



Open Enrollment Continues
Through January 23, 2018

December 23

Last day to enroll for January coverage

January 23

Last day to enroll for February
coverage

Open Enrollment 2018: Context and Membership Update

AUDREY GASTEIER

Chief of Policy and Strategy

JASON LEFFERTS

Director of Communications and Outreach

MARISSA WOLTMANN

Director of Policy and Applied Research

Board of Directors Meeting, December 14, 2017

Overview of OE Context and Membership Update



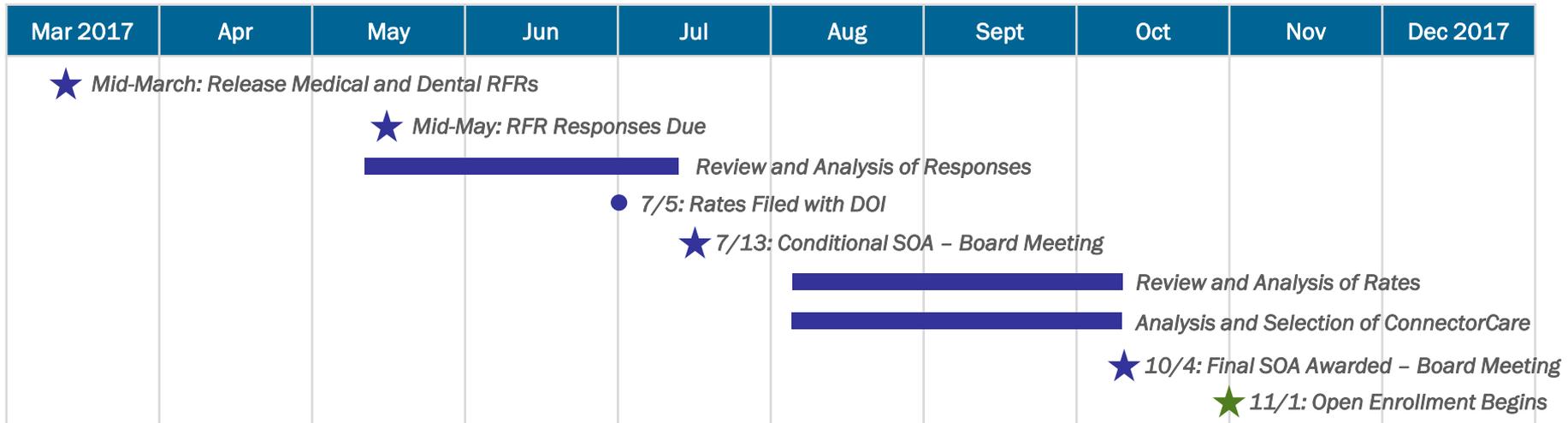
- Refresher: Lead up to Open Enrollment 2018
- Federal CSR Withdrawal and Impact on 2018 Open Enrollment
- Special Focus: Members affected by federal CSR withdrawal
- State Commitment to Stability
- Communications and Outreach Strategy
- Overall OE Membership activity

Lead-Up to Open Enrollment

2018 Seal of Approval Process Retrospective



Open Enrollment began on 11/1, when consumers were first able to shop for 2018 coverage. However, preparation of products, program design, eligibility process, and rates through the Seal of Approval process began earlier in the calendar year.



CSRs and Impact on Lead Up to OE



The Health Connector and its carrier partners faced a significant challenge as it prepared for 2018 Open Enrollment - uncertainty as to whether federal Cost-Sharing Reductions (CSRs) would continue to be paid.

- Throughout spring, summer, and early fall, the Health Connector partnered with the Division of Insurance (DOI) and carriers to develop two alternative pathways, using two sets of rates, to account for this risk, with the goal of protecting coverage to the extent possible, as discussed at the October 4th Board of Directors meeting
- CCA's goal was to maintain market stability and prevent undue disruption for members and carriers
- The federal government announced late on October 12 that it would immediately cease Cost Sharing Reduction payments
- The Health Connector and the Division of Insurance quickly shifted course to adopt usage of the "CSR withdrawal loaded" Silver tier non-group QHPs, and working with carriers to finalize details, publicly announcing the shift on October 19 - 12 days before the beginning of OE
- This strategy allowed the carriers participating in ConnectorCare to make up for the missing federal revenue to continue to offer affordable plans to low and middle income individuals, and sought to isolate the disruption to the greatest extent possible in the market

Member Impact of Federal CSR Loss and Resulting Rate Increases



A total of 161,000 Massachusetts residents were benefitting from federal CSRs when the federal government made its announcement to cut them off. Our strategy for responding to their withdrawal has protected most members, but tens of thousands of others negatively impacted by the federal decision.

