



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

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Governor

MARYLOU SUDDERS
Board Chair

KARYN POLITO
Lieutenant Governor

LOUIS GUTIERREZ
Executive Director

**Board of the Commonwealth Health Insurance Connector Authority
Minutes**

Thursday, February 13, 2020
9:00 AM to 11:00 AM

50 Milk Street, 8th Floor
Boston, MA 02109

Attendees: Louis Gutierrez, Marylou Sudders, Nancy Turnbull, Michael Chernew, Mark Gaunya, Dimitry Petion, Joan Matsumoto, Rina Vertes, Cassandra Roeder (who was sitting by designation on behalf of Secretary of Administration and Finance Michael Heffernan) and Kevin Beagan (who was sitting at the designation of Gary Anderson). FayeRuth Fisher was joining by telephone.

The meeting was called to order at 9:01 AM.

- I. Annual Meeting Minutes:** The minutes of the December 12, 2019 Annual Meeting were approved
- II. December Meeting Minutes:** The minutes of the December 12, 2019 meeting were approved
- III. Executive Director's Report:** Mr. Gutierrez began the meeting by noting that this was the first meeting following the end of Open Enrollment for plan year 2020. He reported that it had been another stable and successful enrollment period, reaching an all-time high of 312,000 members, a more than five percent increase in enrollment and a strong retention rate. He stated that the Health Connector (CCA) was the only Exchange to experience year-over-year increases in enrollment each year since 2014. He informed the Board that dental enrollments are strong, and more small businesses are gravitating towards the Health Connector for Business (HCB) platform, which has experienced one third growth in membership over the last year. He informed the Board of the praise received from CCA's state officer at the Centers for Medicare and Medicaid Services (CMS) for its Open Enrollment success, noting that while other states have implemented individual mandates and increased subsidies and Massachusetts continues to stand out.

He informed the Board that in March staff would return with updates on Open Enrollment trends. He shared the launch of the ConnectorCare Card to Culture program, based on a partnership with the Massachusetts Cultural Council, emphasizing that leading healthier lives goes beyond medical care. He explained that the Customer Experience Project (CXP) was adjusting the cut over date to June 8, 2020 to better align the transition with business processes.

In response to a question from Ms. Turnbull regarding how CCA and MassHealth's enrollments interact, Secretary Sudders noted that there has been a decrease in MassHealth membership and the migration of people from MassHealth is substantial and therefore it is critical that the HIX process works well to reduce any disruption of benefits.

IV. Topics Related to the Individual Mandate for Calendar Year 2021 (VOTE): The PowerPoint presentation "Topics Related to the Individual Mandate for Calendar Year 2021 (VOTE)" was presented by Marissa Woltmann. Ms. Woltmann began the presentation by providing a review of the background of the individual mandate prior to informing the Board of findings from Department of Revenue (DOR) data analysis. She reviewed the demographics of the uninsured in Massachusetts and noted that in 2015 there were fewer uninsured residents than in 2013. She stated that CCA is interested in looking at this more closely to understand the movement of these residents, if they are now enrolled in employer sponsored plans or if they moved out of state. She provided a detailed review of the uninsured residents of the state, noting how grateful CCA is to have such rich administrative data that can provide so much more information beyond survey data. Ms. Turnbull commented on the fantastic report and the wonderful work that has been produced as a result of DOR data sharing and CCA staff analysis, noting how valuable the partnership with DOR is. She continued to note that the portion of full-year uninsured individuals exempt from the mandate based on income below 150% of the federal poverty level has decreased from 66 percent to 50 percent, suggesting that some of these individuals found their way into coverage as the Affordable Care Act (ACA) was implemented.

Ms. Woltmann then provided a review of the affordability schedule to the Board, reminding members that the state standards remain independent of federal requirements, both in terms of affordability and the requirement to carry affordable coverage. She reviewed how a member would use the affordability schedule to determine if coverage is deemed affordable and informed the Board that for calendar year 2021 there will be modest \$1-\$3 increases in base premium amounts for ConnectorCare members. In response to a question from Ms. Matsumoto regarding the increases, Ms. Woltmann noted that it would be per member, per month.

Ms. Turnbull commented on the success that Massachusetts has had in making coverage so much more affordable for individuals by tying the affordability schedule to ConnectorCare premiums.

Dr. Chernew commented on the applicability of the affordability schedule with respect to metallic tiers and whether access to affordable coverage takes into consideration the quality of coverage. Ms. Turnbull noted that even individuals with access to bronze plans are making a choice not to enroll. Dr. Chernew agreed that while the plans may be affordable, people are not buying these plans because of the underlying cost-sharing. Ms. Turnbull commented that on one hand it is great to have sustained success, but work needs to continue to address affordability.

