

## MEMORANDUM

To: Health Connector Board of Directors  
Cc: Louis Gutiérrez, Executive Director  
From: Maria Joy Dawley, Senior Product Manager, Health & Dental Plans  
Emily Brice, Deputy Chief of Policy & Strategy  
Edith Boucher Calvao, Actuary  
Date: July 6, 2018  
Re: Conditional Award of the 2019 Seal of Approval

### BACKGROUND

On March 16, 2018, the Health Connector issued its 2019 Seal of Approval (SOA) Request for Responses (RFR) to solicit Qualified Health Plans (QHPs) and Qualified Dental Plans (QDPs) to be offered through the Commonwealth's Affordable Care Act (ACA)-compliant Marketplace beginning in 2019. The purpose of this memorandum is to provide the Health Connector Board of Directors with the staff recommendation on the Conditional Award of the 2019 SOA to recommended QHPs and QDPs.

### INTRODUCTION AND EXECUTIVE SUMMARY

The certification of QHPs and QDPs is a required function of an ACA-compliant Marketplace. The Health Connector's annual SOA is the process by which the Health Connector performs this required function and certifies QHPs and QDPs. In order for an Issuer to receive the SOA, QHPs and QDPs must meet all applicable ACA requirements, including metallic tier and Actuarial Value (AV) specifications, coverage of all Essential Health Benefits (EHBs), as well as provider network and service area requirements. QHPs and QDPs must also comply with the Health Connector's SOA requirements, including minimum portfolio specifications and standardized plan designs.

This memorandum presents the Health Connector staff recommendation for the Conditional Award of the 2019 SOA to plans offered by nine (9) medical Issuers and four (4) dental Issuers.<sup>1</sup> The award of the conditional SOA is based upon an initial review of the responding Issuers' compliance with ACA certification requirements and further Health Connector prescribed RFR requirements. Award of the final SOA is conditioned upon the Issuers' successful completion of all Division of Insurance (DOI) form and rate filings. Health Connector staff will make a recommendation for award of the final SOA, based in part upon Issuers' completion of the DOI rate filing process, to the Health Connector Board of Directors in September of 2018.

### 2019 SEAL OF APPROVAL OVERVIEW

Issuers seeking the Health Connector's SOA for 2019 were required to demonstrate compliance with certain minimum ACA-certification requirements, including:

- **Licensure and Accreditation:** Plan Issuers must be licensed and in good standing with the DOI.

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<sup>1</sup> This represents an addition of one (1) medical Issuer from 2018. UnitedHealthcare is rejoining the exchange. The Issuer last sold on exchange in Plan Year 2016.

- **Plan Benefit & Cost Sharing Requirements:** Plans must provide coverage for the ten (10) statutorily-prescribed EHB categories and include coverage in alignment with the state’s EHB benchmark plan selection. Plan designs must comply with federal cost-sharing limits, metallic tier and AV requirements. QHPs must cover all state mandated benefits and meet Minimum Credible Coverage (MCC) standards. QDPs must cover the Pediatric Dental EHB Benchmark Plan benefits and meet reasonable limits on cost-sharing.
- **Network Adequacy:** Plans must demonstrate inclusion of a sufficient number and distribution of providers.
- **Service Area:** Plans must include Service Areas that cover a minimum geographic area and are established without regard to racial, ethnic, language or health status-related factors.
- **Marketing:** Issuers must comply with state requirements related to marketing of plans and may not employ marketing practices that discourage enrollment of individuals with significant health needs in QHPs.
- **Federal Quality Standards:** Issuers must meet the applicable federal requirements regarding the submission of Quality Improvement Strategy activities (modified with Health Connector-specific standards), the submission of enrollee satisfaction surveys and meeting the requirements of quality reporting standards.
- **Rating Methodology and Premium Review:** All proposed plans must meet state and federal requirements related to rate development methodology and permissible rate increases.

Furthermore, Issuers seeking the Health Connector’s 2019 SOA as a QHP (as opposed to a QDP) must also meet the following Health Connector requirements:

- **Standardized Plan Offerings:** Issuers must offer at least one plan on their broadest commercial network that conforms to each of the standardized plan designs one (1) Platinum, one (1) Gold plus one (1) additional Gold which may be standardized, one (1) Silver plus one (1) additional Silver for small group only, and one (1) Bronze on either the Standardized Bronze #1 or Standardized Bronze #2 (HSA-compatible) design). Issuers may propose one (1) additional version of each standardized plan offered on a different network (*e.g.*, narrower or tiered).
- **Catastrophic Product Offerings:** Issuers must propose at least one (1) Catastrophic plan design, with the option to withdraw the offer if a sufficient number of Catastrophic plans are available in each zip code.
- **ConnectorCare-Compatible Plan Offerings:** Issuers must propose one (1) ConnectorCare-Compatible Silver plan that may be offered on its broadest commercial network, on a narrower or limited network, or on a network that is broader than its broadest commercial network. The network proposed for a ConnectorCare-Compatible plan is required to meet ConnectorCare plan network access requirements, as defined by the Health Connector.
- **Non-standardized Product Offerings:** Issuers are permitted to propose up to three (3) Non-standardized plans, inclusive of network variation limitations. Specifically, Issuers may offer each of these plans on any of their networks (*i.e.*, there is not a broadest network requirement for the Non-standardized shelf), but if they choose to offer one plan design on more than one network,

each additional network variation will count toward their maximum of three (3) allowable Non-standard plans.

Changes to the federal AV calculator for 2019 necessitated minor changes to a number of Standardized medical plans. In addition, as part of the Health Connector's ongoing efforts to enhance its product shelf, the 2019 SOA introduced several new product requirements to respond to federal policy dynamics and small employer needs.

On the non-group shelf, the Health Connector adjusted requirements in response to an expected continued lack of funding for federal cost-sharing reductions (CSRs) in Plan Year 2019. In order to maintain affordability and sustainability for the ConnectorCare program in the absence of federal CSRs, the Health Connector proposes not to permit Non-standardized Silver plans on the non-group shelf for 2019. Non-standardized Silver plans are generally low-AV plans with wide use of coinsurance that do not maximize Advance Premium Tax Credits (APTCs) and result in "back-end" liability for the Commonwealth in the form of higher state cost-sharing subsidies in the ConnectorCare program. Only the Health Connector's high-AV Standardized Silver design would be permitted on the non-group shelf in 2019. While the mandatory closure of Non-standardized Silver plans requires a larger portion of members to be mapped to alternate plans than in prior years, all members will be renewed into the Standardized Silver plan from their same Issuer. The bulk of membership in these Silver plans is enrolled in ConnectorCare, and thus will experience no member-facing changes to their plans despite the shift in the underlying "ConnectorCare-compatible" plans. Other Silver members may choose to stay enrolled in their new plans – which will have a richer plan design – or switch to a different plan offering, such as a "Low Gold" or "High Bronze" plan, as described below.

