



Final Award of 2015 Seal of Approval

VOTE

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Board of Directors Meeting, September 11, 2014

2015 Seal of Approval Timeline

- We are seeking Board approval today to award the final Seal of Approval (SoA) for health and dental benefit plans to be offered through the Health Connector for coverage effective in 2015
- Today's recommendation incorporates the Health Connector's and the Division of Insurance's (DOI) review of premium rates, licensure, accreditation, network adequacy, service area and, in the case of ConnectorCare Issuers, demonstrated ability to serve lower-income populations

Mar 2014	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
★ 3/28: 2015 SoA Launch		★ 5/15: RFR Responses Due from new Issuers	★ 6/1: Recertification Responses Due from existing Issuers	★ 7/1: Premium rate filing due to DOI	★ 7/10: Conditional SoA Awarded	★ TODAY (9/11) Final SoA Awarded		★ 11/15 Open Enrollment Begins	

2015 Seal of Approval: Goals



As discussed during our July meeting, our primary goal for the 2015 SoA is to continue the vision laid out in 2014 to support access to affordable, comprehensive coverage and provide continuity and stability for the Health Connector's members.

- Be a trusted source of value for consumers and small businesses by providing a vibrant platform of well-designed, market-leading products that allows for a simple, transparent and consumer-centric shopping experience
- Maintain standardization as the core of our product shelf to promote an apples-to-apples shopping experience
- Continue to serve as a platform for innovation and competition by offering high-value non-standardized plan designs
- Participate in the market as a major force for broader reform of the health care system

2015 Seal of Approval Results



The 2015 SoA has delivered strong results, indicating that carriers continue to see the Health Connector as an important channel for serving residents of the Commonwealth.

- All existing QHP Issuers committed to continue to offer all standardized plans on their broadest commercial network
 - In addition, three QHP Issuers have proposed new non-standardized plans, and two QHP Issuers have proposed plans on new networks
- Attracted a new QHP Issuer to the Health Connector's shelf
- All existing QDP Issuers will continue to offer their existing plan designs through the 2015 benefit year, with the ACA-required change to allowable maximum out-of-pocket (MOOPs) for the pediatric dental benefit
- The 2015 SoA resulted in favorable premium outcomes, reflected by an overall average increase of 1.6% over 2014 rates
 - Weighted by 2014 QHP non-group population mix
 - Compares with 3.1% average increase in the broader merged market (QHPs and non-QHPs)

Seal of Approval Requirement Overview



	ACA Standards for QH/DPs	Health Connector SoA Requirements
QHPs	<ul style="list-style-type: none"> • Licensure and accreditation • Network adequacy • Service Area (prohibition on “cherry-picking” against under-served markets) • Essential Health Benefit (EHB), cost-sharing limits and actuarial value (AV) requirements • Premium Review • Fair marketing practice • Transparency of coverage • All other requirements necessary for Division of Insurance (DOI) approval 	<ul style="list-style-type: none"> • Must offer at least 1 plan on broadest commercial network for each standardized plan design <ul style="list-style-type: none"> – 2 Platinum, 3 Gold, 1 Silver, 1 Bronze • Option to propose up to 7 non-standardized plans (certain Issuers required to propose tiered-network plans) • Each Issuer is required to propose a catastrophic plan, but may request to withdraw if the Health Connector receives at least 2 other Catastrophic plans per Service Area from Issuers that do not wish to withdraw • Each Issuer is required to propose a “wrap-compatible” Silver plan for the ConnectorCare program that complies with the Health Connector’s Network Adequacy requirements for this population; plans may be offered on any network type, including a narrower network, or a network that is broader than their standard commercial network; plans may not feature co-insurance on major categories of benefits
QDPs		<ul style="list-style-type: none"> • Must offer standardized plans <ul style="list-style-type: none"> – Pediatric only, high, and low • Option to propose non-standardized plans

Proposal Summary & Recommendation

ConnectorCare Recommendation

Qualified Health Plan (QHP) Recommendation

Qualified Dental Plan (QDP) Recommendation

Board Vote

ConnectorCare Framework & Summary



- Today, individuals in Massachusetts with incomes up to 300% FPL have access to subsidized coverage through Commonwealth Care, ConnectorCare or other comparable programs such as the MassHealth Temporary Coverage program
- As you will recall, national health reform has made new tax credits and subsidies available to this population, and we are investing additional state subsidies to maintain comparable levels of affordability for this population relative to the Commonwealth Care program and the Massachusetts affordability schedule
- The combination of state and federal subsidies comprise the ConnectorCare program, which we have designed both from a premium and cost-sharing perspective to resemble Commonwealth Care
- Our selection of Issuers participating in the ConnectorCare program is part of the SoA process, and today we are sharing our recommendation of which Issuers we propose should offer ConnectorCare plans in 2015
- The successful outcome of this year's ConnectorCare selection process will also support our upcoming member transition efforts, easing the move for people changing from Commonwealth Care to ConnectorCare by offering comparable Issuers, premiums and benefits