As there were no additional questions, the Board voted unanimously to approve the issuance of the Affordability Schedules for Calendar Year 2021.

Moving on to the second item related to the individual mandate, Ms. Woltmann reviewed the role minimum creditable coverage (MCC) deductibles play in the market and the standards that they do and do not set. She reminded the Board that since the original MCC regulations were promulgated in 2007, there have been dramatic changes in the health insurance landscape, warranting updates to these regulations and the indexing of MCC deductibles. She reminded that without an update, plans designed as part of CCA's Seal of Approval (SOA) process struggle to fit within the actuarial value constraints under the ACA.

Ms. Woltmann informed the Board of how the indexing will result in a decrease in allowable deductible levels for MCC compliant standard bronze plans for plan year 2021. She recognized that there was a short timeframe between authorizing the new regulations and returning to the Board for their approval of the indexing of deductibles but noted that the annual process will sort itself into a regular cadence. She stated that should the indexing percentage change for this year, as it is currently a proposed index, staff will return to the Board for their approval. In response to a question from Secretary Sudders regarding the timing, Ms. Woltmann noted that there is no set date as it will depend on when the rule is finalized.

In response to a question from Mr. Petion regarding the impact of cost on the usability of a bronze plan benefits by members, Ms. Woltmann replied that there has been evidence of affordability challenges to accessing care both on- and off Exchange, and that survey data may shed greater light on the specifics by metallic tier.

Dr. Chernew commented that there is a significant amount of research demonstrating that less care is used with lower quality plans, and the problem is not about a plan being a mystery but the plans needing to be improved. In response to a comment by Mr. Gaunya regarding informed consumers making different decisions, Dr. Chernew noted that while he supports transparency in shopping, evidence shows that when information is present, the results are disappointing and that we need to find other ways to solve the cost issue. Ms. Vertes noted that she does not care for deductibles, but that insurance plan designs are a symptom of the underlying problem, the high costs of health care. Secretary Sudders commented that individuals need to access the right care, and that access to primary care would provide patients with the answers they need.

With no additional questions or discussion, the Board voted to approve the deductible limits for plan year 2021 as recommended, noting that staff may return with refinements.

- V. **Health Connector for Business (HCB) Calendar Year 2019 Review:** The PowerPoint presentation "Health Connector for Business (HCB) Calendar Year 2019 Review" was presented by Heather Cloran and Casey Alexander. Ms. Cloran began the presentation by reviewing the four major metrics that the HCB team has used to assess their progress over the course of 2019. She noted that in addition to membership growth, the HCB team will review the utilization of the choice model, member engagement with brokers and system enhancements to improve the member experience. Ms. Cloran provided a review of membership growth throughout 2019. In response to a question from Secretary Sudders regarding new groups added in 2019, Ms. Alexander noted that

it is more than 380 new businesses. Ms. Cloran continued to note that in aggregate there was a 127 percent increase in year-over-year sales between 2018 and 2019 and that the welcome survey demonstrates that nearly half of the respondents did not previously offer health insurance, noting that the underserved are finding their way to the platform.

In response to a question from Ms. Matsumoto regarding the April enrollment increase, Ms. Cloran confirmed that this is a major renewal date for small groups with under 10 employees, that are served by intermediaries. Ms. Cloran reviewed the top ten industries that are using HCB, noting that this is consistent with the industries using the platform in the prior year.

Ms. Cloran provided review of how small groups are shopping on the platform, informing the Board of the migration of small groups to Tufts Direct. In response to a question from Ms. Turnbull relative to networks and how they compare to ConnectorCare plans, Ms. Cloran stated that they are the exact same products, with one exception in that there is a PPO offering on the small group shelf recognizing that some employees may live across the border in other New England states. Ms. Turnbull then asked if we are seeing the same tension with respect to narrower networks and access to providers in the small group market. Dr. Chernew responded to the question that one way to deal with cost is to make sure that the high-cost providers feel the pain that encourages them become more widely available and to do this, it requires plans with narrower networks are available. Dr. Chernew agreed with Ms. Turnbull's response that pain is not one sided and that consumers also feel the pain. Secretary Sudders noted that as a member of a narrow network plan, it is not as though there is only one choice, there are still very high-quality providers available that are not high cost.

