



The Commonwealth of Massachusetts
Commonwealth Health Insurance Connector Authority
100 City Hall Plaza, 6th floor
Boston, MA 02108

DEVAL PATRICK
Governor

GLEN SHOR
Board Chair

JEAN YANG
Executive Director

Board of the Commonwealth Health Insurance Connector Authority

Minutes

Thursday, May 9, 2013
9:00 AM to 12:00 PM
One Ashburton Place
Boston, MA 02108
21st Floor Conference Room

Attendees: Glen Shor, Jean Yang, Nancy Turnbull, Louis Malzone, George Gonser, Celia Wcislo, Ian Duncan, Jonathan Gruber, Dolores Mitchell and Julian Harris. Michael Conway attended in place of Joseph Murphy. Andres Lopez was absent.

The meeting was called to order at 9:02 AM.

- I. Minutes:** The minutes of the April 11, 2013 meeting were approved by unanimous vote.
- II. Executive Director's Report:** Jean Yang reported that Commonwealth Care enrollment increased this past month to the highest enrollment since the inception of the program. She also reported that Commonwealth Choice enrollment decreased and that, in all, the Health Connector (CCA) is currently serving roughly 250,000 members. Ms. Yang further reported that Governor Patrick filed an Affordable Care Act (ACA) reconciliation bill this past week. She mentioned that the Seal of Approval (SoA) responses will be brought to the Board next month in order to receive a recommendation for conditional SoA. She further stated that she was pleased with the responses CCA had received. Ms. Yang also reported that CCA had received many applications for Navigators in the past month. Ms. Yang explained to the Board that CCA had just undergone the Federal Detailed Design Review (FDDR) and that this was another significant step in the process of becoming an ACA-compliant Exchange. She thanked the CCA team for their hard work in preparing for this review and noted that this review represents a shift from time spent developing policies to time spent on implementation and operational readiness. In addition, Ms. Yang told the Board that she had been fortunate enough to attend Benefest and how appreciative she was of the market's interest and support in what CCA was doing.
- III. National Health Care Reform Implementation Update:** The PowerPoint presentation "National Health Care Reform Implementation Update (VOTE)" was presented by Kaitlyn Kenney and Roni Mansur. Ms. Kenney began the presentation by highlighting the special

challenges Massachusetts faces to become an ACA-compliant Exchange given that the Commonwealth has an existing structure in place. She discussed CCA's involvement not only in creating a compliant Exchange, but also in participating in multi-agency collaboration to implement the ACA in Massachusetts. Ms. Kenney then reviewed the important milestones, decisions and accomplishments by CCA to date. These included working on subsidized coverage, becoming an ACA-compliant Exchange, creating a new integrated system of eligibility determination and shopping to serve CCA and MassHealth, implementing market reforms, revising policies and legislation around Minimum Creditable Coverage (MCC) and the Individual Mandate and developing a state-based risk adjustment program. Jon Gruber inquired as to when the Board would get a more detailed update on the state wrap. Ms. Kenney answered that CCA will be presenting more about this at the June Board meeting especially with regards to the selection of wrap carriers. Dolores Mitchell asked that CCA look into a simpler way to communicate who is and who is not eligible to shop on the Exchange. Ms. Wcislo asked that this also include information for international students. Ms. Yang explained that Ms. Kenney is currently working on educational materials not only for general information but also for specific scenarios, as well. Mr. Gruber asked what was required to align with the ACA in market reform. Ms. Kenney answered that certain small group rating factors currently used in Massachusetts will be phased out and that the non-group population was unaffected.

Mr. Mansur then presented on ACA implementation. He began by discussing the Blueprint Application, which outlines categories in which the Exchange must be compliant. Mr. Mansur provided an implementation timeline for CCA, highlighting the vast amount of work that will be done in each of these categories. Mr. Mansur then provided an overview of the Health Insurance Exchange-Integrated Eligibility System (HIX-IES) project that CCA is developing in conjunction with MassHealth and UMass Medical School. Ms. Turnbull asked whether CCA was collaborating with other states on this build. Mr. Mansur explained that other states are working on their own projects, but that it is possible they will look to Massachusetts in the future for help in building these systems. Mr. Mansur then described to the Board that Massachusetts is creating a custom built system and is not starting from a clean slate, making for a much more arduous effort in Massachusetts than in other states. He also explained that a great benefit of this is that Massachusetts will own this system, which will minimize future operating costs. Mr. Gruber asked to what extent HIX-IES was being built upon existing systems. Mr. Mansur explained that this is a complete re-platforming of the system.

