MEMORANDUM

To: Health Connector Board of Directors
Cc: Louis Gutierrez, Executive Director
From: Brian Schuetz, Director of Program & Product Strategy
Maria Joy Dawley, Product Manager, Health & Dental Plans
Edith Boucher Calvao, Chief Actuary
Date: July 10, 2017
Re: Conditional Award of the 2018 Seal of Approval

BACKGROUND

On March 17, 2017, the Health Connector issued its 2018 Seal of Approval (SOA) Request for Responses (RFR) to solicit Qualified Health Plans (QHPs) and Qualified Dental Plans (QDPs) to be offered through the Commonwealth's Affordable Care Act (ACA)-compliant Marketplace beginning in 2018. The purpose of this memorandum is to provide the Health Connector Board of Directors with the staff recommendation on the Conditional Award of the 2018 SOA to recommended QHPs and QDPs.

INTRODUCTION AND EXECUTIVE SUMMARY

The certification of QHPs and QDPs is a required function of an ACA-compliant Marketplace. The Health Connector's annual SOA is the process by which the Health Connector performs this required function and certifies QHPs and QDPs. In order for an Issuer to receive the SOA, QHPs and QDPs must meet all applicable ACA requirements, including metallic tier and Actuarial Value (AV) specifications, coverage of all Essential Health Benefits (EHBs) as well as provider network and service area requirements. QHPs and QDPs must also comply with the Health Connector's SOA requirements, including minimum portfolio specifications, standardized plan designs and, as applicable, experience and ability to serve lower-income populations.

Changes to the federal AV calculator for 2018 necessitated minor changes to a number of standardized medical plans. In addition, as part of the Health Connector's ongoing efforts to enhance its product shelf, the 2018 SOA included questions around value and networks to support decision-making for future SOAs.

This memorandum presents the Health Connector staff recommendation for the Conditional Award of the 2018 SOA to plans offered by nine (9) existing medical Issuers and four (4) existing dental Issuers.[1] The award of the conditional SOA is based upon an initial review of the responding Issuers' compliance with ACA certification requirements and further Health Connector prescribed RFR requirements. Award of the final SOA is conditioned upon the Issuers' successful completion of all Division of Insurance (DOI) form and rate filings. Health Connector staff will make a recommendation for award of the final SOA, based in

[1] This represents a reduction of one (1) medical Issuer from 2017. CeltiCare Health is exiting the merged market in 2018 and has not resubmitted for SOA 2018. Additionally, the Issuer currently known as Minuteman Health Inc. resubmitted as a new company, Minuteman Insurance Company, but with a very similar submission to the original.

part upon Issuers' completion of the DOI rate filing process, to the Health Connector Board of Directors in September of 2017.

2018 SEAL OF APPROVAL OVERVIEW

Issuers seeking the Health Connector's SOA for 2018 were required to demonstrate compliance with certain minimum ACA-certification requirements, including:

- **Licensure and Accreditation:** Plan Issuers must be licensed and in good standing with the DOI.
- **Plan Benefit & Cost Sharing Requirements:** Plans must provide coverage for the ten (10) statutorily prescribed EHB categories and include coverage in alignment with the state's EHB benchmark plan selection. Plan designs must comply with federal cost-sharing limits, metallic tier and AV requirements. QHPs must cover all state mandated benefits and meet Minimum Credible Coverage (MCC) standards. QDPs must cover the Pediatric Dental EHB Benchmark Plan benefits, meet reasonable limits on cost-sharing and comply with AV requirements (70% or 85% +/- 2%).
- **Network Adequacy:** Plans must demonstrate inclusion of a sufficient number and distribution of providers, including Essential Community Providers.
- **Service Area**: Plans must include Service Areas that cover a minimum geographic area and are established without regard to racial, ethnic, language or health status-related factors.
- **Marketing**: Issuers must comply with state requirements related to marketing of plans and may not employ marketing practices that discourage enrollment of individuals with significant health needs in QHPs. The Health Connector enforces this requirement as part of its contracting process with QHPs.
- **Federal Quality Standards:** Issuers must meet the applicable federal requirements regarding the submission of Quality Improvement Strategy activities, the submission of enrollee satisfaction survey and meeting the requirements of quality reporting standards.
- **Rating Methodology and Premium Review**: All proposed plans must meet state and federal requirements related to rate development methodology and permissible rate increases.

Furthermore, Issuers seeking the Health Connector's 2018 SOA as a QHP (as opposed to a QDP) must also meet the following Health Connector requirements:

- **Standardized Plan Offerings:** Issuers must offer at least one plan on their broadest commercial network that conforms to each of the four (4) standardized plan designs (one (1) Platinum, one (1) Gold, one (1) Silver, and one (1) Bronze on either the Standardized Bronze #1 or Standardized Bronze #2 (HSA-compatible) design). Issuers have the option to withdraw their Bronze offering if a sufficient number of Bronze plans is available in each zip code. Issuers may propose one (1) additional version of each standardized plan offered on a different network (*e.g.*, narrower or tiered) for a maximum of eight (8) possible standardized plans offered.
- **Catastrophic Product Offerings:** Issuers must propose at least one (1) Catastrophic plan design with the option to withdraw the offer if a sufficient number of Catastrophic plans are available in each zip code.

- **ConnectorCare-Compatible Plan Offerings:** Issuers must propose one (1) ConnectorCare-Compatible Silver plan that may be offered on its broadest commercial network, on a narrower or limited network, or on a network that is broader than its broadest commercial network. The network proposed for a ConnectorCare-Compatible plan is required to meet ConnectorCare plan Network access requirements, as defined by the Health Connector.
- **Non-standardized Product Offerings:** Issuers are permitted to propose up to three (3) Non-standardized plans, inclusive of network variation limitations. Specifically, Issuers may offer each of these plans on any of their networks (*i.e.*, there is not a broadest network requirement for the Non-standardized shelf), but if they choose to offer one plan design on more than one network, each additional network variation will count toward their maximum of three (3) allowable Non-standard plans.