- Our reaction strategy will allow our ConnectorCare members, whether they received federal CSRs or not, to be largely held harmless as a result of the increase in APTC and the design of the program
- For APTC-only members in the impacted Silver tier plans, the CSR-related increases will be largely held harmless by corresponding increases in APTC
- However, all 2017 Unsubsidized Silver tier members from the five impacted carriers are facing premium increases that account for regular market trends plus an additional ~18 percent of “CSR withdrawal load”
- Unsubsidized silver plan enrollees will experience the full impact of these premium increases
- Affordability of plans is a significant member concern

Top Concerns re: Silver Members

Despite a significant communication effort to promote plan shopping, silver members in “federal CSR withdrawal loaded” plans, risks and concerns remain about the short and long term impacts on this population.

- **Uninsurance and Coverage Gaps:** Premium increases may result in some people terminating coverage via non-payment but not successfully migrating into new coverage, which could result in people losing coverage or experiencing risky gaps
- **General member frustration:** Individuals who do not qualify for subsidies (e.g., middle-income residents, the self-employed, those without ESI) often report considerable challenges with affordability.
- **Member confusion:** Explaining the cause of the premium increases is challenging, and members may be confused about (a) what happened and why they are affected, and (b) what to do
- **Loss of CCA membership:** CCA is likely to lose unsubsidized membership as many of those members will migrate off-Exchange
- **Reduced Subsidy Access by Those Eligible:** Because many people in unsubsidized silver plans are those who have formerly received subsidies and whose income may fluctuate, there is a risk that those who migrate off-Exchange may forego subsidies for which they are eligible now and/or in the future, but will not be in the Exchange to obtain them
- **Longer Horizon Challenges on Silver Tier:** if we continue to “load” CSR on this tier in 2019 and beyond, it may have long-term implications for unsubsidized enrollees who may be most attracted to silver-level coverage and affect overall product shelf dynamics. More discussion to come at February Board Meeting

**Special Focus: Members
affected by federal CSR
withdrawal**

Member Impact of CSR Loss and Resulting Rate Increases - 2018

Unsubsidized members do not have premium subsidies to offset “federal CSR withdrawal loaded” rates; approximately 80,000 members were projected to be unsubsidized in 2018 as of October.



- 147,000 ConnectorCare members largely held harmless by CSR rate load
- Members not in the lowest cost plan will pay a higher rate than they would have if lower rates were used

- 80,000 members bear full premium increase
 - 50,000 moving out of ConnectorCare
 - 30,000 unsubsidized in 2017

- 2,800 members in plans from ConnectorCare carriers largely held harmless because APTCs will increase with rates

- 5,100 members in Silver tier plans from non-ConnectorCare carriers were not affected by the rate load
- Members in these plans receiving APTCs would receive more than they would have if lower rates were used

Impact of Unfunded CSRs

At the start of Open Enrollment, nearly 80,000 members were going to be in affected plans for 2018; as of December 7, this was down to 50,000



Impact of Unfunded Cost Sharing Reductions, cont'd



Members' options and responses to "federal CSR withdrawal loaded" premiums on the Silver tier vary considerably.

Affected members currently receiving...	May respond by...
ConnectorCare but moving to unsubsidized coverage in 2018	<ul style="list-style-type: none"> Updating their eligibility and regaining subsidies for 2018 to lower their premiums
APTCs only and either keeping APTCs or moving to unsubsidized coverage	<ul style="list-style-type: none"> Staying put Using their additional APTC money to buy up to Gold or down to Bronze Updating their eligibility and receiving additional subsidies
Unsubsidized coverage	<ul style="list-style-type: none"> Staying put Choosing a Silver tier plan from another carrier Choosing coverage from another tier Moving off-Exchange Updating their eligibility and receiving subsidies

