



The Commonwealth of Massachusetts
Commonwealth Health Insurance Connector Authority
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LOUIS GUTIERREZ
Executive Director

Board of the Commonwealth Health Insurance Connector Authority
Minutes

Thursday, September 12, 2019
9:00 AM to 11:00 AM

50 Milk Street, 8th Floor
Boston, MA 02109

Attendees: Louis Gutierrez, Nancy Turnbull, Michael Chernew, Mark Gaunya, Lou Malzone, Roberta Herman, Rina Vertes, FayeRuth Fisher, Lauren Peters (who was sitting by designation on behalf of Secretary of the Executive Office of Health and Human Services Marylou Sudders), Kevin Beagan (who was sitting by designation on behalf of the Commissioner of the Division of Insurance, Gary Anderson), and Cassandra Roeder (who was sitting by designation on behalf of Secretary of Administration and Finance Michael Heffernan). Dimitry Petion was joining by telephone.

The meeting was called to order at 9:01 by Vice-Chair Dr. Michael Chernew.

- I. Minutes:** The minutes of the August 19, 2019 meeting were unanimously approved by roll call vote.
- II. Executive Director's Report:** Mr. Gutierrez began the meeting informing that Board that Massachusetts continues to lead the nation as the state with the highest rate of residents with health insurance coverage in the nation. Citing US Census Bureau data, he stated that while nationally there was an increase in the percentage of uninsured, the Health Connector (CCA) is experiencing all time high levels of enrollment. He stated that while CCA has reached its highest membership ever, there is no intention of resting and the agency is preparing for Open Enrollment.

He informed the Board that over 98 percent of Open Enrollment preliminary eligibility had been completed. He noted that the Board meeting would include approval for the 2020 Seal of Approval, which includes a stable product shelf and stable premiums, a reflection of a

strong, established market. He informed the Board that there was less than 180 business days until CCA would go live with new premium billing and contact center vendors. He reviewed additional agenda items, and the possibility of federal rule-making, like public charge and health reimbursement arrangements, to have an to impact CCA membership and the market.

III. Final Award of the 2020 Seal of Approval (VOTE): The PowerPoint presentation “Final Award of the 2020 Seal of Approval (VOTE)” was presented by Emily Brice, Samuel Adams and Edith Boucher Calvao. Ms. Brice began the presentation by providing a reminder of the Seal of Approval (SOA) timeline to Board Members, noting that this Board meeting was the final steps in the annual SOA process. She informed Board members that SOA 2020 closely resembles SOA 2019, with the same medical and dental carriers and near identical product shelf. She stated that the ConnectorCare design would remain relatively steady and the premium rate changes for the year, especially against the backdrop of lowest average cost premiums nationally for the last three years, were modest, though CCA is always working to keep premiums low.

Mr. Adams then informed the Board that the goal of SOA 2020 was to maintain a stable product suite for members, maintaining consumer choice with stable carrier participation. He stated that silver loading in 2020 would continue and reviewed the summary of offerings by carriers by metallic tier. He informed the Board that some members would be exposed to the closing of one non-standard Health New England bronze plan. He stated that affected members would be automatically mapped into a standard bronze plan and that CCA was working closely with the carrier on messaging the members.

Ms. Boucher Calvao reviewed the plan details for plans for SOA 2020, reviewing the cost-sharing and Actuarial Value (A/V) changes for silver and bronze plans for the upcoming plan year. She noted that the average premium increase for the year for each and every carrier is well below ten percent. In response to a question from Ms. Turnbull regarding rate increases by a certain carrier (BMCHP), Mr. Beagan noted that in this specific instance, instability is largely due to risk adjustment, which contributes to volatility. In response to a follow up question by Dr. Herman regarding a second carrier, Mr. Beagan stated that the carrier has different cost structure concerns, including negotiation issues. In response to a follow up question by Ms. Turnbull, Mr. Beagan noted that the negotiation issues are believed to be on the prescription drug front.

Ms. Boucher Calvao then continued to review premiums by metallic tier and members of the Board expressed an interest understanding region by region impact of rate increases. Ms. Brice stated that as always, the Connector will continue to encourage members to shop for plans so that they are aware of options available to them. In response to a question from Ms. Turnbull regarding possible carrier merger implications, Mr. Gutierrez stated that CCA has been assured that there will be no carrier disruption in 2020, but it is too early to speculate what impacts a merger may have and CCA will continue to have close communications with DOI. Ms. Turnbull noted that CCA has an extraordinary interest in the merger and its conditions given the importance of Tufts for a large portion of Connector members.