Issuers seeking the Health Connector's 2018 SOA as a QDP (as opposed to a QHP) must comply with all ACA certification requirements and the following additional Health Connector requirements:

- **Standardized Plan Offerings:** Issuers must offer at least one (1) plan on all of the Standardized plan designs. Issuers may propose one (1) additional version of each plan offered on a different network (*e.g.*, narrower or tiered) for a maximum of six (6) possible standardized plans offered.
- **Non-standardized Product Offerings:** Issuers are permitted to propose up to three (3) Non-standardized plans, inclusive of network variation limitations. Specifically, Issuers may offer each of these plans on any of their networks, but if they choose to offer one plan design on more than one network, each additional network variation will count toward their maximum of three (3) allowable Non-standard plans.
- **Small- and Non-Group Market Offerings:** In 2018, the Health Connector is allowing dental Issuers to apply to waive on-exchange sale of stand-alone dental products related to considerations around implementation of the new small group platform. A valid waiver can only be due to operational limitations which prevent the sale dental plans through the Health Connector, or for pediatric-only stand-alone dental plans for offer to the small group market. Dental plans which are waived for sale on the Health Connector's shelf will be considered as QDPs certified by the Health Connector for purposes of off-exchange sale.

We leveraged this year's SOA to gathering information regarding the product and network designs of plans in our marketplace, seeking carrier information regarding current strategies for Value-based Insurance Design (VBID) and use of alternative or wider networks in Health Connector products.

QHP ISSUER RESPONSE, EVALUATION AND RECOMMENDATIONS

The QHP certification process is a joint effort between the Health Connector and the DOI. The majority of ACA-required categories for certification are fulfilled through the DOI's comprehensive plan review process, which is in place for the merged market. In addition to working closely with the DOI, the Health Connector's policy and actuarial staff support its evaluation of the QHP SOA responses.

The Health Connector received proposals from nine (9) existing QHP Issuers; Blue Cross Blue Shield of

Massachusetts (BCBSMA), BMC HealthNet Plan (BMCHP), Fallon Health (Fallon), Harvard Pilgrim Health Care (HPHC), Health New England (HNE), Minuteman Insurance Company (Minuteman), Neighborhood Health Plan (NHP), Tufts Health Plan - Direct (Tufts – Direct) and Tufts Health Plan – Premier (Tufts – Premier). No new QHP Issuers proposed offerings for 2018, and CeltiCare Health did not offer plans for consideration for the 2018 SOA.

Minuteman initially submitted for the 2018 SOA as Minuteman Health Inc. but subsequently resubmitted as a newly-established entity, Minuteman Insurance Company. Minuteman has filed for licensure with the DOI as this new organization. Minuteman has filed for an indemnity license to sell Exclusive Provider Organization (EPO) products on and off exchange. Minuteman sold HMO products under its prior license. Health Connector staff reviewed the resubmission and found it nearly identical to the initial submission, in both the narrative responses and health plans proposed. Health Connector staff will closely monitor the new company's progress toward obtaining the necessary DOI license and toward establishing an adequate provider network by no later than August 15, 2017 as a condition for Seal of Approval consideration.

The Health Connector team reviewed each Issuer's proposed product portfolio to confirm adherence to the minimum and maximum product portfolio requirements. The Health Connector reviewed proposed Standardized plans for adherence to the Health Connector's prescribed cost-sharing requirements.

In our review of proposed Non-standardized plans, Health Connector staff sought to apply a consistent approach for evaluating the various plan designs. Beyond ensuring that proposed Non-standardized plans meet or are likely to meet state and federal requirements, Health Connector staff also more broadly reviewed the suite of newly proposed Non-standardized plans to determine whether and to what extent each plan would supplement the Health Connector's Standardized product shelf with added value and plan design choice.

Qualified Health Plan Shelf Overview

Overall, the nine (9) medical carriers responded to the 2018 SOA with a total of fifty-nine (59) QHPs proposed for sale to new and renewing members for the non-group and small group shelves. No medical carriers proposed frozen plans for renewal only. The responses to this year's SOA result in a five percent reduction in health plans offered through the Health Connector compared to 2017.

Issuers	Platinum	Gold	Silver	Bronze	Catastrophic	Total
Blue Cross Blue Shield	1	1	1	1	1	5
BMC HealthNet Plan	1	1	2	1	0	5
Fallon Health	2	4	3	2	1	12
Health New England	1	4	1	1	0	7

Harvard Pilgrim Health Care	1	1	1	1	0	4
Minuteman Insurance Company	2	2	2	1	1	8
Neighborhood Health Plan	1	2	3	0	0	6
Tufts Health Plan - Direct	1	2	2	2	1	8
Tufts Health Plan - Premier	1	1	1	1	0	4
TOTAL	**11**	**18**	**16**	**10**	**4**	**59**

QHP Standardized Plan Submissions

All nine (9) Issuers responding to the QHP SOA proposed at least one plan for each of the four (4) Standardized plan designs on the Issuer's broadest commercial network. Standardized plan designs included prescribed cost-sharing amounts across twenty-one (21) benefit categories, as defined by the Health Connector.

For 2018, one Issuer, Fallon, elected to offer their Standardized plan designs on an additional network. Fallon continues to propose offering Standardized plans on one (1) additional, smaller network ("Direct Care") beyond its broadest commercial network ("Select Care").

Standardized QHP Submissions – Bronze

For the 2018 SOA, the Health Connector offered two (2) Standardized Bronze plan designs: the Standard #1, and a Standard #2 design that is Health Savings Account (HSA) compatible.