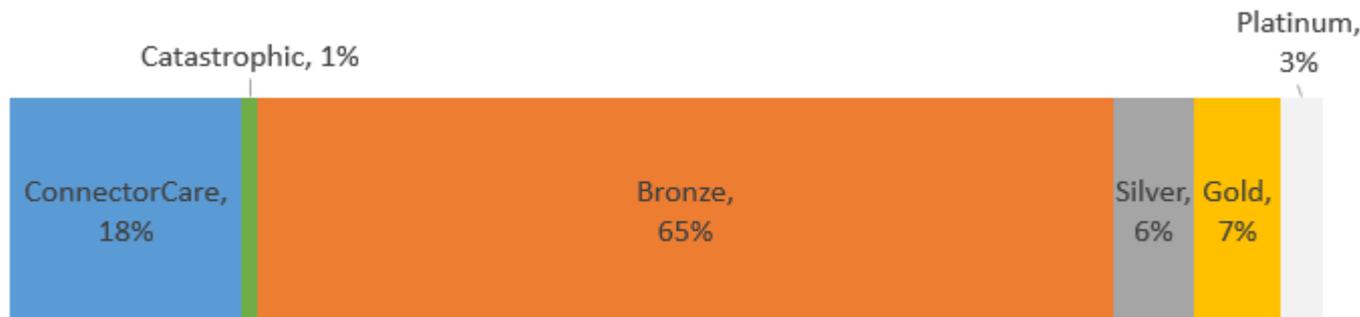
Impact of Unfunded CSRs: 2017 Unsubsidized Members



Around 3,500 members unsubsidized in 2017 have taken action to move out of a “federal CSR withdrawal loaded” plan in 2018, mostly to Bronze plans.

- This represents 13% of all 2017 unsubsidized members in affected plans
- The majority are moving to Bronze plans, with the remainder shifting roughly evenly to ConnectorCare or other coverage tiers
- Half of the non-ConnectorCare members newly have APTCs to reduce their premiums

2018 Connector Coverage for Currently Unsubsidized Members Leaving CSR-Loaded Plans (N = 3,455)



- An additional 2,900 members have shifted to purchase their plan directly from their carrier

Impact of Unfunded CSRs: 2017 APTC-only Members

Higher Silver tier rates will increase APTC amounts, but some individuals will still have higher premiums even with higher subsidies if they stay in their plan.

- Roughly 13% of the 6,700 APTC recipients in Silver plans have taken action to move to another plan, taking their increased APTCs to Bronze plans or updating their eligibility and moving to ConnectorCare

2018 Coverage for Currently APTC-only Members Leaving CSR-Loaded Plans (N = 888)



- Among the 3,300 members receiving APTCs now and in January across all tiers, subsidies will rise for almost everyone; 82% (2,700) will see APTCs increase \$100-300 per month...
- ...But increased subsidies will not necessarily translate into reduced premiums
 - 37% (1,200) will see their monthly premium owed increase less than \$100
 - 43% (1,401) will see their monthly premium owed decrease up to \$100
- In 2017, low Silver tier rates mean that many individuals who qualify for APTCs get a \$0 credit; nearly 3,400 members will newly receive a non-\$0 APTC beginning in January, reducing their premiums on average 8%

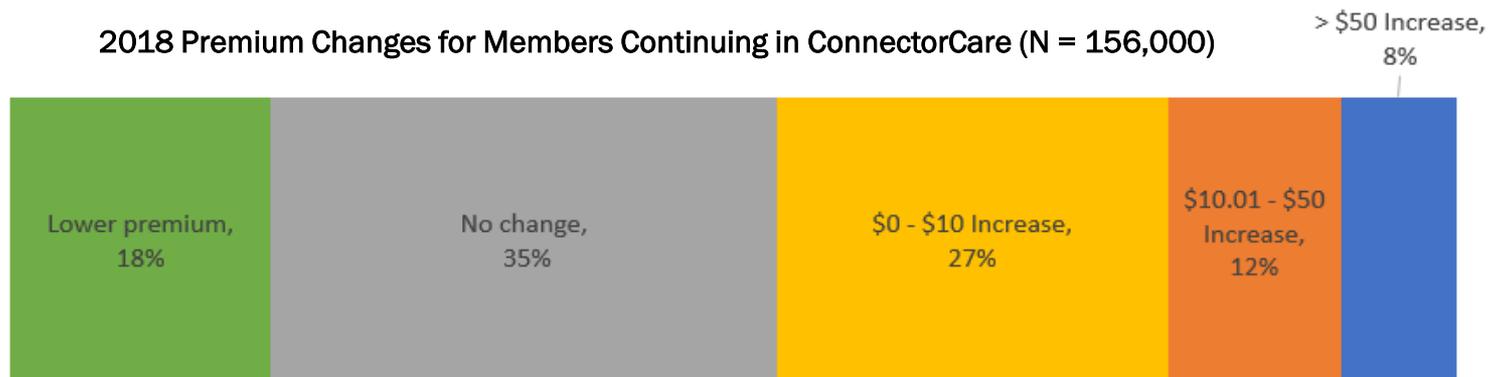
Impact of Unfunded CSRs: 2017 ConnectorCare