Mr. Mansur then displayed a diagram showing the many components of HIX-IES. Mr. Gruber asked what are the available state sources of data, as opposed to federal sources of data. Mr. Mansur explained that CCA was still waiting on the details, but that state sources may have more timely information than federal sources. Ian Duncan asked whether there was a single exchange with the federal data hub or whether there were several links to federal sources. Mr. Mansur explained that there will be one connection to the federal hub. He further stated that while he was unsure of how their hub was designed, it is clear that they have agreements with several agencies to access information. Mr. Gruber requested more information on how customer service inquiries would be routed. George Gonser asked whether there would be other ways in which to access the system besides a Social Security number. Mr. Mansur answered that one's Social Security number is their prime indicator. Ms. Mitchell then asked about the System for Electronic Rate and Form Filing (SERFF). Ms. Yang explained that SERFF is an information submission platform owned and maintained by the National Association of Insurance Commissioners and added that the ACA expanded the development of SERFF. She also explained that each state's Division of Insurance (DOI) uses SERFF templates and that these can be leveraged for plan management. Michael Conway followed up by stating that the DOI uses SERFF for health filings for carrier rates.

Mr. Mansur then reviewed CCA's timeline for code drops and core functionality. He explained that CCA's contractor has started coding and has instituted a change control process so that changes can be made in a controlled fashion. Mr. Mansur then described the FDDR, a comprehensive Information Technology systems review, which was completed by CCA the previous Tuesday. Mr. Duncan asked what was involved in operational readiness review. Mr. Mansur answered that this is a review wherein the federal government tests the system, but that CCA will go through several rounds of testing on its own prior to this review. Mr. Malzone asked where Massachusetts ranked among other Exchanges in terms of readiness. Mr. Mansur stated that Massachusetts was likely among the top five. Mr. Gruber asked how CCA would respond to problems that come up in the coming months that could cause trouble. Ms. Yang explained that in the final weeks of development, CCA hopes that uncertainties are limited. She also added that the federal government has been very supportive, but that CCA is mindful of tighter budgets and has planned accordingly. She explained that CCA has robust contingency plans. Secretary Shor added that this system is the highest priority and that every contingency plan is being formed, and that that nothing will be left on the table, in order to ensure that this project is completed. Ms. Mitchell noted that October 1st, the date of HIX-IES go-live, is also the anniversary of Commonwealth Care. Mr. Mansur finished his presentation by providing an overview of customer service and business operations development.

Ms. Kenney then presented to the Board on plan management. Ms. Turnbull asked when the Board would find out what the Multi-State Plans (MSPs) were. Ms. Kenney answered that she had spoken with the federal Office of Personnel Management (OPM), which is responsible under the ACA for licensing MSPs, and that within the next week CCA will have final information on MSP offerings. Ms. Yang added that interactions with OPM have been collaborative, that CCA had showed them their SoA materials, and that CCA hopes MSPs will comply with CCA requirements. Mr. Duncan asked whether there would be time to share information from the SoA responses with the Board. Ms. Kenney explained that CCA will likely share a memorandum with the Board a week prior to the next Board meeting. Ms. Yang added that the June report on the SoA will not include pricing because this will come later in the year as part of DOI's rate review process. Ms. Kenney finished the presentation by providing a high level overview of marketing, communications and outreach activities, member transition, and program management. Ms. Kenney thanked CCA staff for their hard work in getting the Exchange through this particularly intense period of work.

