



Group Market Exchange Update

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Group Market Exchange Progress



Preparations for the launch of the Group Market Exchange (GME) platform in fall 2017 are successfully underway, including:

- Establishing project oversight and management with D.C. Health Benefit Exchange
- Securing initial \$1.5 million in federal funds
- Initiating IT development
- Engaging key stakeholders, including carriers, brokers and employers

Overview of Project Approach

Group Market Exchange Overview



On February 23, the Health Connector Board of Directors approved a partnership with another State-based Marketplace – the D.C. Health Benefits Exchange (DCHBX) – to provide a small group shopping platform.

- The new platform will benefit small businesses, their employees, and their brokers by offering:
 - A modern, easy-to-use website and call center
 - A range of ways for employers to contribute to health and dental plans, including new employee choice options for health plans
 - New opportunities for employees to shop for competitively priced plans with robust benefits
 - The ability to easily find and partner with a broker
- The Health Connector is now implementing the new platform in close partnership with DCHBX and stakeholders, including carriers, brokers and employers
- The Health Connector aims to launch the new platform by Fall 2017

Project Goal: Introduce New Employer Options

When implemented, the Health Connector's new platform will support three health plan options for employers: the choice of a single plan, a choice of all plans from one carrier, or a choice of similar plans from different carriers.

- Employers can continue to select a single health and dental plan for all employees, which aligns with current market practice
- For medical plans, the new “choice” contribution options will allow employers to:
 - Better predict costs year over year, by selecting a “reference plan” contribution level for all employee choices – employers will not pay more than this reference plan
 - At the employer’s option, give employees the chance to shop for the plans that meet their needs

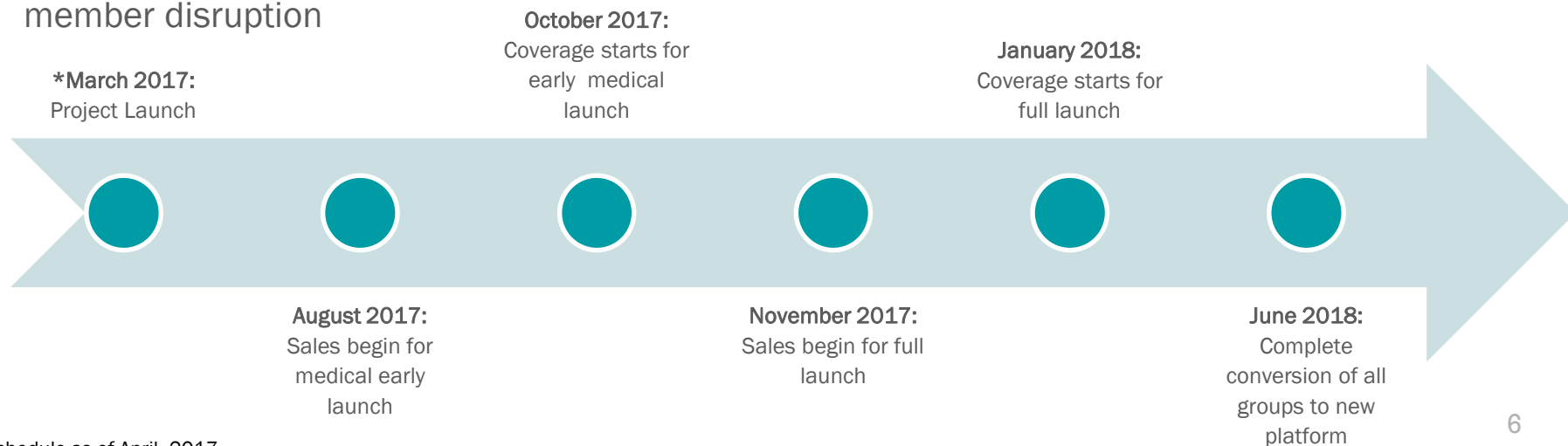


Project Goal: Launch for 2018 Sales & Renewals



The Health Connector has developed an implementation timeline that aligns with the sale and renewal cycles of the Massachusetts merged market:

- Group Market Exchange is expected to have an early launch with select medical carriers and new groups, starting August 15 for October 1 effective dates
- Group Market Exchange is expected to be fully supported with all groups, starting November 15 for January 1 effective dates
- As part of the launch process, the Health Connector will work to gradually “convert” existing employer groups from the current vendor to the new vendor by Summer 2018, minimizing member disruption



*Schedule as of April, 2017

Project Goal: Leverage Existing Infrastructure



The DCHBX platform already includes many capabilities to meet Massachusetts employer needs, requiring minimal customization.

