Board of the Commonwealth Health Insurance Connector Authority

Minutes

Thursday, July 10, 2014
8:30 AM to 12:30 PM
One Ashburton Place
21st Floor
Boston, MA 02108

Attendees: Jean Yang, Glen Shor, Nancy Turnbull, Dolores Mitchell, Celia Wcislo, Ian Duncan and Louis Malzone. Kevin Beagan attended in place of Joseph Murphy. Robin Callahan attended in place of Kristin Thorn prior to 9:50 AM, at which point Ms. Thorn attended. Rick Jakious and George Gonser joined by telephone due to geographic distance.

The meeting was called to order at 8:32 AM.

   I.   **Minutes:** The minutes of the June 12, 2014 meeting were approved by unanimous vote.

  II.   **Executive Director's Report:** Ms. Yang noted that this meeting would include a lot of exciting news related to the project and its development, but that there is much work still yet to be done.

 III.   **HIX Project Update:**   The PowerPoint presentation "HIX Project Update" was presented by Roni Mansur, Ashley Hague and Maydad Cohen. Mr. Cohen began the presentation by announcing that there had been a very successful 1.0 release of the hCentive product and that this was displayed to the federal Centers for Medicare and Medicaid Services (CMS) on July 7. He stated that the Commonwealth demonstrated success in all of the areas that were required of the Commonwealth by that date. He explained release 2.0 is scheduled for July 30 and the CMS meeting to discuss this release will be several days after to allow for testing. In response to a query from Ms. Mitchell, Mr. Cohen explained that 1.0 and 2.0 is the nomenclature being used to explain the structure by which the team is moving towards go-live on November 15. Mr. Cohen then stated that the decision date would be in early August as to which track the

Commonwealth will follow. He noted that the team continues to hope and believe that hCentive will be the system of use and that the work to ready Massachusetts for the Federally Facilitated Marketplace (FFM) can stop. He then stated that as part of the path moving forward, the team has been able to leverage certain hCentive capabilities to have a single front door for open enrollment. Ms. Wcislo noted that she found that to be great news. Mr. Cohen continued, reviewing the evaluation framework and timeline for choosing a single path for the fall. He explained that Massachusetts has closely partnered with issuers and tried to keep the work for the two paths common. He noted that some of the work for the FFM track will be distinct but that will work to manage this with issuers. Ms. Turnbull asked why Medicaid was not included on the evaluation framework. Mr. Cohen answered that Medicaid is included in both the FFM and hCentive work since both have Medicaid components embedded within them.

Ms. Hague provided an overview of the FFM track. She echoed Mr. Cohen's sentiment that the team has been fortunate to sequence the work as common work between the two tracks and that there will be an effort to prioritize further common work over the next several weeks. She stated that since the last Board meeting, much work has been done to ready the Commonwealth for the FFM in the event that a migration would be necessary. She reminded the Board that if the FFM was leveraged for fall 2014 open enrollment, would still be a State-based Marketplace (SBM) from a policy, legal and regulatory perspective including the Seal of Approval (SoA) process. She noted that Medicaid's work, in addition to work done by the issuers, has been common across the two tracks thus far. She noted that much time has been spent with the issuers and consumer advocates to look into how the state wrap program could be supported in an FFM scenario. Ms. Hague explained that this would include member education and outreach, data availability on wrap eligible individuals, and using the existing shopping process to encourage wrap plan shopping as well as use of Dell as the entity performing premium billing and enrollment.

Mr. Mansur provided an update on the hCentive track. He stated that the first release was a major milestone. He explained the process of review done with CMS, which included a demonstration of the product that included not only the web experience but also key integration points, such as back-office capabilities. He said that CMS was looking for a simple eligibility case and that the Commonwealth exhibited this as well as an APTC eligible application with three sets of sample notices and sample shopping. In total, the team demonstrated four complex scenarios. He noted that ten Massachusetts specific plans were loaded, which also demonstrated the work done by the carriers on the System for Electronic Rate and Form Filing (SERFF) templates. He noted that these were 2014 plans and that the team is working on loading 2015 plans now. Mr. Mansur stated that the site has the look and feel of a Massachusetts specific site and that billing and enrollment outbound XML files to Dell were also demonstrated to CMS. Lastly, he explained, the team demonstrated that they could also send a file to Medicaid in the event that someone shopping was found to be Medicaid eligible. Mr. Mansur stated that in advance of the larger meeting, there had been several smaller meetings with CMS staff and that website demonstrations had been done and that by July 7 everything was done flawlessly. He noted that the meeting was scheduled to be three hours and only 30