Since the Health Connector and the Division of Insurance anticipate again permitting ConnectorCare Issuers to apply a premium "load" (*i.e.*, higher premiums) on ConnectorCare Issuers' non-group Silver tier plans to offset the loss of federal CSR funding, the Health Connector's non-group product strategy for 2019 aims to provide unsubsidized members expanded alternatives to these "loaded" Silver plans. New in 2019, the Health Connector introduced a "Low Gold" requirement, requiring Issuers to submit a Gold plan between 76.00% and 76.50% AV. The Health Connector provided a Standardized Low Gold design that Issuers could use to satisfy this offering. The Health Connector also did not permit Issuers to waive their Bronze plan offering for 2019, as had been allowed in previous years, to ensure sufficient choice outside of the Silver tier.

On the small group shelf, the Health Connector introduced two new requirements in response to small employer feedback following the introduction of the new Health Connector for Business platform. This represents a bifurcation of non-group and small group product offerings marketed through the Health Connector for the first time in recent years, though all plans remain available in the merged market more broadly. First, employers expressed a desire for health insurance options for employees living outside of Massachusetts. In response, the Health Connector required Issuers that offer a PPO product off-Exchange to submit a PPO in their small group offerings, either on the Silver or Gold tiers. Second, small employers expressed interest in expanded Health Savings Account (HSA)-compatible offerings. In response, the Health Connector designed a required Standardized "Low Silver" HSA-compatible plan for the small group shelf only.

Issuers seeking the Health Connector’s 2019 SOA as a QDP (as opposed to a QHP) must comply with all relevant ACA certification requirements and the following additional Health Connector requirements:

- **Standardized Plan Offerings:** Issuers must offer at least one (1) plan on all of the Standardized plan designs. Issuers may propose one (1) additional version of each plan offered on a different network (*e.g.*, narrower or tiered) for a maximum of six (6) possible standardized plans offered.
- **Non-standardized Product Offerings:** Issuers are permitted to propose up to three (3) Non-standardized plans, inclusive of network variation limitations. Specifically, Issuers may offer each of these plans on any of their networks, but if they choose to offer one plan design on more than one network, each additional network variation will count toward their maximum of three (3) allowable Non-standard plans.
- **Small- and Non-Group Market Offerings:** In 2019, the Health Connector recommends again allowing dental Issuers to apply to waive on-exchange sale of stand-alone dental products. A valid waiver will only be granted if the Health Connector receives sufficient choice of dental products intended for sale for the non-group and small group shelves. Dental plans which are waived for sale on the Health Connector’s shelf will be considered as QDPs certified by the Health Connector for purposes of off-exchange sale.

#### **QHP ISSUER RESPONSE, EVALUATION AND RECOMMENDATIONS**

The QHP certification process is a joint effort between the Health Connector and the DOI. The majority of ACA-required categories for certification are fulfilled through the DOI’s comprehensive plan review process, which is in place for the merged market. In addition to working closely with the DOI, the Health Connector’s policy and actuarial staff support its evaluation of the QHP SOA responses.

The Health Connector received proposals from eight (8) existing QHP Issuers; Blue Cross Blue Shield of Massachusetts (BCBSMA), BMC HealthNet Plan (BMCHP), Fallon Health (Fallon), Harvard Pilgrim Health Care (HPHC), Health New England (HNE), Neighborhood Health Plan (NHP), Tufts Health Plan - Direct (Tufts - Direct) and Tufts Health Plan - Premier (Tufts - Premier). There are no Issuer exits and no “bare” regions for 2019.

One (1) new QHP Issuer proposed offerings for 2019: UnitedHealthcare (United). United last sold QHPs through the Health Connector in Plan Year 2016 but exited in subsequent years due to low market share. As United has again reached the 5,000 covered lives threshold that requires exchange participation,<sup>2</sup> they are rejoining the exchange for Plan Year 2019. In addition, Tufts Premier has communicated its intention to join the small group shelf for 2019, and is taking steps to address the operational barriers that prevented Tufts Premier from joining Health Connector for Business in 2018, with the goal of resolving by spring 2019.

The Health Connector team reviewed each Issuer’s proposed product portfolio to confirm adherence to the minimum and maximum product portfolio requirements. The Health Connector reviewed proposed Standardized plans for adherence to the Health Connector’s prescribed cost-sharing requirements.

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<sup>2</sup> See M.G.L. c. 176J, s. 3(b).

In our review of proposed Non-standardized plans, Health Connector staff sought to apply a consistent approach for evaluating the various plan designs. Beyond ensuring that proposed Non-standardized plans meet or are likely to meet state and federal requirements, Health Connector staff also more broadly reviewed the suite of newly proposed Non-standardized plans to determine whether and to what extent each plan would supplement the Health Connector’s Standardized product shelf with added value and plan design choice.

### Qualified Health Plan Shelf Overview

Overall, the nine (9) medical Issuers responded to the 2019 SOA with a total of fifty-seven (57) non-group QHPs, and seventy (70) small group QHPs, proposed for sale to new and renewing members. No medical Issuers proposed frozen plans for renewal only. The responses to this year’s SOA result in a net increase of five (5) plans on the non-group shelf and twenty-one (21) plans on the small group shelf compared to 2018. While this expansion of plans is directionally different than past years’ focus on a more curated shelf, changing circumstances in the federal landscape and feedback from members suggested the need to moderate with a slightly broader shelf for 2019. The Health Connector will carefully monitor take-up in these new plans to evaluate whether this expanded shelf remains appropriate in future years.

#### Non-Group

Issuers	Platinum	Gold	Silver	Bronze	Catastrophic*	Total 2019	Total 2018 for Comparison
Blue Cross Blue Shield	1	2	1	1	1	6	5
BMC HealthNet Plan	1	2	1	1	0	5	5
Fallon Health	2	5	3	2	1	13	12
Health New England	1	2	1	2	0	6	7
Harvard Pilgrim Health Care	1	2	1	1	0	5	4
Neighborhood Health Plan	1	2	1	1	0	5	7
Tufts Health Plan - Direct	1	2	1	2	1	7	8
Tufts Health Plan - Premier	1	2	1	1	0	5	4
United	1	2	1	1	0	5	N/A
<b>Total 2019</b>	<b>10</b>	<b>21</b>	<b>11</b>	<b>12</b>	<b>3</b>	<b>57</b>	
<b>Total 2018 for Comparison</b>	<b>9</b>	<b>16</b>	<b>14</b>	<b>10</b>	<b>3</b>	<b>52</b>	

*\*Excludes all Catastrophic plans requested for withdrawal – subject to Board approval.*

#### Small Group

Issuers	Platinum	Gold	Silver	Bronze	Catastrophic	Total 2019	Total 2018 for Comparison
Blue Cross Blue Shield	1	2	3	1	N/A	7	4
BMC HealthNet Plan	1	2	3	1	N/A	7	5
Fallon Health	2	5	6	2	N/A	15	11
Health New England	1	3	2	2	N/A	8	7
Harvard Pilgrim Health Care	1	3	2	1	N/A	7	4
Neighborhood Health Plan	1	2	3	1	N/A	7	7
Tufts Health Plan - Direct	1	2	2	2	N/A	7	7
Tufts Health Plan - Premier	1	2	2	1	N/A	6	4
United	1	2	2	1	N/A	6	N/A
<b>Total</b>	<b>10</b>	<b>23</b>	<b>25</b>	<b>12</b>	<b>N/A</b>	<b>70</b>	
<b>Total 2018 for Comparison</b>	<b>9</b>	<b>16</b>	<b>14</b>	<b>10</b>	<b>N/A</b>	<b>49</b>	

### QHP Standardized Plan Submissions

All nine (9) Issuers responding to the QHP SOA proposed at least one plan for each of the Standardized plan designs on the Issuer’s broadest commercial network. Standardized plan designs included prescribed cost-sharing amounts across twenty-one (21) benefit categories, as defined by the Health Connector.