In October, 26% of ConnectorCare members were slated for unsubsidized coverage in 2018; this number is now 11%, a reduction of over 30,000 members.

- Most members moved back to ConnectorCare after updating or confirming income information in their application, though some moved to MassHealth or to APTC-only coverage
- Among renewing ConnectorCare members, “federal CSR withdrawal loaded” rates are having low impact on member premiums owed, with 80,000 of 156,000 members renewing into ConnectorCare having the same or a lower premium for January
- Of note, these changes reflect applied subsidies—some members may qualify for additional APTC amounts that they have chosen to defer taking, but which they may take when they file their taxes

2018 Premium Changes for Members Continuing in ConnectorCare (N = 156,000)





State Commitment to Stability and Continuity

State Decision to Cover 2017 Cost Sharing Reduction Exposure



The Commonwealth has committed to offset the shortfall carriers experienced for the remainder of the 2017 calendar year when federal CSRs were suddenly withdrawn.

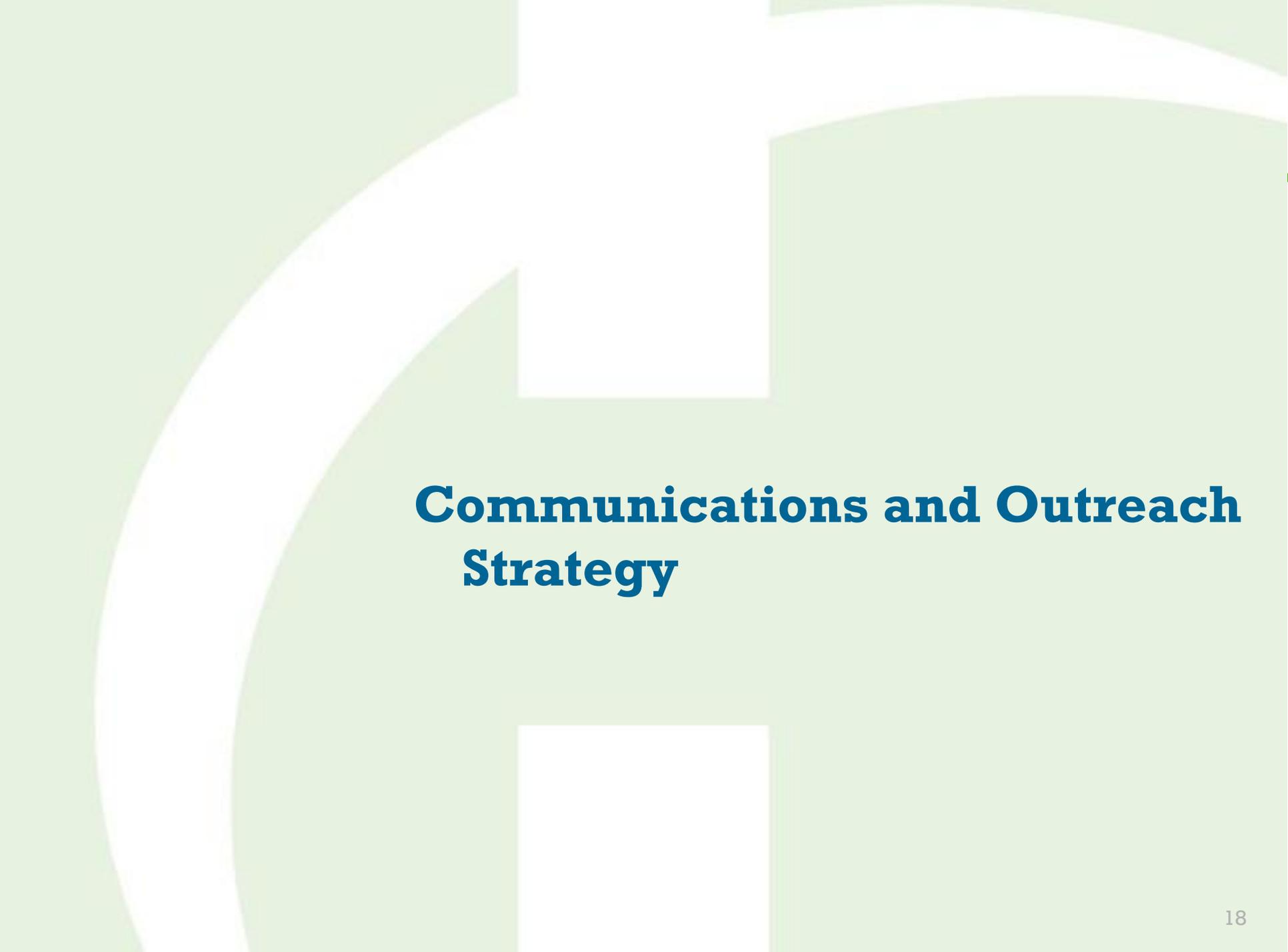
- This time-limited approach, to cover the shortfall experienced in the last quarter of CY17, is intended to assist carriers and keep our market stable until the higher “federal CSR withdrawal loaded” rates go into effect for 2018 that account for the federal CSR loss
- Through this decision, the Commonwealth is expected to pay approximately \$28M
- Massachusetts continues to deliver on its commitment to a stable, healthy insurance market, even in the face of federal unpredictability and uncertainty