Ms. Cloran shared data with the Board showing the shopping behavior of a member on the Exchange is different than behavior off-Exchange, noting that the data will be refreshed in the coming months. In response to a question from Ms. Vertes regarding the lowest cost carriers, Ms. Cloran replied that Tufts and BMC are among the lowest. In response to a follow up question, Ms. Cloran noted that at this stage HCB is not hearing members who are dissatisfied with their networks, stating this may be different to the non-group market because the majority of small groups work with brokers and are more aware when making decisions. Mr. Gaunya commented that off-Exchange small groups only have one carrier and one plan as an option, meanwhile on-Exchange there are more options, and it is being well received, in part because of exclusivity.

Ms. Cloran then provided a review of some measures of national health insurance premiums compared to different market segments in Massachusetts, including an explanation of the differences between the average premium cost for small groups who purchase off-Exchange in MA and those that purchase through HCB, emphasizing that the Health Connector's lower cost premiums are available to small groups off Exchange, but businesses may find it more difficult to find those lower premiums without the ability to comparison shop or ready access through the Health Connector. She informed the Board of the distribution of groups among metallic tiers, noting that 94% of groups are in non-bronze plans. She stated that in addition to continuing to serve micro-groups, HCB has also penetrated the market for less than 15 employee space. Dr. Chernew commented on the great strides made by HCB and in response to his question regarding HCB growth in the market on a whole, Mr. Gutierrez stated that HCB is still very small, but this growth is encouraging and the beginning of real, future growth.

Ms. Cloran continued by providing review of the growth in dental enrollments. In response to a question from Ms. Turnbull regarding dental enrollment, Ms. Cloran confirmed that in order for a small group to offer dental coverage they must first offer medical coverage through HCB. Ms. Cloran continued with review of the choice models and the selection of a choice model by new groups. In response to a question from Ms. Vertes regarding carrier networks, Ms. Cloran confirmed that for the “one carrier” option all plans have the same network for individuals to choose between. Ms. Cloran provided a review of employee behavior within the choice models, stating that 43 percent of members are picking a different plan that meets their own individual needs. In response to a question from Ms. Turnbull regarding whether or not these employees are purchasing plans that are more or less rich, Ms. Cloran stated that CCA will look into this data.

Ms. Cloran continued with an overview of the significant progress that HCB has made with respect to broker engagement, informing the Board that 76 percent of new sales are through a broker, compared to the 12 percent in advance of “go-live” for the new platform. Mr. Gaunya applauded Ms. Cloran and her team for the great job that they have done in building trust and relationships within the broker community. Ms. Cloran continued to note that the platform helps a person find the broker themselves, connecting employers to no-cost brokers. She informed the Board of the benefits that HCB has that draws brokers and employers to the platform. In response to a question from Mr. Petion regarding additional community engagement, Ms. Cloran stated that CCA has collaborated with 60 or so community partners, including chambers, across the state to focus on direct outreach.

Ms. Alexander then informed the Board of improvements made to the ConnectWell wellness program and the additional benefits that are available for small employers enrolled through HCB. In response to a question from Mr. Gaunya regarding the budget for the ConnectWell program, Mr. Gutierrez responded that it is imbedded in the Health Connector’s budget. In response to a question from Ms. Turnbull regarding what the incentives are, it was explained that employees will receive a gift card from CCA if they complete an action from one of three buckets, mind, body or financial wellness. If 33 percent of employees complete these tasks, then the employer receives a 15 percent rebate of their premium contributions. She then provided a review of the new anonymous browse tool, which provides employers with a quote in less than five minutes after providing very minimal data. She noted that the tool provides parity between HCB and other distribution channels and so far, employers and brokers are providing positive feedback. She finished with a review of the payment portal, launched in December 2019, that allows employers to monitor account balances in real time and set up automatic payments. She noted that already, 300 groups have set up auto-pay. Following review of the next steps of HCB for 2020, the presentation concluded.

VI. Customer Experience Project Update: The PowerPoint presentation “Customer Experience Project Update” was presented by Vicki Coates, and Michael Piantanida.

Ms. Coates began the Customer Experience Project Update by reviewing the key tracks of the project that would be discussed, including updates on each vendor. She provided a detailed review of the status of the Electronic Data Management Center (EDMC) implementation noting that everything is on track as expected and that all facets of the plan are in good shape, thanks to

(EDMC). She informed the Board that CCA will be changing the cut over and “go-live” dates for Enrollment and Premium Billing and Customer Service tracks of the project to better align with existing business processes. In response to a question from Secretary Sudders regarding reason for date change, Ms. Coates stated that this date change is not a result of schedule slippage rather will provide for a better transition given the timing of certain business processes, specifically the billing run.

