

Report to the Massachusetts Legislature: Activities and Accomplishments of the Massachusetts Health Insurance Marketplace

Fiscal Year 2020



Massachusetts Health Connector January 2021

Table of Contents

Table of Contents	2
Preface.....	4
1.0: Introduction	6
2.0: Non-group Membership	9
3.0: Health Connector for Business Small-group Membership.....	14
4.0: Dental Membership.....	20
5.0: Administration and Operations.....	21
6.0: Outreach, Assistance, and Education	25
7.0: Policy and Regulatory Responsibilities	30
8.0: Concluding Comments.....	33
Appendix	35
Endnotes.....	36

Tables and Figures

Tables

Table 1: Milestones in Massachusetts Market Reform

Table 2: Strategies Used to Expand and Protect Coverage during COVID-19 Pandemic

Table 3: FY20 ConnectorCare Budget

Table 4: FY20 Appeal Requests

Table 5: FY20 Navigator Organizations

Table 6: Community engagement activities, paid media, earned media, OE18 – OE20

Table 7: Affordability Schedule in Context

Table 8. CY2020 Affordability Schedule for Individuals

Table 9. CY2020 Affordability Schedule for Couples

Table 10. CY2019 Affordability Schedule for Families

Table 11. Penalty Schedule for Failure to Comply with the Individual Mandate, 2013-2020

Figures

Figure 1: Massachusetts Health Coverage Enrollment by Insurance Type, 2018-2020

Figure 2: Massachusetts Non-Group Membership by Marketplace Use, March 2020

Figure 3: Unsubsidized Non-Group Enrollment by Marketplace Use, 2016-2020

Figure 4: ConnectorCare Plan Types by Income

Figure 5: ConnectorCare Enrollment by Plan Type

Figure 6: ConnectorCare Enrollment by Carrier

Figure 7: Average APTC-Only Family Level Premiums by Subscriber Age Band in 2020

Figure 8: Average Unsubsidized Family Level Premiums by Subscriber Age Band in 2020

Figure 9: Non-ConnectorCare Enrollment by Metallic Tier

Figure 10: Non-ConnectorCare Enrollment by Carrier

Figure 11: 2020 Non-ConnectorCare Non-Group Enrollment by Marketplace Use and Carrier

Figure 12: Small-group Enrollment by Marketplace Use, March 2020

Figure 13: Health Connector for Business Small-group Enrollment by Metallic Tier

Figure 14: Health Connector for Business Small-group Enrollment by Carrier

Figure 15: 2019 Small-group Enrollment by Marketplace Use and Carrier

Figure 16: Health Connector for Business New Groups by Plan Offering

Figure 17: Annual Average Premiums for Single Coverage in the Employer Market and Average Premiums in the ACA Marketplaces, MA and the U.S., 2013-2019

Figure 18: New ConnectWell Wellness Program

Figure 19: ConnectWell Activities

Figure 20: Non-group Dental Enrollment by Benefit Type

Figure 21: Non-group Dental Enrollment by Carrier

Figure 22: Small-group Dental Enrollment by Benefit Type

Figure 23: Small-group Dental Enrollment by Carrier

Figure 24: Current and Future State: Customer Service and Business Operations for Non-group Membership

Figure 25: OE20 Community-based Media Outreach

Figure 26: Chronically Uninsured Among the Full-Year Uninsured in 2015

Preface

Massachusetts has a long history of health care reform efforts aimed at expanding health insurance coverage to its residents. The Massachusetts Health Connector is proud to be a key part of the public interest legacy created when the Commonwealth's landmark health reform law, Chapter 58 of the Acts of 2006, was passed and included a state-based Marketplace: a place where individuals, families, and small businesses can find, compare, and get help to afford health insurance coverage. As a result of that legacy, Massachusetts has the highest rate of insurance in the country, with over 97 percent of residents insured.

The work of the Health Connector and the sustained success of health reform in Massachusetts has benefited from the support and assistance of the Legislature and many state agencies. The Health Connector would like to thank the Office of the Governor, the General Court, the Executive Office of Health and Human Services, MassHealth, the Executive Office for Administration and Finance, the Division of Insurance, the Group Insurance Commission, the Department of Revenue, the Executive Office of Technology Services and Security, the Center for Health Information and Analysis, the Department of Public Health, the Division of Unemployment Assistance, the Massachusetts Board of Higher Education, the Health Policy Commission, the Office of the Attorney General, and the Massachusetts Office of Business Development for our collaborative efforts towards Massachusetts health reform.

The Health Connector is governed by a Board of Directors consisting of 11 members. The staff of the Health Connector wishes to extend its deepest gratitude to all past and current Directors for their commitment to health reform. Directors who served in Fiscal Year 2020 (FY20) include:

- Secretary of the Executive Office of Health and Human Services Marylou Sudders, Chair of the Board;
- Secretary of the Executive Office for Administration and Finance Michael Heffernan;
- Gary Anderson, Commissioner of the Division of Insurance;
- Roberta Herman, M.D., Executive Director of the Group Insurance Commission; succeeded by Joan Matsumoto through March and Matthew Veno mid-way through FY20;
- Michael Chernew, Ph.D., Leonard D. Schaeffer Professor of Health Care Policy at Harvard Medical School;
- FayeRuth Fisher, Political Director of 1199 SEIU MA
- Mark S. Gaunya, GBA, LIA, Co-owner and Chief Information Officer, Borislow Insurance;
- Louis F. Malzone, Executive Director of the Massachusetts Coalition of Taft-Hartley Funds; succeeded by Zaranique Pope, Chief Human Resources Officer at DotHouse in FY21;
- Dimitry Petion, President and CEO of Mulberry Systems, Inc.;
- Nancy Turnbull, Senior Lecturer on Health Policy and Associate Dean at Harvard School of Public Health; and
- Rina Vertes, President of Marjos Business Consulting.

Executive Summary

During Fiscal Year (FY) 2020, which spanned portions of the 2019 and 2020 plan years, the Health Connector undertook special efforts, beyond its standard Marketplace operations and activities, to respond to the challenges faced by Massachusetts residents during the COVID-19 health and economic crises. The Commonwealth's history of prioritizing coverage has enabled the Health Connector to effectively carry out its mission, contributing to health care access and household economic security for all state residents. Despite challenges presented by COVID-19 and a dynamic federal policy landscape, the Health Connector continued to support individuals and small groups enroll in high quality coverage.

Ending FY20 with 298,000 non-group medical plan enrollees and 6,600 small-group medical enrollees, the Health Connector experienced a 4 percent increase in non-group and a 29 percent increase in small-group membership when compared to the end of FY19. The Health Connector's enrollment growth is the result of both the strong "culture of coverage" in Massachusetts and the strategic approaches the Health Connector takes to its work:

- The ConnectorCare program protects against cost prohibitive premiums by providing subsidies for eligible low- and moderate-income state resident. Premiums increase gradually with income, with plans as low as \$0 a month for those with incomes up to 150 percent of the Federal Poverty Level (FPL) and \$130 a month for those at 300 percent of the FPL.
- Unsubsidized premiums available to individuals and small groups, who increasingly report affordability challenges, are competitive and consistently among the lowest in the nation.
- Health Connector for Business offers an easy way for Massachusetts businesses with fewer than 50 employees to provide health insurance with flexible benefit options as well as premium rebates for participating in a wellness program. The Health Connector uses multi-channel outreach strategies including paid media, event participation, and close relationships with brokers to promote Health Connector for Business to small businesses across the Commonwealth.
- Using a decade of knowledge about the uninsured, the Health Connector uses data to drive a robust, targeted outreach strategy that includes free and personalized help for applicants and members, delivered in multiple languages and formats.
- The Health Connector proactively promotes a healthy insurance market using policy approaches such as the continued administration of the state-level requirement that individuals carry health insurance.

The Health Connector is committed to supporting the changing needs of state residents who depend on Marketplace coverage by continually improving the member experience. In FY20, new vendors responsible for providing enrollment, billing, and customer service functions prepared to implement system enhancements without disrupting the member experience. Additionally, the Health Connector began implementation of its strategic plan for 2020-2022 to ensure a clear and measurable pathway to future improvements, with goals linked to five key areas of focus, including strengthening the ConnectorCare program, improving coverage for non-ConnectorCare members, improving the overall member experience, better serving the small group market in Massachusetts and covering the remaining uninsured.

The Health Connector will continue to build on its legacy of providing residents of Massachusetts with access to high-quality health insurance, responding to consumer needs and an ever-evolving policy and market landscape. The Health Connector looks forward to working with other stakeholders to help Massachusetts to continue to lead the nation in health reform and coverage expansion.

1.0: Introduction

1.1: History of the Health Connector

In Massachusetts, Chapter 58 of the Acts of 2006, the state’s landmark health reform law, and the Health Connector were built on the understanding that access to affordable and comprehensive coverage is a fundamental need of all Commonwealth residents. Since its creation, the Health Connector has maintained an essential role in the Massachusetts merged non-group and small-group market, including through the state’s transition to the federal Patient Protection and Affordable Care Act (ACA), which became law in 2010 and was largely implemented in 2014. Through that transition, Massachusetts continued its commitment to keeping insurance affordable for low-income individuals and created the ConnectorCare program to supplement federal subsidies. ConnectorCare provides additional support to members to reduce both premiums and out-of-pocket costs at the point of service, such as co-pays. The program serves Health Connector members with income under 300 percent of the Federal Poverty Level, which is around \$38,280 a year for an individual, or \$78,600 for a family of four. ConnectorCare has been critical to preserving coverage gains made in Massachusetts prior to the ACA and driving competition that helps keep premiums stable and low in the merged market.

Table 1: Milestones in Massachusetts Market Reform

1992 – 1996
Massachusetts introduced consumer protections to the non-group and small-group market, including guaranteed issue and a state version of adjusted community rating rules.
2006 – 2008
Massachusetts enacted Chapter 58 of the Laws of 2006 (Chapter 58), comprehensive reforms that aimed to achieve universal health coverage including: <ul style="list-style-type: none"> • The creation of the Health Connector, an independent agency that serves as a Marketplace to assist individuals and small employers in accessing health insurance and subsidies for residents with incomes up to 300 percent FPL through the Commonwealth Care program. • State shared responsibility requirements for individuals and employers. • The merger of the non-group and small-group markets into a single risk pool.
2010 – 2014
Massachusetts prepared to implement the ACA, opting to retain its state-based Marketplace and merged market structure. Additionally, the Commonwealth enacted comprehensive cost-containment legislation.
2014 – 2020

Massachusetts retained its state-based Marketplace, the Health Connector, and transitioned Commonwealth Care enrollees to ConnectorCare, a new program within the Marketplace for residents with income up to 300 percent FPL that includes federal Advance Premium Tax Credits (APTCs) and Cost Sharing Reductions (CSRs) and maintains a “state wrap” to meet a state affordability schedule that sets lower enrollee contributions than the federal affordability schedule. Residents between 300-400 percent FPL are also eligible for premium tax credits.

As of July 2020, the Health Connector had over 298,000 enrollees, including over 224,000 ConnectorCare enrollees under 300 percent FPL and nearly 18,000 APTC-only enrollees with incomes between 300-400 percent FPL.

1.2: COVID-19 Pandemic Response

In March 2020, the COVID-19 pandemic materialized as the most significant public health threat faced by Massachusetts, the United States, and the world in this century. The COVID-19 Command Center, established by Governor Baker and headed by the Secretary of the Executive Office of Health Human Services, and Health Connector Board Chair, Marylou Sudders, called upon the Health Connector to support contact tracing activities to stem the spread and impact of COVID-19. Given its prior experiences in IT contracting, system integration, contact center procurement, and general project and contract management, the Health Connector supported the creation of a large-scale, contact tracing effort, while continuing to carry out its core state-based Marketplace responsibilities and functions. The Community Tracing Collaborative supports the Commonwealth’s 351 local health departments in contact tracing, conducting outreach with positive cases and their close contacts to help fight the spread of the virus.

In addition to the consequential health impact on state residents, the negative effects of the economic and social disruption caused by the pandemic have been widespread, with a disproportionate impact on underserved communities. To rapidly respond to local population needs during the pandemic, the Health Connector used both operational and policy tools to expand and preserve health coverage so Massachusetts residents could stay covered at a time when access to medical care without fear of exorbitant cost is more important than ever.

