



*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, July 11, 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, Ian Duncan, Dolores Mitchell, Julian Harris, Celia Wcislo and Jonathan Gruber. Nancy Schwartz attended in place of Joseph Murphy. George Gonser attended the meeting by telephone. Andres Lopez was absent.

The meeting was called to order at 9:00 AM.

- I. Minutes:** The minutes of the June 13, 2013 meeting were approved by unanimous vote.

Secretary Shor took a moment to recognize Dr. Harris and his new job with the Obama Administration as Associate Director for Health in the Office of Management and Budget. Secretary Shor thanked Dr. Harris for his leadership and commitment to public service as well as for recognizing the importance of MassHealth to vulnerable populations, payment reform and the economy. Secretary Shor acknowledged Dr. Harris as a superb partner of the Health Connector (CCA) and a pleasure to work with.

- II. Executive Director's Report:** Jean Yang began her report by echoing Secretary Shor's sentiments towards Dr. Harris. Ms. Yang then reported that in the month of June there was a slight increase in Commonwealth Care membership and a slight decrease in Commonwealth Choice membership due to billing activities. She discussed Commonwealth Choice open enrollment which ran from June 3rd-June 21st and noted that this was a time when a member could change health plans for any reason. She stated that open enrollment had gone very well and that CCA will come back to the Board with a report. Ms. Yang then stated that Commonwealth Choice

open enrollment will run from July 1st-August 15th and that this is a market-wide open enrollment for individuals who purchase non-subsidized health insurance on their own. Ms. Yang finished her report by explaining that preliminary silver plan information, which is key to determining wrap carriers, has been submitted to the Division of Insurance (DOI). She further clarified that the rates are subject to final approval by DOI at which point CCA can compile a final recommendation for the Board in September.

III. Health Connector Fiscal Year 2013 & 2014 Administrative Budgets (VOTE): The PowerPoint presentation “Health Connector Fiscal Year 2013 & 2014 Administrative Budgets (VOTE)” was presented by Jean Yang, Daniel Apicella and Kari Miller. As chair of the Administration and Finance Subcommittee, Ms. Wcislo began the presentation by explaining that federal grants and the Affordable Care Act (ACA) have caused CCA to do things very differently this year. She explained that grants will increase the 2013 and 2014 budgets, but that the budget will return to its typical scale by 2015.

Ms. Yang then continued the presentation by explaining the importance of sharing CCA’s administrative budget in order to be transparent. She also stated that showing the plan of operations in conjunction with the administrative budget helps to highlight all of the tasks that are covered by the budget. She then discussed the unique opportunities and responsibilities that the ACA brings to the Commonwealth and the way in which this implicates CCA’s budget. Ms. Mitchell then expressed her concern that many folks might not appreciate the benefits that Ms. Yang articulates about the ACA. Secretary Shor stated that the Commonwealth is undertaking efforts to highlight the beneficial aspects of the ACA while also acknowledging frustrations that exist through a great deal of public education. He further stated that CCA and DOI are working with the employer community to discuss opportunities and changes. Ms. Yang then continued to discuss how the ACA specifically benefits CCA, for example, by providing more subsidies to low income individuals, by modernizing information technology (IT) systems and by creating new rules to streamline the market and promote annual competition. She then discussed successes under Massachusetts health reform to date, including a Commonwealth Care capitation rate trend of roughly one percent over the lifetime of the program. She also lauded the creation of the individual market under Chapter 58. Ms. Yang explained that these types of successes will only be amplified by the implementation of the ACA in Massachusetts. Ms. Yang then briefly discussed the ambitious path being taken in Massachusetts for ACA implementation. She explained that Massachusetts is building everything from the ground up and that CCA’s support infrastructure needs not only to be compliant, but also needs to provide a user friendly experience. Finally, she stated that CCA needs to take advantage of the upgrades brought by the ACA such as new IT systems, new products and new customer service solutions. Mr. Gruber asked how other states that do not have their own IT systems will be able to learn from our system. Ms. Yang explained that the federal government shares our system build information as a condition of the early innovator grant that was received. Ms. Wcislo noted that the transition from an existing structure to the new structure makes Massachusetts different

from other states. Ms. Yang further stated that retrofitting is much harder than building something new, especially while maintaining existing programs. Ms. Yang then noted the three major waves of work being done in FY14 and provided an overview of vendor-assisted projects.