The Health Connector introduced two new Standardized plan designs for 2019: Low Gold (both non-group and small group) and Low Silver (small group only). Issuers were required to submit a Low Gold plan but were provided the option to use either the Health Connector’s Standardized design, or to use a Non-standardized design between 76.00% and 76.50% AV.

Issuers were required to propose at least one (1) Bronze plan, on either the Standardized #1 or Standardized #2 design, as part of their SOA 2019 submission. The Health Connector did not allow Issuers the option of requesting to withdraw their proposed Standardized Bronze Plan.

For 2019, one Issuer, Fallon, elected to offer their Standardized plan designs on additional networks. Fallon proposed offering Standardized plans on two (2) additional, smaller networks (“Direct Care” and “Community Care”) beyond its broadest commercial network (“Select Care”).

### Standardized QHP Plan Designs

Plan Feature/ Service <i>A check mark (✓) indicates this benefit is subject to the annual deductible</i>	Platinum	High Gold	*New* Low Gold	High Silver	*New* Low Silver (HSA)	Bronze #1	Bronze #2 (HSA)	
Annual Deductible – Combined	\$0	N/A	N/A	\$2,000	\$2,000	<b>\$2,750</b>	<b>\$3,300</b>	
	\$0	N/A	N/A	\$4,000	\$4,000	<b>\$5,500</b>	<b>\$6,600</b>	
Annual Deductible – Medical	N/A	\$1,000	<b>\$2,000</b>	N/A	N/A	N/A	N/A	
	N/A	\$2,000	<b>\$4,000</b>	N/A	N/A	N/A	N/A	
Annual Deductible – Prescription Drugs	N/A	\$0	<b>\$250</b>	N/A	N/A	N/A	N/A	
	N/A	\$0	<b>\$500</b>	N/A	N/A	N/A	N/A	
Annual Out-of-Pocket Maximum	\$3,000	\$5,000	<b>\$5,500</b>	<b>\$7,900</b>	<b>\$6,700</b>	<b>\$7,900</b>	<b>\$6,700</b>	
	\$6,000	\$10,000	<b>\$11,000</b>	<b>\$15,800</b>	<b>\$13,400</b>	<b>\$15,800</b>	<b>\$13,400</b>	
Primary Care Provider (PCP) Office Visits	\$20	<b>\$25</b>	\$30	\$30	<b>\$25 ✓</b>	<b>\$25 ✓</b>	<b>\$25 ✓</b>	
Specialist Office Visits	\$40	\$45	<b>\$50</b>	<b>\$55</b>	<b>\$50 ✓</b>	<b>\$50 ✓</b>	<b>\$50 ✓</b>	
Emergency Room	\$150	\$150 ✓	<b>\$350</b>	<b>\$300 ✓</b>	<b>\$250 ✓</b>	<b>\$250 ✓</b>	\$250 ✓	
Urgent Care	\$40	\$45	<b>\$50</b>	<b>\$55</b>	<b>\$50 ✓</b>	<b>\$50 ✓</b>	<b>\$50 ✓</b>	
Inpatient Hospitalization	\$500	\$500 ✓	<b>\$750 ✓</b>	\$1,000 ✓	<b>\$500 ✓</b>	<b>\$750 ✓</b>	\$750 ✓	
Skilled Nursing Facility	\$500	\$500 ✓	<b>\$750 ✓</b>	\$1,000 ✓	<b>\$500 ✓</b>	<b>\$750 ✓</b>	\$750 ✓	
Durable Medical Equipment	20%	20% ✓	20% ✓	20% ✓	20% ✓	20% ✓	20% ✓	
Rehabilitative Occupational and Rehabilitative Physical Therapy	\$40	\$45	<b>\$50</b>	<b>\$55</b>	<b>\$50 ✓</b>	<b>\$50 ✓</b>	<b>\$50 ✓</b>	
Laboratory Outpatient and Professional Services	\$0	<b>\$25 ✓</b>	<b>\$50 ✓</b>	<b>\$50 ✓</b>	<b>\$50 ✓</b>	<b>\$50 ✓</b>	<b>\$50 ✓</b>	
X-rays and Diagnostic Imaging	\$0	<b>\$25 ✓</b>	<b>\$50 ✓</b>	<b>\$50 ✓</b>	<b>\$50 ✓</b>	<b>\$50 ✓</b>	<b>\$50 ✓</b>	
High-Cost Imaging	\$150	\$200 ✓	<b>\$250 ✓</b>	\$500 ✓	<b>\$250 ✓</b>	\$500 ✓	\$500 ✓	
Outpatient Surgery: Ambulatory Surgery Center	\$250	\$250 ✓	<b>\$500 ✓</b>	<b>\$500 ✓</b>	<b>\$250 ✓</b>	<b>\$500 ✓</b>	\$500 ✓	
Outpatient Surgery: Physician/Surgical Services	\$0	\$0 ✓	\$0 ✓	\$0 ✓	\$0 ✓	\$0 ✓	\$0 ✓	
Prescription Drug	Retail Tier 1	\$10	\$20	<b>\$25</b>	<b>\$25</b>	<b>\$25 ✓</b>	<b>\$25</b>	<b>\$25 ✓</b>
	Retail Tier 2	\$25	<b>\$40</b>	<b>\$50 ✓</b>	<b>\$50</b>	<b>\$50 ✓</b>	<b>\$50 ✓</b>	<b>\$50 ✓</b>
	Retail Tier 3	\$50	<b>\$60</b>	<b>\$100 ✓</b>	<b>\$75 ✓</b>	<b>\$100 ✓</b>	<b>\$100 ✓</b>	<b>\$100 ✓</b>
	Mail Tier 1	\$20	<b>\$40</b>	<b>\$50</b>	<b>\$50</b>	<b>\$50 ✓</b>	<b>\$50</b>	<b>\$50 ✓</b>
	Mail Tier 2	\$50	<b>\$80</b>	<b>\$100 ✓</b>	<b>\$100</b>	<b>\$100 ✓</b>	<b>\$100 ✓</b>	<b>\$100 ✓</b>
	Mail Tier 3	\$150	<b>\$180</b>	<b>\$300 ✓</b>	<b>\$225 ✓</b>	<b>\$300 ✓</b>	<b>\$300 ✓</b>	<b>\$300 ✓</b>
Federal Actuarial Value Calculator	<b>88.82%</b>	<b>80.34%</b>	<b>76.11%</b>	<b>71.97%</b>	<b>69.44%</b>	<b>64.99%</b>	<b>64.98%</b>	

*Bold indicates changes from 2018.*

### QHP Non-standardized Plan Submissions

For 2019, Issuers submitted a total of eleven (11) Non-standardized plans for consideration. Six (6) of these submissions are new for 2019, while the remaining five (5) were previously offered in 2018. All eleven (11) of these Non-standardized plans would be offered on the small group shelf, while only six (6) would be offered on the non-group shelf.

