc.)
- Federal regulations allow a state to establish additional triggering events as long as they are more consumer protective

Distinctions from Commonwealth Care: Special Enrollment Periods (cont'd)



- In light of federal flexibility to add additional consumer-friendly triggering events and to maintain the experience of current Commonwealth Care Enrollees to the maximum extent feasible, we are proposing several additional triggering events beyond what is prescribed by the ACA:
 - Determination of eligibility for ConnectorCare;
 - Change in ConnectorCare Plan Type;
 - Approval for a hardship waiver; or
 - End of a hardship waiver period
- These additional events will effectively:
 - Permit ConnectorCare Enrollees to enroll at any time during the year, so long as they are determined eligible for the ConnectorCare program
 - Allow ConnectorCare members to switch ConnectorCare plans if they have a change in Plan Type, which is particularly important when moving from Plan Type 1 to a premium-paying plan
 - Maximize hardship waivers by letting ConnectorCare Enrollees switch to lower-cost health plans when experiencing a financial hardship or switch back to their prior health plan after the financial hardship period has passed

ConnectorCare Regulations Timeline



Proposed Board Motion



Health Connector staff recommend that the Board issue the draft ConnectorCare regulations at 956 CMR 12.00, as proposed.