ConnectorCare Issuer Selection Process



- In selecting Issuers to offer ConnectorCare (or “wrap”) plans, we gave balanced consideration to the following factors:
 - Price competitiveness
 - Experience or ability to serve the population
 - Value-added benefits (e.g., methadone treatment)
 - Reasonable plan choice
 - Continuity of coverage
 - Plan design that supports reconciliation of cost-sharing reduction subsidies
 - Overall value
- After careful review of Issuer responses and final premiums, we selected the following Issuers to offer ConnectorCare plans in Massachusetts:
 - Boston Medical Center HealthNet Plan • CeltiCare • Fallon Health Plan
 - Health New England • Neighborhood Health Plan • Network Health • Minuteman Health

ConnectorCare QHP Premium Summary



Wrap Plans	Region A		Region B		Region C		Region D		Region E		Region F		Region G	
	Western MA (010 – 013)		Central MA (014 – 016)		Metro West (017, 020)		Northeast (018, 019)		Boston/Greater Boston (021, 022, 024)		Southeast (023, 027)		Cape/Islands (025, 026)	
Lowest	NWH	\$244.42	NHP	\$273.15	NWH	\$256.24	BMCH	\$245.98	NWH	\$257.57	NWH	\$257.04	BMCH	\$256.98
2 nd Lowest	BMCH	\$258.29	CeliCare	\$288.13	BMCH	\$259.86	Minuteman	\$260.63	BMCH	\$266.93	BMCH	\$259.33	NWH	\$257.04
3 rd Lowest	NHP	\$273.15	NWH	\$290.41	Minuteman	\$274.56	NWH	\$265.45	Minuteman	\$284.99	Minuteman	\$261.45	NHP	\$295.91
4 th Lowest	CeltiCare	\$332.29	FCHP Comm.	\$292.00	CeltiCare	\$294.54	NHP	\$280.75	NHP	\$311.08	CeltiCare	\$274.13	CeltiCare	\$315.85
5 th Lowest	HNE	\$353.03	BMCH	\$300.99	NHP	\$295.91	CeltiCare	\$288.13	CeltiCare	\$324.68	NHP	\$295.91		

Premiums reflect a 40 year old individual

ConnectorCare Proposed Enrollee Contribution Schedule



Commonwealth Care FY14					
	I	IIA	IIB	IIIA	IIIB
BMC	\$0	\$0	\$40	\$78	\$118
CeltiCare	\$0	\$0	\$40	\$78	\$118
NWH	\$0	\$3	\$45	\$85	\$126
NHP	\$0	\$28	\$81	\$138	\$182
Fallon	\$0	\$28	\$81	\$138	\$182

ConnectorCare 2015 (All Region, Blended)					
	I	IIA	IIB	IIIA	IIIB
Lowest	\$0	\$0	\$40	\$78	\$118
2nd	\$0	\$6	\$50	\$93	\$134
3rd	\$0	\$14	\$61	\$108	\$151
4th	\$0	\$23	\$74	\$127	\$171
5th	\$0	\$28	\$81	\$138	\$182

- The base enrollee premiums for members selecting the lowest-cost ConnectorCare plan in their region equals that in Commonwealth Care today, in accordance with the Massachusetts Affordability Schedule
- Plan Type I members will not be charged a premium, regardless of which plan they choose
- Also, consistent with our approach today, the Health Connector is incorporating a moderate subsidy that applies to all ConnectorCare plans to help improve premium affordability

Proposal Summary & Recommendation

ConnectorCare Recommendation

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Qualified Dental Plan (QDP) Recommendation

Board Vote

QHP Plan Review Summary



- Standardization remains at the heart of the Health Connector's 2015 QHP product shelf
 - Our standardized plans make up the lion's share (>80%) of products offered
- The Health Connector received responses from all ten of the existing QHP Issuers plus one new entrant: UnitedHealthcare
 - All existing QHP Issuers committed to continue to offer all standardized plans on their broadest commercial network
 - In addition, three QHP Issuers have proposed new non-standardized plans, and two QHP Issuers have proposed plans on new networks
- Since the award of the Conditional SoA, we have revisited our recommendation of one of Harvard Pilgrim's products
 - As part of the Conditional SoA, we proposed limiting HPHC's Best Buy HMO 2000 and Best Buy HMO 2000-Focus Network to be offered exclusively on our small group shelf
 - We are now recommending that they be offered on our non-group shelf as well in consideration of their price competitiveness

Standardized QHP Premiums



Similar to last year, there is a wide range of premiums on the Health Connector's product shelf.