Plan Feature/ Service *A check mark (✓) indicates that this benefit is subject to the annual deductible*	**Bronze #1**	**Bronze #2 (HSA)**
Annual Deductible – Combined	$2,500	$3,000
	$5,000	$6,000
Annual Deductible – Medical	N/A	N/A
	N/A	N/A
Annual Deductible – Prescription Drugs	N/A	N/A
	N/A	N/A
Annual Out-of-Pocket Maximum	$7,350	$6,650
	$14,700	$13,300
Primary Care Provider (PCP) Office Visits	$30 ✓	$20 ✓
Specialist Office Visits	$50 ✓	$40 ✓
Emergency Room	$700 ✓	$250 ✓

Urgent Care		$50 ✓	$40 ✓
Inpatient Hospitalization		$1,000 ✓	$750 ✓
Skilled Nursing Facility		$1,000 ✓	$750 ✓
Durable Medical Equipment		20% ✓	20% ✓
Rehabilitative Occupational and Rehabilitative Physical Therapy		$50 ✓	$40 ✓
Laboratory Outpatient and Professional Services		$25 ✓	$25 ✓
X-rays and Diagnostic Imaging		$25 ✓	$25 ✓
High-Cost Imaging		$500 ✓	$500 ✓
Outpatient Surgery: Ambulatory Surgery Center		$750 ✓	$500 ✓
Outpatient Surgery: Physician/Surgical Services		$0 ✓	$0 ✓
Prescription Drug	Retail Tier 1	$20	$20 ✓
	Retail Tier 2	$60 ✓	$40 ✓
	Retail Tier 3	$90 ✓	$60 ✓
	Mail Tier 1	$40	$40 ✓
	Mail Tier 2	$120 ✓	$80 ✓
	Mail Tier 3	$270 ✓	$180 ✓
2018 Final FAVC		64.84%	64.88%

Issuers were required to propose at least one (1) Bronze plan, on either the Standardized #1 or Standardized #2 design, as part of their SOA 2018 submission. The Health Connector allowed Issuers the option of requesting to withdraw their proposed Standardized Bronze Plan if the Health Connector received a sufficient number of Standardized Bronze Plans by other Issuers not requesting withdrawal.

Seven (7) Issuers elected to submit the Bronze Standardized #1 plan design, while two (2) Issuers submitted the Standardized Bronze #2 design as a new plan this year (HNE and Tufts Health Plan – Premier). Additionally, one (1) Issuer has requested to waive offering a Standardized Bronze plan for 2017: NHP. Of the 679 zip codes included in the Health Connector's availability, none would have fewer than three (3) carriers available, exceeding the target of a minimum of two carriers per zip code. As a result of the analysis, the Health Connector recommends approving NHP's Standardized Bronze plan waiver as sufficient access to Bronze plans will be available in each zip code.

Standardized QHP Submissions

Issuers	Platinum	Gold	Silver	Bronze	Total
Blue Cross Blue Shield	1	1	1	1	4
BMC HealthNet Plan	1	1	1	1	4
Fallon Health	2	2	2	2	8
Health New England	1	1	1	1	4

Harvard Pilgrim Health Care	1	1	1	1	4
Minuteman Insurance Company	1	1	1	1	4
Neighborhood Health Plan	1	1	1	Waive	3
Tufts Health Plan - Direct	1	1	1	1	4
Tufts Health Plan - Premier	1	1	1	1	4
TOTAL	**10**	**10**	**10**	**9**	39

QHP Non-standardized Plan Submissions

For 2018, Issuers submitted a total of sixteen (16) Non-standardized plans for consideration. Six (6) of these submissions are new for 2018, while the remaining ten (10) were previously offered in 2017.

Platinum Tier Non-standardized QHPs

New Non-standardized QHP Submissions – Platinum

The Health Connector did not receive any new Non-standardized Platinum tier QHPs for 2018.

Existing Non-standardized QHP Submissions – Platinum

One (1) existing Non-standardized Platinum plan from Minuteman Insurance Company (Minuteman) was awarded the 2017 SOA and was again proposed as a Non-standardized offering for 2018. As there are limited changes to this plan, Health Connector staff recommend recertifying this Non-standardized Platinum plan offering for both the non-group and small group shelves for 2018.

Plan Feature/ Service ***A check mark (✓) indicates that this benefit is subject to the annual deductible***	**Platinum Standard**	**Minuteman CONNECT Premium Plus Extra MA**
Annual Deductible – Combined	$0	$0
	$0	$0
Annual Deductible – Medical	N/A	N/A
	N/A	N/A
Annual Deductible – Prescription Drugs	N/A	N/A
	N/A	N/A
Annual Out-of-Pocket Maximum	$3,000	**$1,500**
	$6,000	**$3,000**
Primary Care Provider (PCP) Office Visits	$20	**$5**
Specialist Office Visits	$40	**$15**
Emergency Room	$150	**$250**
Urgent Care	$40	**$15**
Inpatient Hospitalization	$500	**$250**
Skilled Nursing Facility	$500	**$250**
Durable Medical Equipment	20%	20%

Rehabilitative Occupational and Rehabilitative Physical Therapy		$40	**$15**
Laboratory Outpatient and Professional Services		$0	**$25**
X-rays and Diagnostic Imaging		$0	**$25**
High-Cost Imaging		$150	$150
Outpatient Surgery: Ambulatory Surgery Center		$250	**$150**
Outpatient Surgery: Physician/Surgical Services		$0	$0
Prescription Drug	Retail Tier 1	$10	**$5**
	Retail Tier 2	$25	**$20**
	Retail Tier 3	$50	**$50**
	Mail Tier 1	$20	**$10**
	Mail Tier 2	$50	**$40**
	Mail Tier 3	$150	**$150**
2018 Final FAVC		88.24%	91.71%

Bold indicates deviations from Standard design.

Gold Tier Non-standardized QHPs

New Non-standardized QHP Submissions – Gold

The Health Connector received three new Non-standardized Gold tier QHPs for 2018 from Fallon, Minuteman and NHP.