Mr. Piantanida reviewed details of implementation for Enrollment and Premium Billing, including project schedule considerations. He informed the Board of the notices risk identified and the vendor’s response of adding additional developers to mitigate risk. He noted that the date of completion for development was moved from February 3rd to February 14th and that some development will carry on beyond the new target date. In response to a question from Ms. Turnbull regarding the practical implications of the milestone change, Mr. Gutierrez noted that in isolation itself, the development date change does not cause slippage. Mr. Piantanida then provided review of the carrier testing underway, which ensures that data can be shared between carriers and the vendor. He noted that the testing cycles are taking longer than anticipated and as this testing is a critical component, the testing timeline has been extended through March 20th. He explained that this extension can be accommodated without significant risk and thanked the carriers for their cooperation and support. He continued to note that the first round of end-to-end testing has yielded disappointing results, and defects have put stress on the testing schedule. He stated that CCA is monitoring this closely and will be evaluating mitigation plans in addition to requesting a path to green from the vendor. He informed the Board that additional resources will be brought on from Optum and the end-to-end testing schedule will be extended. In response to a question from Mr. Petion regarding overlap between development and testing, Mr. Gutierrez confirmed that while it was not the original plan, these two tasks would be carried out simultaneously. Mr. Gutierrez continued with an explanation of the development plan, he informed the board that the Member Portal issues were surprising to CCA and that these issues should have been addressed in development, ultimately the product CCA received was not ready for primetime.

In response to a question from Ms. Turnbull regarding the mitigation proposals, Mr. Gutierrez stated that these are all fast-moving events, with the test results being new as of Tuesday. He shared that throughout the process, there may be one day when it feels like the sky is falling and the next day it will appear as though everything is being taken care of. He stated that the new member portal is a significant risk, and there is no harm or risk in extending the timeline at this stage to address the risks. He did note, that if the extension started to stretch beyond two weeks then there is cause for concern. In response to a follow up question from Ms. Turnbull regarding the “other resources”, Mr. Gutierrez stated that there may be a need to contract with a 3rd party to provide additional testing resources.

In response to a question from Mr. Petion regarding the contingency plan, Mr. Gutierrez reviewed places where CCA has built in time, but will be concerned if the additional buffer time is consumed too quickly. In response to a question from Dr. Chernew regarding worry from the vendor, Mr. Gutierrez confirmed that CCA remains persuaded that quality vendors were selected and that they are working hard, though CCA would rather have an honest red than a phony green or shaded yellow. He stated that this is a hurdle that will need to be overcome, but that these issues should have been found sooner and not at this stage of testing. Mr. Gutierrez assured Mr. Petion that his

point to make sure CCA and members are not adversely affected by vendor's behavior and lack of action was well taken. Mr. Piantanida then provided a review for the key activities for February prior to completing the Softheon update.

Ms. Coates then provided an update on the status of work being completed for the customer service track by Faneuil. She informed the Board that milestone four is still not completed, but that the data load, which is causing the issues does not impact any of the work or cause slippage downstream on the project. She provided additional review of other Faneuil responsibilities and informed the Board that the incumbent vendor is prohibiting Faneuil from contacting current walk-in center staff relative to opportunities to stay on with the new vendor. In response to a question from Mr. Petion regarding the development of Customer Relationship Management (CRM), Mr. Gutierrez clarified that CCA has put aside plans to develop its own CRM but is referencing the CRM that Faneuil uses for all of its clients. She stated that CCA is currently forecasting projections for June- August as this is the time when the vendor will begin preparing to staff the call-center for that time. She commended Linda Hamel, contract attorney for CCA, for her amazing work on CXP. In response to a question from Ms. Turnbull regarding customer service center staffing risks, Ms. Coates replied that early in the process, the good economy was a concern, but vendors remain confident that they can access the employees needed.

Ms. Coates then remind the Board of the contingency plan in place with the current vendor, NTT, stating that a decision will need to be made by March 1st as to whether or not CCA will be triggering a three-month extension. In response to a question from Ms. Turnbull regarding how CCA will assess this, Mr. Gutierrez stated that this is a crucial call with several factors. He stated that CCA will need to receive a strong mitigation plan and see progress on portal development. He continued to note that if end-to-end testing is demonstrating positive results and notices are completed by February, then the contingency would not be triggered. He added that, if it would be possible to negotiate a later trigger date with the vendor, that would be appreciated, but that the vendor knows that they have leverage and CCA cannot and will not wait until the final minutes for negotiations. In response to a question from Mr. Petion regarding the ability to go into a month to month relationship with NTT, Mr. Gutierrez noted that the initial extension was difficult to negotiate, and currently it is a three-month extension. He did note that NTT owes CCA a lot of money with respect to performance fines and that while CCA would consider trades, it will not be held hostage by the vendor.