Ms. Miller then provided a summary of the FY13 budget. Ms. Miller stated that in July 2012 the Health Connector Board approved an FY13 administrative budget of \$42 million with a projected net loss of \$4.3 million and that the current year-end projection indicates a net gain of \$196,000, principally due to federal revenue and lower administrative spending. Ms. Wcislo clarified that employees are not being paid more; rather CCA is being reimbursed to a greater extent by the federal government for existing salaries. Mr. Duncan asked if the federal government has a cap on the amount budgeted for implementation of Marketplaces. Ms. Miller answered that certain grants had a ceiling but that the Level 1A and Level 2 grants were awarded based upon estimates submitted by the states. Secretary Shor added that while there is no cap for these grants, the federal government rigorously reviews grant applications. Ms. Miller then provided more detail on the federally funded projects. Ms. Miller then presented the year-end projection and additional line item variances.

Mr. Apicella then presented the FY14 administrative budget summary, noting three distinct segments: one-time federally funded costs associated with the ACA, CCA 1.0 programs that will phase out during FY14 and the new Marketplace that will begin operating on January 1, 2014. He explained that of the ACA transition costs, 50 percent goes to the two key areas of core functionality – customer service and IT. Furthermore, 20 percent will go towards member transitions and outreach and the final 30 percent will cover a wide variety of other ACA required activities such as Qualified Health Plan (“QHP”) management and privacy and security. Mr. Apicella then gave an overview of the federally funded operational costs and non-federally funded operational costs. Secretary Shor clarified that both carriers and the Commonwealth will help to cover costs for wind down of CCA 1.0. Mr. Duncan asked whether the carrier administrative fee will resume in one year. Secretary Shor answered that this was correct. Mr. Apicella then provided a breakdown of the FY14 revenue. Mr. Apicella discussed the FY14 enrollment assumption, explaining that CCA expects approximately 200,000 members in 2014. Mr. Apicella explained that CCA expects that 100,000 members will move to MassHealth but that CCA will gain members from MassHealth, Medical Security Plan (MSP), Health Safety Net (HSN) and the broader market. Mr. Malzone asked whether this represented a conservative estimate. Ms. Yang explained that this was CCA’s estimate at this point in time and that, from an administrative budget perspective, enrollment is not consequential. Ms. Wcislo asked whether the state would save more money with the Medicaid expansion. Secretary Shor answered that this was the case and that for FY14, which only represents half a year of ACA implementation, it is estimated that there will be an additional \$200 million in revenue and savings directly stemming from the ACA. Mr. Apicella then provided more detail on the administrative budget recommendation and additional key line items. Finally, Mr. Apicella explained that CCA’s reserves will be approximately the same amount as was put in as seed money. Mr. Malzone asked where Fair Share

penalties reside. Secretary Shor explained that these go to the Commonwealth Care Trust Fund. Ms. Weislo thanked the staff for making this very complicated budget understandable. Secretary Shor commented that, in reflecting on this presentation, it is clear that CCA is committed to building a health insurance Marketplace which will continue to be best in the nation. The Board voted unanimously to approve the administrative budget for FY14 proposed by CCA staff.

IV. Fiscal Year 2013 Year in Review & Fiscal Year 2014 Goals: The PowerPoint presentation “Fiscal Year 2013 Year in Review & Fiscal Year 2014 Goals” was presented by Ashley Hague and Roni Mansur. Ms. Hague began the presentation by explaining that this presentation is done at the beginning of every fiscal year. She stated that putting together a plan of operations allows CCA to develop goals and metrics not only for reporting purposes, but also to help CCA evaluate where improvement is needed. Ms. Hague then gave an overview of the FY13 goals. She explained that the objective in FY13 was to move towards concrete tasks for broader goals and visions in order to give the staff flexibility in how they chose to achieve these goals. She further stated that these goals represent the unique challenge of implementing something new while maintaining continuing responsibilities to run existing programs, work with other state agencies, help with other procurements, as well as perform public policy and regulatory work while being a transparent agency and a great place for staff to work. Ms. Hague clarified that these goals persisted into FY14.

Ms. Hague then discussed CCA’s specific achievements in the last year. She mentioned the development of decision support tools, the addition of dental insurance to the 2014 product portfolio, steps taken towards becoming an ACA-compliant Marketplace, accomplishing two Seal of Approval (SoA) processes, creating innovative programs such as Wellness Track, engaging the market and broader outreach and enrollment efforts for 2014. Ms. Hague then discussed accomplishments specific to ACA-compliance and implementation such as the receipt conditional certification, the completion of federal audits and the development of the only state specific risk adjustment program in the country. She further discussed CCA’s successes in leveraging procurement expertise and stated that CCA hopes not only to continue with this success in their own programs in the coming year, but also with other state agencies such as the Group Insurance Commission (GIC) and the Department of Corrections (DOR) as well as with alternative payment methodologies and student health insurance. Ms. Hague highlighted CCA’s accomplishments in managing its role as a public agency with regulatory responsibilities, meshing state and federal individual mandates, developing a structure for employer responsibility, acting among leadership in inter-agency workgroups and continuing to report on key features of health reform. Lastly, Ms. Hague discussed the importance of stakeholder engagement, including the engagement of the Board, and the importance of transparency.