Plan Feature/ Service ***A check mark (✓) indicates that this benefit is subject to the annual deductible***	**Gold Standard**	**Fallon Health Select Care Deductible Hybrid 2000**	**Minuteman CONNECT Premium 1000 Extra MA**	**NHP Prime HMO 1000/2000 20/35 30% FlexRx 6-Tier**
Annual Deductible – Combined	N/A	N/A	N/A	$1,000
	N/A	N/A	N/A	$2,000
Annual Deductible – Medical	$1,000	**$2,000**	$1,000	N/A
	$2,000	**$4,000**	$2,000	N/A
Annual Deductible – Prescription Drugs	$0	$0	$0	N/A
	$0	$0	$0	N/A
Annual Out-of-Pocket Maximum	$5,000	**$7,350**	$5,000	**$6,350**
	$10,000	**$14,700**	$10,000	**$12,700**
Primary Care Provider (PCP) Office Visits	$30	**$5**	**$10**	**$20**
Specialist Office Visits	$45	**$15**	**$25**	**$35**
Emergency Room	$150 ✓	**$250**	**$200** ✓	**30%** ✓
Urgent Care	$45	**$5**	**$25**	**$35**
Inpatient Hospitalization	$500 ✓	**$1,000** ✓	**$750** ✓	**30%** ✓
Skilled Nursing Facility	$500 ✓	**$1,000** ✓	**$750** ✓	**30%** ✓
Durable Medical Equipment	20% ✓	**20%**	20% ✓	**30%** ✓
Rehabilitative Occupational and Rehabilitative Physical Therapy	$45	**$15**	**$25**	**$35**
Laboratory Outpatient and Professional Services	$20 ✓	**$0**	**$25**	**$35** ✓
X-rays and Diagnostic Imaging	$20 ✓	**$0**	**$25**	**$35** ✓
High-Cost Imaging	$200 ✓	**$350** ✓	**$150** ✓	**30%** ✓

Outpatient Surgery: Ambulatory Surgery Center		$250 ✓	**$500 ✓**	**$500 ✓**	**30% ✓**
Outpatient Surgery: Physician/Surgical Services		$0 ✓	$0 ✓	$0 ✓	**30% ✓**
Prescription Drug	Retail Tier 1	$20	**$5**	**$10**	**$16***
	Retail Tier 2	$30	$30	**$35**	**30% ✓**
	Retail Tier 3	$50	**50%**	$50	**30% ✓**
	Mail Tier 1	$40	**$10**	**$20**	**$32**
	Mail Tier 2	$60	$60	**$70**	**30% ✓**
	Mail Tier 3	$150	**50%**	**$100**	**30% ✓**
2018 Final FAVC		79.69%	78.21%	81.12%	76.08%

Bold indicates deviations from Standard design.

Fallon Proposal

The proposed new Non-standardized Gold plan from Fallon, "Select Care Deductible Hybrid 2000," is a new variation of an existing Non-standardized Gold plan offering on the carrier's "Select Care" network. This proposed plan would be offered on a broader network than Fallon's existing Non-standardized Gold offering with the same benefit design. Pending analysis of the premium rates, Health Connector staff expect that this new Non-standardized plan will provide a sufficiently differentiated offering compared to the Standard design and recommend certifying this Non-standardized Gold plan offering for both the non-group and small group shelves for 2018.

Minuteman Proposal

The proposed new Non-standardized Gold plan from Minuteman, "CONNECT Premium 1000 Extra MA," includes lower copays for commonly-used services, such as primary care, urgent care and specialist visits, and higher copays for services accessed less frequently, such as emergency room visits and inpatient hospitalization. Pending analysis of the premium rates, Health Connector staff expect that this new Non-standardized plan will provide a sufficiently differentiated offering compared to the Standard design and recommend certifying this Non-standardized Gold plan offering for both the non-group and small group shelves for 2018.

Neighborhood Health Plan Proposal

The proposed new Non-standardized Gold plan from NHP, "HMO 1000/2000 20/35 30% FlexRx 6-Tier," is a modified variation of a Non-standardized Gold plan offered by NHP in 2017. This plan includes a higher deductible and out-of-pocket maximum than its comparable 2017 version and applies 30 percent coinsurance to many services. The plan has an AV lower (76%) than the previously-accepted de minimis range of +/-2%. For 2018 plans, the federal government allowed a de minims expansion of +2/-4%, and the Health Connector allowed this downward expansion of -4% only on Platinum and Gold Non-standardized plans for the 2018 SOA. NHP is the only Issuer that submitted a plan with this downward expansion. Pending analysis of the premium rates, Health Connector staff expect that this new Non-standardized plan will provide a sufficiently differentiated offering compared to the Standard design and recommend certifying this Non-standardized Gold plan offering for both the non-group and small group shelves for 2018.

Existing Non-standardized QHP Submissions – Gold

Five (5) Gold Non-standardized plans proposed by Fallon, HNE, and Tufts – Direct were previously awarded the 2017 SOA. As there are limited changes to these plans, Health Connector staff recommend recertifying these Non-standardized Gold plan offerings for both the non-group and small group shelves for 2018.

Plan Feature/ Service *A check mark (✓) indicates that this benefit is subject to the annual deductible*		**Gold Standard**	**Fallon Direct Care Deductible Hybrid 2000**	**HNE Gold A**	**HNE Essential 2000**
Annual Deductible – Combined		N/A	N/A	N/A	N/A
		N/A	N/A	N/A	N/A
Annual Deductible – Medical		$1,000	**$2,000**	**$500**	**$2,000**
		$2,000	**$4,000**	**$1,000**	**$4,000**
Annual Deductible – Prescription Drugs		$0	$0	$0	$0
		$0	$0	$0	$0
Annual Out-of-Pocket Maximum		$5,000	**$7,350**	$5,000	**$6,000**
		$10,000	**$14,700**	$10,000	**$12,000**
Primary Care Provider (PCP) Office Visits		$30	**$5**	**$20**	**$25**
Specialist Office Visits		$45	**$15**	**$35**	**$40**
Emergency Room		$150 ✓	**$250**	**30% ✓**	**$250**
Urgent Care		$45	**$5**	**$35**	**$40**
Inpatient Hospitalization		$500 ✓	**$1,000 ✓**	**30% ✓**	**$100 ✓**
Skilled Nursing Facility		$500 ✓	**$1,000 ✓**	**30% ✓**	**$100 ✓**
Durable Medical Equipment		20% ✓	**20%**	**20%**	**20%**
Rehabilitative Occupational and Rehabilitative Physical Therapy		$45	**$15**	**$35 ✓**	**$40 ✓**
Laboratory Outpatient and Professional Services		$20 ✓	**$0**	**$20**	**$0**
X-rays and Diagnostic Imaging		$20 ✓	**$0**	$20 ✓	**$0 ✓**
High-Cost Imaging		$200 ✓	**$350 ✓**	**30% ✓**	**$100 ✓**
Outpatient Surgery: Ambulatory Surgery Center		$250 ✓	**$500 ✓**	**30% ✓**	**$50 ✓**
Outpatient Surgery: Physician/Surgical Services		$0 ✓	$0 ✓	**30% ✓**	$0 ✓
Prescription Drug	Retail Tier 1	$20	**$3.55**	**$15**	**$15**
	Retail Tier 2	$30	$30	**$50**	**$50**
	Retail Tier 3	$50	**50%**	**$100**	**$75**
	Mail Tier 1	$40	**$7.10**	**$30**	**$30**
	Mail Tier 2	$60	**$60**	**$100**	**$100**
	Mail Tier 3	$150	**50%**	**$300**	**$225**
2018 Final FAVC		79.69%	80.76%	81.20%	81.21%

Bold indicates deviations from Standard design.