'Full-Steam Ahead' Approach to Open Enrollment and Our Mission



The Health Connector remains fully committed to the stability of our programs and our commitment to coverage, outreach, affordability, and maximum support for our members.

- While federal changes and unpredictability remain an ongoing challenge, Massachusetts and the Health Connector remain committed to operating a supportive, engaged, and easily accessible marketplace for current members and those newly in need of coverage
- The Health Connector's Open Enrollment period is running longer than the federal OE (ending January 23 rather than December 15)
- The Health Connector is fully funding its outreach and marketing efforts, with a continued focus on the most high-need areas of the Commonwealth
- Continued stewardship of key policy supports in our market that support market stability, such as the state individual mandate
- Continued improvements to the member experience (e.g., formulary search)



Communications and Outreach Strategy

Communications Strategy to Support Members in “Federal CSR Withdrawal Loaded” Plans



Unsubsidized Silver Tier members are being strongly encouraged to take action to move to a different plan – on or off the Health Connector.

- The Health Connector has pursued an assertive communication plan with affected silver tier members, committed to transparently informing members of all of the options available to them to get into a new plan without a “federal CSR withdrawal load”:
 - Enroll directly with the carrier “off-exchange” in a nearly identical Silver tier product that does not include CSR-related rate increase
 - Shift to a different metallic tier plan from that carrier through the Health Connector
 - Shop for an entirely new plan from a different carrier through the Health Connector
- The Health Connector’s prevailing objective throughout this Open Enrollment period with respect to these members is to ensure that they maintain coverage, regardless of source

Outreach and Communications: Current Members



A comprehensive calendar of communications started in September and runs through Open Enrollment, with general messaging and specific focus on some at-risk populations.

- Members redetermined out of ConnectorCare and into an unsubsidized plan received guidance on updating their accounts with the potential of returning to subsidized coverage
- Members in unsubsidized plans with high rate increases are encouraged to shop for a new plan, on- or off-exchange. Carriers are sending aligned messaging to their impacted members as well
- All members are encouraged to shop during Open Enrollment, with activity increasing around the December 23 deadline, to ensure they have the best plan for the new year
- Additionally, people who have eligible accounts but have not enrolled since 2016 are sent weekly emails encouraging enrollment for 2018

Important Dates:
November 24 - December 23, 2017
Cancel your Health Connector plan for January within these dates if you decide to enroll through your insurer.
December 23, 2017
Last date to change plans and pay for January 2018 coverage through the Health Connector.
[carrier deadline]
Last date to enroll through your insurer for January 2018.

