



*The Commonwealth of Massachusetts
Commonwealth Health Insurance Connector Authority
100 City Hall Plaza
Boston, MA 02108*

CHARLES BAKER
Governor

MARYLOU SUDDERS
Board Chair

KARYN POLITO
Lieutenant Governor

LOUIS GUTIERREZ
Executive Director

Board of the Commonwealth Health Insurance Connector Authority

Minutes

Thursday, January 14, 2016
2:00 PM to 4:00 PM

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

Attendees: Louis Gutierrez, Marylou Sudders, Nancy Turnbull, Rina Vertes, Daniel Judson, Mark Gaunya, Dimitry Petion, Celia Wcislo, Louis Malzone, Michael Chernew, Dolores Mitchell. Lauren Peters attended as the delegate of Kristen Lepore.

The meeting was called to order at 2:06 PM.

Before voting on the minutes, Secretary Sudders acknowledged that next month's Board of Directors meeting will be Dolores Mitchell's last meeting. She commended Ms. Mitchell's extensive contributions to public service.

- I. Minutes:** The minutes of the December 10, 2015 meeting were unanimously approved.
- II. Executive Director's Report:** Mr. Gutierrez began the meeting by stating that individuals and families have nine days remaining to sign up for health coverage effective February 1, and eight days after that to sign up for March 1 coverage. He stated that the Health Connector is continuing its outreach events until the end of the month and noted that there is an enrollment event hosted by Health Care for All this weekend. He stated that the online system continues to perform adequately and that the call center is meeting service levels. He added that new and total enrollment numbers are in line with expectations. He acknowledged that system gaps and workarounds remain. He expressed his gratitude to the Board of Directors, administration, staff, Health Insurance

Exchange (HIX) project team and Patricia Wada, vendors, Navigators and members in Massachusetts for their contributions this Open Enrollment period. He noted that the Health Connector's next major business event is the mailing of 1095 tax forms detailing Premium Tax Credits (PTCs) to 2015 members. He added that the Health Connector is also sending emails and letters to 2015 members letting them know to expect this form. Mr. Gutierrez stated that a Section 1332 waiver is a key policy focus of the Health Connector right now and that the organization plans to move forward with an application. Lastly, he stated that Health Connector staff will be asking the Board for a vote on a proposed contract amendment with Dell.

III. 2016 Open Enrollment and Outreach Update: The PowerPoint presentation "2016 Open Enrollment and Outreach Update" was presented by Vicki Coates, Audrey Gasteier, Ashley Hague and Jason Lefferts. Ms. Hague began the presentation by stating that Open Enrollment is two-thirds complete, with approximately 189,000 members enrolled for coverage effective February 1 and March 1 combined. She added that just fewer than 28,000 of those members are new to the Health Connector in 2016. In response to a question from Ms. Wcislo, Ms. Hague stated that the Health Connector does have data showing program determinations of 2015 Health Connector members. Ms. Hague then provided more detail on the new and renewing populations, stating that the 28,000 new enrollees did not come from MassHealth and were not enrolled in the hCentive system in the past year. She stated that the retention rate for renewing members is 92 percent and that the Health Connector's goal was 90 percent. She added that the Health Connector's internal goal of new membership was 25,000 individuals. Next, Ms. Hague reviewed characteristics of renewing membership, stating that most people are staying within the same metallic tier and noted an especially high retention rate within the Silver tier. She added that, similarly, there is little movement between carriers. She noted that members can still switch plans and that recently, a mailing was sent to 2015 Bronze enrollees, making them aware of increased cost sharing and letting them know that they can still switch plans for 2016. Ms. Hague then reviewed new enrollment by metallic tier and carrier, stating that the majority of new unsubsidized and Advance Premium Tax Credit (APTC)-only members are enrolling in Silver and Gold plans. She noted that this is likely due, in part, to the structure of the shopping experience, which automatically filters plan options to Silver and Gold but allows individuals to select plans from other metallic tiers if desired. Ms. Turnbull stated that she would like to compare non-group unsubsidized Health Connector members to individuals who buy in the market outside of the Health Connector to compare the types of products and carriers chosen.

