



*The Commonwealth of Massachusetts
Commonwealth Health Insurance Connector Authority
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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, July 8, 2021
9:00 AM to 11:00 PM

Live Stream

<https://www.youtube.com/user/TheMAHealthConnector>

Attendees: Louis Gutierrez, Secretary Marylou Sudders, Nancy Turnbull, Michael Chernew, Mark Gaunya, Commissioner Matthew Veno, Rina Vertes, Commissioner Gary Anderson, FayeRuth Fisher and Cassandra Roeder (who was sitting by designation on behalf of Secretary of Administration and Finance Michael Heffernan)

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

- I. Minutes:** The minutes of the June 10, 2021 meeting were approved by roll call vote.
- II. Executive Director's Report:** Mr. Gutierrez began the meeting by providing an update on the Health Connector's Extended Open Enrollment period and American Rescue Plan (ARP) implementation. With two weeks left until the Open Enrollment deadline of July 23rd, Health Connector staff are working on reminding uninsured state residents to sign up for coverage. Additionally, staff are outreaching unemployed state residents who can now, because of the ARP, qualify for zero-dollar premium plans for the balance of 2021. Health Connector staff expect to remain active in raising awareness and providing consumer assistance through the deadline including with a "Day of Coverage" and Latino Festival in conjunction with El Mundo on Sunday July 18th. Mr. Gutierrez also informed the Board of an earlier outreach event at the Health Connector's Lawrence Navigator organization with Secretary Sudders and Congresswoman Lori Trahan, who will be participating in another outreach event with Congressman Richard Neal and other elected officials from the Springfield area on Monday, July 19th in Springfield. The Lawrence event featured information about the new benefits of the ARP and Navigator stories of savings members are seeing. For example, a family of four may see their premium reduced from \$266 to \$135 per month and couple may see their premiums reduced from \$46 to \$6 per month.

Mr. Gutierrez emphasized that these lower premiums are delivering real, impactful savings to over 100,000 people in Massachusetts. Premium savings made possible by the ARP will extend into 2022.

Mr. Gutierrez then summarized the agenda items before the Board. First, he noted that staff would provide an update on the Seal of Approval process before the final vote in September. To date, the process has been smooth with minimal changes anticipated in the next year's product shelf. Next, Mr. Gutierrez would present on management recommended authorizations for an overhaul of the Health Connector's contact center. Finally, staff would present a proposed administrative budget for Fiscal Year (FY) 2022 with a look back at the recently completed year ending in a favorable position.

Mr. Gutierrez concluded his remarks by thanking Board members for their consistent support and guidance.

III. Plan Year 2022 Conditional Seal of Approval (VOTE): Ms. Audrey Morse Gasteier began the presentation "Plan Year 2022 Conditional Seal of Approval (VOTE)" by noting that staff would be presenting an overview of responses to the Health Connector's 2022 Seal of Approval (SOA) Request for Responses (RFR) which was issued in March 2021. She reminded the Board that the Conditional SOA is not an indication of expected approval but rather a procedural step that allows staff to further consider and analyze the product responses offered by carriers for sale through the Health Connector. Staff will return to the Board in September with recommendations regarding the Final SOA after completing review of products, rate information, and with a final proposal for ConnectorCare programmatic design.

Next Ms. Gasteier reviewed the Plan Year (PY) 2022 product goals and strategies. She noted that the 2022 SOA RFR process was oriented around the Health Connector's strategic plan to ensure that the approach to product certification and offerings reflects the agency's guiding principles and strategic objectives. These initiatives include helping unsubsidized members who bear the full brunt of health care costs, strengthening the ConnectorCare program, improving member experience, maximizing value to businesses in the small group market, outreaching and covering the uninsured, and layering a health and racial equity framework into the SOA and other carrier related work.

Then, Mr. Samuel Adams reviewed information related to Qualified Health Plan (QHP) submissions. He began by providing an overview of the proposed product shelf, noting that the Health Connector received responses from nine medical carriers for PY2022 SOA. The carriers submitted a total of 52 non-group and 64 small group QHPs. Mr. Adams reminded the Board that carriers are required to offer standard Platinum, high Gold, high Silver, and Bronze plans on non-group and small-group product shelves. Carriers are also required to offer a low Silver HSA compatible plan and a PPO offering on the small group shelf. Additionally, carriers must submit a non-standard low Gold plan that permits flexibility in cost sharing design within a prescribed actuarial value range. Mr. Adams noted that there are no new carrier entrants or departures for the upcoming plan year, highlighting that Fallon would continue to participate in the ConnectorCare program despite their shift in

market and product strategy. He also noted that the Health Connector product shelf would not be impacted by the Tufts-Harvard Pilgrim merger until 2023. Finally, as in prior years, ConnectorCare carriers are permitted to continue loading their Silver tier non-group plans with an additional percentage of premium to offset the loss of federal cost sharing reductions.