- Online tools, multiple options for employer contributions, back-end systems and staffing currently exist on the DCHBX platform
- The features and functionality are designed to meet the needs of employers, employees, and brokers – with an emphasis on ease of use, swift system response time and ongoing enhancement
- In order to support the existing Massachusetts small group market, DCHBX will make limited modifications to the platform:
 - Incorporating select current Massachusetts-based rating factors
 - Adding sole source sales model using composite rating / billing
 - Adapting to other merged market requirements, such as quarterly rating and verification requirements
 - Working with carriers to define Electronic Data Interchange (EDI) requirements
- Because DCHBX uses an agile development process, items not prioritized for initial launch may be included over time based on user feedback

Project Implementation Update

Update on Project Oversight



The Health Connector has completed initial milestones to support the oversight, integrity and legal structure of the project.

- The Health Connector and DCHBX have executed a Memorandum of Understanding (MOU) and are working to finalize schedules of specific services
- The Health Connector is submitting project documentation to the Centers for Medicare and Medicaid Services (CMS) and has released initial federal funds to support the project
 - CMS released \$1.5 million
 - Balance of final allotment contingent on two CMS gate reviews, the final design review and operational readiness review
- Per state statute, the Health Connector will shortly be releasing an invitation to interested parties to apply for licensure as a sub-connector, an alternative distribution channel through which small businesses can access Health Connector plans

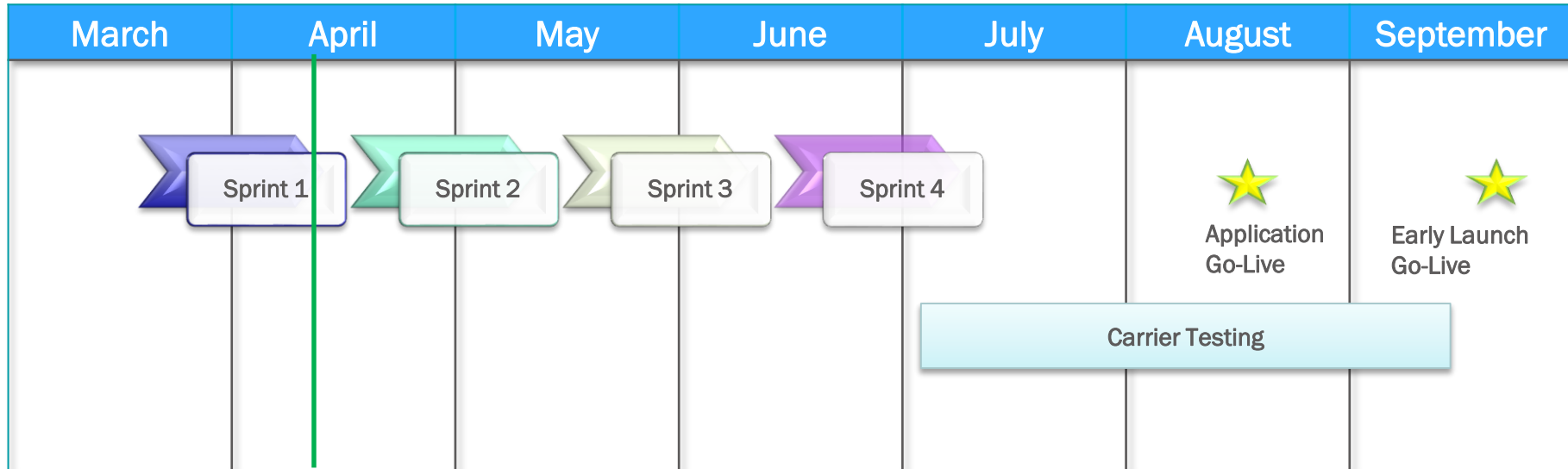
Update on Project Planning



The Health Connector and DCHBX are closely collaborating to meet project milestones in a timely fashion.

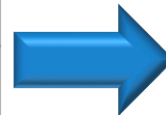
- The project partners have each identified key personnel, including a project manager for each team and work track leads
- The project partners have jointly developed a master project plan that lists shared and independent project deliverables
- Other key milestones have included:
 - Onsite meeting at Health Connector offices to establish baseline project plan
 - Onsite meeting at DCHBX offices to refine service model
 - Weekly governance call with project leadership
 - Weekly meetings for all project track leads
 - Daily checkpoints between project track leads

Update on Systems Development



Accomplishments to Date

- High level discussions with DCHBX regarding scope and requirements
- Development Workbench and QA environments established for the MA portal
- Submitted attestation proposal to CMS for review and approval
- IT development and progress monitored via an integrated project plan



Upcoming Activities

- Finalize application and EDI requirements
- Develop and test MA specific customizations
- Integrate Doctor Directory



