Board of the Commonwealth Health Insurance Connector Authority

Minutes

Monday, March 17, 2013
9:00 AM to 12:00 PM
One Ashburton Place
Boston, MA 02108
Ashburton Cafe

Attendees: Jean Yang, Glen Shor, Nancy Turnbull, Kristin Thorn, George Gonser, Celia Wcislo, Joseph Murphy, Dolores Mitchell, Rick Jakious, Louis Malzone and Jonathan Gruber. Ian Duncan participated by telephone because of geographic distance.

The meeting was called to order at 9:08 AM.

I. Minutes: The minutes of the February 27, 2014 meeting were approved by unanimous vote.

II. Executive Director’s Report: Ms. Yang noted that membership would be reported as part of the Open Enrollment check-in presentation. She then let the Board know that there would be another meeting in March with details to follow.

III. 2014 Open Enrollment Check-in: The PowerPoint presentation “2014 Open Enrollment Check-in” was presented by Roni Mansur, Ashley Hague and Sarah Iselin. Ms. Iselin began the presentation by providing an agenda. Dan Zerafa from Optum then discussed website availability and stability, noting almost 100 percent uptime. Kyle McDowell from Optum then discussed the progress made with paper application processing and temporary coverage enrollment. Ms. Wcislo asked whether someone in Commonwealth Care could be in transitional coverage. Ms. Iselin noted that individuals in current programs known to MassHealth systems, such as Commonwealth Care, are not put into temporary coverage. Further, she noted that once the paper application backlog is gone, which she expects will be the case in the next few weeks, it will be apparent how many individuals will be newly enrolled into temporary coverage.
Mr. Mansur then provided an overview on progress of payment suspense issues. Mr. Mansur explained that these are payments that come in without a match to an application. He noted that this kind of problem routinely occurs, but the number of these incidents has been increased by systems issues. He noted that there were 418 open cases in January and this has now been reduced to 71 cases that are open and receiving active outreach. In addition, he stated that the Health Connector (CCA) will be bolstering customer service in March to account for heightened volume and more potential suspense issues, as a result. Mr. McDowell noted that the number will never likely be zero because this is an issue that typically occurs, as Mr. Mansur explained. Ms. Turnbull asked for an example of a suspense issue. Mr. Mansur explained it would be an individual who tried to purchase a plan, receives an error message and sends in their premium payment anyway. He noted that all payment checks are cashed as a matter of course through CCA’s lockbox and then research is done on any subsequent suspended payments. Secretary Shor also noted that changing payment deadlines in the end of 2013 also exacerbated this issue. Ms. Hague stated that many root causes have been found and that for every case, research begins in less than a day.

Ms. Iselin then provided an overview on consumer experience and escalations, noting that the measures on the slide reflect CCA’s call center. Mr. McDowell noted that the experience is much improved from November to present day. He noted that in November there was a 16 minute average wait time, which is now down to two minutes. In addition, abandoned call percentage has gone from 35 percent to 7.7 percent and escalations have reduced from 167 to 46. He also noted that there is a standard operating procedure in place between CCA and MassHealth to deal with escalations. Nancy Turnbull asked whether Dell had access to the MMIS system yet. Kristin Thorn stated that this was in process, but it is not something easily attained. Ms. Turnbull asked that the Board receive an update on this for the next Board meeting. Mr. Jakious expressed how impressed he was with the system-wide fixes done promptly as a result of escalated cases.