Next, Mr. Adams presented two charts outlining non-group and small group QHPs proposed for the PY2022 consideration. He highlighted a net decrease of seven plans on the non-group shelf and a net decrease of eight plans on the small group shelf due to Fallon's plan closures. Mr. Adams noted that in April 2021 Fallon announced it would shift its focus away from commercial product offerings, closing plans on its broadest two networks (Select and Direct Care). Plans for PY2022 will be offered on Fallon's narrower network, Community Care. Currently, only one Fallon plan is offered on this network which is Fallon's lowest cost Silver plan and serves as their ConnectorCare base plan. Mr. Adams noted that this change in product strategy impacts approximately 1,600 existing unsubsidized and APTC-only members but has no impact on ConnectorCare members. Most of the 1,600 impacted members will remain with Fallon and be auto renewed into the Community Care plan at the same metallic tier as their prior plan. Impacted members living outside of the Fallon service area will be auto renewed into the lowest cost plan at the same metallic tier offered from a different carrier.

In response to a question from Ms. Turnbull, Mr. Adams clarified that impacted Fallon members will likely be able to keep existing provider relationships, particularly if they choose a plan from a different carrier, because the carriers offered as alternatives include broader network carriers such as Harvard Pilgrim and Blue Cross Blue Shield. This is also a key point of communication for impacted members. Ms. Turnbull noted that communications should emphasize the alternative options available for members who may want to retain their existing providers.

Next, Ms. Gasteier presented a slide summarizing carriers' narrative submissions on a range of quality and value initiatives to inform future SOA policy development. She noted that the Health Connector inquired about carriers' efforts to advance health and racial equity. A common theme in the responses was related challenges in obtaining race, ethnicity, and language data and many expressed an interest in working with the Health Connector on improved data collection from enrollees. Ms. Gasteier emphasized that there is likely significant opportunity for improvement in this space and an opportunity to create a common set of equity related objectives for the Health Connector and the carriers with which it works. She noted that the Health Connector also solicited information from carriers about their current coverage approach to specific behavioral health services to better align with and amplify the EOHHS Behavioral Health Roadmap in the next year's SOA.

Ms. Turnbull voiced her support for the behavioral health initiative and asked staff to identify common areas where all plans can work collaboratively on the health equity initiative. Commissioner Veno congratulated the Health Connector for the initiatives, noting that behavioral health, health equity and affordability are priority areas for the GIC

as well. He noted that the GIC will also use the EOHHS Behavioral Health Roadmap as a framework for behavioral health-related initiatives and in the health equity space, will work with sister agencies to establish a standardized framework for data collection to better understand the existing disparities in the market. Secretary Sudders thanked the GIC, Health Connector, and the Division of Insurance (DOI) for their collective efforts around behavioral health and equity.

Ms. Maria Joy Dawley then presented information related to an existing quality and value initiative on high-value medications. She noted that the PY2022 SOA includes an expansion of the Health Connector's insulin initiative, which was first introduced in 2021 and required coverage of insulin medications at Tier 1 cost sharing in standard plans. Though this change was to promote affordability of insulin coverage, not all carriers covered Tier 1 insulin in both pen injector and vial delivery methods. Ms. Dawley noted that because pen injectors are the more patient-friendly means of delivery, the 2022 SOA expands the requirement to include pen injector coverage at Tier 1 copays. Additionally, carriers will continue to be required to cover medication assisted treatment at \$0 cost sharing in ConnectorCare in 2022.

In response to a question from Dr. Chernew about carrier reaction to the pen injector requirement, Ms. Dawley clarified that only a handful of carriers were not doing this already but that those carriers represent a sizeable portion of Health Connector membership. Dr. Chernew commented that it would be helpful to understand how much flexibility the Health Connector has to continue pursuing such value initiatives with carriers. In response to a question from Commissioner Veno about the insulin requirement, Ms. Dawley clarified that the Health Connector will require carriers to offer at least one of each type of insulin at Tier 1, including short-acting, immediate-acting, and rapid-acting. Carriers have some flexibility here after they meet the baseline requirement.

Next, Ms. Dawley presented information about 2022 ConnectorCare participation, noting a stable ConnectorCare landscape with no expected changes in participation or coverage. There continue to be several regions of the state with only one participating carrier and the Health Connector aims to bring additional carriers with sufficient provider choice to those areas in future years.

Finally, Ms. Dawley provided an overview of PY2022 dental product offerings. She noted that the proposed 2022 dental shelf remains unchanged from 2021 with the same carriers submitting the same suite of plans.