### **Platinum Tier Non-standardized QHPs**

#### **New Non-standardized QHP Submissions – Platinum**

The Health Connector did not receive any new Non-standardized Platinum tier QHPs for 2019.

#### **Existing Non-standardized QHP Submissions – Platinum**

There are no existing Non-standardized Platinum plans on the Health Connector’s shelf.

### **Gold Tier Non-standardized QHPs**

#### **New Non-standardized QHP Submissions – Gold**

The Health Connector received three new Non-standardized Gold tier QHPs for 2019 from Fallon, HNE and HPHC. HNE’s and HPHC’s Non-standardized Gold submissions are their PPO plans satisfying the small group PPO requirement.

<b>Plan Feature/ Service</b> <i>A check mark (✓) indicates that this benefit is subject to the annual deductible</i>	<b>Standard High Gold</b>	<b>Standard Low Gold</b>	<b>Fallon Direct Care Gold Connector Low</b>	<b>HNE PPO Essential 1000 National</b>	<b>HPHC PPO 2000 - Flex</b>
Annual Deductible – Combined	N/A	N/A	\$2,000	N/A	N/A
	N/A	N/A	\$4,000	N/A	N/A
Annual Deductible – Medical	\$1,000	\$2,000	N/A	\$1,000	\$2,000
	\$2,000	\$4,000	N/A	\$2,000	\$4,000
Annual Deductible – Prescription Drugs	\$0	\$250	N/A	\$0	\$0
	\$0	\$500	N/A	\$0	\$0
Annual Out-of-Pocket Maximum	\$5,000	\$5,500	\$5,500	\$6,000	\$6,000
	\$10,000	\$11,000	\$11,000	\$12,000	\$12,000
Primary Care Provider (PCP) Office Visits	\$25	\$30	\$35	\$25	\$25
Specialist Office Visits	\$45	\$50	\$55	\$40	\$45
Emergency Room	\$150 ✓	\$350	\$350	\$250	\$300
Urgent Care	\$45	\$50	\$55 ✓	\$40	\$45
Inpatient Hospitalization	\$500 ✓	\$750 ✓	\$750 ✓	\$100 ✓	\$250 ✓
Skilled Nursing Facility	\$500 ✓	\$750 ✓	\$750 ✓	\$100 ✓	\$250 ✓
Durable Medical Equipment	20% ✓	20% ✓	20% ✓	20%	20% ✓
Rehabilitative Occupational and Rehabilitative Physical Therapy	\$45	\$50	\$55	\$40 ✓	\$25 ✓
Laboratory Outpatient and Professional Services	\$25 ✓	\$50 ✓	\$50	\$25	\$34 ✓
X-rays and Diagnostic Imaging	\$25 ✓	\$50 ✓	\$50	\$50 ✓	\$45 ✓
High-Cost Imaging	\$200 ✓	\$250 ✓	\$250 ✓	\$75 ✓	\$200 ✓
Outpatient Surgery: Ambulatory Surgery Center	\$250 ✓	\$500 ✓	\$500 ✓	\$50 ✓	\$194 ✓

Outpatient Surgery: Physician/Surgical Services		\$0 ✓	\$0 ✓	\$0 ✓	\$0 ✓	\$0 ✓
Prescription Drug	Retail Tier 1	\$20	\$25	\$25	\$20	\$18
	Retail Tier 2	\$40	\$50 ✓	\$50	\$50	\$60
	Retail Tier 3	\$60	\$100 ✓	\$100	\$75	\$100
	Mail Tier 1	\$40	\$50	\$50	\$40	\$36
	Mail Tier 2	\$80	\$100 ✓	\$100	\$100	\$120
	Mail Tier 3	\$180	\$300 ✓	\$300	\$225	\$300
<b>Federal Actuarial Value Calculator</b>		<b>80.34%</b>	<b>76.11%</b>	<b>76.05%</b>	<b>81.70%</b>	<b>77.32%</b>

### *Fallon Proposal*

The proposed new Non-standardized Gold plan from Fallon, “Direct Care Gold Connector Low,” is Fallon’s submission to satisfy the 2019 Low Gold requirement. Fallon opted not to use the Health Connector’s Standardized Low Gold design, and instead to use the allowance of satisfying the Low Gold requirement with a Non-standardized Low Gold plan between 76.00% and 76.50% AV. Pending analysis of the premium rates, as the Health Connector aims to have a wide variety of Low Gold plans in 2019 for members seeking alternatives to the Silver tier, Health Connector staff recommend certifying this Non-standardized Gold plan offering for both the non-group and small group shelves for 2019. Diversity in gold products for 2019 will help the Health Connector to consider whether a required Standardized Low Gold design would be helpful for future SOAs.

### *Health New England Proposal*

The proposed new Non-standardized Gold plan from HNE, “HNE PPO Essential 1000 National,” is HNE’s PPO offering for the small group shelf. It is a high-AV Gold plan, with some services, such as inpatient hospitalization and high-cost imaging, having lower copays than the Health Connector’s Standardized High Gold design. Pending analysis of the premium rates, Health Connector staff expect that this new Non-standardized plan will provide a sufficiently differentiated offering compared to the Standardized design and recommend certifying this Non-standardized Gold plan offering for the small group shelf for 2019.

### *Harvard Pilgrim Health Care Proposal*

The proposed new Non-standardized Gold plan from HPHC, “PPO 2000 - Flex,” is HPHC’s PPO offering for the small group shelf. It is a low-AV Gold plan that takes advantage of the allowance of the expanded +2/-4% de minimis range introduced by the federal government for Plan Year 2018 and allowed by the Health Connector for Platinum and Gold plans. Pending analysis of the premium rates, Health Connector staff expect that this new Non-standardized plan will provide a sufficiently differentiated offering for small employers compared to the Standard design and recommend certifying this Non-standardized Gold plan offering for the small group shelf for 2019.

### *Existing Non-standardized QHP Submissions – Gold*

Three (3) Non-standardized Gold plans proposed by Fallon (2) and NHP (1) were previously awarded the 2018 SOA. Fallon’s two proposed Non-standardized Gold plans have the same design on different networks (“Direct” and “Select”). As there are limited changes to these plans from 2018, Health Connector

staff recommend recertifying these Non-standardized Gold plan offerings for both the non-group and small group shelves for 2019.