minutes were needed. In addition, the Commonwealth's Independent Verification and Validation (IV&V) vendor had done a review of the system prior to the meeting with CMS and provided an attestation that the system was working. He noted that what has been done in five to six weeks has been a tremendous body of work but that there will be more functionality and testing necessary to get to go-live. In response to a query from Mr. Gruber, Mr. Mansur explained that the 834 files to carriers were moved from CGI's scope of work over to Dell and that Dell has been implementing 834s with the carriers. He said that nearly all of them are now live on these files. He clarified that Dell will continue to perform this functionality for the future. In response to a query from Mr. Gruber regarding functionality to report a change, Mr. Mansur explained that this is a module that hCentive is planning for release 4.0. He noted that the FFM and other states struggle with this functionality as well. In a response to Mr. Gruber regarding provider choice, Mr. Mansur stated that in order to contain scope for go-live, the site will provide links to provider websites. Integrated provider search functionality can be added subsequent to go-live. Mr. Gruber also expressed an interest in the data and reporting the website will yield, which Secretary Shor echoed. Mr. Mansur, in response to a query from Ms. Turnbull, stated that wrap functionality would be incorporated into release 2.0. Mr. Mansur then presented an overview roadmap to go-live on November 15, discussing member transitions, outreach and operations. He also discussed the five environments being used to stand up the system. He explained that there will be time for carriers to preview their plans during release 3.0 and that rate updates will be done once the Division of Insurance (DOI) has finalized rates. Mr. Mansur also discussed the advantage of knowing the system prior to training and the ability to use screenshots and training environments to prepare staff. Ms. Yang emphasized CMS's focus on this roadmap as they want to understand the entire picture, not only the system. In response to a query from Ms. Mitchell, Mr. Mansur explained that hCentive is the front-end, Dell is the back-end and the Health Connector (CCA) performs appeals and some financial reconciliation. Mr. Mansur further explained that CCA will always need a customer service and business operations vendor, but will not always need a full Information Technology (IT) implementation vendor once the system is running. Ms. Hague, in response to a query regarding member communications from Mr. Gruber, stated that CCA is currently working with various partners to review applications, the shopping process and member materials as well as messaging. Mr. Mansur took a moment to thank Optum, hCentive, Dell, carriers, MassHealth and CMS for their dedication and hard work. He stated that he was personally appreciative of the continued efforts of the CCA team and of Ms. Yang's leadership. He noted that the team has been through a very tough year and thanked them. He asked that the vendors continue the hard work and provide their best resources so that the residents of Massachusetts can be served.

Mr. Cohen provided an overview of the Medicaid Eligibility Portal (MEP) track. He explained that the team has decided to have a single front door for the Marketplace and Medicaid. He stated that the settlement with CGI formally began knowledge transfer and access to code so that Medicaid could leverage this for their eligibility determinations and to assess risk. Mr. Cohen discussed the Medicaid consumer experience including the single front door. Ms. Hague explained that if the hCentive platform assesses an individual as Medicaid eligible, that individual will be transferred to Medicaid. If an

individual decides not to apply for subsidy, that individual will have a much shorter application process than if a subsidized eligibility application had been completed. Mr. Cohen noted that Optum was working on the account transfer process and how hCentive information would be captured and processed by Medicaid – a process that would be seamless from a consumer standpoint. In response to a query from Mr. Gruber regarding how eligibility is processed, Mr. Cohen explained that Optum is integrating the systems and hCentive will send Modified Gross Adjusted Income (MAGI) information to Medicaid. Mr. Cohen, responding to Ms. Wcislo, explained that the single front door approach ensures that all of the eligibility information for all applicants will be stored in the same place. Ms. Turnbull asked what specific Medicaid functionality needs to be in place for CMS to approve. Mr. Cohen answered that CMS wants to see demonstrated progress and clear confidence in Medicaid functionality in the overall plan. Mr. Cohen then laid out the key benefits of a single front door. Mr. Malzone asked how long it would take before a consumer understands they have a program determination. Mr. Cohen explained that for Qualified Health Plan (QHP) eligible applicants, the determination is real-time and shopping occurs immediately after eligibility application. Mr. Mansur further noted that there are tools to help narrow shopping results per consumer preferences and that not all plans will display for all zip codes. In response to a question regarding Medicaid aid categories from Mr. Gruber, Ms. Callahan explained that other aid categories not captured by hCentive are still active but will be processed by legacy systems.