Ms. Hague then provided an overview of coverage by program, illustrating individuals now covered under public insurance programs at this time in part as a result of the Affordable Care Act (ACA). Mr. Gruber asked how individuals who were transitioned from Commonwealth Care to Medicaid CarePlus knew about the switch. Ms. Hague answered that this population was told prior to open enrollment in 2013 that they would not have to act during open enrollment and that they would be mapped in to a new MassHealth program. Once these individuals were mapped, most of whom were mapped into the same insurance provider in CarePlus, they received a notice apprising them of the switch. Ms. Thorn also clarified that the 300,000 number figure on the slide includes individuals who shifted within MassHealth programs, and new individuals enrolled in MassHealth as of January 1, 2014 as well as those were transferred from Commonwealth Care and Health Safety Net and individuals who had been eligible for Commonwealth Care but unenrolled and Mr. Gruber asked for more clarification as to who comprises the 64,000 individuals in MassHealth. Ms. Turnbull noted that this shows that there are over 100,000 individuals who are now newly covered and that this is fantastic news. Ms.
Iselin did note that while this was true, there may be some double counting and that this number only represents public insurance coverage, but that this number will only grow once paper applications have been processed from the backlog. Ms. Turnbull further noted that while every other state is still trying to find people and get them enrolled, not only does Massachusetts have 98 percent insured but the Commonwealth also has tens of thousands of people in new coverage. Ms. Hague then provided an update on the Commonwealth Care extension, noting that more details would be provided in the following presentation. Mr. Mansur provided an update on the “Fast Path” program, noting that 719 subscribers have already enrolled through this method after invoices were sent on March 8. In addition, he stated that a tool had been put on the CCA microsite to allow for side-by-side comparisons with old plans and Fast Path plans to help consumers understand what they would be enrolling in. Ms. Wcislo requested that CCA consider translating materials into Portuguese as well as Spanish going forward. She also asked whether provider search was functioning. Scott Devonshire from CCA stated that the functionality is there, but the process is not intuitive and that CCA is working on this. Mr. Mansur provided an update on small group business. Ms. Mitchell asked what occurs when a group exceeds the permissible number of employees to purchase through CCA. Ms. Hague answered that CCA’s policies allow for a change in census during the year but upon renewal asks the business to go elsewhere if it is over the threshold. Mr. Mansur noted that CCA is seeing some larger businesses enrolling through the Health Connector. Mr. Gruber asked about the availability of the Employee Choice model for 2015. Ms. Yang noted that this was on the agenda as a requirement of the ACA.

Ms. Iselin then discussed the short-term and long-term plans for the HIX project. She began by reviewing the reality of the system functionality, noting that there are significant challenges and many opportunities to make the system better. She reviewed the end-to-end process, noting areas where functionality does not currently exist and where it needs to be improved. Ms. Iselin reviewed the considerations going forward. For the short-term, this included ensuring coverage through paper application entry and temporary coverage enrollment as well as correcting coverage by working on those areas of the system that perform eligibility and enrollment functions. She then discussed two long term options: one, to partner with a new vendor and rebuild key programs and the second, to leverage other Exchange builds for Massachusetts. Ms. Iselin explained that the team believed the first option would be the best and that this would be the plan for the next several weeks while testing the functionality that needs to be put into place. Ms. Iselin noted that this option means that the Commonwealth will be replacing CGI and that CGI has been told that their involvement with the project will end. Ms. Iselin noted that this also means that Massachusetts, unlike other state Exchanges, will not leverage an existing Medicaid system and that it will proceed in building an integrated eligibility system. Mr. Malzone asked whether it was too late to simplify the 263 categories of MassHealth programs. Ms. Iselin explained that because Massachusetts progressively added new expansions to Medicaid programs and other public programs, they have more Medicaid categories than other states that were not as incrementally progressive. Ms. Mitchell asked whether other states who did integrated systems encountered similar challenges. Mr. Zerafa stated that those states also encountered more challenges than the states that simply linked back to their legacy Medicaid systems. Ms. Wcislo asked why
the state was continuing down this path instead of switching to an intake system that links to the Medicaid system. Ms. Iselin stated that because the legacy Medicaid system was not maintained, the notion of splitting the functionality is not a better solution. She stated that the team believes the program determination rules are written correctly but that they need to be tested with weekly checkpoints. Ms. Turnbull noted that it is imperative that the Board get frequent updates about what is being found during testing and the implications of what is being found. She also noted that while she trusts this is the right path forward, it is critical to have contingency plans. Ms. Iselin stated that while the state has other options, they are not as ideal as the first option. Mr. Gruber asked that the Board also be updated on the progress of the out-of-pocket cost calculator as well as provider search. Ms. Mitchell stated that she did not understand why life changes could not be implemented. Ms. Iselin noted that neither Healthcare.gov nor many other state Exchanges have this functionality in place since it depends on the rest of the system’s stability. Mr. Mansur did note that this had always been in scope for the project but that the implementation of this was not prioritized ahead of certain other functionality at this time. Ms. Iselin noted that there is a need to prioritize fiscal exposure to state areas such as those in temporary coverage who are in excess of 400 percent of the Federal Poverty Level (FPL), for whom the state will not receive matching federal funding. She noted that the long-term assessment would be presented in roughly one month. Further, she stated that this plan is premised on a continuation of Commonwealth Care and the temporary coverage program past June 30, 2014 and that the Centers for Medicare and Medicaid Services (CMS) is aware of this issue. Mr. Gruber expressed concern about getting what is needed from CGI. Ms. Iselin stated that she has spoken with the head of CGI and that there is an interest in negotiating a careful transition. She noted that these conversations will begin this week and that in the near term the state will be leaning on Optum to coordinate the project. Ms. Turnbull asked whether commercial options were being assessed and Ms. Iselin stated that the team has looked into this as well.