Plan Feature/ Service <i>A check mark (✓) indicates that this benefit is subject to the annual deductible</i>	Standard High Gold	Standard Low Gold	Fallon Health Direct Care Deductible 2000 Hybrid	Fallon Health Select Care Deductible 2000 Hybrid	NHP Prime HMO 1500/3000 25/45 30% FlexRx 6-Tier	
Annual Deductible – Combined	N/A	N/A	N/A	N/A	\$1,500	
	N/A	N/A	N/A	N/A	\$3,000	
Annual Deductible – Medical	\$1,000	\$2,000	\$2,000	\$2,000	N/A	
	\$2,000	\$4,000	\$4,000	\$4,000	N/A	
Annual Deductible – Prescription Drugs	\$0	\$250	\$0	\$0	N/A	
	\$0	\$500	\$0	\$0	N/A	
Annual Out-of-Pocket Maximum	\$5,000	\$5,500	\$7,900	\$7,900	\$6,350	
	\$10,000	\$11,000	\$15,800	\$15,800	\$12,700	
Primary Care Provider (PCP) Office Visits	\$25	\$30	\$10	\$10	\$25	
Specialist Office Visits	\$45	\$50	\$20	\$20	\$45	
Emergency Room	\$150 ✓	\$350	\$500	\$500	30% ✓	
Urgent Care	\$45	\$50	\$20	\$20	\$45	
Inpatient Hospitalization	\$500 ✓	\$750 ✓	\$1,000 ✓	\$1,000 ✓	30% ✓	
Skilled Nursing Facility	\$500 ✓	\$750 ✓	\$1,000 ✓	\$1,000 ✓	30% ✓	
Durable Medical Equipment	20% ✓	20% ✓	20%	20%	30% ✓	
Rehabilitative Occupational and Rehabilitative Physical Therapy	\$45	\$50	\$20	\$20	\$45	
Laboratory Outpatient and Professional Services	\$25 ✓	\$50 ✓	\$0	\$0	\$50 ✓	
X-rays and Diagnostic Imaging	\$25 ✓	\$50 ✓	\$20	\$20	\$50 ✓	
High-Cost Imaging	\$200 ✓	\$250 ✓	\$500 ✓	\$500 ✓	30% ✓	
Outpatient Surgery: Ambulatory Surgery Center	\$250 ✓	\$500 ✓	\$1,000 ✓	\$1,000 ✓	30% ✓	
Outpatient Surgery: Physician/Surgical Services	\$0 ✓	\$0 ✓	\$0 ✓	\$0 ✓	30% ✓	
Prescription Drug	Retail Tier 1	\$20	\$25	\$10	\$10	\$25
	Retail Tier 2	\$40	\$50 ✓	\$40	\$40	\$50
	Retail Tier 3	\$60	\$100 ✓	\$250	\$250	30% ✓
	Mail Tier 1	\$40	\$50	\$20	\$32	\$50
	Mail Tier 2	\$80	\$100 ✓	\$80	30% ✓	\$100
	Mail Tier 3	\$180	\$300 ✓	\$750	30% ✓	30% ✓
<b>Federal Actuarial Value Calculator</b>	<b>80.34%</b>	<b>76.11%</b>	<b>79.41%</b>	<b>79.41%</b>	<b>76.07%</b>	

### **Silver Tier Non-standardized QHPs**

#### **New Non-standardized QHP Submissions – Silver**

The Health Connector received two (2) new proposed Non-standardized Silver plans from BCBSMA and Fallon. These proposed plans are PPO plans satisfying the Issuer’s small group PPO requirement.

Plan Feature/ Service <i>A check mark (✓) indicates that this benefit is subject to the annual deductible</i>	High Silver	Low Silver	BCBS Preferred Blue PPO Deductible with Coinsurance	Fallon Preferred Care Deductible 2000 Low (PPO)	
Annual Deductible – Combined	\$2,000	\$2,000	\$3,000	N/A	
	\$4,000	\$4,000	\$6,000	N/A	
Annual Deductible – Medical	N/A	N/A	N/A	\$2,000	
	N/A	N/A	N/A	\$4,000	
Annual Deductible – Prescription Drugs	N/A	N/A	N/A	\$0	
	N/A	N/A	N/A	\$0	
Annual Out-of-Pocket Maximum	\$7,900	\$6,700	\$6,000	\$7,900	
	\$15,800	\$13,400	\$12,000	\$15,800	
Primary Care Provider (PCP) Office Visits	\$30	\$25 ✓	30% ✓	\$40 ✓	
Specialist Office Visits	\$55	\$50 ✓	30% ✓	\$65 ✓	
Emergency Room	\$300 ✓	\$250 ✓	30% ✓	\$700 ✓	
Urgent Care	\$55	\$50 ✓	30% ✓	\$65 ✓	
Inpatient Hospitalization	\$1,000 ✓	\$500 ✓	30% ✓	\$1,000 ✓	
Skilled Nursing Facility	\$1,000 ✓	\$500 ✓	30% ✓	\$1,000 ✓	
Durable Medical Equipment	20% ✓	20% ✓	30% ✓	30% ✓	
Rehabilitative Occupational and Rehabilitative Physical Therapy	\$55	\$50 ✓	30% ✓	\$40 ✓	
Laboratory Outpatient and Professional Services	\$50 ✓	\$50 ✓	30% ✓	\$50 ✓	
X-rays and Diagnostic Imaging	\$50 ✓	\$50 ✓	30% ✓	\$100 ✓	
High-Cost Imaging	\$500 ✓	\$250 ✓	30% ✓	\$700 ✓	
Outpatient Surgery: Ambulatory Surgery Center	\$500 ✓	\$250 ✓	30% ✓	\$1,000 ✓	
Outpatient Surgery: Physician/Surgical Services	\$0 ✓	\$0 ✓	30% ✓	\$0 ✓	
Prescription Drug	Retail Tier 1	\$25	\$25 ✓	\$25	\$30 ✓
	Retail Tier 2	\$50	\$50 ✓	\$45 ✓	\$65 ✓
	Retail Tier 3	\$75 ✓	\$100 ✓	\$90 ✓	\$100 ✓
	Mail Tier 1	\$50	\$50 ✓	\$50	\$60 ✓
	Mail Tier 2	\$100	\$100 ✓	\$90 ✓	\$130 ✓
	Mail Tier 3	\$225 ✓	\$300 ✓	\$270 ✓	\$300 ✓
Federal Actuarial Value Calculator	<b>71.97%</b>	<b>69.44%</b>	<b>68.28%</b>	<b>71.43%</b>	

### *Blue Cross Blue Shield Proposal*

The proposed new Non-standardized Silver plan from BCBSMA, “Preferred Blue PPO Deductible with Coinsurance,” is BCBSMA’s PPO offering for the small group shelf. The plan is a lower-AV Silver plan that applies 30% coinsurance after the deductible to many services. Pending analysis of the premium rates, Health Connector staff expect that this new Non-standardized plan will provide a sufficiently differentiated offering compared to the Standard design and recommend certifying this Non-standardized

Silver plan offering for the small group shelf for 2019. While the use of coinsurance is more significant than many of the plans available on the Health Connector, this plan design offers value because of its broader network.

*Fallon Proposal*

The proposed new Non-standardized Silver plan from Fallon, “Preferred Care Deductible 2000 Low,” is Fallon’s PPO offering for the small group shelf. The plan is a higher-AV Silver plan with several key differences from the Health Connector’s Standardized High Silver design, such as a separate prescription drug deductible. Pending analysis of the premium rates, Health Connector staff expect that this new Non-standardized plan will provide a sufficiently differentiated offering compared to the Standard design and recommend certifying this Non-standardized Silver plan offering for the small group shelf for 2019.

*Existing Non-standardized QHP Submissions – Silver*

One (1) Silver Non-standardized plan proposed by BMCHP was previously awarded the 2018 SOA. While the Health Connector required Non-standardized Silver plans to be closed on the non-group shelf for 2019, BMCHP elected to continue selling this plan to small groups. As there are limited changes to this plan from 2018, Health Connector staff recommend recertifying this Non-standardized Silver plan offering for the small group shelf for 2019.