Name
Address
City, State, Zip



Dear [Member name],

The federal government recently decided to stop some types of funding for the Affordable Care Act. Because of this decision, some Health Connector health plans will be more expensive in 2018 than they would have otherwise. Unfortunately, this includes the plan you are expected to be enrolled in for 2018.

You should have recently received a letter from us about renewing your coverage, which included your new monthly premium cost for 2018. Even though your plan is getting more expensive, **you have choices for more affordable coverage. Here's what you can do:**

Option 1: Enroll in a different plan through the Health Connector
You are enrolled in a Silver level plan now, which is the only type of plan that is becoming more expensive because of this federal funding decision. **Most Health Connector health plans are not affected for 2018**, including Gold and Bronze level plans.

- If you shop during Open Enrollment, you may be able to find another Health Connector plan that has the coverage you need with costs that are the same (or even less) than your current plan.
- If you update your income and other information, **you may find that you now qualify for programs to lower your costs in 2018**, like a ConnectorCare plan or a tax credit to lower your monthly payments.
- To change plans for January 2018, you will need to choose your plan and pay by **December 23**.

Option 2: Enroll in the same plan for less through your insurer
For 2018, you can buy your current plan through [carrier name] at a lower monthly cost than through the Health Connector. This is because of the federal funding changes this year. Normally, plans cost the same whether you enroll through us or your insurer.

To learn more about enrolling through your insurer for 2018, please call [phone number], or go to [carrier website]. For January coverage, you will need to enroll with your insurer by [carrier deadline].

Note: If you enroll through your insurer, you will need to cancel your Health Connector plan so that you don't accidentally pay for more than one health plan at a time. You can cancel your coverage through your online account at MAhealthconnector.org, or by calling Health Connector Customer Service.

We value your membership with us and we are sorry that this change affects you. We hope that you choose the 2018 health coverage that best meets you and your family's needs, and we are here to help you if you have any questions.

Sincerely,
Massachusetts Health Connector

Need help? Go to www.MAhealthconnector.org/Here-to-Help. Or call 1-877 MA ENROLL and press 4 after the menu to get help with plan shopping (TTY: 1-877-623-7773).

Outreach and Communications: New Enrollments

Similar to last year's successful approach to the uninsured population, activities target communities with higher rates of uninsured residents.

- A three-day, nine-city statewide tour before Open Enrollment led to nearly 30 TV, radio, print and online stories
- Paid messaging in ethnic media outlets is running in seven languages
- 1,000 signs are being posted in visible locations throughout the state, and nearly 20,000 pieces of literature will be handed out through the end of Open Enrollment
- Navigators are holding appointments and conducting enrollment events, which are supported with advance visibility and on-site services as necessary. Last year Navigators provided assistance more than 80,000 times to those seeking help
- Live call-in shows on Telemundo (December 13) and Univision (January 11) generates hundreds of calls with questions answered by Spanish-language representatives



Outreach and Communications: Marketplace Updates



Before and during Open Enrollment, the Health Connector has communicated to media, members and the general public developments and operational initiatives that are different from the federal landscape.

- Multiple updates highlighted the Health Connector's path to adjusting premiums to cover CSR loss
- Operational differences highlighted throughout Open Enrollment include:
 - The extended deadline for January 1 coverage through December 23, and the ultimate Open Enrollment deadline of January 23
 - Outreach plans, including marketing and Navigator support, consistent with previous years
 - Fully staffed customer service operations to assist members needing help
 - New and stronger IT services, including the new payment portal
 - Providing information and historical background to media as necessary on issues such as the individual mandate and outreach priorities

The background is a light green color with several large, white, abstract shapes that resemble stylized letters or curves. One prominent shape on the left side curves upwards and then downwards, while another shape at the top is more horizontal and blocky. The overall aesthetic is clean and modern.

Overall Open Enrollment Membership Activity to Date

Membership Going Into OE

We started Open Enrollment with total November membership of 255,018.