Non-group Support

Through the pandemic, the Health Connector has prioritized helping members and applicants experiencing life and income changes to ensure they are in the most affordable coverage possible. Through increased messaging, members were encouraged to report a change to their application if they lost a job or experienced a reduction in income. Those earning less income than usual could qualify for a lower-cost health insurance option. Between April and July, over 33,000 Health Connector members experienced health coverage transitions, either moving to a more affordable plan within the Health Connector or moving to MassHealth (Massachusetts’s Medicaid program). These transitions resulted from changes in circumstance (such as job loss or income reduction) largely due to the pandemic.

Additionally, the Health Connector opened a Special Enrollment Period (SEP) for the remaining uninsured in Massachusetts who may have been newly attentive to the importance of health coverage. The COVID-19 SEP was open for 135 days, beginning on March 11, 2020 and ending on July 23, 2020. Overall, 22,800 Massachusetts residents (or 46 percent of the 49,500 new enrollees whose coverage began between April and August 2020) used the COVID-19 SEP to newly enroll in coverage through the Health Connector. Other new members enrolled through SEPs triggered by

becoming newly eligible for ConnectorCare or losing Minimum Essential Coverage (MEC) such as job-based coverage. Though the COVID-19 SEP ended in July, these enrollment opportunities are still available for state residents seeking coverage. Key characteristics of those who newly enrolled in Health Connector coverage through the COVID-19 SEP are outlined in this [brief](#).

Small Business Support

Small businesses across the Commonwealth have borne the brunt of the economic hardship caused by the COVID-19 pandemic. A survey fielded to Health Connector for Business employers in early FY21 found that one-third of small groups had to reduce staffing due to COVID-19 and nearly 30 percent had closed completely for a period of time. Small business owners also indicated they were likely to rethink business decisions to continue providing health insurance to their employees. The Health Connector assisted small businesses by extending payment deadlines, providing resources and information, continuing to engage and train brokers, and promoting affordable coverage options.

To align with Division of Insurance guidance and broader Massachusetts market practices, Health Connector for Business granted 30-day payment extensions to businesses who requested premium flexibility and increased outreach to businesses who became delinquent. Groups at risk for termination for non-payment of premium were actively outreached and provided information about non-group coverage, as necessary. Additionally, Health Connector for Business customer service representatives were trained on resources available to small businesses such as the Massachusetts Growth Capital Corporation Small Business Recovery Loan Fund, the Small Business Administration’s Economic Injury Disaster Loan Program (EIDL) and the Paycheck Protection Program (PPP).

A comprehensive list of the strategies used to protect state residents from health and financial risks during the COVID-19 pandemic is available in Table 2.

Table 2: Strategies Used to Expand and Protect Coverage during COVID-19 Pandemic

Strategy	Implementation
Extended enrollment opportunities to apply for coverage	Offered COVID-19 SEP for uninsured Massachusetts residents to ensure access to necessary COVID-19 services without cost barriers. Continued to promote qualifying events that open 60-day-enrollment windows including becoming newly eligible for ConnectorCare or losing health insurance, including job-based coverage.
Targeted outreach and support to the newly uninsured due to job loss/income reduction	Proactively outreached populations needing assistance in understanding their coverage options, such as those seeking unemployment assistance or those deciding between COBRA and Health Connector coverage.
Increased messaging to encourage reporting of income changes	Reminded members to update income information to reflect job loss or reduced working hours, to ensure they are in the plan that provides appropriate financial help paying for their coverage. Members making less money than usual may be able to qualify for lower-cost coverage.
Accelerated transitions to more affordable coverage based on member-reported income changes	Created temporary flexibility for members to report changes through the last day of a month and have the changes take effect on the first of the next month. This flexibility was for members whose eligibility change moved them into a lower-cost plan type only.
Premium support for individuals and small businesses struggling to make monthly payments	Delayed April coverage terminations for members in delinquency and offered the options to repay coverage under an extended repayment plan; or request a ConnectorCare hardship waiver via a new streamlined webform. Granted 30-day payment extensions to businesses and outreached groups at risk for being terminated for non-payment of premium.

Maintained standard member assistance channels and offered new resources	Maintained call center hours and posted up to date COVID-19 information (including carrier-specific resources) to a new webpage. Hosted assister community conference calls to support operational transitions. Conducted 18 one-on-one remote trainings with brokers to help businesses experiencing financial strain.
Partnered with local stakeholders to effectively support impacted Massachusetts communities	Partnered with other state agencies, legislators, enrollment assisters, advocates, and employer/industry groups to connect residents to other state resources that may be necessary during this time with particular attention to vulnerable populations and those experiencing acute hardships such as job loss, housing and food insecurity, or illness.

As a hub for outreach, education, and comprehensive and affordable coverage, the Health Connector is committed to meeting the needs of all state residents during this unprecedented time and continues to support the Commonwealth’s pandemic recovery efforts.

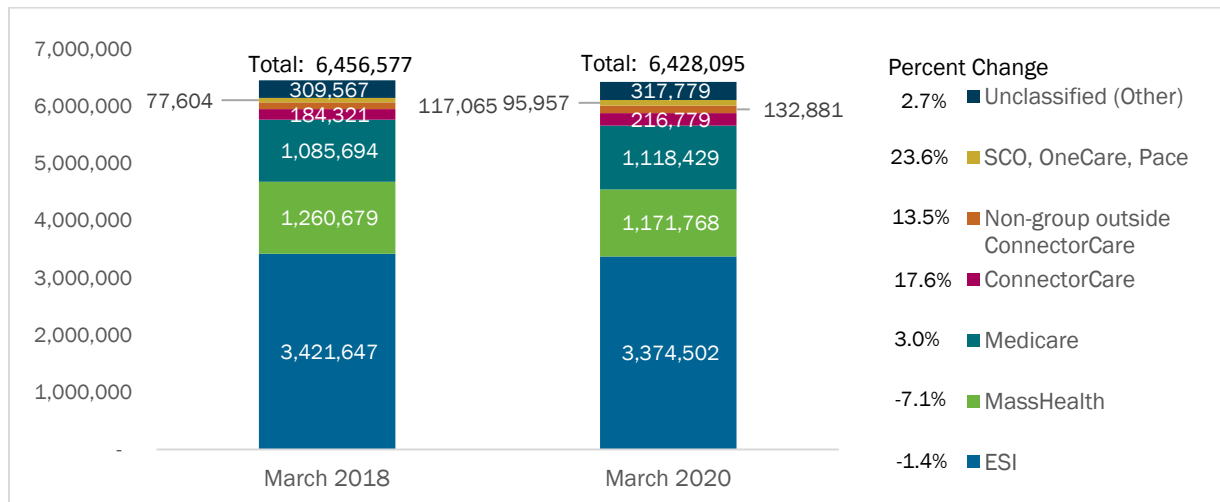
2.0: Non-group Membership

At the end of FY20, the Health Connector provided coverage to nearly 298,000 individuals, an increase of 4 percent when compared to enrollment at the end of FY19. These Massachusetts residents received high-quality coverage through Qualified Health Plans (QHPs) certified by the Health Connector. Plans are organized into four metallic tiers that represent the richness of the benefits provided: Platinum, Gold, Silver, and Bronze. Platinum plans provide low out-of-pocket costs for services, but have higher premiums, while Bronze plans have higher out-of-pocket costs for services, but lower monthly premiums. Additionally, the Health Connector offers “Catastrophic” plans with higher cost-sharing for individuals under age 30 or who have a financial hardship that makes purchasing more robust coverage unaffordable.

Individuals (non-group members only) under 400 percent of the Federal Poverty Level (FPL) may qualify for federal tax credits to reduce their premiums, and individuals under 250 percent may qualify for cost-sharing reductions (CSRs) to reduce their out-of-pocket costs. The ACA allows for the premium tax credits to be taken during the tax year or claimed when filing after the tax year closes. When used during the tax year, they are known as advance premium tax credits (APTCs). In addition to federal subsidies, Massachusetts provides enrollees with incomes under 300 percent FPL with supplemental state subsidies via the ConnectorCare program.

Between March 2018 and March 2020 (prior to the COVID-19 pandemic). Enrollment in individual coverage (ConnectorCare and other non-group coverage) grew, while employer-sponsored insurance (ESI) and MassHealth enrollment decreased. Enrollees covered by individual health insurance represented 5.4 percent of the Massachusetts market, with 3.4 percent in ConnectorCare and 2.1 percent in non-group coverage outside of ConnectorCare.

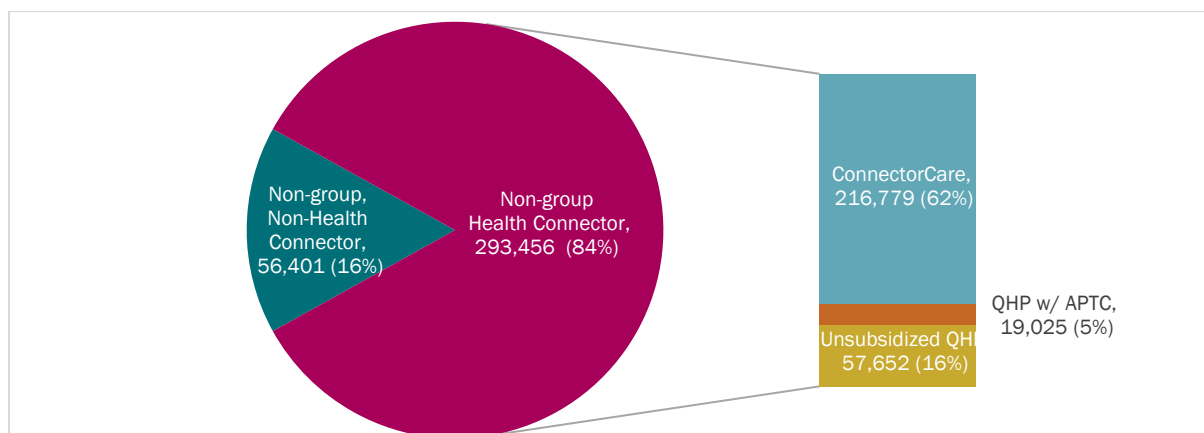
Figure 1: Massachusetts Health Coverage Enrollment by Insurance Type, 2018-2020



Source: CHIA Enrollment Trends September 2020 Databook. Data from March 2020.
<http://www.chiamass.gov/enrollment-in-health-insurance/>.

The Health Connector serves 84 percent of the non-group market, primarily through ConnectorCare (62 percent of the non-group market), a 2 percentage-point increase from 2019. Nearly 58,000 members were enrolled in Health Connector coverage without subsidies, representing 16 percent of Health Connector enrollment and 51 percent of unsubsidized members in the overall Massachusetts unsubsidized non-group market segment. Approximately 16 percent of Massachusetts’s individual purchasers obtain coverage outside of the state-based Marketplace directly from carriers (see Figure 2).

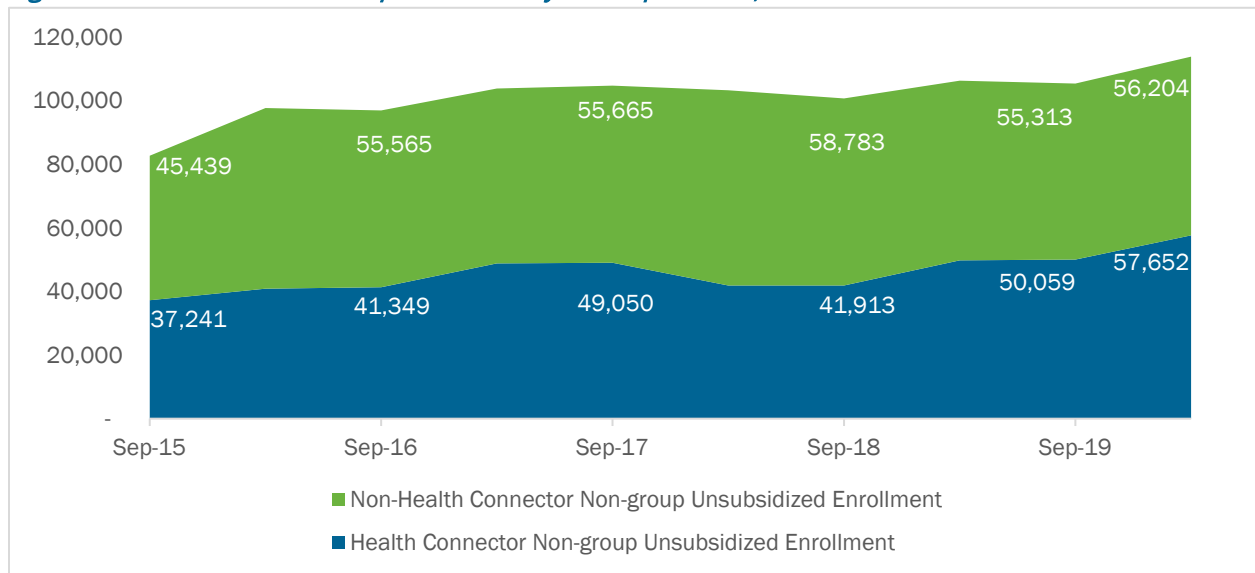
Figure 2: Massachusetts Non-Group Membership by Marketplace Use, March 2020



Source: CHIA Enrollment Trends September 2020 Databook. Data from March 2020.
<http://www.chiamass.gov/enrollment-in-health-insurance/>.