<b>Plan Feature/ Service</b> <i>A check mark (✓) indicates that this benefit is subject to the annual deductible</i>	Standard High Silver	Standard Low Silver	BMC HealthNet Plan Non-Standard Silver B
Annual Deductible – Combined	\$2,000	\$2,000	\$3,000
	\$4,000	\$4,000	\$6,000
Annual Deductible – Medical	N/A	N/A	N/A
	N/A	N/A	N/A
Annual Deductible – Prescription Drugs	N/A	N/A	N/A
	N/A	N/A	N/A
Annual Out-of-Pocket Maximum	\$7,900	\$6,700	\$7,900
	\$15,800	\$13,400	\$15,800
Primary Care Provider (PCP) Office Visits	\$30	\$25 ✓	\$30
Specialist Office Visits	\$55	\$50 ✓	\$55
Emergency Room	\$300 ✓	\$250 ✓	\$500 ✓
Urgent Care	\$55	\$50 ✓	\$55
Inpatient Hospitalization	\$1,000 ✓	\$500 ✓	30% ✓
Skilled Nursing Facility	\$1,000 ✓	\$500 ✓	30% ✓
Durable Medical Equipment	20% ✓	20% ✓	30% ✓
Rehabilitative Occupational and Rehabilitative Physical Therapy	\$55	\$50 ✓	30% ✓
Laboratory Outpatient and Professional Services	\$50 ✓	\$50 ✓	30% ✓

X-rays and Diagnostic Imaging	\$50 ✓	\$50 ✓	30% ✓	
High-Cost Imaging	\$500 ✓	\$250 ✓	30% ✓	
Outpatient Surgery: Ambulatory Surgery Center	\$500 ✓	\$250 ✓	\$500 ✓	
Outpatient Surgery: Physician/Surgical Services	\$0 ✓	\$0 ✓	30% ✓	
Prescription Drug	Retail Tier 1	\$25	\$25 ✓	35% ✓
	Retail Tier 2	\$50	\$50 ✓	35% ✓
	Retail Tier 3	\$75 ✓	\$100 ✓	35% ✓
	Mail Tier 1	\$50	\$50 ✓	35% ✓
	Mail Tier 2	\$100	\$100 ✓	35% ✓
	Mail Tier 3	\$225 ✓	\$300 ✓	35% ✓
<b>Federal Actuarial Value Calculator</b>	<b>71.97%</b>	<b>69.44%</b>	<b>68.32%</b>	

### **Bronze Tier Non-standardized QHPs**

#### New Non-standardized QHP Submissions – Bronze

The Health Connector received one (1) new proposed Non-standardized Bronze plan from Health New England. This plan is HSA compatible.

<b>Plan Feature/ Service</b> <i>A check mark (✓) indicates that this benefit is subject to the annual deductible</i>	<b>Standard Bronze #1</b>	<b>Standard Bronze #2</b>	<b>HNE Wise Bronze HDHP</b>
Annual Deductible – Combined	\$2,750	\$3,300	\$3,450
	\$5,500	\$6,600	\$6,900
Annual Deductible – Medical	N/A	N/A	N/A
	N/A	N/A	N/A
Annual Deductible – Prescription Drugs	N/A	N/A	N/A
	N/A	N/A	N/A
Annual Out-of-Pocket Maximum	\$7,900	\$6,700	\$6,300
	\$15,800	\$13,400	\$12,600
Primary Care Provider (PCP) Office Visits	\$25 ✓	\$25 ✓	\$60 ✓
Specialist Office Visits	\$50 ✓	\$50 ✓	\$80 ✓
Emergency Room	\$250 ✓	\$250 ✓	\$1,000 ✓
Urgent Care	\$50 ✓	\$50 ✓	\$80 ✓
Inpatient Hospitalization	\$750 ✓	\$750 ✓	\$1,000 ✓
Skilled Nursing Facility	\$750 ✓	\$750 ✓	\$1,000 ✓
Durable Medical Equipment	20% ✓	20% ✓	20% ✓
Rehabilitative Occupational and Rehabilitative Physical Therapy	\$50 ✓	\$50 ✓	\$80 ✓
Laboratory Outpatient and Professional Services	\$50 ✓	\$50 ✓	\$60 ✓

X-rays and Diagnostic Imaging		\$50 ✓	\$50 ✓	\$60 ✓
High-Cost Imaging		\$500 ✓	\$500 ✓	\$1,000 ✓
Outpatient Surgery: Ambulatory Surgery Center		\$500 ✓	\$500 ✓	\$1,000 ✓
Outpatient Surgery: Physician/Surgical Services		\$0 ✓	\$0 ✓	\$0 ✓
Prescription Drug	Retail Tier 1	\$25	\$25 ✓	\$30 ✓
	Retail Tier 2	\$50 ✓	\$50 ✓	\$80 ✓
	Retail Tier 3	\$100 ✓	\$100 ✓	\$150 ✓
	Mail Tier 1	\$50	\$50 ✓	\$60 ✓
	Mail Tier 2	\$100 ✓	\$100 ✓	\$160 ✓
	Mail Tier 3	\$300 ✓	\$300 ✓	\$450 ✓
Federal Actuarial Value Calculator		64.99%	64.98%	64.10%

*Health New England Proposal*

The proposed new Non-standardized Bronze plan from Health New England, “HNE Wise Bronze HDHP,” is a higher-AV Bronze plan that is HSA compatible. The deductible is higher than both Standardized Bronze designs, while the out-of-pocket maximum is lower. Pending analysis of the premium rates, the Health Connector staff expect that this new Non-standardized plan will provide a sufficiently differentiated offering compared to the Standard design and recommend certifying this Non-standardized Bronze plan offering for both the non-group and small group shelves for 2019.

Existing Non-standardized QHP Submissions – Bronze

One (1) Bronze Non-standardized plan proposed by Tufts - Direct was previously awarded the 2018 SOA. As there are limited changes to this plan, Health Connector staff recommend recertifying this Non-standardized Bronze plan offering for the non-group and small group shelves for 2019.

Plan Feature/ Service <i>A check mark (✓) indicates that this benefit is subject to the annual deductible</i>	Standard Bronze #1	Standard Bronze #2	Tufts Health Plan - Direct Bronze 3500 with Coinsurance
Annual Deductible – Combined	\$2,750	\$3,300	<b>\$3,500</b>
	\$5,500	\$6,600	\$7,000
Annual Deductible – Medical	N/A	N/A	N/A
	N/A	N/A	N/A
Annual Deductible – Prescription Drugs	N/A	N/A	N/A
	N/A	N/A	N/A
Annual Out-of-Pocket Maximum	\$7,900	\$6,700	\$7,900
	\$15,800	\$13,400	\$15,800
Primary Care Provider (PCP) Office Visits	\$25 ✓	\$25 ✓	\$35
Specialist Office Visits	\$50 ✓	\$50 ✓	\$70 ✓