Plan Feature/ Service *A check mark (✓) indicates that this benefit is subject to the annual deductible*	**Gold Standard**	**HNE Wise Max HDHP**	**Tufts Direct Gold 750 with Coinsurance**
Annual Deductible – Combined	N/A	**$2,000**	**$750**
	N/A	**$4,000**	**$1,500**
Annual Deductible – Medical	$1,000	N/A	N/A
	$2,000	N/A	N/A
Annual Deductible – Prescription Drugs	$0	N/A	N/A
	$0	N/A	N/A
Annual Out-of-Pocket Maximum	$5,000	$5,000	$5,000
	$10,000	$10,000	$10,000

Primary Care Provider (PCP) Office Visits		$30	**$0** ✓	**$20**
Specialist Office Visits		$45	**$0** ✓	**$35**
Emergency Room		$150 ✓	**$0** ✓	**30%** ✓
Urgent Care		$45	**$0** ✓	**$35**
Inpatient Hospitalization		$500 ✓	**$0** ✓	**30%** ✓
Skilled Nursing Facility		$500 ✓	**$0** ✓	**30%** ✓
Durable Medical Equipment		20% ✓	**$0** ✓	**30%** ✓
Rehabilitative Occupational and Rehabilitative Physical Therapy		$45	**$0** ✓	**$35**
Laboratory Outpatient and Professional Services		$20 ✓	**$0** ✓	**30%** ✓
X-rays and Diagnostic Imaging		$20 ✓	**$0** ✓	**30%** ✓
High-Cost Imaging		$200 ✓	**$0** ✓	**30%** ✓
Outpatient Surgery: Ambulatory Surgery Center		$250 ✓	**$0** ✓	**30%** ✓
Outpatient Surgery: Physician/Surgical Services		$0 ✓	**$0** ✓	**30%** ✓
Prescription Drug	Retail Tier 1	$20	**$15** ✓	**$15**
	Retail Tier 2	$30	**$25** ✓	**50%** ✓
	Retail Tier 3	$50	**$50** ✓	**50%** ✓
	Mail Tier 1	$40	**$30** ✓	**$30**
	Mail Tier 2	$60	**$50** ✓	**50%** ✓
	Mail Tier 3	$150	**$150** ✓	**50%** ✓
2018 Final FAVC		79.69%	78.78%	78.19%

Bold indicates deviations from Standard design.

Silver Tier Non-standardized QHPs

New Non-standardized QHP Submissions – Silver

The Health Connector received two (2) new proposed Non-standardized Silver plans from Minuteman and NHP.

Plan Feature/ Service ***A check mark (✓) indicates that this benefit is subject to the annual deductible***	**Silver Standard**	**Minuteman CONNECT Value 3000 MA**	**NHP Prime HMO 3000/6000 30/50 35% FlexRx 6-Tier Area 7**
Annual Deductible – Combined	$2,000	**$3,000**	**$3,000**
	$4,000	**$6,000**	**$6,000**
Annual Deductible – Medical	N/A	N/A	N/A
	N/A	N/A	N/A
Annual Deductible – Prescription Drugs	N/A	N/A	N/A
	N/A	N/A	N/A
Annual Out-of-Pocket Maximum	$7,350	$7,350	$7,350
	$14,700	$14,700	$14,700
Primary Care Provider (PCP) Office Visits	$30	**$25**	$30
Specialist Office Visits	$50	$50	$50
Emergency Room	$700 ✓	**$500** ✓	**35%** ✓

Urgent Care		$50	$50	$50
Inpatient Hospitalization		$1,000 ✓	**$500 ✓**	**35% ✓**
Skilled Nursing Facility		$1,000 ✓	**$500 ✓**	**35% ✓**
Durable Medical Equipment		20% ✓	20% ✓	**35% ✓**
Rehabilitative Occupational and Rehabilitative Physical Therapy		$50	$50	$50
Laboratory Outpatient and Professional Services		$25 ✓	**$50**	**$50 ✓**
X-rays and Diagnostic Imaging		$25 ✓	**$50**	**$50 ✓**
High-Cost Imaging		$500 ✓	$500 ✓	**35% ✓**
Outpatient Surgery: Ambulatory Surgery Center		$750 ✓	**$500 ✓**	**35% ✓**
Outpatient Surgery: Physician/Surgical Services		$0 ✓	$0 ✓	**35% ✓**
Prescription Drug	Retail Tier 1	$20	**$25**	**$30**
	Retail Tier 2	$60	**40% ✓**	**35% ✓**
	Retail Tier 3	$90 ✓	**50% ✓**	**35% ✓**
	Mail Tier 1	$40	**$50**	**$60**
	Mail Tier 2	$120	**40% ✓**	**35% ✓**
	Mail Tier 3	$270 ✓	**50% ✓**	**35% ✓**
2018 Final FAVC		71.40%	68.07%	68.38%

Bold indicates deviations from Standard design.

Minuteman Proposal

The proposed new Non-standardized Silver plan from Minuteman, "CONNECT Value 3000 MA," includes a higher deductible ($3,000/$6,000) compared to the Standard design and applies coinsurance to preferred and non-preferred brand drugs. Pending analysis of the premium rates, Health Connector staff expect that this new Non-standardized plan will provide a sufficiently differentiated offering compared to the Standard design and recommend certifying this Non-standardized Silver plan offering for both the non-group and small group shelves for 2018.