Approximately half of the Commonwealth’s unsubsidized consumers purchase health insurance through the Health Connector while the other half purchase coverage directly from carriers. In March 2020, the Health Connector enrolled 51 percent of the unsubsidized market in Massachusetts, a 10-percentage point increase from March 2018, exceeding non-Group, non-Health Connector enrollment for the first time.

Figure 3: Unsubsidized Non-Group Enrollment by Marketplace Use, 2016-2020

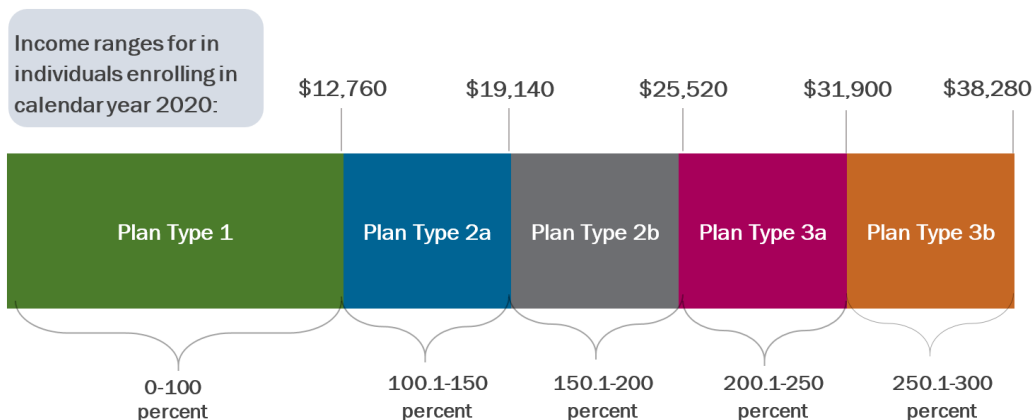


Source: CHIA Enrollment Trends September 2020 Databook. Data from March 2020.
<http://www.chiamass.gov/enrollment-in-health-insurance/>.

2.1: ConnectorCare Membership

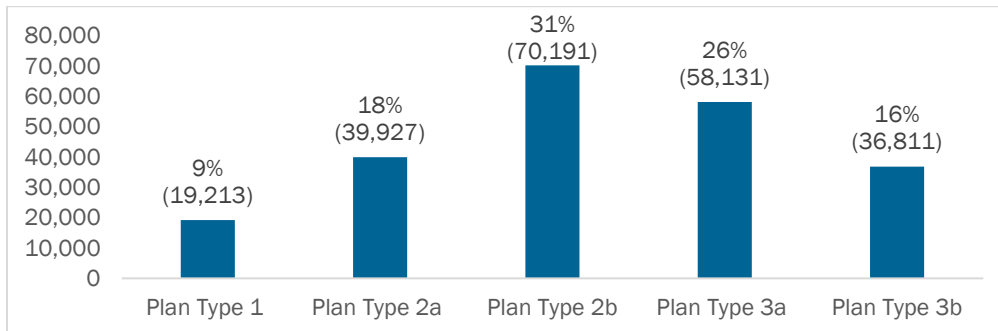
The ConnectorCare program provides comprehensive, affordable health insurance to Massachusetts residents with incomes below 300 percent FPL. Because federal premium tax credits and cost-sharing subsidies are supplemented with state funds in this program, ConnectorCare coverage is more generous than the federal approach enabled by the ACA. There are five ConnectorCare Plan Types that vary by an individual’s income (see Figure 4). Enrollees make small premium payments on a sliding scale, in monthly minimum amounts ranging from \$0 to \$130 monthly but receive the same benefits regardless of premium and plan type. Enrollees who do not choose the lowest cost carrier may pay more than the minimum premium. ConnectorCare plans have low co-pays for covered services and never include coinsurance or deductibles. In FY20, five carriers participated in the ConnectorCare program, but ConnectorCare enrollees were able to select plans from up to four different carriers, depending on their region. The Health Connector continues to assess the risk of “bare counties” in Franklin, Barnstable, Dukes, and Nantucket Counties, which currently have only one ConnectorCare option.

Figure 4: ConnectorCare Plan Types by Income



The ConnectorCare program had 224,273 active members at the end of FY20, with the highest volume of members enrolled in Plan Type 2b (31 percent). These enrollees had income between 150.1 and 200 percent FPL or \$19,140 to \$25,520 for an individual. Depending on their region and carrier selection, individuals in this income bracket had access to monthly premiums that ranged from \$45 to \$327 in 2020.

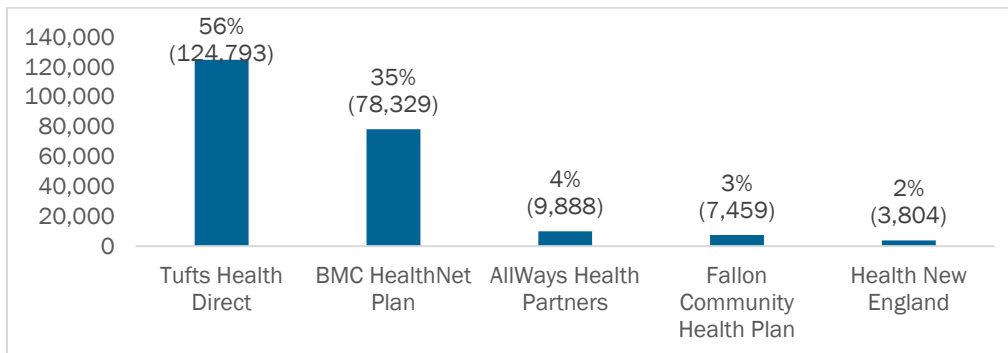
Figure 5: ConnectorCare Enrollment by Plan Type



Source: Health Connector Board Summary Report – July 2020. https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2020/07-09-20/Board-Summary-Report-July-2020.pdf

Approximately 91 percent of ConnectorCare enrollees chose Tufts Health Direct or Boston Medical Center (BMC) HealthNet Plan. Tufts Health Direct and BMC HealthNet Plan were the lowest-cost ConnectorCare plan options available in nine of 15 ConnectorCare regions across the state.

Figure 6: ConnectorCare Enrollment by Carrier



Source: Health Connector Board Summary Report – July 2020. https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2020/07-09-20/Board-Summary-Report-July-2020.pdf

2.2: Non-group Membership Outside ConnectorCare

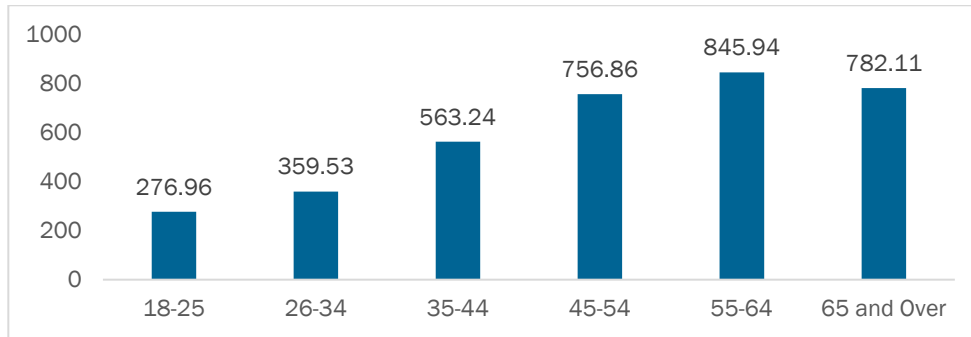
At the end of FY20, 73,285 individuals were enrolled in Qualified Health Plans with either no subsidies or only federal APTCs (households with income between 300 and 400 percent FPL). The affordability of premiums has been identified as a growing problem in the non-group market. On average, APTC-only families spend approximately \$411 on monthly premiums after APTCS (with an average family size of two) while unsubsidized families spend \$600 (with an average family size of one). The figures below present monthly premiums among APTC-only and unsubsidized subscribers by age band. APTC-only members are more likely to have children enrolled in Health Connector plans

(as opposed to unsubsidized members who are more likely to be in individual households) which is why the 35-44-year-olds have the highest family premiums.

Figure 7: Average APTC-Only Family Level Premiums by Subscriber Age Band in 2020

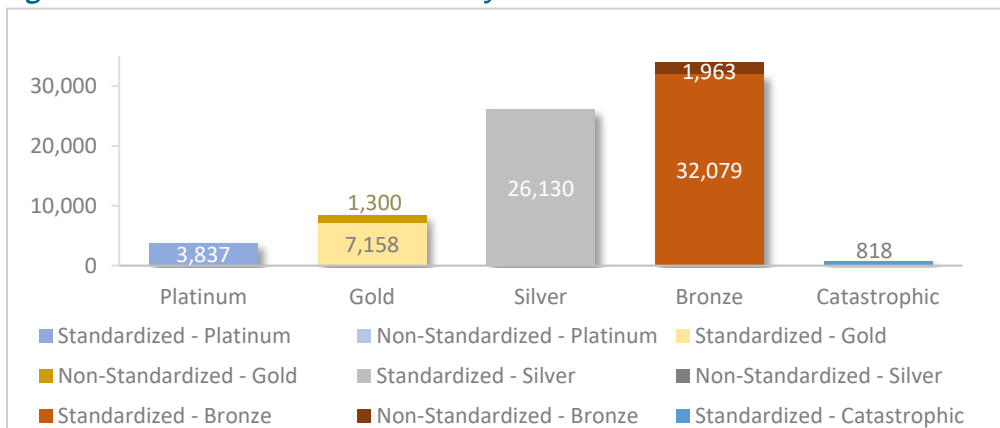


Figure 8: Average Unsubsidized Family Level Premiums by Subscriber Age Band in 2020



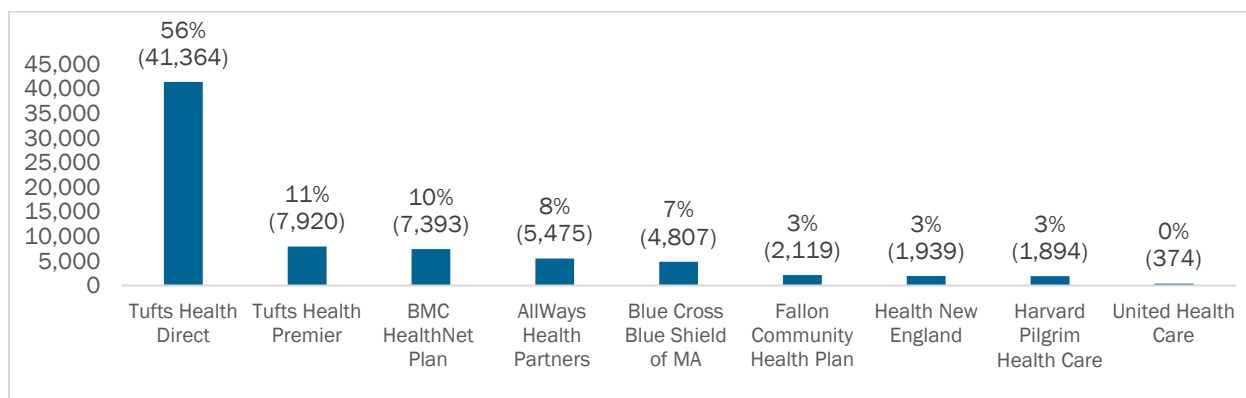
Approximately 36 percent of non-group, non-ConnectorCare members enrolled in plans on the Silver tier. Tufts Health Direct was the most popular carrier among these non-ConnectorCare members, with 56 percent of non-ConnectorCare enrollment, followed by Tufts Health Premier and Boston Medical Center HealthNet Plan, with 11 percent and 10 percent enrollment, respectively.