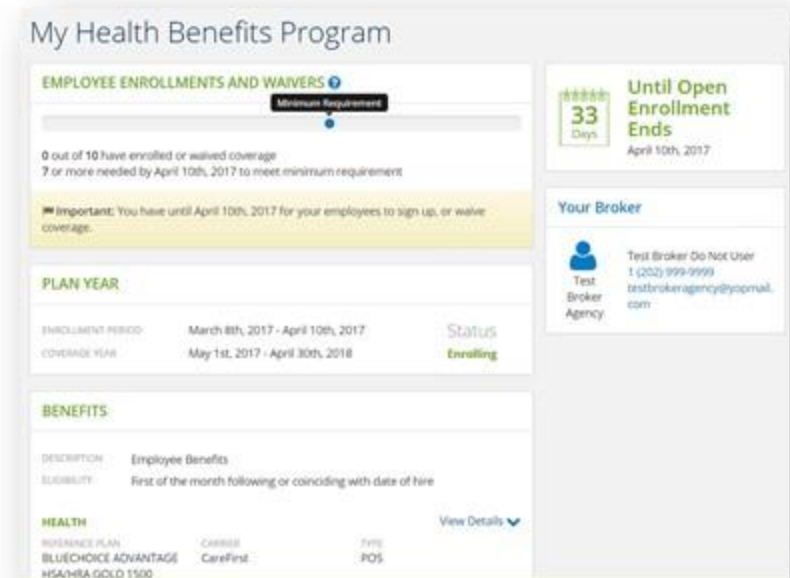
Stakeholder Outreach and Feedback

Carrier Engagement

Following an all-carrier kick-off meeting on February 24, the Health Connector has regularly engaged carriers to assess operational readiness.

- Provided carriers with a demonstration of the DCHBX platform
- Health Connector staff are working with carriers on a daily basis to:

- Discuss product strategy
- Assess policies and procedures
- Evaluate electronic data interface (EDI) capabilities
- Consider options for broker commissions
- Identify testing timelines and onboarding process
- Facilitate carrier knowledge of DCHBX systems and personnel



The screenshot displays the 'My Health Benefits Program' dashboard. It features a progress bar for 'EMPLOYEE ENROLLMENTS AND WAIVERS' with a 'Minimum Requirement' indicator. A notification states '0 out of 10 have enrolled or waived coverage' and '7 or more needed by April 10th, 2017 to meet minimum requirement'. A yellow banner highlights an important deadline: 'Important: You have until April 10th, 2017 for your employees to sign up, or waive coverage.' The 'PLAN YEAR' section shows enrollment and coverage periods. The 'BENEFITS' section lists 'Employee Benefits' with a description and eligibility criteria. The 'HEALTH' section lists the 'BLUECHOICE ADVANTAGE' plan with 'CareFirst' as the carrier and 'POS' as the type. A 'Your Broker' section identifies 'Test Broker Do Not User' with contact information. A 'View Details' link is also present.

- Carriers are now in the process of confirming participation for the early and/or full launch

Broker Engagement

The Health Connector has begun to seek input and partnership from the broker community, including its Broker Advisory Council.

- The Health Connector convened its Broker Advisory Council on March 24, and will hold monthly meetings thereafter
 - Advisory members viewed a demonstration of the platform and offered productive input, including market insight on:
 - Types of employers who might be most interested in Group Market Exchange
 - Possible market reception to new employee choice options and list billing
 - Needed employer materials and outreach opportunities
 - Broker commission structure to ensure parity with merged market
 - Future meetings will include:
 - An opportunity for additional brokers to join the Advisory Council
 - Policy discussions, such as broker insight on preferred product shelf
- The Health Connector also welcomed broader members of the broker community to view two web-cast demonstrations of the new platform
- The Health Connector is currently conducting a market review to finalize a recommendation to the Board of Directors for a 2018 broker commission schedule

Employer Engagement



In the coming weeks, the Health Connector will begin concerted outreach to the employer community, including its Employer Advisory Council.

- The Health Connector will convene its Employer Advisory Council on April 27, and will hold monthly meetings thereafter
 - Advisory members will view a demonstration of the platform and offer early phase input on a range of topics, including:
 - The value proposition of choice models for different types of employers
 - Product offerings that will be attractive to employers and employees
 - Materials that can support employers as they consider the Group Market Exchange
- Following the first Employer Advisory Council, the Health Connector will launch a regular cadence of outreach to:
 - Employer associations
 - Municipal stakeholders and state government entities that interface with small employers
 - Chambers of commerce
 - Individual employer groups

Next Steps

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The Health Connector will continue to proceed with its project plan, including the following upcoming milestones:

- Finalize customer service model
- Finalize IT systems and requirements
- Finalize carrier participation by May 2017
- Provide an update to the Board in July 2017 on:
 - Broker commission schedule
 - Carrier participation
 - Seal of Approval product offerings for Group Market Exchange