Neighborhood Health Plan Proposal

The proposed new Non-standardized Silver plan from NHP, "NHP Prime HMO 3000/6000 30/50 35% FlexRx 6-Tier Area 7," is based on a new service area that excludes previously-covered portions of the state (Barnstable, Dukes, Franklin, and Nantucket Counties). The plan applies 35% coinsurance to many services. Pending analysis of the premium rates, Health Connector staff expect that this new Non-standardized plan will provide a sufficiently differentiated offering compared to the Standard design and recommend certifying this Non-standardized Silver plan offering for both the non-group and small group shelves for 2018.

Existing Non-standardized QHP Submissions – Silver

Four (4) Silver Non-standardized plans proposed by BMCHP, Fallon, NHP and Tufts – Direct were previously awarded the 2017 SOA. As there are limited changes to these plans, Health Connector staff recommend recertifying these Non-standardized Silver plan offerings for both the non-group and small group shelves for 2018.

Plan Feature/ Service *A check mark (✓) indicates that this benefit is subject to the annual deductible*		Silver Standard	BMC HealthNet Plan Non-Standard Silver B	Fallon Community Care Silver Coinsurance 35%
Annual Deductible – Combined		$2,000	**$3,000**	**$3,000**
		$4,000	**$6,000**	**$6,000**
Annual Deductible – Medical		N/A	N/A	N/A
		N/A	N/A	N/A
Annual Deductible – Prescription Drugs		N/A	N/A	N/A
		N/A	N/A	N/A
Annual Out-of-Pocket Maximum		$7,350	**$7,200**	$7,350
		$14,700	**$14,400**	$14,700
Primary Care Provider (PCP) Office Visits		$30	$30	**$60**
Specialist Office Visits		$50	$50	**$75**
Emergency Room		$700 ✓	**$500** ✓	**35%** ✓
Urgent Care		$50	$50	**$60**
Inpatient Hospitalization		$1,000 ✓	**30%** ✓	**35%** ✓
Skilled Nursing Facility		$1,000 ✓	**30%** ✓	**35%** ✓
Durable Medical Equipment		20% ✓	**30%** ✓	**35%** ✓
Rehabilitative Occupational and Rehabilitative Physical Therapy		$50	**30%** ✓	**$75** ✓
Laboratory Outpatient and Professional Services		$25 ✓	**30%** ✓	**$50** ✓
X-rays and Diagnostic Imaging		$25 ✓	**30%** ✓	**$200** ✓
High-Cost Imaging		$500 ✓	**30%** ✓	**35%** ✓
Outpatient Surgery: Ambulatory Surgery Center		$750 ✓	**$500** ✓	**35%** ✓
Outpatient Surgery: Physician/Surgical Services		$0 ✓	**30%** ✓	**35%** ✓
Prescription Drug	Retail Tier 1	$20	**$30** ✓	**$40**
	Retail Tier 2	$60	**35%** ✓	**50%**
	Retail Tier 3	$90 ✓	**35%** ✓	**50%**
	Mail Tier 1	$40	**$60** ✓	**$80**
	Mail Tier 2	$120	**35%** ✓	**50%**
	Mail Tier 3	$270 ✓	**35%** ✓	**50%**
2018 Final FAVC		71.40%	68.01%	68.04%

Bold indicates deviations from Standard design.

Plan Feature/ Service *A check mark (✓) indicates that this benefit is subject to the annual deductible*	Silver Standard	NHP Prime HMO 2000/4000 30/50 35% FlexRx 6-Tier	Tufts Direct Silver 2500 with Coinsurance
Annual Deductible – Combined	$2,000	$2,000	**$2,500**
	$4,000	$4,000	**$5,000**
Annual Deductible – Medical	N/A	N/A	N/A
	N/A	N/A	N/A
Annual Deductible – Prescription Drugs	N/A	N/A	N/A
	N/A	N/A	N/A
Annual Out-of-Pocket Maximum	$7,350	$7,350	$7,350

		$14,700	$14,700	$14,700
Primary Care Provider (PCP) Office Visits		$30	$30	$30
Specialist Office Visits		$50	$50	**$50** ✓
Emergency Room		$700 ✓	**35%** ✓	**$650** ✓
Urgent Care		$50	$50	**$50** ✓
Inpatient Hospitalization		$1,000 ✓	**35%** ✓	**30%** ✓
Skilled Nursing Facility		$1,000 ✓	**35%** ✓	**30%** ✓
Durable Medical Equipment		20% ✓	**35%** ✓	**30%** ✓
Rehabilitative Occupational and Rehabilitative Physical Therapy		$50	$50	**$50** ✓
Laboratory Outpatient and Professional Services		$25 ✓	**$50** ✓	**20%** ✓
X-rays and Diagnostic Imaging		$25 ✓	**$50** ✓	**20%** ✓
High-Cost Imaging		$500 ✓	**35%** ✓	**20%** ✓
Outpatient Surgery: Ambulatory Surgery Center		$750 ✓	**35%** ✓	**20%** ✓
Outpatient Surgery: Physician/Surgical Services		$0 ✓	**35%** ✓	**20%** ✓
Prescription Drug	Retail Tier 1	$20	**$18.75**	**$35** ✓
	Retail Tier 2	$60	**35%** ✓	**50%** ✓
	Retail Tier 3	$90 ✓	**35%** ✓	**50%** ✓
	Mail Tier 1	$40	**$37.50**	**$70** ✓
	Mail Tier 2	$120	**35%** ✓	**50%** ✓
	Mail Tier 3	$270 ✓	**35%** ✓	**50%** ✓
2018 Final FAVC		71.40%	70.42%	68.00%

Bold indicates deviations from Standard design.

Bronze Tier Non-standardized QHPs

New Non-standardized QHP Submissions – Bronze

The Health Connector received one (1) new proposed Non-standardized Bronze plan from Tufts Health Plan – Direct. This plan is not HSA compatible.

