



Commonwealth Choice 2013 Seal of Approval

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Board of Directors Meeting
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Agenda

- Background
- Goals of 2013 Seal of Approval (SoA)
- Staff recommendations for SoA
 - SoA Structure and Contract Length
 - SoA Requirements and Rationale
 - Other Items
- Timeline and Next Steps



Background

- The current Commonwealth Choice SoA contracts run from July 1, 2011 through December 31, 2012
- During this period, several improvements have been made to the Commonwealth Choice program:
 - Achieved full health insurance carrier (carrier) participation in the Health Connector’s small business program through the re-launch of Business Express
 - Added a new carrier, Boston Medical Center HealthNet Plan, to the Commonwealth Choice shelf
 - Implemented Wellness Track, which offers qualifying small businesses up to a 15% rebate of their premium for participating in a wellness program
 - Enhanced the non-group shopping experience by launching a new Provider Search Tool
 - Implemented Ch. 288 provisions, including Non-Group Open Enrollment
 - Removed the annual benefit maximum for all new sales of Young Adult Health Plans in an effort to begin transitioning to products that meet ACA requirements



Background (cont'd)

- Key ACA implementation dates
 - 1/1/2013: Federal Certification of “Exchange Blueprint”
 - 10/1/2013: Open Enrollment begins for 1/1/2014 coverage
- The Health Connector and carriers have significant responsibilities related to fashioning and implementing an ACA-compliant health insurance Exchange
 - Real-time streamlined eligibility determination
 - Advanceable premium tax credits
 - QHP certification process
 - Risk adjustment, reinsurance and risk corridors
 - Employee Choice model
 - Navigator program



Goals of 2013 SoA

- Continue to empower small businesses and individuals to find the coverage that best suits their needs through Commonwealth Choice
- Ensure the Health Connector's product portfolio keeps pace with health benefit design changes in the market, including evolving market preferences for innovative, lower-priced products
- Avoid significant operational disruptions while the Health Connector and carriers continue to plan for changes required by the ACA



2013 SoA Recommendations



SoA Structure and Contract Length

- For current Commonwealth Choice carriers, exercise the Health Connector's option to extend the existing carrier contracts for an additional twelve (12) month term beginning January 1, 2013 through December 31, 2013 (with an invitation to offer certain new products during this period, as discussed subsequently)
- For potential new carrier entrants, issue Request for Responses (RFR) inviting responses for the term beginning January 1, 2013 through December 31, 2013
- Rationale:
 - This approach reduces administrative workload for the Health Connector and currently contracted carriers, while also avoiding major disruption as we engage in planning for changes required by the ACA
 - Provides an opportunity for potential new carrier entrant(s) to join the Commonwealth Choice program



SoA Requirements

- Carriers must continue to participate in all product offerings (non-group and small group)
 - This includes Individual/Family, Young Adult Plan* (YAP), Business Express (BE), and Voluntary Plan (VP)
- Carriers must continue to provide products that meet the current standardized plan design specifications on all benefit tiers on the broadest commercial provider network offered by the carrier

* For carriers with over 5,000 commercial enrollees



SoA Requirements (cont'd)

- The Health Connector recommends maintaining the existing administrative fee structure
 - 2.5% of premium for Business Express
 - 3.5% of premium for all other products
- As for prior SoA RFRs, carriers will need to submit:
 - Membership data, by product, for their small group and non-group sales in Massachusetts for the 2011 calendar year; and
 - Summary plan documents (i.e. schedule of benefits) for their ten (10) most popular small group/non-group products
 - Summary plan documents must include provider network type



Additional Health Plan Offerings

- In addition to offering standardized products on their broadest commercial network, carriers will be invited to offer one or more of the following effective January 1, 2013 (products must be made available to both non-group and small group Commonwealth Choice product offerings):
 - a) Narrower network products on all standardized plan designs for at least one benefit tier (i.e., Gold, Silver, Bronze); AND/OR
 - b) One or more other popular and/or innovative products (i.e., need not meet standardization specifications)
- Rationale:
 - Demand in the market is growing for plan designs that help lower costs and/or improve value; many insurers have products that are responsive to this demand (e.g., tiered or select network products) that are not currently offered or reasonably represented on the Health Connector's shelf
 - Since the re-launch of Business Express, the Health Connector has received feedback from brokers and small businesses expressing a strong desire for more product choice
 - In the past, several carriers have expressed an interest in offering non-standardized products through Commonwealth Choice
 - This approach provides flexibility to carriers, allowing them to offer *existing* products that are popular and/or innovative, as opposed to having to create new products specifically for the Health Connector



Additional Health Plan Offerings (cont'd)

- All proposed products will be subject to the Health Connector's review and approval; reviews will be based on criteria, including but not limited to:
 - Non-discriminatory plans that meet MCC standards
 - Meet federal and state mandated benefits
 - Products that bring value to consumers by adding meaningful diversity to the Health Connector shelf
 - Innovative plan designs that can help achieve premium cost savings for consumers



Implications for Web Shopping Experience

- The current online shopping experience categorizes plans into standardized benefit packages (i.e., Gold, Silver and Bronze)
- Depending on the number and/or type of new products proposed by carriers, the Health Connector may need to change the existing online shopping experience
- This may require the introduction of a new tier or benefit package to the online shopping experience
- We will take steps to ensure that, if modifications to the online shopping experience are needed, they are done in a manner that continues to make choice comprehensible for consumers



Timeline and Next Steps

Date	Activity
3/16/2012 – 4/4/2012	<ul style="list-style-type: none"> • Conduct preliminary carrier meetings
5/10/2012	<ul style="list-style-type: none"> • Board meeting to review 2013 SoA approach
5/11/2012 – 5/18/2012	<ul style="list-style-type: none"> • Notify existing carriers of intent to extend contract
5/25/2012	<ul style="list-style-type: none"> • Issue RFR
6/4/2012	<ul style="list-style-type: none"> • Bidder's conference
6/25/2012	<ul style="list-style-type: none"> • Carrier proposals due
July 2012 – August 2012	<ul style="list-style-type: none"> • Health Connector review
August/September 2012 (TBD)	<ul style="list-style-type: none"> • Present Health Connector staff evaluation and recommendations of carrier responses • Board vote on carrier selection; award SoA
11/1/2012	<ul style="list-style-type: none"> • Start enrollment for 1/1/2013 coverage
1/1/2013	<ul style="list-style-type: none"> • Effective date of 2013 SoA plans