In response to a question from Ms. Mitchell, Ms. Hague stated that increased enrollment in Tufts Direct is likely because it is the lowest cost plan in many places and that Tufts Direct also offers a competitive Silver plan. She added that Tufts Direct was formerly known as Network Health and enjoyed a favorable position in the Commonwealth Care program. Ms. Hague stated that Tufts Direct is offered alongside another Tufts plan, Tufts Premier. Ms. Mitchell noted that Network Health previously contracted with a limited number of providers. Ms. Turnbull expressed concern that people may not understand the difference between Tufts Premier and Tufts Direct. In response, Ms. Hague stated that the Health Connector, along with the Division of Insurance (DOI) and

the Attorney General (AG), has been paying close attention to this issue. She stated that in the ConnectorCare program, the lowest-priced plan has enjoyed heavy membership and that much of Tufts Direct's enrollment can be attributed to that. She added that several tools were added to the shopping experience this year, including the provider search tool and network flags, to help consumers as they consider selecting a plan. Ms. Mitchell stated that brand name is important to consumers but that, given this population, it seems that price may be more important than reputation. Mr. Malzone underscored the importance of fully disclosing to individuals the products they are purchasing. Ms. Turnbull noted that the tools on the website attempt to make clear the difference between Tufts Premier and Tufts Direct and that it is important to continue to monitor this issue, particularly since the provider search tool only includes physicians and hospitals. In response to a question from Ms. Wcislo, Ms. Hague stated that the provider search tool includes Medical Doctors and Doctors of Osteopathic Medicine and that individuals are always encouraged to visit carriers' websites to see if their providers are covered. She added that other types of providers will be added as the tool evolves. Mr. Gaunya noted that the three most important factors when choosing a health insurance plan are whether a doctor is in the network and the plan's cost and benefits.

Next, Ms. Gasteier reviewed the geographic concentration of new Health Connector membership, noting that outreach was targeted to areas with the highest numbers of uninsured individuals. She stated that the similarities between the two maps in the presentation, one showing the concentration of uninsured individuals and one showing the concentration of new Health Connector members, show that the Health Connector's outreach efforts are on the right track. She noted that approximately 28 percent of new enrollments across Massachusetts are from the top 10 communities with the highest numbers of uninsured or from areas where Navigators are located. Ms. Gasteier then discussed characteristics of new membership, stating that the demographics of new Health Connector members align with the Health Connector's education and outreach platforms and strategies. In response to a question from Mr. Petion, Ms. Gasteier stated that new member geographic data is at the zip code level. Ms. Turnbull noted that data show that many of the uninsured are Latino and that she is interested to know what has worked in reaching this population. In response to a question from Ms. Mitchell, Ms. Hague stated that race self-reporting is an optional section in the application. Mr. Petion noted that there is inherent confusion between race and ethnicity and that individuals should be able to choose both race and ethnicity. He added that survey data from the Center for Health Information and Analysis (CHIA) has similar issues with race and ethnicity. Ms. Gasteier then summarized results from the Health Connector's recent new member survey, stating that about half of respondents had a gap in health coverage of less than three months, and that about a quarter of respondents did not know how long they had gone without coverage as individuals aren't always aware of their health insurance status. Ms. Turnbull noted that the Federally Facilitated Marketplace (FFM) is making efforts to ensure that people know that they can enroll in coverage outside of Open Enrollment. Ms. Gasteier stated that the Health Connector is working with the Division of Unemployment Assistance (DUA) to send a mailing to 200,000 employers across the Commonwealth. She added that many employers help non-benefits eligible employees access health insurance coverage. Secretary Sudders stated that 0.5 percent of the

Commonwealth has health insurance now and that it is difficult to crack the four percent uninsured rate. Ms. Turnbull stated that it is important to consider the number of uninsured from a variety of perspectives and that the state may be able to bring its uninsured rate lower. Secretary Sudders expressed concern about the sustainability of programs and the cost of marketing. Ms. Hague stated that the three to four percent uninsured is not comprised of the same people over time, as individuals lose jobs or experience changes in income, for example. She added that it is important to reach both the chronically uninsured as well as people who are likely to move in and out of coverage. Mr. Chernew noted that the conversation about program sustainability may come together once the operational and technology systems are stable.