- Membership decreased slightly in December to 252,280 as a result of changing eligibilities, terminations for failing to send verification documents, and non-payment

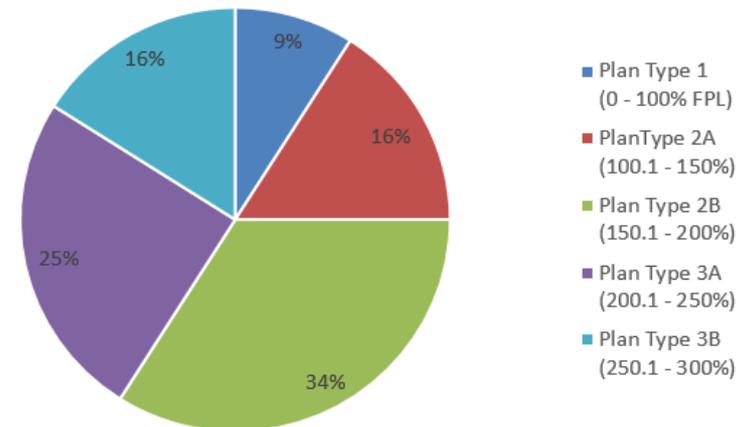
Key Membership Facts

- Half of ConnectorCare members are between 100 and 200% FPL
- Tufts Direct (49%) and BMC (36%) cover the majority of ConnectorCare members
- Tufts Direct also has the highest APTC-only and unsubsidized membership (37%), followed by NHP (19%) and BMC (17%)

Total Enrollment by Program Type



ConnectorCare Enrollment by Plan Type



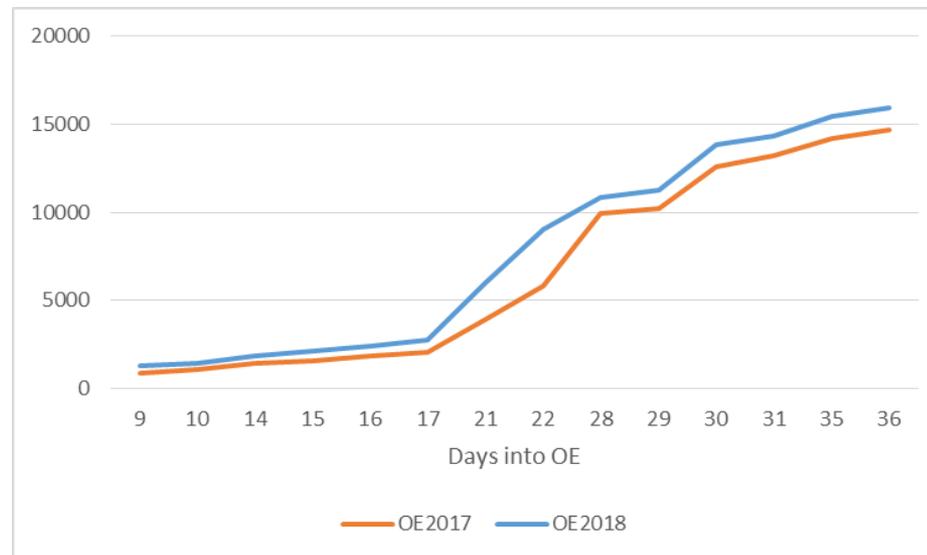
Open Enrollment Activity – New Members



Open enrollment has seen slightly more early activity among new members over last year, consistent with national trends.

- Early activity may not necessarily translate to more activity overall
- We believe improvements in the payment portal that allow for plan selection and payment by new members in a single transaction is helping drive early gains in effectuation
- “Plan Selected” is a temporary status meaning someone has submitted their plan choice but we are waiting for payment; once payment is made, they become “Effectuated”

Cumulative Effectuations– New and Returning Members



Open Enrollment Activity – New Members



We will provide more details on new membership after enrollment closes, but members are selecting and effectuating plans in trends consistent with last year.