Secretary Shor then discussed the program budget update. He noted that when the state FY 14 budget was contemplated, the breadth of systems challenges was not understood, and it had been expected that ConnectorCare would subsume Commonwealth Care membership. He stated that continuing the Commonwealth Care program costs the Commonwealth roughly an additional $10 million a month because there is a more favorable federal reimbursement structure for ACA programs relative to Commonwealth Care. On the other hand CCA will have more dedicated revenues for subsidized coverage than anticipated in the budget, which helps neutralize the budget impact in fiscal year 2014. Secretary Shor noted that Massachusetts is already enjoying the greatest advantage of the ACA in the transition of Commonwealth Care members to MassHealth as the state gets 75 percent reimbursement as opposed to 50 percent. Secretary Shor then discussed the cost of transitional Medicaid coverage, explaining that this is a fee-for-service structure. He noted that the federal government will reimburse 50 percent of those in this coverage. For those eventually above 400 percent FPL, the state gets no reimbursement, but for those who eventually go to Medicaid the state will get 75 percent reimbursement. He stated that through early March, MassHealth has paid $7.3 million in claims but that this is not representative of incurred costs as there is a claims lag. Finally, Secretary Shor
stated that the Commonwealth is looking to other budgetary resources such as additional resources in MassHealth’s fiscal year 2014 budget.

Ms. Iselin then provided an update on the Optum engagement stating that actual costs for February were approximately $6 million and March projected spending is $11.1 million. Ms. Wcislo asked what the source of funding was for the Optum engagement. Secretary Shor stated that there are federal grant applications in progress and that there are also plans to use state resources in the event federal resources are not available or sufficient, such as capital funding available through the state’s Information Technology Division. Ms. Iselin noted that the team is looking to streamline revenue sources and grant recipients. Ms. Iselin then reviewed critical upcoming work streams. Ms. Yang noted that a recently released MITRE technical report as well as a report one by Microsoft would be available on the CCA website. Ms. Iselin then shared the weekly briefing dashboard.