Ms. Coates then presented the Customer Experience Update portion of the presentation. She stated that Health Connector call centers received over 87,000 calls in December and that approximately 75,000 calls are anticipated in January. She provided a week-by-week view of call center performance and stated that the call centers continue to perform well. She then reviewed walk-in center performance, including overall customer satisfaction levels and reasons for walk-in visits. She noted that the three temporary walk-in locations at Community Health Centers will remain open through February. Next, she discussed urgent services and the Ombudsman program, noting that the current inventory of urgent services cases is one of the lowest to date. In response to a question from Ms. Turnbull, Ms. Coates stated that the Ombudsman program receives calls on multiple issues and that a lot of questions are able to be resolved via the Frequently Asked Questions section of the Health Connector's website. She then provided an update on call center customer satisfaction, stating that satisfaction decreased slightly this month but noted that the volume of respondents also increased. She discussed call center statistics year-over-year, noting that performance is much improved this year but noting that the two years are very different in terms of required member action. She reviewed verbatim customer comments and Mr. Petion noted that one person stated they were unable to log in to the website and that it is very concerning if someone is unable to access their application. Ms. Coates replied that this may be due to an internet browser not working properly or a federal data hub being down, but that Customer Service Representatives (CSRs) help individuals navigate this issue. In response to a question from Ms. Mitchell, Ms. Coates stated that if individuals are unable to use a computer, CSRs help direct them to a location where they can get in-person assistance. Ms. Hague then discussed Health Connector activities in the final weeks of Open Enrollment, including sending an "Open Enrollment is ending" communication, distributing a press release statewide and supporting an upcoming Navigator enrollment event. She noted that preparations are already beginning for the next Open Enrollment period. In response to a question from Mr. Malzone, Ms. Gasteier replied that the Health Connector receives data from the Department of Revenue (DOR) about everyone who files taxes, but noted that the data will not be available until next year because individuals who file for an extension may not file taxes until the fall. Mr. Malzone noted that if the DOR tells an individual they will be penalized because they did not have health insurance, it could spur someone to get coverage.

IV. State Innovation Waiver Consideration Update: The PowerPoint Presentation “State Innovation Waiver Consideration Update” was presented by Emily Brice and Audrey Gasteier. Before beginning the innovation waiver update, Secretary Sudders stated that the discussion around sustainability and the costs of marketing should continue once Open Enrollment ends. She added that it will be important to look closely at whether four percent of the population will always be uninsured. Ms. Gasteier then began the innovation waiver presentation, stating that Section 1332 waivers provide an opportunity for states to propose alternative ways to fulfill aspects of the Affordable Care Act (ACA). She stated that Massachusetts plans to submit a waiver to the federal government to help stabilize the small group market. Ms. Gasteier described the federal guidance issued in December 2015, stating that it signaled a high analytic bar for proposals and that states are expected to analyze vulnerable populations. She added that this guidance is sub-regulatory and may evolve as it is not an actual regulation. Ms. Gasteier then reviewed the stakeholder engagement process, stating that extensive stakeholder engagement to date has included posting information on the Health Connector website, providing information to a distribution list, an open call for public comment, and one-on-one meetings. She stated that several stakeholder themes emerged: simplification, affordability for individuals and employers, and a desire for stability as the market has been through a great deal of transition. She then described the proposed phased waiver strategy and the factors supporting a phased approach.

