



*The Commonwealth of Massachusetts
Commonwealth Health Insurance Connector Authority
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Boston, MA 02108*

CHARLIE BAKER
Governor

KARYN POLITO
Lieutenant Governor

MARYLOU SUDDERS
Board Chair

LOUIS GUTIERREZ
Executive Director

Request for Information regarding Massachusetts ACA Risk Adjustment Program

November, 2015

Process:

The Health Connector will release on Friday, November 6, 2015 an RFI via COMMBUYS soliciting public, written responses to the question of whether the Commonwealth should retain its Alternative ACA risk adjustment program or whether, beginning in Benefit Year 2017, the Commonwealth should revert to a Federally administered ACA risk adjustment program. Written responses will be due by **12:00PM EST, Friday, November 20, 2015.**

Text of RFI:

The Commonwealth of Massachusetts through the Health Connector is the only state in the country to administer an ACA risk adjustment program utilizing a federally certified risk adjustment methodology developed by the Commonwealth. The Health Connector will continue administering the ACA risk adjustment program for the 2015 and 2016 Benefit Years.

The administration of a state-based, alternative risk adjustment program is a costly endeavor with annual costs to the Commonwealth for the 2015 Benefit Year anticipated to be in the \$4-5 million dollar range; subsequent years could be higher.

The development and implementation of modifications to a federally certified alternative risk adjustment methodology is a costly and resource intensive undertaking requiring extensive data collection, actuarial analysis, market engagement and final federal review and approval.

Given these challenges and constraints, the Commonwealth is considering reverting the ACA risk adjustment program to Federal administration consistent with the 49 other states in the country. Prior to consideration of this change by its Board, the Health Connector is soliciting responses from the public as to whether the Commonwealth should continue to administer ACA risk adjustment.

We request that Respondents address the following questions:

1. Whether the Commonwealth should continue to administer the ACA risk adjustment program for the 2017 Benefit Year or transition the program to the Federal Government. In the event that the Commonwealth continues to administer the program for the 2017 benefit year, the full cost of administering the risk adjustment program will be borne by all of the Issuers in the Massachusetts Merged Market. Moreover, no modifications to the current federally approved alternative risk adjustment methodology would be possible for that year.

- a. If yes, what are the advantages of retaining the program for 2017?
 - b. If no, what considerations, if any, are there in reverting to the federal program?
2. Given the stipulation that full risk adjustment program costs will be borne by the issuers in the merged market, should the Commonwealth retain a state-administered risk adjustment program for benefit years after 2018?
 - a. If yes, what modifications to the current federally certified alternative risk adjustment methodology should the Commonwealth consider submitting to the Federal government for review and approval for the 2018 Benefit Year?
 - b. If changes to the current federally certified alternative risk adjustment methodology are not feasible or are not approved by CMS, what advantages, if any, are there for the current state administered risk adjustment program? Alternatively, would you recommend reverting to the Federal program and if so, please explain your position.

We ask that respondents to this Request for Information provide written response by **12:00PM EST, Friday, November 20, 2015**. Responses can be emailed to Michael Norton, Senior Manager of External Affairs and Carrier Relations at the Health Connector, at michael.norton@state.ma.us.

For more information on the Massachusetts ACA risk adjustment program please visit: <https://betterhealthconnector.com/about/policy-center/reports-publications> [under the Market Wide Risk Adjustment section].