Emergency Room		\$250 ✓	\$250 ✓	35% ✓
Urgent Care		\$50 ✓	\$50 ✓	\$70 ✓
Inpatient Hospitalization		\$750 ✓	\$750 ✓	35% ✓
Skilled Nursing Facility		\$750 ✓	\$750 ✓	35% ✓
Durable Medical Equipment		20% ✓	20% ✓	30% ✓
Rehabilitative Occupational and Rehabilitative Physical Therapy		\$50 ✓	\$50 ✓	\$70 ✓
Laboratory Outpatient and Professional Services		\$50 ✓	\$50 ✓	35% ✓
X-rays and Diagnostic Imaging		\$50 ✓	\$50 ✓	35% ✓
High-Cost Imaging		\$500 ✓	\$500 ✓	35%
Outpatient Surgery: Ambulatory Surgery Center		\$500 ✓	\$500 ✓	35% ✓
Outpatient Surgery: Physician/Surgical Services		\$0 ✓	\$0 ✓	35% ✓
Prescription Drug	Retail Tier 1	\$25	\$25 ✓	\$35 ✓
	Retail Tier 2	\$50 ✓	\$50 ✓	50% ✓
	Retail Tier 3	\$100 ✓	\$100 ✓	50% ✓
	Mail Tier 1	\$50	\$50 ✓	\$70 ✓
	Mail Tier 2	\$100 ✓	\$100 ✓	50% ✓
	Mail Tier 3	\$300 ✓	\$300 ✓	50% ✓
<b>Federal Actuarial Value Calculator</b>		<b>64.99%</b>	<b>64.98%</b>	<b>64.95%</b>

### **Frozen Plans**

For 2019, the Health Connector allowed Issuers to identify a 2018 plan to be offered as “frozen” for the 2019 SOA. Frozen plans allow existing 2018 enrollees to renew into these plans for 2019 coverage, as well as add dependents as part of allowable life event changes. However, no new subscribers can enroll into the plan. No Issuers elected to submit frozen plans for the 2019 SOA.

### **Catastrophic Plans**

The Health Connector requires that all Issuers submit Catastrophic plan proposals, with the option to request the withdrawal of that offering if a sufficient number of Catastrophic plans are offered for each zip code. All Issuers submitted a Catastrophic plan, with six (6) Issuers submitting requests to waive out of offering the Catastrophic plan: BMCHP, HNE, HPHC, NHP, Tufts - Premier, and United. These are the same Issuers that requested Catastrophic withdrawal in the 2018 SOA (with the addition of United). BCBSMA, Fallon, and Tufts - Direct have not requested to waive their Catastrophic offerings and intend to offer them for sale in 2019, consistent with 2018.

The Health Connector has a target of a minimum of Catastrophic plans of at least two (2) carriers per zip code. Of the 687 zip codes included in the Health Connector’s availability, thirty-five (35) would have fewer than the target of a minimum of two Issuers per zip code. To determine sufficiency of choice for these

members, the team further reviewed the enrollment, based on June 2018 data, for Catastrophic plans in the zip codes where only one Catastrophic plan would be available in 2019:

- Of the thirty-five (35) zip codes that would only have one (1) Catastrophic plan available in 2019, only seven (7) zip codes have current Catastrophic enrollment.
- Those seven (7) zip codes have twelve (12) current Catastrophic members.
- All twelve (12) of those Catastrophic members are currently in BCBSMA’s Catastrophic plan.
  - As BCBSMA did not submit a request to waive their Catastrophic offering, none of the twelve (12) current members would be displaced by the withdrawal of a plan currently offered. Further, any members that desired additional choice at a similar price-point could access a Bronze plan.

The RFR provides flexibility to have less than two (2) plans per zip code. Based on the analysis outlined above, staff recommend approving all of the Catastrophic plan waivers given there will be no member impact on current enrollees.

Plan Feature/ Service A check mark (✓) indicates that this benefit is subject to the annual deductible		Catastrophic (Federal Requirements)
Annual Deductible – Combined		\$7,900
		\$15,800
Annual Out-of-Pocket Maximum		\$7,900
		\$15,800
PCP Office Visits		\$35 or 50% coinsurance for first three (3) non-preventative visits, then no charge after deductible
Specialist Office Visits		No charge after deductible ✓
Emergency Room		No charge after deductible ✓
Urgent Care		No charge after deductible ✓
Inpatient Hospitalization		No charge after deductible ✓
Skilled Nursing Facility		No charge after deductible ✓
Durable Medical Equipment		No charge after deductible ✓
Rehabilitative Occupational and Rehabilitative Physical Therapy		No charge after deductible ✓
Laboratory Outpatient and Professional Services		No charge after deductible ✓
X-rays and Diagnostic Imaging		No charge after deductible ✓
High-Cost Imaging		No charge after deductible ✓
Outpatient Surgery: Ambulatory Surgery Center		No charge after deductible ✓
Outpatient Surgery: Physician/Surgical Services		No charge after deductible ✓
Prescription Drug	Retail Tier 1	No charge after deductible ✓
	Retail Tier 2	No charge after deductible ✓
	Retail Tier 3	No charge after deductible ✓
	Mail Tier 1	No charge after deductible ✓
	Mail Tier 2	No charge after deductible ✓
	Mail Tier 3	No charge after deductible ✓

**Issuer Responses – Quality and Value**

As in past years, the Health Connector sought Issuer submissions regarding optional strategies for Value-Based Insurance Design (VBID), required strategies for Quality Improvement (QIS), and optional narrative comments regarding the use of tiered networks and Accountable Care Organizations (ACO).

Similar to responses in the 2017 and 2018 SOAs, Issuers demonstrated nascent but growing engagement in quality and value activities. Specifically:

- VBID. Five (5) Issuers submitted information about programs designed to benefit enrollees with lower costs if the enrollees used high-value services. Two such programs were geared toward financial incentives for diabetic enrollees who receive vision care that can help with disease management. Another program offers zero cost-sharing for certain generic medications needed for members with hypertension, diabetes, high cholesterol, and depression. The Health Connector intends to discuss these programs more deeply with carriers this year, in preparation for possibly incorporating required VBID elements in future SOAs.
- QIS. All Issuers are expected to submit QIS proposals for 2019 in August, in alignment with typical plan reporting for Healthcare Effectiveness Data and Information Set (HEDIS) measures. The Health Connector will update the Board of Directors regarding these submissions at a future meeting, but expects that issuers will continue to offer at least one QIS submission focused on opioid use, as well as an optional submission focused on reducing hospital readmission. The Health Connector is actively engaged in monitoring QIS efforts in conjunction with the Health Policy Commission (HPC).
- Innovative Networks. Five (5) Issuers are offering HPC-accredited ACO networks for use with MassHealth or other public programs. While none of these Issuers demonstrated interest in engaging these ACOs as part of their overall QHP network strategies, the Health Connector will continue to gauge interest in this space for future SOAs.

## QDP ISSUER RESPONSE, EVALUATION AND RECOMMENDATIONS

Health Connector staff reviewed all proposed QDP plan design features and networks. Proposed Standardized plans were evaluated to ensure that benefits were offered in compliance with Standardized plan designs and EHB requirements as described in the RFR. Furthermore, like the QHP certification process, the QDP certification process is similarly a joint effort between the Health Connector and the DOI. Standalone dental Issuers were also required to submit information to the DOI, including information on licensure and qualification, plan data and detailed network information.

For 2019, the Health Connector QDP shelf requirements remain aligned with the medical shelf. Beginning in 2017, the Health Connector capped the number of additional network variations that an Issuer is permitted to offer on the Standardized plan designs and made the limit of three (3) Non-standardized plans inclusive of network variation, aligning the dental and medical shelves.