- Overall, roughly 24,000 new members have selected a plan or effectuated coverage for 2018
- 47% of new members (around 11,000) are under 35, compared to 45% last OE
- 37% of new members (around 9,000) are coming from our 18 target communities for outreach purposes, overall 31% of our membership is from our target communities
- 83% of members (around 20,000) have no history with us, while 17% have been members in the past but are not actively enrolled right now

New and Returning 2018 Enrollment by Program Type



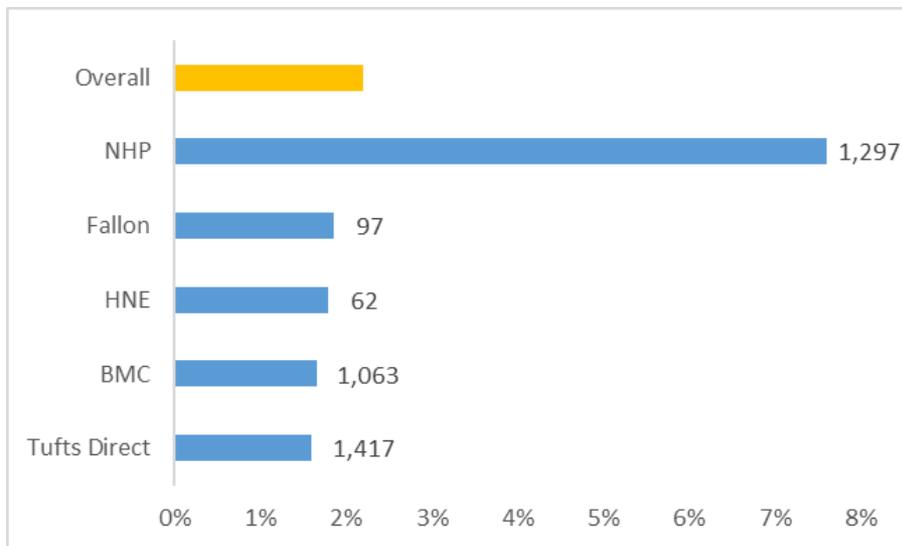
Open Enrollment Activity – Renewing Members



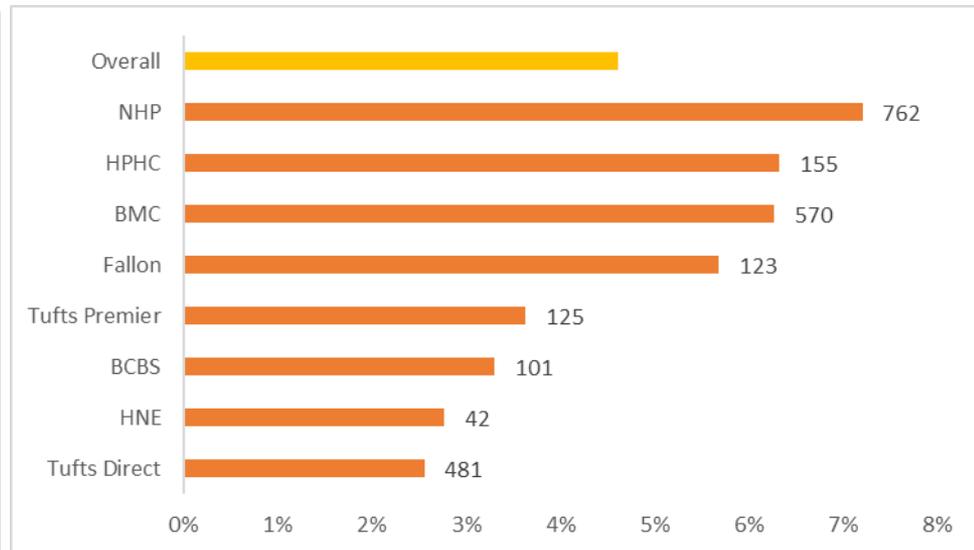
Approximately 22% of renewing members have gone into their accounts to review their 2018 plans, but it is still early in the shopping process.

- Among these roughly 56,000 members, however, 35% have actively confirmed coverage with their existing carrier and 60% have a plan “in cart” but have not yet confirmed their selection
- As expected, APTC-only and Unsubsidized member activity has been higher

ConnectorCare: % of Carrier’s Renewing Members Switching Plans



APTC and Unsub: % of Carrier’s Renewing Members Switching Plans



Next Steps

We will continue to adjust our outreach and operational processes to promote a successful 2018 Open Enrollment

- Tailor continued efforts where they are needed most based on member activity
- Continue to analyze member activity to report back to the Board at upcoming meetings