Ms. Brice then reviewed the topic of the phase 1 application: small group timing. She stated that this application lends the state the ability to address upcoming changes to the merged market that would result in instability. She stated that the federal government requires calendar year renewal and rating for small group plans but that Massachusetts will request to maintain quarterly filings in a phase 1 waiver application. She added that the state has had some flexibility under a Massachusetts-specific waiver but that waiver is due to end on January 1, 2018, at which time the small group market would be required to transfer to the calendar year cycle. She stated that the Health Connector is working with DOI and an independent actuary to model the effects of transitioning to a calendar year schedule. Ms. Brice then reviewed the phase 1 application timeline, stating that an application could be submitted to the federal government as soon as March 2016, allowing for seven and a half months of federal review. She added that public hearings could take place potentially as soon as February and that a draft application could be released for public comment as soon as the end of January. In response to a question from Mr. Malzone, Ms. Brice responded that approximately 500,000 to 600,000 people could be impacted by this waiver. Ms. Gasteier added that all data will be included in the draft application. Ms. Mitchell commented that pursuing a waiver needs to be worth the cost and staff time and make a large enough impact to a significant number of people. Mr. Gaunya remarked that it would be a significant business disruption to tie small groups to the calendar year cycle. He added that groups with a size of 10 to 50 have effective dates throughout the year, usually tied to their Fiscal Year. Ms. Vertes stated that pursuing a waiver on this issue would attempt to avoid creating new processes and thus avoiding additional expenses. Ms. Turnbull stated that maintaining the quarterly cycle would allow the merged market to work in a way that everyone is comfortable with currently. Ms. Gasteier added that part of the waiver application criteria was that any

application topic must be truly necessary. In closing, Ms. Gasteier stated that the Health Connector, in partnership with stakeholders, continues to look at all other topics raise for consideration in a phase 2 waiver application.

- V. Customer Service and Business Operations (VOTE):** The PowerPoint presentation “Customer Service and Business Operations (VOTE)” was presented by Vicki Coates and Ed DeAngelo. Ms. Coates began the presentation by stated that this requested vote is related to an amendment, extension and change order with Dell Marketing, LLP (Dell). She stated that Dell performs a wide range of customer service and business operations services for the Health Connector. She provided background regarding the Health Connector’s original contract with Dell, prior to the ACA. She stated that Dell has continued to be a partner in the Health Connector’s challenges over the past three years. She stated that the current contract with Dell is set to expire in August 2016. She reviewed proposed changes to the contract that will offer the Health Connector flexibility where necessary. She outlined key terms of the proposed contract and noted that the Health Connector would have flexibility to terminate the contract if Dell undergoes a change in ownership. She added that the contract is subject to final agreement on terms. In response to a question from Ms. Mitchell, Mr. DeAngelo stated that Dell operates a Health Connector customer service center (both a call and walk-in center with back office functionality) on Portland Street in Boston. He added that Dell has additional call centers in Oklahoma and Kentucky. He stated that the call centers are in three different locations to allow calls to be shifted in case of an emergency at one location. In response to a question from Mr. Chernew, Ms. Coates stated that hCentive and Optum are the vendors responsible for the HIX website, while Dell does business processes including premium billing quotes and service centers, as well as IT. In response to a question from Ms. Mitchell, Mr. DeAngelo stated that financial penalties measured against Service Level Agreements (SLAs) are included in the contract. In response to a question from Mr. Malzone, Ms. Coates stated that approximately 200 staff are in Oklahoma. Secretary Sudders reiterated that added call center sites are important so that, if one call center is forced to close, calls can be routed to another location. In response to a question from Mr. Chernew, Ms. Coates replied that Dell staff at the service centers are dedicated to the Health Connector account. In response to Mr. Malzone’s concern about sending Massachusetts jobs out-of-state, Mr. DeAngelo stated that, while it is important to keep jobs in Massachusetts, that must be balanced with the need to scale up and down frequently, which is difficult in a fixed space such as downtown Boston. In response to a question from Ms. Wcislo, Mr. DeAngelo stated that the provision requiring Dell to offer health insurance to its employees is still in the contract. In response to a question from Mr. Gaunya, Mr. Gutierrez replied that the added cost of about \$4.2M represents an adjustment to the current budget that the Health Connector and the Executive Office of Administration and Finance (ANF) believe is reasonable in order to secure longer term cost stability. In response to a question from Secretary Sudders, Mr. DeAngelo clarified that the proposal is for one four-year contract extension. The Board voted unanimously to authorize the Executive Director to execute the amendment, extension and change order to the Customer Service and Business Operations contract with Dell Marketing, LLP, as outlined in the presentation, subject to final agreement on terms.

The meeting was adjourned at 3:34 PM.

Respectfully submitted,
Maria H. Joy