Lou Malzone arrived at 9:20AM

Ms. Brice then provided a review of the ConnectorCare membership profile, noting that ConnectorCare serves as a waystation for people who are in transition. She continued to state that it is important to understand the dynamics of the population when considering program design. In response to a question from Ms. Turnbull regarding the number of plans available at the affordability schedule by region, Mr. Gutierrez stated that the premium spread between Boston Medical Center Health Plan (BMCHP) and Tufts Direct was too large to be stabilized on the Cape. Ms. Brice reviewed options available to members on the Cape and noted that CCA conducted a preliminary comparison of the hospital and community health center networks of both carriers and found that they were similar. Ms. Turnbull noted that anything that can be done to clearly communicate the dislocation or disruption members may experience would be beneficial to members.

In response to a question from Dr. Chernew regarding carrier engagement when deciding the premium stabilization approach for the upcoming plan year, Mr. Gutierrez stated that CCA reviews the broad implications of the proposed stabilization plan, precedents, budget constraints and the market. He noted that if CCA were to increase the threshold for stabilization this year, there is a question of what the dynamics would be for future years in establishing a level of predictability. He continued to note that the setting of the premium stabilization threshold is more of an internal process with an eye to create as much stability as possible. In response to a follow up question from Dr. Chernew relative to carrier acceptance of stabilization approach for the upcoming year, Mr. Gutierrez explained how the carriers were notified and that feedback was neutral to positive. Dr. Chernew concluded that he found the approach interesting and important, noting that he would be interested in a deeper policy discussion in the future. Ms. Turnbull noted that it would be interesting understand how larger market dynamics, and carriers' larger books of business impacts CCA enrollees.

The SOA presentation continued with a review of the Qualified Dental Plans for 2020, noting that there will be premium increases for small group dental but otherwise the recommendation would be to proceed with the status quo.

The Board then voted and unanimously approved CCA's recommendation to award the Final Seal of Approval for 2020 to Qualified Health and Dental Plans reviewed during the presentation.

- IV. Open Enrollment 2020 Readiness:** The PowerPoint presentation "Open Enrollment 2020 Readiness" was presented by Marissa Woltmann, Vicki Coates and Jason Lefferts. Ms. Woltmann began the presentation by reviewing the work that CCA has engaged in since the end of last Open Enrollment (OE) to prepare for OE2020. She reviewed the timeline with Board members which remains the same from year to year. She provided a review of eligibility determinations which were nearing completion and the shifting in member eligibility that results when no information is returned from an electronic data source. She noted that CCA will message those who are slated to move into unsubsidized coverage,

noting that last year similar member shifting occurred during preliminary eligibility and messaging was effective and encouraged members to make changes to their applications so they would not lose subsidies incorrectly. She continued with a review of notices for 2020, stating that there are a variety of messages planned for OE2020 and based on a member circumstances they will receive specific, targeted messages. She informed Board members of new member supports for this year, including document upload functionality which will be a new feature for this OE, and of the out-of-pocket total cost calculator pilot that will be launched during OE for subsidized members. In response to a question from Ms. Turnbull on the current percentage of churn between MassHealth and CCA and the population the data represents, Ms. Woltmann confirmed the data is based on current enrollees and noted that these figures are expected to shift over time as people come back and update their information.

Ms. Coates informed the Board that recruitment and training for the contact center is well underway and reviewed the contact center hours of operation for the upcoming OE period. In response to a question from Ms. Turnbull regarding the availability of the federal data services hub, Mr. Gutierrez recognized that the hub has been shut down by the federal government in the past and that CCA will ask the federal government for consideration of important OE dates when they are scheduling the maintenance of the hub.

Mr. Lefferts then provided a review of the outreach approach for OE, noting that data is driving the outreach approach and locating pockets of the underinsured. He stated that a new target community, Lynn, was identified, and CCA plans to increase investment in Lynn as well as regions where underinsurance is already known to CCA. He stated that there are a handful of core messages that CCA will be promoting, one of the them being an aspirational “GetTo100” hashtag, recognizing the continued effort to insure the remaining three percent. He highlighted the importance of cutting through the federal noise and reminding residents that CCA is still functioning and open for everyone. Ms. Fisher commented that it may be beneficial to overlay the message of Open Enrollment with coverage for addiction services that are available as part of CCA plans, reminding residents of the coverage options and benefits available to them.