Figure 9: Non-ConnectorCare Enrollment by Metallic Tier



Source: Health Connector Board Summary Report – July 2020. https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2020/07-09-20/Board-Summary-Report-July-2020.pdf

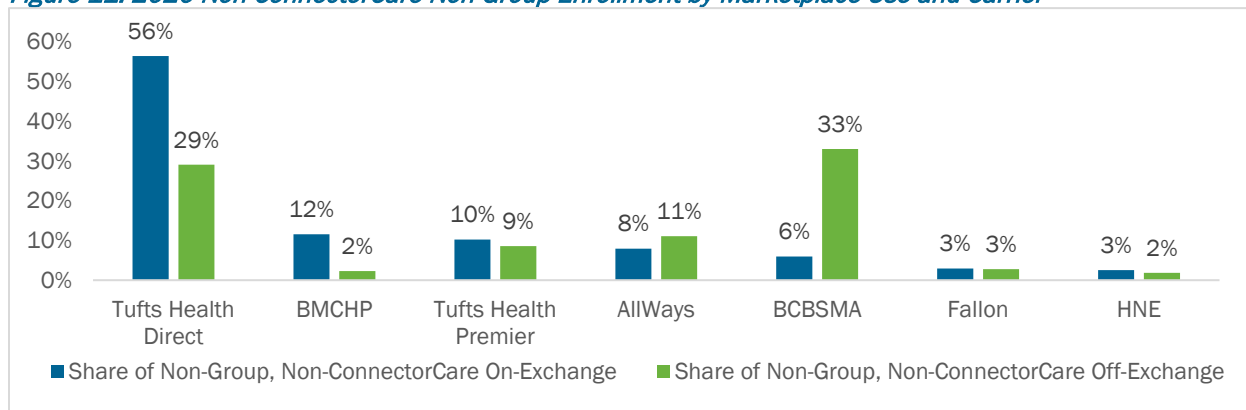
Figure 10: Non-ConnectorCare Enrollment by Carrier



Source: Health Connector Board Summary Report – July 2020. https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2020/07-09-20/Board-Summary-Report-July-2020.pdf

The health insurance carriers selected by the Health Connector’s non-group, non-ConnectorCare enrollees differ substantially from those chosen by non-group shoppers outside the Health Connector. Although non-group, non-ConnectorCare enrollees are divided nearly equally between Health Connector and non-Health Connector non-group plans, a comparison of membership by carrier (see Figure 11) shows notable and persistent differences in enrollment patterns. Consumers are more likely to “shop around” and engage in the comparison-shopping experience offered by the Health Connector. Health Connector shoppers tend to choose lower-cost carriers that often have narrower provider networks, while non-Health Connector shoppers tend to choose higher-cost carriers that have broader networks.

Figure 11: 2020 Non-ConnectorCare Non-Group Enrollment by Marketplace Use and Carrier



Source: CHIA Enrollment Trends September 2020 Databook. Data from March 2020. <http://www.chiamass.gov/enrollment-in-health-insurance/>. Enrollment totals for Health Connector Non-Group enrollment do not include ConnectorCare enrollment. Excludes carriers with negligible enrollment.

3.0: Health Connector for Business Small-group Membership

Health Connector for Business was designed to bring the Health Connector’s competitive state-based Marketplace model to small employers by connecting employer groups to the full Massachusetts carrier marketplace. Serving employers with 50 or fewer employees, Health Connector for Business aims to maximize access and affordability by offering small employers in Massachusetts unprecedented flexibility, choice, and savings opportunities.

Both Chapter 58 of the Acts of 2006 and the Affordable Care Act require that the Health Connector offer small-group coverage to address the challenges faced by small businesses in providing insurance to employees. Health Connector for Business was implemented to serve the small-group market in a sustainable and meaningful way, reflecting the Commonwealth's commitment to small employers. The Commonwealth benefits from a healthy and robust group insurance market and Health Connector for Business is a tool to help draw new employer groups into the merged market. In employer surveys conducted in FY20, nearly half of new employer groups reported they did not offer coverage before signing up with Health Connector for Business.

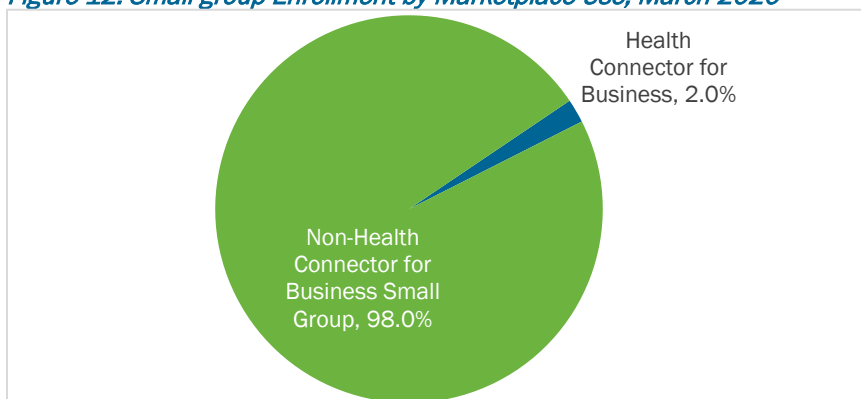
Through the HCB, employers have three ways to offer health coverage so employees can find the plan that best meets their needs.

- **One Plan:** Employers choose one health plan, and all employees enroll in that same plan.
- **One Level:** Employers choose a benefit level. Employees can choose a plan from any carrier at the level their employer chooses. No matter which plan they choose, employers pay the same amount towards their coverage.
- **One Carrier:** Employers choose an insurance company (carrier). Employees can choose from several plans offered by that carrier at different benefit levels. No matter which plan they choose, employers pay the same amount towards their coverage.

3.1: Small-group Enrollment

Health Connector for Business serves approximately 2 percent of the small-group market in Massachusetts, seeing slight increases since March 2016. By the end of FY20, Health Connector for Business had 8,488 small-group members among 1,358 groups, representing a 29 percent increase in members and 18 percent increase in groups when compared to the end of FY19.

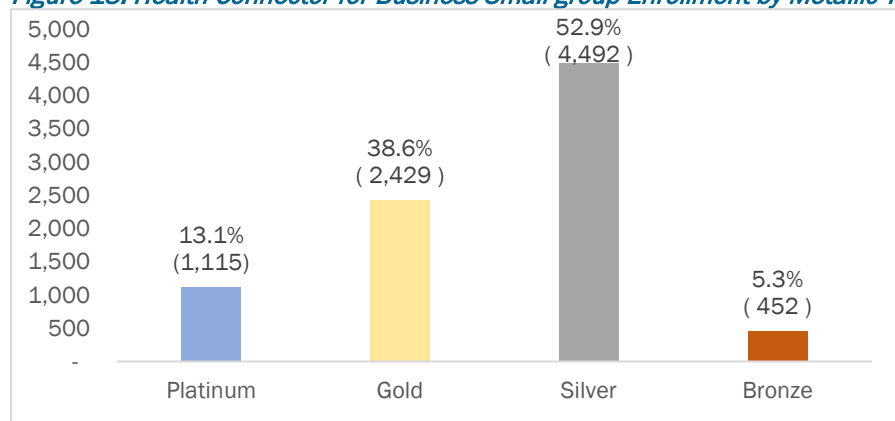
Figure 12: Small-group Enrollment by Marketplace Use, March 2020



Source: CHIA Enrollment Trends September 2020 Databook. Data from March 2020. <http://www.chiamass.gov/enrollment-in-health-insurance/>.

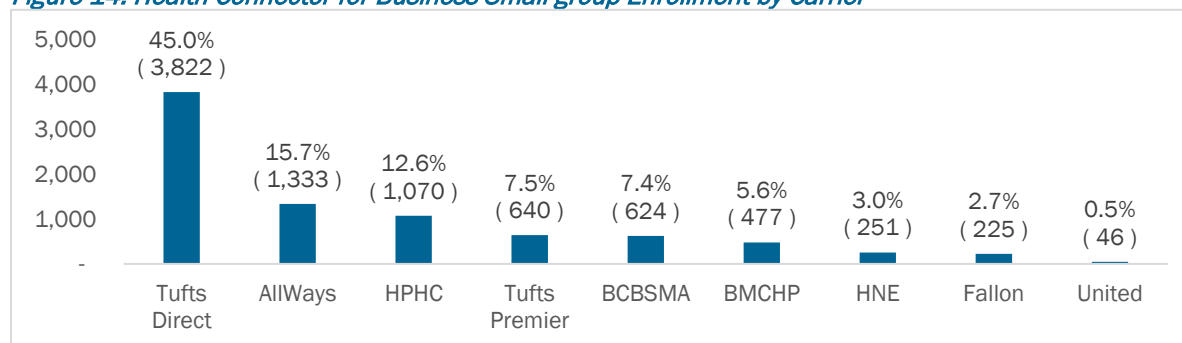
As with non-group enrollees, Silver tier plans are the most popular within small-group members. Tufts Health Direct, AllWays Health Partners, and Harvard Pilgrim Health Plan enrolled most members (76 percent of all Health Connector for Business members).

Figure 13: Health Connector for Business Small-group Enrollment by Metallic Tier



Source: Health Connector Board Summary Report – July 2020. https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2020/07-09-20/Board-Summary-Report-July-2020.pdf

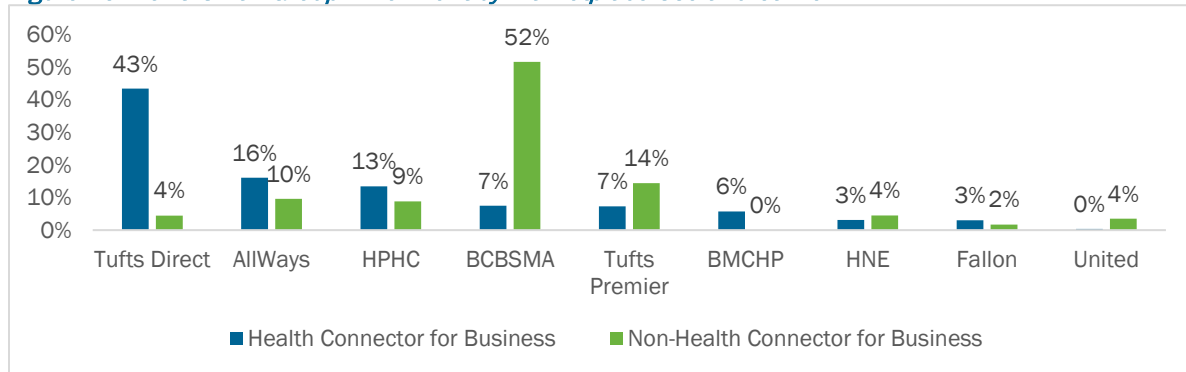
Figure 14: Health Connector for Business Small-group Enrollment by Carrier



Source: Health Connector Board Summary Report – July 2020. https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2020/07-09-20/Board-Summary-Report-July-2020.pdf

Like trends seen in the non-group market, Health Connector for Business small-group enrollees’ plan selections differ substantially from those chosen by non-Health Connector for Business shoppers, indicating that the Health Connector’s comparison-shopping experience increases competition among carriers. Tufts Direct and AllWays Health Partners are the most popular small-group options on the Health Connector for Business product shelf, while Blue Cross Blue Shield of Massachusetts (BCBSMA) is the most popular small-group option among non-Health Connector for Business small groups.

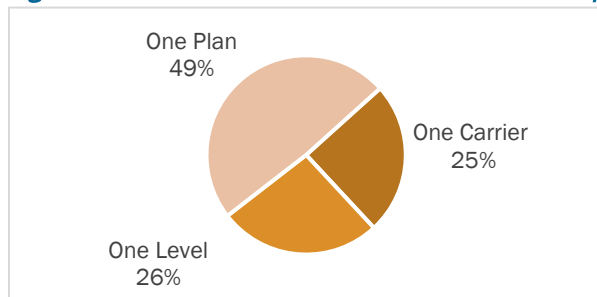
Figure 15: 2019 Small-Group Enrollment by Marketplace Use and Carrier



Source: CHIA Enrollment Trends, September 2020 (data through March 2020).
<http://www.chiamass.gov/enrollment-in-health-insurance>

In FY20, HCB continued to grow, garnering interest from a wide variety of market segments, industries, and regions. Among new sales, most employer groups selected choice models, where an employer offers a reference plan but provides employees with the option to shop from other carriers, or other benefit levels from the same carrier. Approximately 51 percent of new groups elected to offer either “One Level” or “One Carrier” options. Of members enrolled in a choice model, about 43 percent of members selected a plan that differed from the plan chosen by the employer.