III. Exchange Project Management Contract Extension (VOTE): The PowerPoint presentation "Exchange Project Management Contract Extension (VOTE)" was presented by Roni Mansur. Mr. Mansur started the presentation by providing a background on CCA's need for project management services and its use of Deloitte as a vendor to provide those services. He then described Deloitte's role at CCA as well as other state Exchanges around the country. Mr. Mansur reviewed the various work streams and deliverables that Deloitte has been involved with since last July such as project management, customer service and business operations, Qualified Health Plan (QHP) and Qualified Dental Plan (QDP) certification, carrier integration, member transitions and product implementation. Mr. Mansur then provided an overview of work that still needs project management services, showing the need for continued assistance through open enrollment and beyond. Mr. Mansur emphasized that given this intense upcoming phase of work, this robust project management office will help to free up CCA staff so that they can work on decision-making and implementation as well as maintenance of existing programs. Ms. Turnbull asked how helpful Deloitte has been as a vendor. Mr. Mansur answered that they have been extremely helpful and that some of their staff has been with CCA

for a long time and have excellent subject matter expertise as a result. Mr. Gonser asked what would happen if grant funding is compromised. Mr. Mansur explained that this is not anticipated as a problem, but that there were legal provisions to safeguard against any possible issues. The Board voted unanimously to authorize the Executive Director to extend the existing contract with Deloitte LLP for one year commencing July 1, 2013, and to enter into work orders over that year for services under the contract.

IV. Final Chapter 224 Omnibus Regulations Transfer (VOTE): The PowerPoint “Final Chapter 224 Omnibus Regulations Transfer (VOTE)” was presented by Edward DeAngelo and Merritt Dattel McGowan. Ms. McGowan began the presentation by describing the steps that had been taken since these regulations were last brought to the Board to be voted on in draft form. Ms. McGowan then provided background on the four sections of regulations that were undergoing the technical transfer from what was formerly the Division of Health Care Finance and Policy (DCHFP) to CCA. Mr. Gruber asked how Fair Share employer responsibility provision under state law reconciles with federal employer responsibility provisions. Secretary Shor answered that while CCA is undertaking this technical transfer, there is legislation pending regarding the fate of Fair Share. He explained that Governor Patrick filed a bill in January, which recognized that maintaining the state employer responsibility provision in light of the federal provision would result in double penalties and administrative complexity without strong public policy reason. Secretary Shor also stated that the House included an identical provision to eliminate Fair Share in one of the outside sections of their budget, but that this is still an ongoing legislative issue. Mr. Duncan asked how much revenue comes from Fair Share. Candace Reddy of the Executive Office of Administration and Finance answered that \$18 million goes to the Commonwealth Care Trust Fund. Secretary Shor stated that elimination of Fair Share would be offset by a significant increase in federal funds. Mr. Malzone commented that there is concern that some employers would take advantage of the elimination of Fair Share.

Ms. McGowan went on to discuss the single comment that was received during the public comment period on the regulatory amendments. This comment came from the Alliance for Health Care Sharing Ministries. In this comment, the Alliance asked for language creating another exemption in the Student Health Insurance Program for students who are enrolled in “any health arrangement provided by established religious organizations comprised of individuals with sincerely held beliefs.” Ms. McGowan explained that substantive changes to the Student Health regulations will be made at a later point in time once CCA has received final federal guidance on those regulations and that this transfer is purely technical. Mr. Duncan asked when these regulations would be revised and what this group was looking for. Ms. McGowan answered that she believes this may have to do with MCC but that CCA would have to look further into this. Ms. Turnbull added that these might be organizations who try to create their own health plan by pooling community funds and paying for services for community members. The Board voted unanimously to repeal, 114.5 CMR 16.00 (Fair Share Contribution), 114.5 CMR 17.00 (Free Rider Surcharge), 114.5 CMR 18.00 (HIRD) and 114.6 CMR 3.00 (SHIP); and to promulgate 956 CMR 8.00 (SHIP), 956 CMR 9.00 (Free Rider Surcharge), 956 CMR 10.00 (HIRD) and 956 CMR 11.00 (Fair Share Contribution) as final.

The meeting was adjourned at 10:48 AM.

Respectfully submitted,
Rebekah D. Diamond