In response to a question from Ms. Turnbull regarding the high percentage of the remaining uninsured who are noncitizens, and the federal public charge rule, Mr. Gutierrez stated that Audrey Gasteier would be addressing the public charge rule in a presentation shortly and acknowledged that messaging will be very difficult. He continued to note that CCA has developed good relationships in communities over the last few years, and CCA will be relying on those relationships as well. Mr. Lefferts then continued with an overview of the OE outreach approach for the upcoming OE period, highlighting new “Coverage Crews” that will be engaged in underinsured communities for this OE and recalled past events that would reoccur this year. He informed the Board of the exciting new partnership between CCA and the Massachusetts Cultural Council that will expand the existing free admissions program to cultural institutions in the state to include ConnectorCare members. He also informed the Board of a new, dedicated staff member focused on assisting Personal Care Attendants (PCAs) who make up a large population of MassHealth and Connector members and are often moving between the two agencies. The new role will assist PCAs

across the state in navigating the health care landscape as it particularly pertains to MassHealth and CCA.

Ms. Woltmann concluded the presentation with a review of the upcoming activities that CCA will engage in to get members across the line during Open Enrollment. She noted the CCA will continue to monitor federal policy activity and its potential impacts on CCA. She informed the Board that regular updates will be provided as to OE progresses.

- V. Public Charge Final Rule:** The PowerPoint presentation “Public Charge Final Rule” was presented by Ms. Gasteier. Ms. Gasteier began the presentation reminding the Board that the DHS public charge rule is a complicated federal immigration policy that CCA attempts to better understand. She noted that immigration policy is not a core area of expertise for CCA and the agency relies heavily on its relationships with immigration, consumer and health care advocates. She then provided an overview of the features of the public charge rule, primarily the widening of how public charge is determined as it relates to lawfully present immigrants’ ability to obtain permanent residency status. She informed the Board of the negative and positive weighting factors that are cited in the rule, and that while receiving Exchange subsidies (APTCs) are not considered to be a negative factor, having private insurance without receiving subsidies is expected to be a positive factor for individuals. In response to a question from Ms. Turnbull, Ms. Gasteier stated that it is difficult to know the impact of public charge on CCA enrollees due to the complexity and overlays of the rule. Mr. Petion then asked how public charge impacts green card holders who are subject to renewal, to which Ms. Gasteier noted CCA and advocate partners would need to look into this question more specifically. In response to a question from Ms. Peters regarding the rule and what the likelihood of becoming a public charge includes, Ms. Gasteier noted that, according to the rule, this can include nebulous factors, such as, if you appear to be someone who may become ill in the future, this may be used against an individual.

Ms. Gasteier informed the Board of the effective date of October 15, 2019 and noted that the rule is prospective. She explained to the Board that CCA is expected to receive questions on the rule while out in communities as part of Open Enrollment and will be prepared to refer concerned individuals to external, community-based resources that can provide more specialized assistance that exceeds CCA’s expertise on legal matters related to immigration. In response to a question from Ms. Turnbull regarding the public charge rules’ interaction with Health Safety Net, Ms. Gasteier noted that this would be something CCA would need to look into in greater detail. She concluded that CCA is partnering with Health Care for All in assisting existing and potential members and will continue to monitor call centers and the impact of the federal public charge rule on CCA’s role in promoting near-universal coverage across the state.

- VI. Health Connector for Business: Update and Strategic Goals:** The Presentation “Health Connector for Business: Update and Strategic Goals” was presented by Ms. Gasteier, Ms. Coates, and Ms. Miller. Ms. Gasteier began the presentation with an overview of the Health Connector for Business (HCB) presentation and the purpose of HCB in the

Massachusetts market. She noted that CCA is starting see the same shopping behavior that saves individuals money shopping through the Exchange model on the HCB platform.

She reviewed the challenges that small businesses have faced in offering health insurance coverage for employees. She noted that cost and limited flexibility continues to be a primary obstacle, sharing that access to the choice model through HCB has resulted in people finding their way to lower cost plans. She carefully reviewed a graph that shows Massachusetts with the lowest average premiums in the country in the individual market. She stated that this graph is often misinterpreted and stressed that these same low premiums are available to small employers in the Commonwealth, and that the small group market can take advantage of the competitive gains that have been made in the individual market. She reviewed the legal origins of CCA in the small group market and reminded the Board of the federal funds that were used to build the platform prior to the loosening of federal requirements to have a small group platform.

Ms. Gasteier then provided a deeper look into the new shopping behavior that CCA is seeing on the HCB platform. She noted that CCA remains agnostic to which carriers employers select, but that employers are realizing material savings through the HCB shopping platform, of note since many small groups report interest in lower premiums. She noted that as the scale of enrollment changes figures will change, but currently shopping has resulted in collectively, nearly \$9 million of savings on health insurance premiums annually for employers and employees. She reviewed the plan selection behavior when employers have access to the full market and in response to a question from Dr. Herman regarding the \$9 million in savings, Ms. Gasteier explained that the actuarial value remains the same when examining these savings. Mr. Gaunya noted that he would characterize the \$9 million as cost diversion, rather than cost savings. He continued to note that choice is a great thing, but it is also something that carriers do not practice themselves because of underwriting restrictions. He noted additional features of HCB, including a wellness subsidy and concern for where additional funding will come from if uptake of the subsidy increases, and applauded the technology platform.