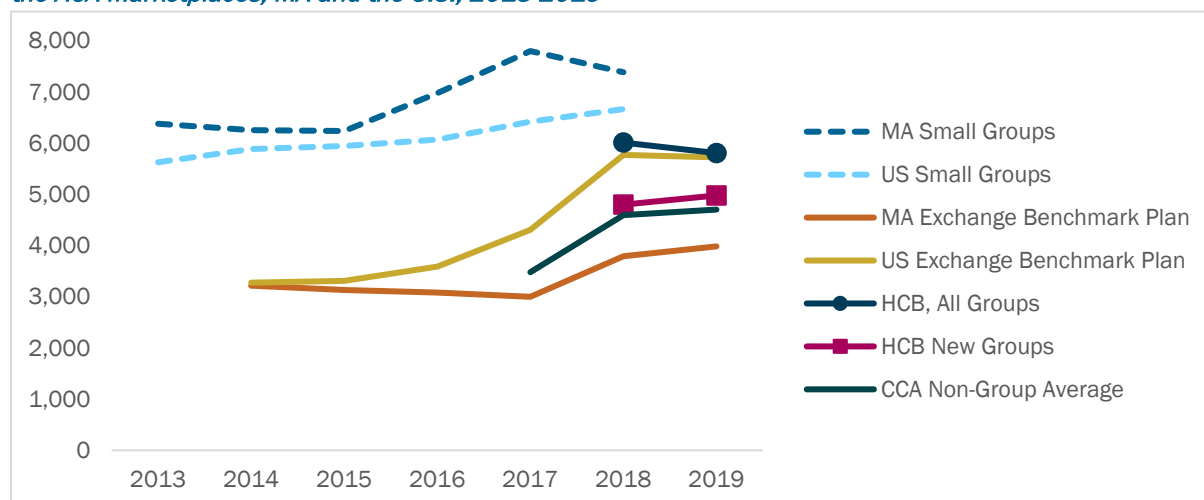
Figure 16: Health Connector for Business New Groups by Plan Offering



Most new Health Connector for Business sales in CY20 were from “microgroups,” or employer groups with between 1-5 employees. This segment of the small-group market is least likely to offer coverage to employees and is most frequently underserved among all small businesses in the state. The Health Connector offers specialized support to microgroups, connecting them to high-quality and affordable coverage with their unique needs and preferences in mind.

The Health Connector offers the lowest average premiums of any Marketplace in the nation. Still, Massachusetts has among the highest premiums in employer markets, particularly for small employers. Small employers shopping through the Health Connector realize savings by enrolling in plans historically more popular with non-group members.

Figure 17: Annual Average Premiums for Single Coverage in the Employer Market and Average Premiums in the ACA Marketplaces, MA and the U.S., 2013-2019¹



Source: HPC Cost Trends Report (2019), Kaiser Family Foundation analysis of premium data from healthcare.gov (Marketplace premiums 2014-2019); Agency for Healthcare Research and Quality (AHRQ) Medical Expenditure Panel Survey (MEPS), (commercial premiums 2013-2018), Health Connector enrollment data.

3.2: Health Connector for Business Wellness Program, ConnectWell

In FY20, the Health Connector for Business continued to administer its revised and streamlined wellness program with the goal of increasing participation amongst enrolled small groups. The program, called ConnectWell, replaced the former Health Connector for Business Wellness Track program. ConnectWell is designed to promote health and wellness by encouraging and rewarding eligible employers and employees for completing wellness activities. Employees can earn \$100 gift cards and employers can receive a 15 percent rebate on their health plan contributions.

Figure 18: New ConnectWell Wellness Program



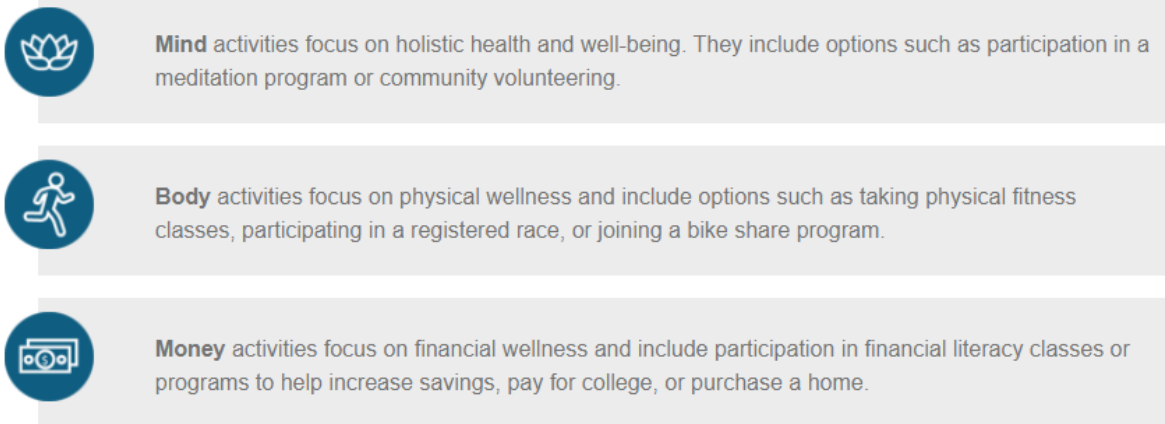
The Health Connector is statutorily required to:²

- Administer a program that provides subsidies and technical assistance to small employer groups to implement a wellness program;
- Provide an annual subsidy of up to 15 percent of employer health care costs for up to no more than three years total;
- Document that 33 percent of employees meet participation requirements in order to provide the employer their subsidy;
- Make the program available to only groups with up to 25 enrolled full-time employees;

- Uniformly apply a standard for determining who is eligible for the rebate as well as a mechanism for providing the rebate; and
- Develop the evidence-based wellness program in consultation with the Department of Public Health.

ConnectWell is managed in-house by Health Connector for Business, allowing eligible employers to participate without having to sign up with a third party. Upon enrollment into health insurance, eligible employers and their employees receive emailed communications from Health Connector for Business about the program and how to participate. Employers are considered eligible for ConnectWell if they have 1-25 employees and are eligible for a rebate if 33 percent of their employees participate in wellness activities. Employees can choose from a range of activities to earn the incentive gift card. At minimum, employees must choose one activity in one of three categories: mind, body, or money. At the end of the plan year, employers will receive a 15 percent rebate based on what they contributed to their employees' insurance.

Figure 19: ConnectWell Activities



Source: Health Connector for Business ConnectWell webpage.

<https://www.mahealthconnector.org/business/employers/connectwell-for-employers>

In 2020, 174 Health Connector for Business employer groups were eligible for wellness rebates (compared to 81 groups in 2019) and 335 employees received \$100 gift cards (compared to 163 in 2019). Other key metrics for 2020 include:

- 19 employers received rebate checks of \$2,827 on average
- 7 employers participated in ConnectWell but did not receive a rebate
- 148 employers did not participate in ConnectWell

Recent survey findings indicate that though 60 percent of small groups received information about ConnectWell, only one third participated. Among those who participated, 68 percent were satisfied with the program. Based on these findings, the Health Connector for Business team is working to increase ConnectWell uptake by outreaching employees directly through e-mail and a new flyer on the Health Connector for Business webpage. Additionally, the Health Connector for Business team will continue to host live trainings about the program for both employers and brokers. Finally, in light of the COVID pandemic, Health Connector for Business staff are highlighting qualified activities that

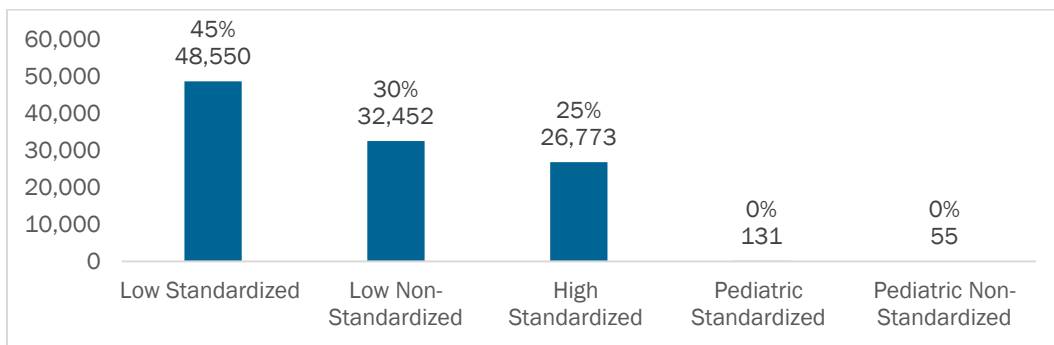
can be done from home or otherwise consistent with distancing recommendations in reminder e-mail communications sent to employers and employees every other month.

4.0: Dental Membership

Non-group Dental

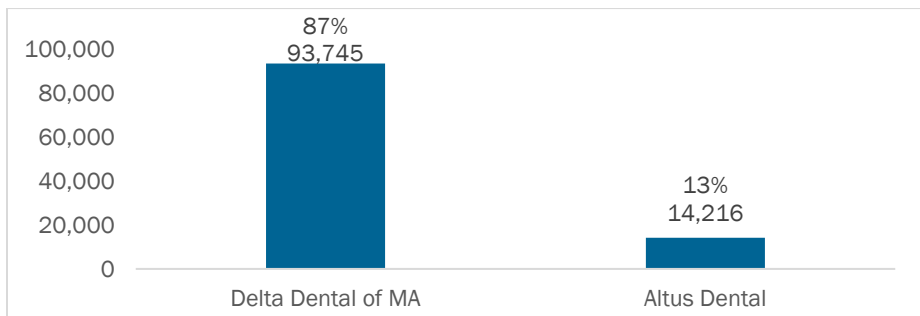
The Health Connector first began to offer dental coverage to individuals and small groups in January 2014. Between FY19 and FY20, enrollment in non-group dental coverage increased by 12 percent with nearly 108,000 individuals enrolled at the end of FY20. Most members chose to enroll in Delta Dental (87 percent).

Figure 20: Non-group Dental Enrollment by Benefit Type



Source: Health Connector Board Summary Report – July 2020. https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2020/07-09-20/Board-Summary-Report-July-2020.pdf

Figure 21: Non-group Dental Enrollment by Carrier

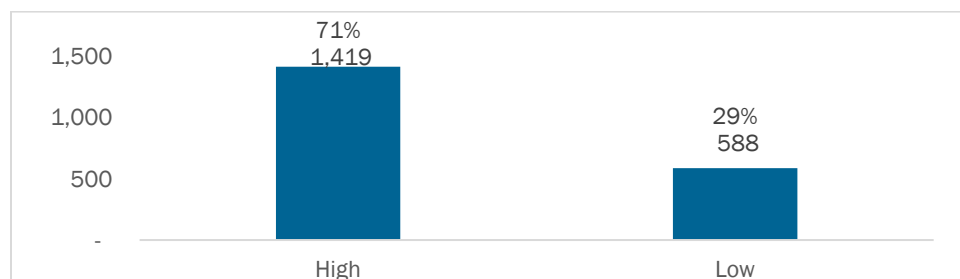


Source: Health Connector Board Summary Report – July 2020. https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2020/07-09-20/Board-Summary-Report-July-2020.pdf

Small-group Dental

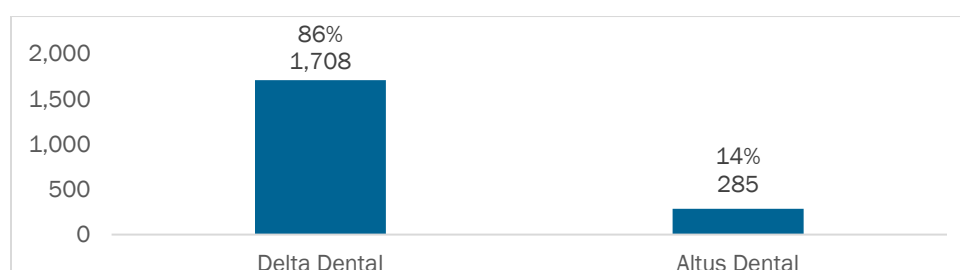
At the end of FY20, there were 443 small groups and 1,993 employees enrolled in dental coverage with 86 percent enrolled in Delta Dental and the remaining 14 percent enrolled in Altus Dental.