Plan Feature/ Service *A check mark (✓) indicates that this benefit is subject to the annual deductible*	**Bronze #1 Standard**	**Bronze #2 (HSA) Standard**	**Tufts Health Plan - Direct Bronze 3500 with Coinsurance**
Annual Deductible – Combined	$2,500	$3,000	**$3,500**
	$5,000	$6,000	**$7,000**
Annual Deductible – Medical	N/A	N/A	N/A
	N/A	N/A	N/A
Annual Deductible – Prescription Drugs	N/A	N/A	N/A
	N/A	N/A	N/A
Annual Out-of-Pocket Maximum	$7,350	$6,650	$7,350
	$14,700	$13,300	$14,700
Primary Care Provider (PCP) Office Visits	$30 ✓	$20 ✓	**$35**
Specialist Office Visits	$50 ✓	$40 ✓	**$70** ✓
Emergency Room	$700 ✓	$250 ✓	**35%** ✓
Urgent Care	$50 ✓	$40 ✓	**$70** ✓

Inpatient Hospitalization		$1,000 ✓	$750 ✓	**35%** ✓
Skilled Nursing Facility		$1,000 ✓	$750 ✓	**35%** ✓
Durable Medical Equipment		20% ✓	20% ✓	**30%** ✓
Rehabilitative Occupational and Rehabilitative Physical Therapy		$50 ✓	$40 ✓	**$70** ✓
Laboratory Outpatient and Professional Services		$25 ✓	$25 ✓	**30%** ✓
X-rays and Diagnostic Imaging		$25 ✓	$25 ✓	**30%** ✓
High-Cost Imaging		$500 ✓	$500 ✓	**30%** ✓
Outpatient Surgery: Ambulatory Surgery Center		$750 ✓	$500 ✓	**30%** ✓
Outpatient Surgery: Physician/Surgical Services		$0 ✓	$0 ✓	**30%** ✓
Prescription Drug	Retail Tier 1	$20	$20 ✓	**$35** ✓
	Retail Tier 2	$60 ✓	$40 ✓	**50%** ✓
	Retail Tier 3	$90 ✓	$60 ✓	**50%** ✓
	Mail Tier 1	$40	$40 ✓	**$70** ✓
	Mail Tier 2	$120 ✓	$80 ✓	**50%** ✓
	Mail Tier 3	$270 ✓	$180 ✓	**50%** ✓
2018 Final FAVC		64.84%	64.88%	64.76%

Tufts Health Plan – Direct Proposal

The proposed new Non-standardized Bronze plan from Tufts Health Plan – Direct, "Direct Bronze 3500 with Coinsurance," is a high AV Bronze plan with wide use of coinsurance. The deductible is higher than both standard Bronze designs, while the out-of-pocket maximum matches that of the standard Bronze #1 design. Pending analysis of the premium rates and MCC certification, Health Connector staff expect that this new Non-standardized plan will provide a sufficiently differentiated offering compared to the Standard design and recommend certifying this Non-standardized Bronze plan offering for both the non-group and small group shelves for 2018.

Existing Non-standardized QHP Submissions – Bronze

No existing Bronze Non-standardized plans were resubmitted for the 2018 SOA.

Frozen Plans

For 2018, the Health Connector allowed Issuers to identify a 2017 plan to be offered as "frozen" for the 2018 SOA. Frozen plans allow existing 2017 enrollees to renew into these plans for 2018 coverage, as well as add dependents as part of allowable life event changes, however, no new subscribers can enroll into the plan. No Issuers elected to submit frozen plans for the 2018 SOA.

Catastrophic Plans

The Health Connector requires that all Issuers submit Catastrophic plan proposals, with the option to request the withdrawal of that offering if a sufficient number of Catastrophic plans are offered for each zip code. All Issuers submitted a Catastrophic plan, with five (5) Issuers submitting requests to waive out of offering the Catastrophic plan: BMCHP, HNE, HPHC, NHP and Tufts– Premier. These are the same Issuers that requested Catastrophic withdrawal in the 2017 SOA. The Health Connector has a target of a minimum

of Catastrophic plans of at least two (2) carriers per zip code. Of the 679 zip codes included in the Health Connector's availability, forty-seven (47) would have fewer than the target of a minimum of two carriers per zip code.

The team further reviewed the enrollment, based on May 2017 data, for Catastrophic plans in the zip codes where only one Catastrophic plan would be available in 2018.

- Of the forty-seven (47) zip codes that would only have one (1) Catastrophic plan available in 2018, only six (6) zip codes have current Catastrophic enrollment.
- Those six (6) zip codes have seven (7) current Catastrophic members.
- All seven (7) of those Catastrophic members are currently in Blue Cross Blue Shield's (BCBS) Catastrophic plan.
    - As BCBS did not submit a request to waive their Catastrophic offering, none of the seven (7) current members would be displaced by the withdrawal of a plan currently offered.

The RFR provides flexibility to have less than two (2) plans per zip code. Based on the analysis outlined above, staff recommend approving all of the Catastrophic plan waivers given there will be no member impact on current enrollees.

Plan Feature/ Service A check mark (✓) indicates that this benefit is subject to the annual deductible		**Catastrophic** (Federal Requirements)
Annual Deductible – Combined		$7,350
		$14,700
Annual Out-of-Pocket Maximum		$7,350
		$14,700
PCP Office Visits		$35 or 50% coinsurance for first three (3) non-preventative visits, then no charge after deductible
Specialist Office Visits		No charge after deductible ✓
Emergency Room		No charge after deductible ✓
Urgent Care		No charge after deductible ✓
Inpatient Hospitalization		No charge after deductible ✓
Skilled Nursing Facility		No charge after deductible ✓
Durable Medical Equipment		No charge after deductible ✓
Rehabilitative Occupational and Rehabilitative Physical Therapy		No charge after deductible ✓
Laboratory Outpatient and Professional Services		No charge after deductible ✓
X-rays and Diagnostic Imaging		No charge after deductible ✓
High-Cost Imaging		No charge after deductible ✓
Outpatient Surgery: Ambulatory Surgery Center		No charge after deductible ✓
Outpatient Surgery: Physician/Surgical Services		No charge after deductible ✓
Prescription Drug	Retail Tier 1	No charge after deductible ✓
	Retail Tier 2	No charge after deductible ✓
	Retail Tier 3	No charge after deductible ✓
	Mail Tier 1	No charge after deductible ✓
	Mail Tier 2	No charge after deductible ✓
	Mail Tier 3	No charge after deductible ✓

Issuer Responses – Value-based Insurance Design

In the 2017 SOA, the Health Connector sought Issuer comments regarding strategies and targets for VBID as part of planning for SOA 2018 and beyond. VBID is the design of a health insurance plan in which cost-sharing amounts are based on the value of the services provided, rather than only the costs of those services. The Health Connector received a range of responses in 2017 and considered how to incorporate VBID into the 2018 SOA, balancing the goal of improving the value of care provided through the marketplace with Issuers' competing operational priorities. After several months of research and feedback from Issuers and experts, the Health Connector decided to leverage the 2018 RFR to set VBID guidelines for Issuers, and to ask for detailed information about Issuer VBID elements in QHPs, but not to require VBID in 2018 plans.