Ms. Turnbull commented that the last 16 months have been an aberrant period in terms of costs and utilization. She emphasized that a close review of premiums would be required, particularly given profitability in health and dental plan financials. Commissioner Anderson responded by noting that the DOI will approach the rate review process being mindful of trends in utilization and carriers' finances during this unique year. Secretary Sudders noted that this period may create an opportunity to think differently about bridging out of the pandemic. Commissioner Veno noted troubling underlying health care trends across carriers pre-pandemic. In a post-pandemic environment, these trends are expected

to re-emerge. Commissioner Veno also noted that it is the GIC's obligation to set premiums at a rate that anticipates activity moving forward. Commissioner Anderson responded by noting that the pandemic has provided an opportunity to look at the rate review process more holistically.

With no further comments or questions, the Board voted unanimously to allow the 2022 Conditional SOA to enable consideration of all recommended standardized and non-standardized QHPs and QDPs proposed by carriers.

IV. Contact Center Contracts – Accenture, Related Technologies, and CIC Leases (4 VOTES): Mr. Gutierrez presented the slide deck titled, “Contact Center Services Implementation and Operational Contracts”. He noted that the Health Connector is engaged in a top to bottom revisitation of the customer service experience in the contact center and back office including platforms, staffing, management disciplines, and approach. In the June Board meeting, Health Connector management recommended, and the Board authorized early work with Accenture State Health Care Services, LLC (Accenture) to undertake early planning and design related to this revamp. Mr. Gutierrez noted that at this time, Health Connector management is requesting authorization to proceed with the implementation of a major revamp of the contact center back office, front office, in-person centers, and Customer Relationship Management (CRM) platform to remediate certain on-going challenges in member access to services. He continued describing Accenture's response to an emergency procurement effort, including a comprehensive proposal with transfer of services targeted for October 2021.

Mr. Gutierrez noted that the Health Connector has prior experience with Accenture, who responded effectively to recent challenges by providing contact center management supports starting last fall and surge staffing for OE2021. Accenture's customer satisfaction ratings for surge staffing agents were very high and their work demonstrated depth of strength in both management skill sets and tools.

Next, Mr. Gutierrez summarized the overall scope and services at go-live in October 2021 which includes assisting members and assisters in answering questions, handling calls in English and Spanish and providing translator services in other languages, processing documents, and outreach and coordination with third-party vendors. Accenture will also provide support for members who have immediate medical needs or other issues in coordination with the Ombudsman team, quality assurance and customer satisfaction programs, and workforce management programs to forecast call and case activity. Additionally, the Health Connector will be taking over two in-person walk-in center leases in Worcester and Boston for more flexibility in how those walk-in centers will be managed.

Mr. Gutierrez then described the technology supporting Accenture's service model. He noted that this customer service revamp will, for the very first time, result in a CRM platform that the Health Connector has a residual post-contract license rights. To procure additional cloud services and software licenses, the Health Connector will work through vendors currently on pre-bid state blanket contracts including Smartonix and Carahsoft.

Mr. Gutierrez then summarized additional features that will be available to Health Connector members following initial go-live, noting that a late winter or spring release would include more advanced capabilities such as advanced speech analytics, IVR self-service, improved call routing, and additional member communication and chat channels.

In presenting the overall budget, Mr. Gutierrez noted that the recommended contracts reflect \$10.4 million in implementation costs which include \$3.4 million in planning and design. Exclusive of implementation, on-going operations over the four-year term is estimated to \$117 million. The aggregate values of contracts and leases recommended is approximately \$127 million when including the implementation expenses. Mr. Gutierrez reviewed the four milestones associated with payments for the planned go-live date of October 1st. He emphasized that the Accenture contract extends through August 8th, 2025, with no options for renewals or extension because this is an emergency procurement.

Finally, Mr. Gutierrez described the content of the four votes before the Board related to contracts with Accenture, Smartonix, Carahsoft, and walk-in center leases. Because of the Health Connector's by-laws, votes correspond to contracts as opposed to overall projects.

With no further comments or questions, the Board voted unanimously to allow the Health Connector to execute an agreement with Accenture, bringing the total costs for the Accenture contract to \$10.2 million for implementation services and approximately \$95 million for operational services through August 8, 2025.

The Board voted unanimously to allow the Health Connector to engage Smartronix to provide technology services under the Health Connector's Account Agreement with Smartronix, with an estimated annual cost of \$831,430.

The Board voted unanimously to allow the Health Connector to execute a purchase order with Carahsoft for technology services as described in this presentation, with an estimated annual cost of \$1,633,131.

The Board voted unanimously to allow the Health Connector to execute an assignment of the CIC leases with Portland North LLC and Israel Family Limited Partnership with an estimated annual cost of \$208,000 and \$67,000, respectively.

Secretary Sudders thanked Mr. Gutierrez and Health Connector staff for their clear focus on customer experience.