Secretary Shor then provided a budget update. He noted that the most important development to come will be the at-risk payment upon delivery contract with Optum. He noted that it is not yet clear that temporary Medicaid and Commonwealth Care is more expensive currently than putting individuals into a permanent coverage category. He also noted that cumulative spending on temporary Medicaid coverage will grow over time due to claims lag for fee for service Medicaid and that growth is slowing each month. He stated that total claims paid have been $138 million before any federal matching which is an increase from the $90 million reported at the last Board meeting. He noted that the fiscal year (FY) 2015 general appropriations assumed $13.5 billion for MassHealth spending and that this budget is being actively managed.

IV. **Conditional Award of 2015 Seal of Approval:** The PowerPoint presentation "Conditional Award of 2015 Seal of Approval" was presented by Sarah Bushold, Ashley Hague and Michael Norton. Ms. Hague began the presentation by acknowledging Sarah Bushold as the individual who did much of the work leading up to the conditional SoA. She reminded the Board that CCA presented the initial SoA and that at this point plans have been received from interested carriers, they have been reviewed, CCA is working closely with DOI and are also loading these plans into hCentive as Mr. Mansur had previously mentioned. She stated that CCA is recommending those plans that add value. She further stated that rates would not become available until August when they are on file, and that these would be included in the final recommendation for the SoA in September. Ms. Hague explained that the goals are largely the same as they were in 2014 and that CCA wants to continue to ensure that coverage is comprehensive and affordable. Ms. Hague stated that CCA was very pleased with the overall responses to the 2015 SoA,

which indicates that carriers continue to see CCA as an important channel for serving residents of the Commonwealth.

Ms. Bushold provided an overview for the plan review process and approach as well as the federal and CCA specific requirements for plans to be recommended for the conditional SoA. Ms. Turnbull asked what would occur in the event that CCA migrated to the FFM for one year. Ms. Bushold explained CCA would retain the authority to have a state specific accreditation process for plans, the SoA, even in an FFM scenario. Ms. Bushold discussed the review process, which was the same as the previous year's process, and that premium review would be included when the recommendation for the final SoA is presented in September. Ms. Bushold then discussed the submissions for Qualified Dental Plans (QDPs), noting that plans were largely the same with the exception of the required change per federal law lowering Maximum Out-of-Pocket (MOOP) costs for the pediatric dental Essential Health Benefit (EHB). She provided an overview of enrollment in dental products, noting that it reflects the interest of consumers in dental products even today when the shopping experience is done through paper brochures given current system limitations. Ms. Turnbull requested information on how many individuals who have purchased dental also purchase medical. Ms. Bushold also noted that in addition to the change in MOOP for the pediatric EHB, there were some minor network expansions and some minor benefit changes were made to meet actuarial requirements in light of the adjusted MOOP.