In response to a question from Secretary Sudders regarding the appearance of CXP concerns, it was noted that the issues with the member portal only just revealed itself this week and a meeting with Softheon to address the issues is this week. Mr. Petion commented that he strongly supports CCA leadership, stating he was likely not alone in feeling that CCA should not be held hostage by the incumbent vendor.

VII. Policy Updates: The Presentation "Policy Updates" was presented by Ms. Gasteier and Ms. Brice. Ms. Gasteier began the presentation by reminding the Board of the many policy developments that CCA is continuing to monitor. Ms. Brice then provided a review of the recently proposed 2021 Notice of Benefit and Payment Parameters (NBPP), highlighting CCA concerns around a proposed automatic enrollment prohibition for members who qualify for advanced premium tax credits (APTCS) and have a zero-dollar premium. Ms. Brice continued with review of other proposals of

significance in the proposed rule, including the potential for greater federal oversight of state determination of state-mandated benefits in excess of the Essential Health Benefit (EHB) benchmark. In response to a question from Mr. Beagan regarding the EHB benchmark, Ms. Brice stated the requirement is for states to defray the cost of any new state mandated benefits following a date in 2012. CMS, she stated, is suggesting that states are not adequately going through this process, and the proposal would require annual updates to any new mandates passed in the last year. She reviewed additional proposals, including that states may voluntarily adopt value based insurance design (VBID), and thanked Dr. Chernew for his leadership on the national level to research this topic. She informed the Board that CCA will be returning to them in March to provide them with preliminary Seal of Approval plans, noting that there will be a new actuarial value (A/V) calculator for 2021. She informed the Board of the deadline to submit comments. In response to a question from Mr. Beagan regarding the AV calculator, Ms. Brice stated that preliminary modeling indicates that there may be particular cost-sharing changes on the bronze plan and requirements to increase cost-sharing in order to maintain the A/V.

She reminded the Board of the Health Reimbursement Arrangements (HRA) rule and informed them of the development of a Massachusetts specific tool that is now available on CCA's website along with FAQs about HRAs in time for the second quarter small group renewal season.

Ms. Gasteier then provided the Board with an update on the public charge rule including the effective date of the rule and that Exchange subsidies received through the Health Connector are not a negative factor when determining whether a person is determined to be a public charge. Despite this, she stated, the rule is extremely complex and may lead to confusion, causing people to unenroll in coverage even though they remain eligible. She stated that CCA will continue to monitor this area and the possible member impacts and implications. In response to a question from Mr. Petion regarding his concerns and what we are seeing in communities we serve, Ms. Gasteier noted that staff haven't yet seen any notable response to the rule yet, but CCA did watch closely during Open Enrollment with respect to possible dynamics, but it is still too soon. Ms. Turnbull commented on the agility for CCA to respond to the constant policy activities by the federal government and commended Mr. Gutierrez on his grace when receiving congratulatory calls on CCA's Open Enrollment period.

Ms. Gasteier continued with review of the Exchange Program Integrity rule that was finalized in the end of December, noting that CCA already exceeds the data matching requirements required in the rule and that CCA has worked with carriers to come up with state specific approaches on other components of the rule. She continued with an update on the *Texas v. U.S.* Lawsuit, noting that justices may decide on February 21 whether or not to take the case. She informed the Board that Blue Cross Blue Shield Foundation has published a brief on how the lawsuit may impact coverage in the state. She concluded by providing a high-level overview of the responsibilities of the Merged Market Advisory Council (MMAC), under the leadership of the Division of Insurance (DOI), which includes overseeing a comprehensive actuarial analysis of the merged market and the role of emerging non-merged market products and dynamics in the merged market. She noted that there have been a series of listening sessions and public forums to solicit input from the public. Kevin Beagan stated that DOI appreciates the work of the CCA Board members that sit on the MMAC for participating and exploring what is being offered in the merged market and outside. He noted that the Council has heard a great deal from small businesses and informed the Board

and public of upcoming meetings and sessions, which have proved to be valuable so far. In response to a question from Ms. Turnbull regarding individual turnout, Mr. Beagan replied that some individuals have attended, and that individual interests remain front and center along with small groups.

Prior to concluding Secretary Sudders commented on all of the extraordinary work being completed, especially with respect to CXP, and assured CCA that the Board remains fully supportive of their efforts.

The Board then voted to adjourn at 10:52AM.

Respectfully submitted,

Erin E. Ryan