### QDP Response Summary

The Health Connector received proposals from four (4) existing stand-alone dental Issuers: Altus Dental, Blue Cross Blue Shield of MA, Delta Dental of MA and Guardian. As in 2018, the Health Connector

recommends approving BCBSMA and Guardian’s requests for waivers of on-exchange QDP sale, given the sufficiency of choice in existing stand-alone and integrated dental offerings.

Issuers submitted proposals to meet the Health Connector’s requirements to offer Standardized plans for all three (3) standardized plan designs (i.e., Pediatric-Only, Family High and Family Low Plans).

Issuers proposed to maintain their existing product portfolios. As such, all Issuers met the minimum portfolio requirements, offering at least one (1) plan for each of the Standardized plan designs in the small-group, non-group or both market segments, depending on their current market participation. Consistent with their 2018 proposals, all four (4) Issuers submitted proposals for small-group certification while two (2) of the four (4) Issuers – those intending to sell on-Exchange – also submitted non-group plans.

Issuers	Non-Group	Small Group	Standardized Plans				Non-Standardized Plans				All Plans
			High	Low	Pedi	Total	High	Low	Pedi	Total	
<i>Altus Dental</i>	✓	✓	1	1	1	3	-	-	-	0	3
<i>Blue Cross Blue Shield of MA</i>		✓	1	1	1	3	-	-	1	1	4
<i>Delta Dental of MA</i>	✓	✓	2	2	2	6	-	1	2	3	9
<i>Guardian</i>		✓	1	1	1	3	-	-	-	0	3

	Standardized Plans	Non-Standardized Plans	All Plans
<i>Non-Group</i>	9	3	12
<i>Small Group</i>	15	4	19

*New Non-standardized QDP Submissions – Family High*

The Health Connector did not receive any new Non-standardized Family High QDPs for 2019.

*Existing Non-standardized QDP Submissions – Family High*

The Health Connector did not offer any Non-standardized Family High QDPs for 2019.

*New Non-standardized QDP Submissions – Family Low*

The Health Connector did not receive any new Non-standardized Family Low QDPs for 2019.

*Existing Non-standardized QDP Submissions – Family Low*

One (1) Family Low Non-standardized plan proposed by Delta Dental was previously awarded the 2018 SOA. As there are limited changes to this plan, Health Connector staff recommend recertifying this Non-standardized Family Low plan offering for both the non-group and small group shelves for 2019.

Plan Feature/ Service	Family Low Standard Design	Delta Dental EPO Family Basic Exclusive Network Plan
Plan Year Deductible	\$50/\$150	\$100/\$300
Deductible Applies to	Major and Minor Restorative	Major & Minor Restorative
Plan Year Max (>=19 only)	\$750	\$750
Plan Year MOOP <19 Only	\$350 (1 child) \$700 (2+ children)	\$350 (1 child)/ \$700 (2+ children)
Preventive & Diagnostic Co-Insurance In/out-of-Network	0%/20%	0% In-Network, No Out-Of-Network
Minor Restorative Co-Insurance In/out-of-Network	25%/45%	<19-EHB-60% In-Network, No Out-Of-Network >=19-70% In-Network, No Out-Of-Network
Major Restorative Co-Insurance In/out-of-Network	50%/70% No Major Restorative >=19	60% In-Network, No Out-Of-Network No Major Restorative >=19
Medically Necessary Orthodontia, <19 only, In/out-of-Network	50%/70%	60% In-Network, No Out-Of-Network

*New Non-standardized QDP Submissions –Pediatric-only*

The Health Connector did not receive any new Non-standardized Pediatric-only QDPs for 2019.

*Existing Non-standardized QDP Submissions – Pediatric-only*

Three (3) Pediatric-only Non-standardized plans proposed by Blue Cross Blue Shield of MA and Delta Dental were previously awarded the 2018 SOA. As there are limited changes to these plans, Health Connector staff recommend recertifying these Non-standardized Pediatric-only plan offerings for both the non-group and small group shelves for Delta Dental, and the small group shelf only for Blue Cross Blue Shield of MA for 2019.

Plan Feature/ Service	Pediatric-only Standard Design	Blue Cross Blue Shield Dental Blue Pediatric Essential Benefits	Delta Dental EPO Pediatric Basic	Delta Dental PPO Pediatric
Plan Year Deductible	\$50	\$50	\$100	\$50
Deductible Applies to	Major and Minor Restorative	Major and Minor Restorative	Major and Minor Restorative	Major and Minor Restorative
Plan Year Max (>=19 only)	N/A	N/A	N/A	N/A
Plan Year MOOP <19 Only	\$350 (1 child)	\$350 (1 child)	\$350 (1 child)	\$350 (1 child)
Preventive & Diagnostic Co-Insurance In/out-of-Network	0%/20%	0% In-Network No Out-Of-Network	0%/20%	0%/20%
Minor Restorative Co-Insurance In/out-of-Network	25%/45%	25% In-Network No Out-Of-Network	60%/70%	25%/45%

Major Restorative Co-Insurance In/out-of-Network	50%/70%	50% In-Network No Out-Of- Network	60%/70%	50%/70%
Medically Necessary Orthodontia, <19 only, In/out-of-Network	50%/70%	50% In-Network No Out-Of- Network	60%/70%	50%/70%

## BOARD RECOMMENDATION AND NEXT STEPS

Health Connector staff recommend conditionally awarding the 2019 SOA to all proposed Standardized and Non-standardized Platinum, Gold, Silver, Bronze and Catastrophic QHPs and all proposed Standardized and Non-standardized QDPs for both the non-group and small group shelves.

All standardized QHPs and QDPs and select Non-standardized QHPs and QDPs, as outlined in this memorandum, proposed by the following Issuers are recommended for approval:

- Altus Dental
- Blue Cross Blue Shield of MA
- BMC HealthNet Plan
- Delta Dental of MA
- Fallon Health
- Guardian
- Harvard Pilgrim Health Care
- Health New England
- Neighborhood Health Plan
- Tufts Health Plan – Direct
- Tufts Health Plan – Premier
- UnitedHealthcare

The award of the final 2019 SOA is contingent upon the successful completion of the DOI's rate review and form filing process. In accordance with existing DOI processes, all QHP Issuers in the Massachusetts merged market and all QDP Issuers seeking the SOA must submit proposed premium rates for coverage effective January 1, 2019 no later than July 2, 2018. We will discuss with the Board the results of the premium rate review process and any proposed changes to our initial recommendation for the 2019 SOA later this summer.

Staff will also be working to propose which Issuers are eligible to offer ConnectorCare plans to qualified individuals in 2019. All QHP Issuers recommended for the conditional award of the 2019 SOA are required to provide premium rates to the Health Connector for all Silver plans. Working in collaboration with the DOI, Health Connector staff will validate the lowest-cost Silver plan from each QHP Issuer and will recommend which Issuers should be selected to offer ConnectorCare plans. We will also work closely with the Board later this summer to select those Issuers best positioned to serve the subsidized non-group market.

We anticipate returning to the Board at the September 13, 2018 Board meeting to present our final recommendation for the 2019 Seal Approval, based upon information received through the above-described processes.