Ms. Bushold then reviewed standardized plan parameters as well as enrollment in Qualified Health Plans (QHPs). Mr. Gruber inquired as to whether or not analysis of enrollment by metallic tier could be compared to the outside market. Ms. Yang noted that in the previous year market research was conducted to look at how enrollment might be distributed over the metallic tiers and, assuming the market did not change drastically, the assumption is that most individuals are concentrated in Silver tier products inside of the Exchange. Mr. Beagan stated that DOI had never collected data at the metallic tier level and that he would look into this. Ms. Hague stated that CCA could work with carriers to get this information or work with the Center for Health Information and Analysis (CHIA) who have many opportunities for such data collection. Ms. Bushold reviewed the proposed product shelf, noting that there were three net new non-standardized plans being proposed, a new issuer and two new networks. Ms. Bushold provided a detailed explanation of the recommendation for the non-standardized product shelf noting that one plan from Harvard Pilgrim Health Care (HPHC) was not recommended for conditional SoA because CCA does not have the capacity to operationalize it at the current time. Mr. Gruber asked that CCA consider recommending the HPHC Focus network plan to non-group as well as small group. Ms. Hague stated that CCA would certainly revisit this but that the difficulty in offering the plan to the non-group shelf is that the differentiation in the benefits is minor as compared to what else is offered to non-group shoppers on the Silver tier. In response to a query from Ms. Turnbull, Ms. Bushold stated that she would look into whether the Focus network is offered on the standardized product shelf.

Mr. Norton discussed changes to existing issuer provider networks and service areas, noting that there is relative stability in terms of networks and service area coverage. Ms. Turnbull asked whether plans notify members when they drop hospitals from their network. Mr. Norton stated that they do in line with DOI requirements. Mr. Beagan added that outside of open enrollment they must communicate any changes 60 days in advance of the change taking place and they must also notify members during open enrollment, though not within the same time constraints. Mr. Norton added that CCA notifies members, as well. Ms. Bushold then discussed UnitedHealthcare (United), a new issuer for the 2015 SoA. Ms. Bushold explained that as part of the SoA process, all issuers have to submit governance structure. Notably, United is a subsidiary of United Health Group (UHG), which is the parent company of Optum, QSSI. Optum QSSI is the Commonwealth's systems integrator and has partial ownership of the hCentive product. Ms. Bushold assured the Board that all relevant staff are aware of and sensitive to this relationship and that work being done with Optum and hCentive does not advantage United or disadvantage other issuers. Mr. Norton clarified that an Exclusive Provider Network (EPO) is akin to a Health Maintenance Organization (HMO) without referral requirements. In response to a query from Ms. Wcislo, Mr. Beagan added that exclusive did not mean more restrictive. Ms. Turnbull asked for more information on the relationship between United and HPHC. Ms. Bushold and Ms. Hague stated that they would follow up on this and get back to Ms. Turnbull.

Ms. Hague reviewed shopping considerations, discussing the monster page which would show all plans a shopper is eligible for, how plans present and how shoppers can filter options. She also noted that CCA's brochures by metallic tier have been helpful to describe benefits and that CCA can look into making those brochures available during the shopping experience. She further stated that CCA is looking into additional icons that indicate differences in plans and areas where hover-over information could be available. In response to a query from Mr. Gruber, Ms. Bushold explained that some plan designs have MOOPs within families and that those are not estimated. Ms. Hague reviewed other long-term considerations such as integrated dental shopping, additional explainer text and videos, fully integrated provider search and an integrated out-of-pocket cost calculator. Mr. Malzone noted that he hopes the Board can have discussions regarding the appropriate number of plans available for the next SoA. Ms. Yang noted her appreciation for the carriers' continued interest in participating in the Marketplace and Secretary Shor echoed that sentiment on behalf of the Patrick Administration.

The Board unanimously awarded the conditional seal of approval to all proposed standardized QHPs and QDPs, and to select non-standardized QHPs and QDPs, as recommended by staff, for the following Issuers: Altus Dental, Blue Cross Blue Shield of MA, BMC HealthNet Plan, CeltiCare Health Plan , Delta Dental of MA , Fallon Community Health Plan, Guardian, Harvard Pilgrim Health Care, Health New England, MetLife, Minuteman Health, Neighborhood Health Plan, Network Health, Tufts Health Plan and UnitedHealthcare.