2014 Rates	Plat. A	Plat. B	Gold A	Gold B	Gold C	Silver	Bronze	Cat.
Highest	\$663.72	\$575.14	\$505.38	\$511.23	\$499.53	\$405.20	\$341.74	\$282.93
Lowest	\$348.04	\$341.19	\$283.88	\$294.20	\$290.30	\$252.66	\$202.36	\$126.68
Mean	\$497.86	\$475.04	\$396.39	\$405.13	\$394.00	\$313.64	\$273.55	\$236.09

2015 Rates	Plat. A	Plat. B	Gold A	Gold B	Gold C	Silver	Bronze	Cat.
Highest	\$684.00	\$601.64	\$486.48	\$532.86	\$521.51	\$405.86	\$347.57	\$286.41
Lowest	\$340.45	\$344.32	\$277.10	\$295.80	\$291.37	\$240.84	\$197.54	\$132.56
Mean	\$502.08	\$483.17	\$397.90	\$418.39	\$407.73	\$324.29	\$283.05	\$235.38

Showing standardized plans only; premiums reflect a 40 year old individual living in Central MA

- Average premium increase weighted by non-group enrollment for all standardized QHPs is 2.9% relative to 2014

QHP Product Shelf



Based on this analysis, the Health Connector recommends awarding the Final SoA to all QHPs awarded the Conditional SoA, as well as the additional plans we recommended based on our premium review.

Non-group Only	Standardized Product Shelf	Non-Standardized Product Shelf
Platinum	26	2 (Small Group only)
Gold	39	11
Silver	15	7 (1 Small Group only, 6 both Small Group and Non-Group)
Bronze	14	2
Catastrophic	10	n/a
Total	104	22 Available to Small Group 19 Available to Non-Group

Proposal Summary & Recommendation



ConnectorCare Recommendation

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Board Vote

QDP Plan Review Summary



- The Health Connector's dental product line is still relatively new as it was initially launched for 2014
- This year, we received responses from all participating 2014 QDP Issuers, proposing all of their existing plans for recertification for 2015
- We have since received premiums for all QDPs offered for recertification, and have worked with the DOI to review these premiums as well as their underlying rating methodologies, anticipated loss ratios, administrative expenses, rating factors, etc.
- Additionally, the Health Connector took a portfolio view to determine whether the QDPs which received the conditional SoA remained competitively priced relative to the carrier's portfolio and had rates reflective of the benefits and cost-sharing
- Of note, and as we shared with the Board in March, the only significant change to the QDP program was tied to a new rule issued by CMS setting the allowable maximum out-of-pocket (MOOP) for the Pediatric Dental EHB at \$350 for 1 child/\$700 for 2+ children
- We anticipated this change would have a moderate impact on premium, as the allowable MOOPs for 2014 were \$1,000 for 1 child and \$2,000 for 2+ children, and our premium review indicated that this change drove, on average, approximately half of the premium rate increase

QDP Premiums – Standardized Plans



2014 Rates	Altus	BCBSMA	Delta EPO	Delta PPO	Delta Premier	Guardian	MetLife
Small Group							
Pediatric EHB	\$32.24	\$7.23	\$27.76	\$28.42	\$35.82	\$37.06	\$29.37
Family High	\$28.80	\$39.77	\$23.22	-	\$31.58	\$35.11	\$31.79
Family Low	\$22.82	\$35.52	\$15.88	-	\$22.91	\$28.67	\$25.35
Non Group							
Pediatric EHB	\$36.92	-	\$44.00	\$45.73	\$55.13	-	-
Family High	\$33.48	-	\$39.85	-	\$50.02	-	-
Family Low	\$26.16	-	\$26.29	-	\$36.35	-	-

2015 Rates	Altus	BCBSMA	Delta EPO	Delta PPO	Delta Premier	Guardian	MetLife
Small Group							
Pediatric EHB	\$30.32	\$7.01	\$29.76	\$31.49	\$39.86	\$39.78	\$30.76
Family High	\$30.60	\$34.93	\$25.52	-	\$34.49	\$37.32	\$32.59
Family Low	\$22.68	\$31.34	\$17.43	-	\$25.14	\$30.50	\$25.96
Non Group							
Pediatric EHB	\$36.28	-	\$47.32	\$50.75	\$61.47	-	-
Family High	\$36.32	-	\$42.09	-	\$55.66	-	-
Family Low	\$26.84	-	\$27.75	-	\$40.47	-	-

Showing standardized plans only; values are weighted average premiums based on enrollment data, by Issuer and market, as submitted to the Division of Insurance.

Average premium increase for all Health Connector QDPs is approximately 6%

QDP Product Shelf



Based on this analysis, the Health Connector recommends awarding the Final SoA to all QDPs awarded the Conditional SoA, as discussed.