- V. **FY22 Administrative Budget (VOTE):** Ms. Kari Miller presented the slide deck titled "Health Connector Administrative Finance Update (VOTE)". She provided an overview of the FY21 administrative budget which was favorable to the Board-approved budget by \$4.9 million. The FY22 administrative budget recommendation reflects significant usage of reserves due to the implementation of new contact center services as well as a \$10 million reduction in administrative support via the Commonwealth Care Trust Fund (CCTF). The FY22 recommendation reflects a projected net loss of \$14.7 million and corresponding reserves \$29.3 million.

Ms. Miller then presented a figure representing the Health Connector's inflation adjusted per member per month (PMPM) administrative costs. The FY22 PMPM reflects return to 2018 levels and moving forward, staff anticipated further reductions based on assumptions about the cost structures of vendors and projected increases in membership as the federal Public Health Emergency (PHE) ends. In response to a question from Commissioner Veno, Ms. Miller clarified that line presented in the graph of PMPM costs reflects Health Connector membership.

Next, Ms. Miller presented a figure with FY21 enrollment, noting that current projections reflect a year end membership of approximately 307,000 people overall, with 192,000 in the ConnectorCare program. While these projections mirror what was presented to the ANF subcommittee in June, they reflect a six percent decrease compared to Board-approved estimates from last year. Ms. Miller clarified that this decrease is driven by paused member flow from MassHealth due to the ongoing federal PHE. Secretary Sudders commented that at this time, the federal PHE is scheduled to end at the end of December so MassHealth redeterminations will commence in January.

Ms. Miller summarized the Health Connector's current budget relative to the Board-approved budget. She noted that the current budget is favorable to the Board approved budget by \$4.9 million. She noted that roughly \$4 million of this is attributable to timing and the deferral of strategic plan initiatives and the remaining \$1 million is due to a net reduction in expenses for contact center and premium billing vendors and personnel. This results in a projected \$7.6 million net gain in FY21 with reserves of nearly \$44 million or six months of operating expenses.

Ms. Nupur Gupta then reviewed FY22 administrative budget considerations which reflect implementation of new contact center services as well as the American Rescue Plan and the assumed end of the federal PHE in December. Next, Ms. Gupta presented a figure with FY22 enrollment, noting that projections reflect a year-end membership of approximately 371,000 overall members and 279,000 members in the ConnectorCare program. This represents a four percent increase relative to FY21 and is driven by growth in the APTC-only program. Additionally, FY22 year-end projected enrollment for ConnectorCare restores membership back to pre-pandemic levels and exceeds FY20 ending enrollment.

Ms. Gupta then presented the FY22 administrative budget summary, noting that the current estimate is unfavorable to FY21 by \$22.3 million due to contact center implementation and a reduction to the CCTF request of \$10 million, partially offset by increased revenue because of the enrollment increase. She also noted that the recommended amount for personnel is equivalent to the FY21 original budget and the increase to IT, facility, and administrative costs is due to banking and lock-box fees. Because of the projected net loss of \$14.7 million, FY22 year-end reserves are approximately \$29.3 million. In response to a question from Secretary Sudders, Mr. Gutierrez clarified that the FY22 administrative budget includes the cost of the new leases and other contracts voted on during the Contact Center Contracts agenda item.

With no further comments or questions, the Board voted unanimously to approve the proposed FY22 administrative budget recommendation.

Secretary Sudders thanked the Board and Health Connector staff for managing through an unprecedented time and welcomed Board members to suggest policy topics of interest for future Board meetings.

Ms. Vertes requested to incorporate affordability considerations into every future Board meeting as well as more discussion around making health care more affordable, so health insurance is more affordable. Mr. Gaunya agreed that an enhanced focus on transparency may enable members to be smart shoppers of health care.

Mr. Gaunya requested more channels to connect members with behavioral health and primary care. Dr. Chernew agreed and requested a review of Health Connector carrier access to new tele-mental health options that provide a level of access that transcends what a member might receive through the traditional mental health system.

Commissioner Veno also voiced support for more discussion on behavioral health. He noted that the GIC has taken specific steps around plan design to waive copays for behavioral health telehealth visits. Secretary Sudders noted that the Governor's State of Emergency required tele-behavioral health to be paid at parity. She also described MassHealth's guidance on tele-behavioral health which adopts a broad definition of the various mechanisms that can be used for telehealth with a strong equity and consent lens.

Ms. Turnbull requested a briefing on the MassHealth waiver proposal for Board and staff members. She also requested further discussion around new uses of long-term savings to the Commonwealth Care Trust Fund driven by the American Rescue Plan if the Advance Premium Tax Credit expansions it included were to become permanent or extended further beyond 2022. Ms. Fisher requested staff to ensure an equity lens is embedded in all policy and operational discussions moving forward.

With no questions or further discussion, the Board motioned and unanimously voted to through roll call to adjourn at 10:15 AM.

Respectfully submitted,

Nikhita Thaper