V. **Health Connector Fiscal Year 2014 & 2015 Administrative Budgets:** The PowerPoint presentation "Health Connector Fiscal Year 2014 & 2015 Administrative Budgets" was presented by Daniel Apicella and Kari Miller. Ms. Wcislo began the

presentation as the Chair of the Administration and Finance Subcommittee. She explained that this year and next year are considered transition years and thanked the staff for keeping the information straightforward and easy to understand. Mr. Apicella provided an overview of FY14 spending, noting that it was comparable with what was presumed in the budget presented roughly one year ago and stated that for FY15, costs are expected to ramp down. He noted that the Commonwealth has been able to protect coverage and get back on track to implementing an Affordable Care Act (ACA) compliant Marketplace. Mr. Apicella presented a graphical evaluation of work being done with relation to ACA activities and noted that a major stream of work that will soon be implemented will be member transitions and communications. Mr. Apicella reviewed the federally funded activities, which has been a major component of the cost structure since 2013. He reminded the Board that while carrier rates were suspended in 2014, they would be reinstated in 2015 and that CCA would continue to be supported by state appropriation. Mr. Apicella discussed the Health Insurance Exchange Integrated Eligibility System (HIX/IES) revenue and expense dynamics including CCA, MassHealth and University of Massachusetts Medical School contributions. Mr. Apicella provided a preliminary estimate for the dual track implementation costs. Mr. Apicella stated that there was a break-even administrative budget for FY14. Mr. Apicella explained that the Commonwealth will continue to leverage federal funding to the extent possible and will also access carrier fees and state funding as has been traditional in the past. He also noted that CCA will be spending $10 million from the reserves as a one-time measure to provide fiscal protection during this time period. In response to a query from Ms. Mitchell as to what the reserves are, Ms. Wcislo explained that $25 million was provided to CCA as start-up funding from the Legislature and that this is added to or subtracted from periodically. She further explained that there is roughly $26 million in the reserves, stabilized in past years.

Ms. Miller then provided an overview of the FY14 administrative budget and year-end projection, discussing ACA transition costs subject to federal funding, HIX/IES related funding, federally funded operations, state funded operations and overall budget year-end projections. Ms. Miller also provided an administrative budget update discussing continuation of functioning as an SBM where CCA would leverage the hCentive system, enrollment and member transition, IT and operations as well as staffing. Mr. Apicella discussed the FY15 administrative budget recommendation to the Board, and specifically discussed transition and operating costs subject to federal funding, operations costs, the budget year-end net position and a final budget recommendation. Ms. Turnbull noted that she strongly believes that working with Health Care For All should be included for next year's budget as they have been a great partner. Ms. Miller noted that CCA just signed a second sub-award and they will likely help with outreach activities. Secretary Shor noted that budgets are living documents that require day-to-day management. He said that while all spending and revenue aggregates are not very different than was anticipated for this past fiscal year, the nature of that spending was very different. He thanked Mr. Apicella and Ms. Miller for the thoughtful and extraordinarily transparent framework they presented. Ms. Wcislo noted that having a vision for FY16 will be a critical next step once the transition year is over.

The Board unanimously approved the administrative budget for fiscal year 2015 proposed by Health Connector staff.

VI. **Health Connector Operations (VOTE):** The PowerPoint presentation "Health Connector Operations VOTE)" was presented by Jason Hetherington. Mr. Hetherington began the presentation by providing background on the engagements with Dell during the dual track implementation. He explained that additional work is now required to begin production beyond proof of concept environments. Ms. Turnbull asked what it meant that a lack of performance environment was a gap the first time around. Mr. Hetherington explained that CCA was unable to do this with CGI and it would have allowed CCA to have a copy of the production environment, enabling testing of full volume and functionality in a way that other environments do not. He stated that this is best practice and that the FFM had a performance environment built for them by QSSI. Mr. Hetherington stated that he would follow up with Ms. Wcislo to further describe the work orders between CCA and Dell. Mr. Hetherington noted that these work orders are the most important work order to put the plan into production for November 2015. Mr. Hetherington described the three work orders that included inbound 834 development for files sent to carriers as well as for enrollment reporting to CMS, the set up for new environments for hCentive and the ability to turn on an environment in the event that the Commonwealth migrates to the FFM in the fall and the remaining development work for Dell to integrate with hCentive for the fall. Mr. Malzone asked whether these were contemplated by budget and Ms. Yang stated that they were and that work orders have made it easier to discretely manage the sequence of work being done by Dell.

The Board unanimously authorized the Health Connector to enter into three work orders with Dell Marketing LLP, subject to agreement on terms, as recommended by staff.

The meeting was adjourned at 12:30 PM.

Respectfully submitted,
Rebekah D. Diamond