In response to a question regarding CCA's engagement with brokers, Mr. Gutierrez noted that when CCA first began work in the small group market, CCA was not careful in its approach and felt it could disintermediate the broker community, resulting in negative feelings among brokers. He noted that since the launch of HCB there has been significant work completed by CCA to incorporate brokers as part of the process. He noted that CCA revised broker commission structures and have made progress in bringing brokers into the fold. In response, Mr. Gaunya confirmed that CCA has done great work in changing its perception amongst brokers.

Ms. Gasteier continued with review of the behavior of enrollees through the HCB platform stating that when shopping from the HCB platform, individuals appear more likely to buy small network plans, recognizing that the cost savings or diversions in premiums are a result of smaller networks. She informed the Board that roughly half of the new business on HCB include employers who have not offered to employees before, which benefits their employees but also the merged market by growing the small group market's scale. She

expanded on the relationship growth with brokers, noting that brokers have reported they are happy to be able to offer more options and 88% are likely to recommend the platform. It was noted that while the savings achieved for small employers may not be what every employer is looking for, HCB provides an opportunity to level the playing field for small businesses.

Ms. Miller then provided a review of enrollment forecast through the year 2023. She noted that the forecast is reflective of stable and modest growth, reaching 11,000 members in June 2023. In response to a question from Dr. Chernew regarding the breakeven point, Mr. Gutierrez stated that CCA is not operating with a break even point in sight. He continued to note that for a long time there have been questions about what membership goals are and after some experience with the platform CCA feels comfortable setting realistic growth goals within the current level of outreach resources. He stated that the small group and individual market work hand in hand in this space, with the administration fees from the individual market subsidizing the small group platform and unless there is a deep investment in outreach, it is unlikely to see a break even point.

In response to a question from Ms. Turnbull regarding additional benefits of having small employers offering coverage on the overall market, Mr. Gutierrez noted that other than being legally required to offer small group health insurance, the involvement of small groups on the HCB platform brings greater awareness to the difficulties faced by small employers and coincides with the commitment of CCA to providing access to lower cost choice health plans.

In response to a question from Ms. Peters about any lessons learned from other states' exchanges, Ms. Gasteier stated that a handful of other state exchanges are in the small group market but it's hard to draw parallels. She stated that D.C. is successful in their small group market, and part of the reason is because they do not have to compete for market share as there is statutory requirement that all small group market business flows through the D.C. Exchange. Ms. Turnbull added that Vermont has a similar advantage. Ms. Gasteier continued to note that California has a small group health insurance program but that it is not as expansive, and Maryland is trying to more fully enter into the small group market. She noted that this is a nascent area of Exchange work and that in addition, Massachusetts has a very different market that positions CCA to have a more obvious contribution to the market. Among other differences, Massachusetts has a merged market, and most other states do not, nor might those other states have as many carriers on both nongroup and small group shelves that have been as successful at offering lower price points to shoppers.

Mr. Gaunya commented that he was pleased to hear that the small group market was being subsidized by the individual market with respect to the administration fees. He noted that his memory was that the small group market had subsidized the individual market when the markets merged with the reduction in individual premiums of up to 20-25 percent. In response to the cross-subsidization comment, Mr. Beagan cited, from historical recollection, that the actual increase of premiums for the small group market may have been about one-and-a-half percent at that time.

In conclusion, Ms. Gasteier explained to the Board why a robust merged market is important and highlighted the unique position of HCB to encourage competition and provide consumer security during a time when more people and businesses in Massachusetts may be solicited by companies selling plans that do not meet market standards.

Dr. Chernew thanked CCA staff for their presentation on HCB progress to date and noted that more support for a more robust insurance market will be accompanied by a broader set of economic benefits and progress in the state.

Ms. Turnbull appreciated the great care that went into the presentations before the Board and wanted to note that more than half of the small group members are enrolled in Harvard Pilgrim Health Care and Tufts, reiterating her concerns surrounding the merger and her interest in understanding what corporate form the new entity will take if the merger proceeds.

In response to a final question from Mr. Malzone regarding the size of the small group market off-Exchange and the comparison between on- and off-Exchange shopping behavior, it was explained that the comparisons are not to scale, but rather a representation of the behavior and consumer selections in each respective market.

With no other business before the Board, and no additional comments or questions, the meeting adjourned at 10:56 AM.

Respectfully submitted,

Erin E. Ryan