Figure 22: Small-group Dental Enrollment by Benefit Type



Source: Health Connector Board Summary Report – July 2020. https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2020/07-09-20/Board-Summary-Report-July-2020.pdf

Figure 23: Small-group Dental Enrollment by Carrier



Source: Health Connector Board Summary Report – July 2020. https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2020/07-09-20/Board-Summary-Report-July-2020.pdf

5.0: Administration and Operations

Chapter 58 created the Commonwealth Care Trust Fund (CCTF) to provide support for subsidized coverage through the Health Connector and Health Safety Net. Funding streams dedicated to the CCTF are state individual mandate penalties, dedicated tax revenue available through a surcharge on the state cigarette tax, and receipts from the employer medical assistance contribution.³ Additionally, Federal Financial Participation (FFP) available via MassHealth’s 1115 waiver matches a portion of the state’s spending on premium and cost sharing subsidies for the ConnectorCare program. Beyond premium supports for individuals, the Health Connector also administers wellness subsidies for employers as noted above and facilitates payments to carriers for certain state mandated benefits that must be paid for by the state under the ACA. Separately from the program budget, the Health Connector receives a small percentage of enrollee premiums to support administrative costs.

5.1: ConnectorCare Budget

The ConnectorCare budget in Table 3 shows expected and actual spending for FY20. The federal government provides matching FFP payments only for citizens and certain immigrants. While the immigrants who do not qualify for FFP are legally entitled to Health Connector coverage, the Commonwealth provides a larger portion of their subsidies. However, the total amount to cover those members is substantially lower than the costs for members who do qualify for FFP because non-qualified members comprise less than 20 percent of total enrollment. The FY20 ConnectorCare program budget was updated in February 2020. Health Connector programs were estimated at

\$222.8 million net of FFP and the actual costs came in at \$222.6 million, a favorable variance of \$0.2 million.⁴

Table 3: FY20 ConnectorCare Budget

FY20 Net Costs	FY20 as of February 2020	FY20 as of July 2020
ConnectorCare Enrollees ⁵	\$178,831,000	\$178,883,000
State Premium Wrap	\$93,754,000	\$94,211,000
State CSR	\$81,910,000	\$82,028,000
Cost Sharing Reconciliation (CY18)	\$3,167,000	\$2,645,000
State Mandated Benefits ⁶	\$489,000	\$485,000
2018 Medical Loss Ratio Rebate ⁷	-\$2,033,000	-\$2,033,000
Wellness program subsidies	\$498,000	\$213,000
CCTF Draw	\$45,000,000	\$45,000,000
Total Program Cost (Net of FFP)	\$222,785,000	\$222,549,000

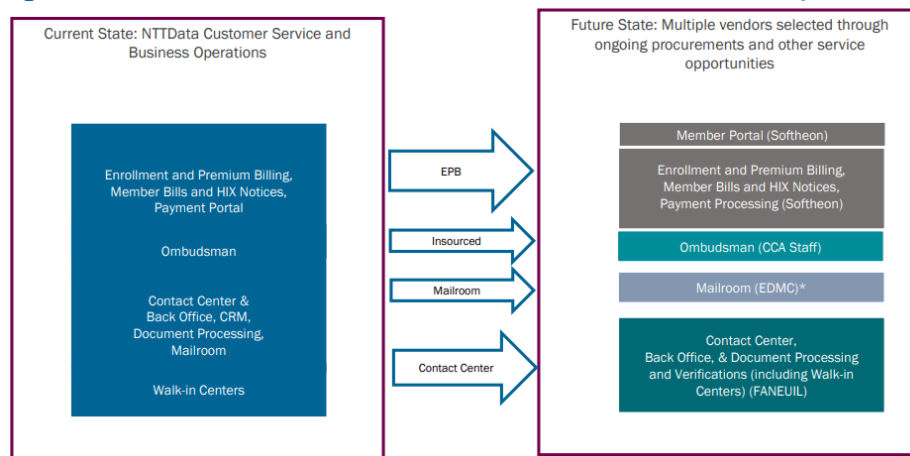
5.2: Customer Experience Vendors

The Health Connector engages vendors to provide customer service and business operations support to its non-group members and small groups.

Non-group Vendors

Through FY20, NTT Data supported non-group shoppers and members, providing information by phone and in person and provided assistance in a variety of different languages.⁸ The full Health Connector member experience is tightly integrated across multiple systems and platforms. As the Health Connector prepared for the end of NTT’s contract at the end of FY20 (in June 2020), the Health Connector re-procured for the following services: enrollment and billing, notices, technical services, and contact center and back office support. At the recommendation of Health Connector management, the Health Connector’s Board of Directors voted unanimously to enter into an agreement with Softheon, Inc. for services including enrollment and premium billing services, notice generation and mailing, and member portal implementation and a separate agreement with Faneuil, Inc. for contact center and back office services.

Figure 24: Current and Future State: Customer Service and Business Operations for Non-group Membership



Small-group Vendors

Support for small-group customers is provided by staff at the Washington, D.C., State-based Exchange (DCHBX). DCHBX contact center and technology performance is actively monitored to ensure appropriate and timely levels of service. In FY20, inventory reached an all-time low, indicating rapid resolution of employer issues.

5.3: Other Member Support Initiatives

Survey Research

The Health Connector strives to achieve the highest levels of customer satisfaction and to enhance the customer experience by soliciting feedback through survey research. The Health Connector fields monthly surveys to new non-groups members as well as new employer groups, eligible but unenrolled employer groups, and terminated employer groups. Additionally, annual non-group and small-group surveys are fielded to establish measures of customer satisfaction and perceptions.

In the Health Connector's FY20 annual non-group member experience survey of 2,400 current and former members, 80 percent reported being satisfied with their Health Connector coverage, representing a statistically significant increase from 2018 when it was 69 percent. Several factors could have influenced this jump in satisfaction, including the shift in timing of the survey from fall to spring and a fielding that coincided with increasing impacts of the COVID-19 pandemic. Other key findings include:

- Confusion about how to navigate the Health Connector website and about noticing volume and content remain areas of frustration among non-group members. These areas of improvement do not differ significantly from 2019 or between current and former members.
- Although Bronze plans have become increasingly popular over the last several years, members enrolled in those plans are much less satisfied with their plans and their experience with the Health Connector.
- Cost continues to be a barrier to care for one in five members.

In early FY21, for the first time ever, the Health Connector surveyed 412 current and former small groups to learn more about the employer experience with Health Connector for Business. Small groups reported high levels of satisfaction with the small-group customer experience (86 percent compared to 80 percent among non-group members). Key findings include:

- Businesses primarily choose the Health Connector for Business for its competitively priced plan offerings and the ability to compare multiple plans from different carriers.
- Small groups sometimes struggle with the Health Connector for Business website/portal
- Most groups are aware of choice models (67 percent) but only 35 percent offer them. Businesses primarily offer choice models to meet different employee needs (53 percent). Those who use them overwhelmingly find them valuable (91 percent). Non-users have too few employees or are unaware of the option.
- Some small groups may consider discontinuing health insurance in the future.

The Health Connector relies on these survey findings to support existing knowledge about enrollees and to prioritize key areas of operational and policy enhancement.

Non-group Call Center and Walk-in Centers

The Health Connector call center offered a strong and stable customer service experience during the 2020 Open Enrollment Period. There was a slight (2 percent) reduction in the number of calls received between November 2019 and January 2020 compared to Open Enrollment 2019, likely due to decreases in members impacted by premium increases as well as an improved Interactive Voice Response (IVR) allowing for increased opportunities self-service. The Health Connector walk-in centers also saw a slight decrease in activities during Open Enrollment 2020, seeing lower volume across all sites (Boston, Brockton, Springfield, and Worcester). Approximately 19,000 individuals went to a Health Connector walk-in location for help. Walk-ins for document drop-off decreased by 23 percent compared to 2019 based on new document upload functionality introduced in early FY20. Due to the impacts of COVID-19, the Health Connector closed its walk-in locations in of March 2020, and they remained closed through the end of the calendar year and beyond.

Open Enrollment 2020 ended with an overall customer satisfaction score of 79 percent in January 2020 compared to 71 percent at the end of Open Enrollment 2019. The Health Connector is working with its new contact center vendor, Faneuil, Inc., to address drivers of member dissatisfaction by offering comprehensive training to call center representatives, making process improvements, and by reducing the number of dropped calls while attempting to make call transfers.

5.4: Appeals and Waivers

The ConnectorCare program offers premium waivers to members who demonstrate extreme financial hardship according to criteria outlined in Health Connector regulations. Hardships include homelessness, eviction, or foreclosure; shut-off of an essential utility; a sudden, significant increase in expenses due to domestic violence; death of a family member who was a primary child care provider; a family illness requiring full-time care; natural or manmade disaster; and bankruptcy. In FY20, 103 applications were approved. Reasons for dismissal of waiver applications include missing documents, submission by non-members, or other administrative reasons.

Under the ACA, all individual eligibility decisions are appealable; prior to 2014, eligibility appeals were limited to Commonwealth Care. In FY20, the Health Connector received a total of 2,366 appeal requests from individuals (see Table 5). Among the 2,148 dismissed appeals, 247 were resolved without the need for a hearing. Sixty-four percent of the 633 hearings scheduled were dismissed for failure to appear. The remainder were approved or denied at hearing, as noted in the table below.

Table 4: FY20 Appeal Requests

Approved	7
Denied	134
Dismissed	2,148
Pending	77
Total	2,366

6.0: Outreach, Assistance, and Education

6.1: Non-group Assistance and Outreach

Navigator Program

The Health Connector selects and provides grant funds to a set of community organizations to serve as Navigators, providing community-based assistance to Health Connector to help individuals obtain coverage and remain covered. The goals of the Navigator program are three-fold. Navigators are tasked with utilizing evidence-based strategies to reach the uninsured and those at risk of uninsurance, using culturally and linguistically appropriate methods to generate awareness, and assisting with eligibility questions, renewals, application updates, shopping for plans, and payment. The Navigator program is required by the ACA and is supported by state funds. There are currently 16 Navigator organizations employing a total of 94 certified Navigators across the Commonwealth.

Table 5: FY20 Navigator Organizations

Navigator Organization	Location(s)
Boston Public Health Commission	Boston
Cambridge Economic Opportunity Commission	Cambridge
Caring Health Center	Springfield
Community Health Center of Franklin County	Greenfield
Community Action Committee of Cape Cod & Islands	Hyannis
Ecu-Health Care	North Adams
Edward M. Kennedy Community Health Center	Framingham and Worcester
Family Health Center of Worcester	Worcester
Fishing Partnership Support Services	Gloucester, Plymouth, Hyannis, New Bedford
Greater Lawrence Community Action Council	Lawrence
HealthFirst Family Care Center	Fall River
Hilltown Community Health Center	Huntington
Joint Committee for Children’s Health Care	Everett
Manet Community Health Center	Quincy, Taunton
PACE (People Acting in Community Endeavors)	New Bedford
Vineyard Health Care Access	Vineyard Haven

The 2019-2020 Navigator organizations performed a wide variety of outreach activities in multiple languages and effectively reached both the uninsured and Health Connector members in need of support. During Open Enrollment 2020, these 16 organizations collectively:

- Submitted 6,298 applications for 11,155 people;
- Enrolled 6,090 new members in coverage;
- Supported 28,184 ongoing members;

- Hosted 13 community enrollment opportunities;
- Attended nearly 522 community events to increase awareness about Open Enrollment.

Direct-support opportunities from Navigators drove stable retention and new enrollments in 2020 when compared to 2019, with generally comparable performance in enrollment and outreach activities. Navigators support members beyond the Open Enrollment, continuing to assist members with post-enrollment needs year-round. Using culturally and linguistically appropriate methods, Navigators help to grow awareness around the availability of low-cost coverage through the Health Connector and the individual mandate. Navigators offer assistance in 21 different languages.

Open Enrollment 2020 Outreach, Education, and Marketing

In FY20, the Health Connector continued to prioritize outreach, education, and marketing activities that are highly visible in Massachusetts communities with higher rates of uninsurance.

Relying on data from the Blue Cross Blue Shield of Massachusetts Foundation’s “The Geography of Uninsurance in Massachusetts” report, the Health Connector identified areas with higher concentrations of uninsured individuals as well as the key characteristics of those populations. For Open Enrollment 2020, the Health Connector developed outreach approaches to target communities with large populations and high uninsured rates including Springfield, Lowell, Lawrence, Lynn and New Bedford, and are the main focus of outreach activities. Other areas of emphasis include Cape Cod, MetroWest, Metro North, Boston and the South Coast.