Mr. Mansur then presented the FY14 goals and plan of operations. He reiterated that FY13 provided what Ms. Hague had described as a multi-year vision. However, he added that FY14 also brings the unique goal of ACA implementation, which is part of

the overall goal of becoming a transformative Marketplace. He explained that this goal requires launch, stabilization, enhancement and a seamless transition for current members into new coverage. Mr. Mansur stated that CCA is targeting a 90 percent conversion rate for member transitions by March 31, 2013 for all non-group coverage, focusing on those subsidized populations that will lose their coverage at the end of the calendar year. He further stated that CCA is focusing on partnership with other agencies during this effort to ensure that communications across the Commonwealth are in lockstep. Mr. Mansur continued to discuss the visions that CCA strives for and the goals set for those visions. Ms. Turnbull asked what the timeline was for the revision of the student health insurance regulations. Ms. Hague explained that CCA is waiting on the issuance of additional guidance pertaining to subsidies for students and benefits in student health plans. Ms. Hague further stated that CCA is currently engaging stakeholders and plans to have draft regulations by the fall of 2013. Ms. Hague also offered to share materials being developed for university and college students about health insurance. Mr. Mansur finished the presentation by explaining that a more detailed breakdown of the plan of operations will be provided to the Board and that a similar plan will be created for FY14. He asked that the Board provide any and all feedback relative to this report.

- V. **Navigator Program and Grant Awards:** The presentation “Navigator Program and Grant Awards” was presented by Niki Conte and Camie Berardi. Ms. Berardi began the presentation by reminding the Board of the Navigator program. She explained that this is a federally required but state funded component of CCA’s outreach and education efforts, with the intent to transition current members and enroll currently uninsured individuals into coverage. Ms. Berardi further explained that this program is designed to promote the “no wrong door” commitment of the ACA. She stated that Navigators are required to be knowledgeable about new and existing options; they will need to distribute collateral relative to QHPs in a way that is culturally and linguistically appropriate; they will have to hold regular educational events and have to provide monthly reports to CCA. Mr. Duncan asked what guarantees exist to protect an individual’s information. Edward DeAngelo from CCA explained that CCA will be certifying Navigators and training them on privacy and security. Mr. DeAngelo explained that this is independent of Virtual Gateway users and Navigators will be treated as HIPAA associates. Mr. Duncan inquired as to whether these entities are prepared for any HIPAA liability. Ms. Berardi then provided an overview of the ACA definition of an eligible Navigator entity. She then discussed CCA’s selection process for the Navigator organizations and highlighted the requirements of the ACA as well as the additional requirements imposed by CCA.

Ms. Conte then continued the overview of the Navigator selection process and provided an overview of each of the ten chosen entities. She stated that the amount awarded was reflective of each organization’s request, taking into account existing infrastructure and in-kind support. Ms. Wcislo asked how Navigator activities for community health centers will differ from Virtual Gateway activities. Ms. Yang explained that there will be activities done in addition to Virtual Gateway enrollment such as hosting multiple events each month and general proactive outreach. Ms. Conte then provided an

overview of key Navigator activities. She then provided a list of areas where the majority of uninsured individuals and current CCA members reside in order to illustrate that the chosen Navigator entities will cover those geographic areas substantially. Ms. Conte reminded the Board that Navigators are only one component of a comprehensive outreach and education strategy including media, direct mail and e-mail and outbound calling to name a few. She explained that the next steps will be training and certification of the Navigators. Ms. Wcislo asked how many Navigators there will be and how language and culture are being accounted for. Ms. Conte stated that some organizations are using existing staff as well as hiring new staff and that there will be 30 full time employees altogether. Ms. Berardi further stated that part of the selection criteria required entities to have existing experience speaking multiple languages and involvement in various communities. She further stated that these are experienced outreach workers who will be able to translate concepts and issues effectively. Ms. Yang added that CCA training will be on new information and that this funding allows for an extension of what these groups already do in their communities. Lastly, Ms. Conte thanked all of the entities that applied to be Navigators for their commitment to serving their communities and CCA's members.

The meeting was adjourned at 11:49 AM.

Respectfully submitted,
Rebekah D. Diamond