IV. Commonwealth Care Extension Update (VOTE): The PowerPoint presentation “Commonwealth Care Extension Update (VOTE)” was presented by Jen Bullock, Michael Norton and Ed DeAngelo. Mr. DeAngelo began the presentation by explaining to the Board that in order to implement the Commonwealth Care extension through June 30, 2014 a vote is necessary to extend the current Managed Care Organization (MCO) contracts as well as the customer service contract with Dell for the Commonwealth Care program. Mr. DeAngelo then discussed the features of the health plan extensions including extending the program for the next three months on the same terms except for one network change for a group of individuals on the Islands, a rate adjustment and a new time frame. Mr. DeAngelo explained that based upon the analysis done by CCA’s actuary on the actuarially sound rate range, CCA is adjusting the medical capitation rate by eight percent but there is no change in administrative fees, leading to an overall upward adjustment of seven percent. Ms. Yang noted that the capitation rate spending was reduced by 12 percent over the past two years and that this reduction was driven primarily by maximized efficiency in competition. She noted that an inflation rate needs to be incorporated and that, in addition, health plans have not had an option to be competitive and have had very minimal notice of this extension. Thus, CCA worked with the health plans to find an actuarily sound rate that enabled the health plans to continue this program. Mr. Gruber stated that he was concerned that this increase in rates would happen again in another possible extension. Ms. Yang stated that CCA would keep the Board apprised of discussions with the MCOs. Secretary Shor added that he supports this rate increase given the decrease in rates over the past two years and in light of the challenges carriers are facing right now. Ms. Turnbull noted that these are important partnerships and crucial at this time. Ms. Mitchell echoed Ms. Turnbull’s comments but noted that sometimes actuaries do not provide the best figures. Mr. DeAngelo then discussed the time frame of the contract, stating that there is CMS approval for the Commonwealth Care extension through June 30, 2014 but that the contract recognizes the possibility of further extensions, and that CCA has the option to have additional three month extensions through the rest of calendar year 2014 at an agreed upon rate. Mr. Norton then provided an overview of what will happen to Network Health members in the Islands as they switch to new MCO coverage based mostly on their current primary
care physician. Ms. Bullock then explained that, in addition to the MCO contracts, CCA also needs to extend their current contract with Dell to perform customer service for this program. Ms. Bullock then reviewed the scope and pricing of this contract extension. The Board voted unanimously to authorize the Executive Director to enter into extensions with the five current Commonwealth Care MCOs through June 30, 2014, with options to renew through December 31, 2014, as set forth in staff recommendation as well as to authorize the Executive Director to enter into an extension of the current contract with Dell Marketing L.P. to provide for continued administration of the Commonwealth Care program through April 30, 2015, as set forth in staff recommendation.

V. Proposed Affordability Schedule for Calendar Year 2014 (VOTE): The PowerPoint presentation “Proposed Affordability Schedule for Calendar Year 2014 (VOTE)” was presented by Audrey Gasteier. Ms. Gasteier began her presentation by providing a summary of the timeline for the calendar year 2014 affordability schedule as well as an overview of the process of aligning the Massachusetts affordability schedule with that of the federal government. Ms. Wcislo asked when the decision would be made regarding imposing the federal standard on individuals between 300 and 400 percent FPL. Ms. Gasteier stated that the affordability subcommittee of the Board would be convened and this issue would be on the agenda for that group. Mr. Jakious asked whether there was a sense of who has Minimum Essential Coverage (MEC) but not Minimum Creditable Coverage (MCC). Ms. Gasteier stated that she does not know in detail because in Massachusetts MCC is counted as insurance, but that this would be a great research question. Ms. Turnbull asked when Department of Revenue data would come out regarding insured in Massachusetts and asked that this be made available more frequently. Ms. Gasteier stated that 2011 data should be available soon. Ms. Gasteier then reviewed the one comment received from the ACT!! Coalition. Ms. Gasteier presented the proposed affordability schedules for individuals, families and couples and reviewed next steps. Mr. Gonser asked whether the ACT!! Coalition comments impacted the schedule. Ms. Gasteier explained that many of their comments were in response to changes in principle and that the premium comment would not affect the affordability schedule. Further, she stated that she had outreached the ACT!! Coalition to discuss their comments and that this will also be discussed during the affordability workgroup meeting. The Board voted unanimously to approve the final affordability schedules for individuals, couples and families for calendar year 2014, as set forth in the staff recommendation.

The meeting was adjourned at 11:53 AM.

Respectfully submitted,
Rebekah D. Diamond