The Health Connector continued its engagement with Archipelago Strategies Group, a marketing and communications firm, on media outreach to populations and communities at higher risk for uninsurance for the fourth year in a row. This long-term partnership has helped to maximize community-based outreach, creating a “culture of coverage” across the Commonwealth.

Table 6: Community engagement activities, paid media, earned media, OE18 – OE20

Type of Outreach	OE18	OE19	OE20	Percent change 2018-2020
Pre-OE tour events	9	14	40	344 percent
Total earned media placements and interviews	116	154	114	-2 percent
Paid radio spots	2,096	3,549	3,354	60 percent
Paid TV spots	723	1,164	834	15 percent

Source: Archipelago Strategies Group

In 2020, the Health Connector communicated several key messages to encourage the state’s uninsured populations to take action during Open Enrollment including:

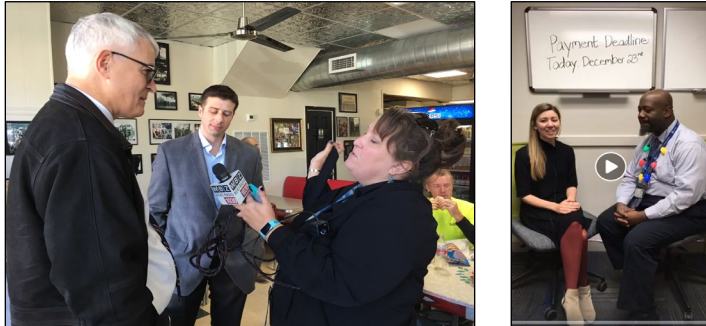
- Zero-dollar or very low-cost coverage through ConnectorCare
- The state’s individual mandate requirement to carry coverage
- Personalized assistance for eligibility and enrollment in light of new federal rules
- Coverage and care accessibility regardless of gender identity, race, color, age or disability (following Massachusetts’s non-discrimination laws)

Open Enrollment 2020 outreach comprised 39 activities in 28 communities. Five coverage crews competed to offer the most visibility to Open Enrollment in their area by participating in press events and community videos. Approximately 1,450 signs were placed in high-profile locations like

convenience stores, barber shops and other areas, providing Open Enrollment information in areas that are well-known in their communities. The Health Connector held two Days of Coverage across nine cities in advance of December and January deadlines featuring creative activities. The Health Connector also deployed community-based outreach through various media types including:

- Over 110 media interviews
- 3,800 paid media spots, aired or printed in seven languages
- Paid social media posts which generated over 1 million social media impressions
- 47 live videos on Facebook leading to 18,000 views

Figure 25: OE20 Community-based Media Outreach



The Health Connector held Open Enrollment briefings and events to increase awareness among local leaders. For example, the Joint Committee on Health Care Financing hosted an Open Enrollment briefing at the State House for legislators and their staff, with over 40 attendees. Other webinars and in-person briefings were conducted with partner state agencies and congressional offices. Furthermore, more than a dozen state legislators, mayors and city councilors participated in Days of Coverage events and pre-Open Enrollment events.

New Outreach and Support Projects

In an effort to create new visibility opportunities and provide innovative ways to support applicants and members, the Health Connector established several key partnerships in FY2020.

The Health Connector collaborated with the Massachusetts Cultural Council as part of the council's work to illustrate the healthy benefits of arts and cultural experiences. Mirroring the existing EBT Card to Culture program, beginning January 1, 2020, Health Connector members can access low-cost and free admission to Massachusetts Cultural Council member institutions across the state. Furthermore, the Council provides information to artists and member institutions who may benefit from Health Connector coverage both as individuals and small businesses. This first-in-the-nation partnership aims to minimize barriers to cultural participation by offering and promoting arts and activities and thus, promoting health and wellbeing. The Health Connector is excited to offer cultural access as a benefit to ConnectorCare members given the growing body of evidence suggesting that the arts and cultural resources have the capacity to improve physical and mental health, contribute to the social well-being of individuals, and engage marginalized populations.

In conjunction with the Executive Office of Health and Human Services and SEIU 1199, the Health Connector is providing enrollment and retention support to all personal care attendants (PCAs). Health Connector staff members have helped all PCAs transition between coverage types as necessary, support requests for documentation, and provide assistance in other areas. During Open Enrollment, 83 personal care attendants received assistance, and staff attended 18 events.

6.2: Small-group Assistance and Outreach

Employer Engagement

While Navigators predominantly focus on individual members and shoppers, the Health Connector has sought other channels to help educate employers about available health insurance options. In an effort to increase awareness among small business owners and their brokers about Health Connector for Business, the Health Connector presented at and sponsored many events across the state in FY20. Additionally, the Health Connector engaged in a series of outreach events hosted in partnership with local Chambers of Commerce, employer associations and groups, and governmental agencies (e.g., Small Business Administration and Mass Office of Business Development) that support small business across the state.

The Health Connector has continued to engage an Employer Advisory Council to establish regular communication and dialogue with the business community. Established in FY14, the Council and the Health Connector discuss key policy and programmatic changes taking place in the reform landscape that may affect businesses and employees alike. The Council includes representatives from the Associated Industries of Massachusetts (AIM), the Retailers Association of Massachusetts (RAM), the National Federation of Independent Business (NFIB), the Massachusetts Restaurant Association (MRA), the Massachusetts Food Association (MFA), the Massachusetts Nonprofit Network (MNN), the Greater Boston Chamber of Commerce, the Massachusetts Business Roundtable, and the Massachusetts Taxpayers Foundation.

Small-group Outreach, Education, and Marketing

Through Health Connector for Business, the Health Connector empowers small business across the Commonwealth to access quality, affordable coverage for their employees.

Health Connector for Business is supported by a comprehensive outreach program, which includes paid media, event participation, and close relationships with brokers across Massachusetts.

The paid marketing campaign focuses on digital platforms – most significantly on search engines, which is the most popular portal into the Health Connector for Business website. Paid search is “always on,” while other aspects of the campaign, including radio and digital video marketing, is run in two-month cycles leading to the important quarterly deadlines. For FY20, these cycles were: Oct. 10-Dec. 10 for Jan. 1, 2020 coverage, and Jan. 10-March 10 for April 1 coverage.

Small businesses in Massachusetts were severely harmed by the initial health and financial impacts of COVID-19, changing the dynamics of the Marketplace and slowing the momentum created in recent years for Health Connector for Business growth. With that in mind, the Health Connector halted paid advertising for the final three months of FY20, with plans to resume in Fall 2020.

The Health Connector continued to work closely with the broker community, providing direct access for brokers to Health Connector for Business staff to help brokers effectively manage clients. The Health Connector also held a series of trainings and policy update sessions for brokers.

The Health Connector continues to engage with small-business owners and brokers directly, through participation in presentations and visibility opportunities. Activities included: participation in annual meetings or high-profile events with a wide range of organizations, including the New England

Business Association, MassAHU, the Massachusetts Non-profit Network, the Sustainable Business Network, and other organizations.

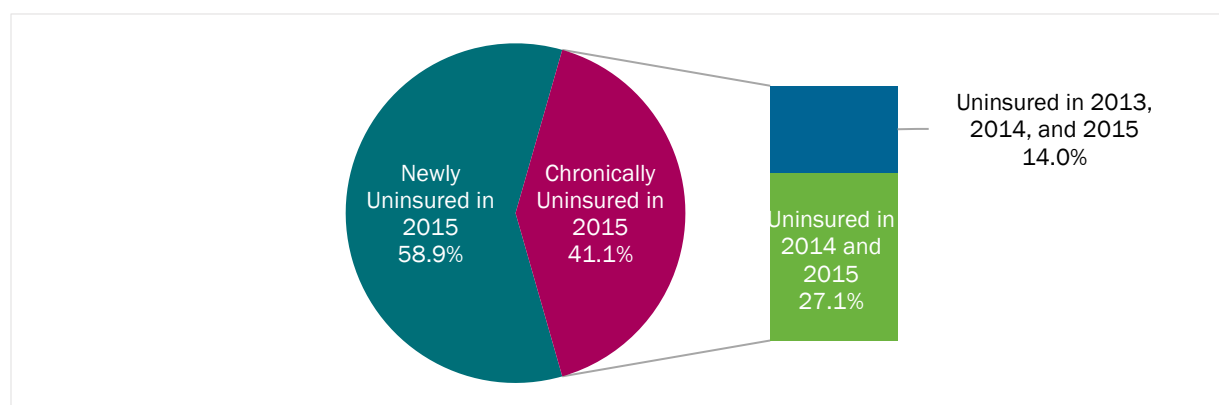
The Health Connector also participated in events and activities with Chambers of Commerce, including the Greater Boston Chamber of Commerce and others.

6.3: The Remaining Uninsured

Although Massachusetts has the highest health insurance coverage rate in the nation with 97 percent of state residents in coverage, there continues to be a small but persistent number individuals who lack coverage. The Health Connector is committed to reaching the roughly 200,000 remaining uninsured, particularly those groups who are more likely to be uninsured or experience gaps in health coverage. To address these disparities, the Health Connector analyzes state and federal data on the Commonwealth's remaining uninsured population to inform a targeted population approach to outreach and enrollment.

Informed by a review of recent data and research, the Health Connector identified characteristics of Massachusetts residents that disproportionately comprise the uninsured including: chronically uninsured individuals who have been uninsured for multiple years, newly uninsured individuals who may be experiencing a short-term gap in coverage; young people between the ages of 19 and 34 years old; low income people with incomes below 400 percent FPL who may be eligible for free or subsidized coverage; and men. In FY20, the Health Connector published findings from analysis of state tax return data related to health coverage between 2013 to 2015 and found that the full-year uninsured population in Massachusetts in 2015 included roughly 41 percent persistently uninsured individuals who were full-year uninsured in at least 2014 and 2015.

Figure 26: Chronically Uninsured Among the Full-Year Uninsured in 2015



Source: Health Connector analysis of Department of Revenue tax filers data
<https://www.mahealthconnector.org/wp-content/uploads/Individual-Mandate-Report-2013-2015.pdf>

The Health Connector also coordinates with the Department of Revenue to target potential members through a direct mailing to Massachusetts tax filers who reported on their tax filings that they did not have health insurance during the tax year. In October 2019, the letter was sent to approximately 145,000 full year and part year uninsured individuals. The Health Connector's monthly new member survey indicates that 1-2 percent of new members each month sought coverage through the Health Connector due to the letter.

7.0: Policy and Regulatory Responsibilities

7.1: Plan Certification

The Seal of Approval (SOA), as specified in Massachusetts General Laws Chapter 176Q, is a health plan designation awarded by the Health Connector, indicating that a health benefit plan meets certain standards regarding quality and value. Through the SOA process, the Health Connector can designate a set of high-value plan designs and request proposals from the state's leading health insurers to offer them on the Health Connector's shelf. Some plan designs are standardized across carriers, while others are unique designs submitted for consideration by individual carriers. The result is a set of plans that encourages market competition while focusing on keeping choices simple for consumers.

In FY20, the Health Connector certified 56 non-group and 69 small-group Qualified Health Plans from nine medical carriers for calendar year 2020 coverage. On the non-group shelf, this represents a net decrease of one plan than the number certified in FY19. This decrease reflects Health New England closing a non-standard bronze plan on both the non-group and small-group shelves. There are no new carrier entrants and no carrier departures for PY 2020. The SOA also certified 12 non-group and 14 small-group Qualified Dental Plans from two dental carriers on for consumers to choose from. These plans were sold beginning on January 1, 2020.

7.2: Student Health Insurance Program

Chapter 224 of the Acts of 2012 (Chapter 224) shifted regulatory responsibility for Student Health Insurance Plans (SHIPs) to the Health Connector. Effective January 1, 2014, the SHIP regulations were amended to allow students enrolled in MassHealth or subsidized health plans through the Health Connector to waive their college or university SHIPs.⁹ This allows students to access affordable insurance while attending institutions of higher education. The Health Connector also assists the public colleges and universities with premium renewal negotiations while ensuring SHIP program compliance with federal and state rules.

After the implementation of the ACA in 2014, fewer students were enrolling in SHIPs, a trend most likely attributable to the increased availability of insurance options through MassHealth and the Health Connector. In FY17, the Health Connector partnered with MassHealth to launch the MassHealth SHIP Premium Assistance (SHIP PA) program with the public colleges and universities in the Commonwealth. Under the SHIP PA program, Massachusetts students were able to maintain their Medicaid benefits while enrolling in their schools' SHIPs, with the SHIP becoming the primary payer of services and MassHealth being secondary. In the program's first year (Academic Year 2016-2017), approximately 5,000 public college and university students opted to enroll in coverage.