Issuers	Small group only	Both NG and SG	Standardized Plans			Non-Standardized Plans			All Plans		
			Total	Configurations		Total	Configurations				
				Pedi	High		Low	Pedi		High	Low
Altus Dental		√	3	1	1	1				3	
BCBSMA	√		3	1	1	1	1	1			4
Delta Dental of MA		√	7	3	2	2	2	2			9
Guardian	√		3	1	1	1					3
MetLife	√		3	1	1	1	2		1	1	5
Final SoA	Small group only		9			3			12		
	Both NG and SG		10			2			12		
	Total		19			5			24		
	Unique Plan Designs*		3			5			8		

*Different configurations of standardized plan designs are considered one “unique plan design”.

Proposal Summary & Recommendation

ConnectorCare Recommendation

Qualified Health Plan (QHP) Recommendation

Qualified Dental Plan (QDP) Recommendation

Board Vote

Summary of Recommendation



The Health Connector recommends awarding the 2015 Final SoA to all QHPs and QDPs as described herein by the following Issuers:

- Altus Dental
- Blue Cross Blue Shield of MA
- BMC HealthNet Plan
- CeltiCare Health Plan
- Delta Dental of MA
- Fallon Health
- Guardian
- Harvard Pilgrim Health Care
- Health New England
- MetLife
- Minuteman Health
- Neighborhood Health Plan
- Network Health-Tufts Health Plan
- Tufts Health Plan
- UnitedHealthcare

Appendix

Appendix: 2015 QHP Standardized Plan Parameters



We did not propose any changes to the standardized plan designs for the 2015 SoA relative to 2014 requirements.

Plan Feature/ Service		Cost-Sharing						
		PLAT A	PLAT B	GOLD A	GOLD B	GOLD C	SILVER	BRONZE*
Annual Deductible (family = 2x)		N/A	\$500	\$500	\$1,000	\$1,500	\$2,000	\$2,000
Annual OOP Max (family = 2x)		\$2,000	\$1,500	\$3,000	\$5,000	\$5,000	\$6,350	\$6,350
PCP Office Visits		\$25	\$20	\$20	\$30	\$25	\$30	\$50 ✓
Specialist Office Visits		\$40	\$35	\$35	\$45	\$40	\$50	\$75 ✓
Emergency Room		\$150	\$100 ✓	30% ✓	\$150 ✓	\$150 ✓	\$350 ✓	\$750 ✓
Inpatient Hospitalization		\$500	\$0 ✓	30% ✓	\$500 ✓	\$250 ✓	\$1,000 ✓	\$1,000 ✓
High-Cost Imaging		\$150	\$100 ✓	30% ✓	\$200 ✓	\$150 ✓	\$400 ✓	\$1,000 ✓
Outpatient Surgery		\$500	\$0 ✓	30% ✓	\$250 ✓	\$250 ✓	\$750 ✓	\$1,000 ✓
Prescription Drug (mail order = 2x)	Retail Tier 1	\$15	\$15	\$15	\$20	\$15	\$20	\$30 ✓
	Retail Tier 2	\$30	\$25	50% ✓	\$30	\$25	\$40	50% ✓
	Retail Tier 3	\$50	\$45	50% ✓	\$50	\$50	\$70	50% ✓
	Mail Tier 1	\$30	\$30	\$30	\$40	\$30	\$40	\$60 ✓
	Mail Tier 2	\$60	\$50	50% ✓	\$60	\$50	\$80	50% ✓
	Mail Tier 3	\$150	\$135	50% ✓	\$150	\$150	\$210	50% ✓

A check mark (✓) indicates that this benefit is subject to the annual deductible; * Note: The Bronze Plan must be an HSA-compatible HDHP

Appendix: 2015 QDP Standardized Plan Parameters



PLAN FEATURE/ SERVICE	PEDIATRIC DENTAL EHB	FAMILY HIGH	FAMILY LOW
Plan Year Deductible	\$50	\$50/\$150	\$50/\$150
Deductible Applies to:	Major and Minor Restorative	Major & Minor Restorative	Major & Minor Restorative
Plan Year Max (>=19 only)	N/A	\$1,250	\$750
Plan Year MOOP <19 Only	\$350 (1 child)	\$350 (1 child)/ \$700 (2+ children)	\$350 (1 child)/ \$700 (2+ children)
Preventive & Diagnostic Co-Insurance In/out-of-Network	0%/20%	0%/20%	0%/20%
Minor Restorative Co-Insurance In/out-of-Network	25%/45%	25%/45%	25%/45%
Major Restorative Co-Insurance In/out-of-Network	50%/70%	50%/70%	50%/70% No Major Restorative >=19
Medically Necessary Orthodontia, <19 only, In/out-of-Network	50%/70%	50%/70%	50%/70%
Non-Medically Necessary Orthodontia, <19 only, In/out-of-Network	N/A	N/A	N/A

New*