Public college and university SHIP enrollment in subsequent Academics increased significantly due to the program becoming mandatory for MassHealth-eligible students at participating schools, though it decreased most recently in AY 2019-2020. Total public college and university SHIP enrollment in AY 2019-2020 was approximately 31,000, with about 70 percent of those students enrolled in the MassHealth SHIP PA program. Upon receiving the high AY 2020-2021 premium increases for the public college and university SHIP, MassHealth determined that the SHIP PA program should sunset at the end of AY 2019-2020 in order to prevent students from experiencing

an untenable premium increase. These students continued to receive full MassHealth coverage if eligible.

7.3: The State Individual Mandate

The Health Connector is responsible for defining several policies related to the Commonwealth’s requirement that adult individuals carry insurance if they have access to an affordable plan that meets certain coverage standards, known as the individual mandate. Massachusetts maintains this policy independent of a similar federal policy helping to keep Massachusetts the national leader in health coverage among residents as well as ensure that the coverage they have is high quality.¹⁰ Specifically, the Health Connector’s Board of Directors defines what is deemed “affordable” and the benefits that constitute Minimum Creditable Coverage (MCC). Compliance with the individual mandate reporting requirements, as well as with the requirement to maintain coverage, remains high. Data from the Department of Revenue show that 99 percent of state residents required to report coverage on their state income tax return do so. Individuals who did not have coverage may have to pay a penalty, unless they qualify for an exemption.

Affordability

Individuals are required to purchase coverage if it is considered affordable. To that end, the Health Connector Board is required on an annual basis to develop an “affordability schedule” that defines the amount an individual could be expected to contribute towards the purchase of an MCC-compliant health insurance plan.¹¹ An adult is considered able to purchase affordable health insurance if his or her monthly contribution to subsidized insurance or the lowest cost insurance plan available through the Health Connector does not exceed the corresponding maximum monthly premium for his or her income bracket.

Table 7: Affordability Schedule in Context

The affordability schedule does...	The affordability schedule does not...
<ul style="list-style-type: none"> Support consumers in making choices about coverage and their household budgets by determining whether they would pay a penalty for not enrolling in coverage Align with the ConnectorCare program’s lowest cost premium in each plan type, though this alignment is not technically required 	<ul style="list-style-type: none"> Require employers, issuers or other coverage providers to offer plans deemed affordable by the schedule Penalize employers or issuers if individuals fail to enroll in the affordable coverage they offered Impact the federal individual mandate in any way

Source: *Topics Related to the Individual Mandate for Calendar Year 2021 (VOTE)*. Board of Directors Meeting, February 13, 2020. https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2020/02-13-20/Topics-Related-to-the-Individual-Mandate-for-Calendar-Year-2021-VOTE-021320.pdf

For Calendar Year 2020, the affordability schedule largely remained unchanged from the several years prior:

Table 8: CY2020 Affordability Schedule for Individuals

Percent of FPL	Bottom of Income Range	Top of Income Range	Affordability Standard	Bottom of Affordable Monthly Premium Range	Top of Affordable Monthly Premium Range
0 - 150%	\$0	\$18,735	0%		
150.1 - 200%	\$18,736	\$24,980	2.90%	\$45	\$60

200.1 - 250%	\$24,981	\$31,225	4.20%	\$87	\$109
250.1 - 300%	\$31,226	\$37,470	5.00%	\$130	\$156
300.1 - 350%	\$37,471	\$43,715	7.45%	\$233	\$271
350.1 - 400%	\$43,716	\$49,960	7.60%	\$277	\$316
Above 400%	\$49,961		8.00%	\$333	

Table 9: CY2020 Affordability Schedule for Couples

Percent of FPL	Bottom of Income Range	Top of Income Range	Affordability Standard	Bottom of Affordable Monthly Premium Range	Top of Affordable Monthly Premium Range
0 - 150%	\$0	\$25,365	0%		
150.1 - 200%	\$25,366	\$33,820	4.30%	\$91	\$121
200.1 - 250%	\$33,821	\$42,275	6.20%	\$175	\$218
250.1 - 300%	\$42,276	\$50,730	7.40%	\$261	\$313
300.1 - 350%	\$50,731	\$59,185	7.45%	\$315	\$367
350.1 - 400 %	\$59,186	\$67,640	7.60%	\$375	\$428
Above 400%	\$67,641		8.00%	\$451	

Table 10: CY2019 Affordability Schedule for Families

Percent of FPL	Bottom of Income Range	Top of Income Range	Affordability Standard	Bottom of Affordable Monthly Premium Range	Top of Affordable Monthly Premium Range
0 - 150%	\$0	\$31,995	0%		
150.1 - 200%	\$31,996	\$42,660	3.40%	\$91	\$121
200.1 - 250%	\$42,661	\$53,325	4.90%	\$174	\$218
250.1 - 300%	\$53,326	\$63,990	5.85%	\$260	\$312
300.1 - 350%	\$63,991	\$74,655	7.45%	\$397	\$463
350.1 - 400%	\$74,656	\$85,320	7.60%	\$473	\$540
Above 400%	\$85,321		8.00%	\$569	

Minimum Creditable Coverage

As a part of Massachusetts's health reform effort, the Health Connector's Board of Directors created a "floor" of covered benefits that adult tax-filers must have in order to be considered insured and avoid tax penalties in Massachusetts. The level of coverage required is called Minimum Creditable Coverage (MCC). The benefits required in an MCC-compliant plan include:

- Ambulatory services, including outpatient, day surgery and related anesthesia
- Diagnostic imaging and screening procedures, including x-rays
- Emergency services
- Hospitalization
- Maternity and newborn care, including pre- and post-natal care
- Medical/surgical care, including preventive and primary care
- Mental health and substance abuse services
- Prescription drugs
- Radiation therapy and chemotherapy

Additionally, MCC standards prohibit lifetime and annual benefit limits on core services and set bounds for out of pocket spending. For 2019, deductibles in compliant plans could not exceed \$2,000 for individual coverage and \$4,000 for family coverage, with separate prescription drug deductibles capped at \$250 for individual coverage and \$500 for family coverage.¹² In 2020, these limits rose to \$2,550 for individual and \$5,100 for a family, with separate prescription drug deductibles capped at \$310 and \$620, for individual and family coverage respectively. Sponsors of plans that do not meet specific MCC requirements, but that offer, on the whole, robust coverage, may ask the Health Connector to grant the plan MCC certification.

In FY2020, 1,973 plans were sent to the Health Connector for consideration as MCC-compliant. Of those, 1,942 were granted certification, 26 were denied, and 5 were withdrawn from consideration. The high rate of MCC-certification approval is likely attributable to the fact that non-compliant plans are not submitting applications. The Health Connector has engaged in education of plan sponsors to explain the Health Connector’s authority in the certification process, which has led to self-selection among applicants toward those that are most likely to be deemed compliant. Generally, most state residents required to maintain insurance under the individual mandate are enrolled in MCC-compliant plans, ensuring that they have access to comprehensive coverage.

Tax Penalties

Individuals who are deemed able to afford health insurance but fail to comply are subject to a tax penalty on their state income tax return. Statute sets the penalty for non-compliance at no more than half of the lowest cost insurance premium for coverage available through the Health Connector. For those with incomes below 300 percent FPL, the penalty schedule is based on the lowest cost premium contributions for a ConnectorCare plan. Since individuals with income at or below 150 percent FPL are not required to make a premium contribution, there is no penalty for individuals in this income cohort. For those with income above 300 percent FPL, the schedule is based on half of the premium of the lowest cost Bronze plan, or half of the premium of the lowest cost catastrophic plan for adults up to age 30. The penalties for CY2019 and 20, are shown in Table 7.¹³ The lower cost of catastrophic plans relative to young adult plans accounts for the reduction in the monthly penalty amount for young adults who earn more than 300 percent FPL.

Table 11: Penalty Schedule for Failure to Comply with the Individual Mandate, 2019-2020

		150.1-200 percent FPL	200.1-250 percent FPL	250.1-300 percent FPL	Above 300 percent FPL
2019	per month	\$22	\$42	\$63	\$127
	per year*	\$264	\$504	\$756	\$1,524
2020	per month	\$22	\$43	\$65	\$135
	per year*	\$264	\$516	\$780	\$1,620

*If the individual is without insurance for all twelve months of the year.

8.0: Concluding Comments

The Commonwealth’s long-term commitment to affordable and accessible health care for all state residents has continued to equip the Health Connector with the strong policy and programmatic foundation needed to provide a competitive health insurance market for individuals and small businesses. Over the years, the Health Connector has evolved from a “safety net” coverage source to a trusted pillar of affordable and high-quality health insurance in the Massachusetts market. This

shift is illustrated most distinctly through the Health Connector's response to the COVID-19 pandemic, highlighting the Marketplace's ability to meet the changing needs of state residents.

In the upcoming fiscal year, the Health Connector will continue to preserve and expand health insurance in Massachusetts as economic fall-out from the pandemic continues. In light of a changing federal policy landscape for 2021, the Health Connector will use research and data to:

- Improve its understanding of member needs and preferences;
- Explore new pathways to enhance coverage levels; and
- Deliver strategic improvements, operational stability, and increased member satisfaction.

Continued success will continue to depend on and benefit from the Health Connector's collaborative relationship with other state, federal, and private sector partners all focused on the goal of improving health care. The Health Connector looks forward to exploring innovative ways of ensuring Massachusetts' residents continue to have access to affordable and comprehensive health care coverage and can make the health insurance market work better for consumers.

Appendix

Abbreviations

ACA	Patient Protection and Affordable Care Act
AY.....	Academic Year
CY	Calendar Year
FPL	Federal Poverty Level
FY	Fiscal Year
Health Connector	Commonwealth Health Insurance Connector Authority
HCB.....	Health Connector for Business
MCC	Minimum Creditable Coverage
OE	Open Enrollment
PY.....	Plan Year
SHIP	Student Health Insurance Program
SOA	Seal of Approval
TY	Tax Year

Endnotes

¹ U.S. data includes Massachusetts. Employer premiums are averages based on a large sample of employers within each state. Marketplace data represent the weighted average annual premium for the second-lowest silver (Benchmark) plan based on county-level data in each state as well as a measure for all CCA non-group premium average. Marketplace premiums grew in 2018 partly due to the discontinuation of cost-sharing reduction subsidies by the federal government. Health Connector for Business data represents average premiums for single coverage sold on the Marketplace.

² M.G.L. 176Q §7a

³ The non-supplemental version of the Employer Medical Assistance Contribution (EMAC) is used to help fund health insurance programs in the Commonwealth. EMAC supports state subsidies for unemployed workers and other workers who are not covered by employer-sponsored coverage who are on state-funded coverage programs. <https://www.mass.gov/service-details/learn-about-the-employer-medical-assistance-contribution-emac>

⁴ State expenses for the ConnectorCare program are independent of both FFP and federal ACA subsidies. The overall 'value' of the program is considerably higher when APTC and enrollee contributions are included.

⁵ Includes enrollees who receive FFP as well as those who do not.

⁶ The ACA requires states to defray the cost of benefits required by state law in excess of essential health benefits for individuals enrolled in any plan offered through a Marketplace. 42 U.S.C. §18031D.

⁷ The Medical Loss Ratio (MLR) Rebate represents the state share of MLR rebates paid out through carriers.

⁸ In preparation for the end of NTT's contract in June 2020, the Health Connector has begun planning for re-procurement for the following services: enrollment and billing, notices, technical services, and contact center and back office support. Support for small-group customers is provided by staff at the Washington, D.C., State-based Exchange (DCHBX).

⁹ 956 CMR 8.00

¹⁰ 26 U.S.C. §5000A.

¹¹ M.G.L. 176Q §3

¹² Massachusetts Health Connector. (2018). The Massachusetts Individual Mandate: Design, Administration, and Results. <https://www.mahealthconnector.org/wp-content/uploads/Individual-Mandate-Report-Nov2017.pdf>

¹³ Massachusetts Department of Revenue. (2018). Technical Information Release 18-2: Individual Mandate Penalties for Tax Year 2018. Available at, <https://www.mass.gov/technical-information-release/tir-18-2-individual-mandate-penalties-for-tax-year-2018>