Issuers answered questions about their VBID product designs, the Health Connector plans on which those designs are offered, and how the VBID feature(s) is communicated to enrollees. The Health Connector also inquired about specific high-value providers, such as community hospitals, identified in VBID programs, but no Issuers provided responses to that question.

Six (6) of the nine (9) medical Issuers offered responses that highlighted their agreement with the importance of VBID approaches, offering at least one example of a VBID element in their current products. Common themes included cost sharing and formulary design to encourage lower-cost/generic/preferred prescription medication alternatives for chronic conditions and providing low to no cost sharing for screening, monitoring and maintenance provider visits for specific chronic or costly conditions. For Issuers that recommended target conditions, the responses focused on prevalent chronic diseases such as asthma, diabetes, hypertension and depression. Some Issuers described general wellness programs in their responses, such as providing fitness trackers to enrollees completing certain healthy activities. While the Health Connector supports such programs, we would not generally consider these programs as VBID.

Of the six (6) Issuers that provided responses, half indicated that their VBID element is offered on all of their QHPs, including both unsubsidized and ConnectorCare plans. The remaining Issuers generally offer their VBID design on Platinum and/or Gold plans. Issuers described several channels for communicating the VBID benefit(s) to enrollees, including in print materials and online.

Copies of the Issuers' responses are included for the Board's review. Staff plan to engage the Issuers in further discussion on VBID approaches, as well as other stakeholders and the Health Connector Board, to evaluate whether and to what extent we can require VBID strategies as part of our standardized product shelf for the 2019 benefit year.

Issuer Responses – Accountable Care Organizations

To gather information to support future decision-making around Accountable Care Organizations (ACOs) and QHP networks, the Health Connector asked Issuers about their current engagement with provider organizations certified as ACOs by the Massachusetts Health Policy Commission (HPC). About half of the medical Issuers submitting for the 2018 SOA indicated a partnership with an ACO, and described quality-based payment arrangements and applications submitted to join MassHealth's ACO initiative. As many

ConnectorCare Issuers are also MassHealth Managed Care Organization (MCO) Issuers, ConnectorCare Issuers' responses demonstrated a greater familiarity with HPC ACOs, an important consideration for future SOAs.

Issuer Responses – Tiered and Limited Networks

The Health Connector asked Issuers about their experience to date with tiered and limited networks in the merged market, including any challenges to implementing their desired network strategy. In a tiered network, members pay different levels of cost sharing depending upon the tier, based on cost and/or quality, assigned to the provider. Most Issuers replied that they do not offered tiered networks in the merged market. The most common reason cited was that, since many Issuers offer plans on limited networks, separating providers into tiers on these smaller networks would not be practical. One Issuer stated that developing a tiered network that meets network adequacy standards would be challenging. Limited networks, while still generally uncommon, were described by some Issuers as a popular feature of merged market plans. Issuers with smaller geographic coverage similarly cited network adequacy as a barrier to creating limited network plans.

Issuer Responses – Preferred Provider Organizations and Out-of-State Providers

The Health Connector asked Issuers to describe their capacity to offer Preferred Provider Organization (PPO) products in the merged market, with an emphasis on small group offerings. As part of the product development for the Health Connector's new small group platform, we encouraged Issuers to submit PPOs in the 2018 SOA in an effort to expand and diversify our small group product shelf, but no Issuers elected to submit PPOs for sale on the Health Connector's shelf. Some Issuers responded that they offer PPOs to small employer groups in the merged market, but several noted a shift away from PPOs due to small membership or poor financial performance.

Additionally, we were interested in out-of-state providers as small employers shopping on our new small group platform may have employees seeking coverage in neighboring states. Approximately half of submitting Issuers cover out-of-state providers in adjoining states.

QDP ISSUER RESPONSE, EVALUATION AND RECOMMENDATIONS

Health Connector staff reviewed all proposed QDP plan design features and networks. Proposed Standardized plans were evaluated to ensure that benefits were offered in compliance with Standardized plan designs and EHB requirements as described in the RFR. Furthermore, like the QHP certification process, the QDP certification process is similarly a joint effort between the Health Connector and the DOI. Standalone dental Issuers were also required to submit information to the DOI, including information on licensure and qualification, plan data and detailed network information.

For 2018, the Health Connector QDP shelf requirements remain aligned with the medical shelf. Beginning in 2017, the Health Connector capped the number of additional network variations that a carrier is

permitted to offer on the Standardized plan designs and made the limit of three (3) Non-standardized plans inclusive of network variation, aligning the dental and medical shelves.

QDP Response Summary

The Health Connector received proposals from four (4) existing standalone dental Issuers: Altus Dental, Blue Cross Blue Shield of MA, Delta Dental of MA and Guardian.

Issuers submitted proposals to meet the Health Connector's requirements to offer Standardized plans for all three (3) standardized plan designs (*i.e.,* Pediatric-Only, Family High and Family Low Plans).

Issuers proposed to maintain their existing product portfolios. As such, all Issuers met the minimum portfolio requirements, offering at least one (1) plan for each of the Standardized plan designs in the small-group, non-group or both market segments, depending on their current market participation. Consistent with their 2017 proposals, all four (4) Issuers submitted proposals for the small-group shelf while two (2) of the four (4) Issuers also submitted non-group plans.

Issuers	Non-Group	Small Group	Standardized Plans				Non-Standardized Plans				All Plans
			High	Low	Pedi	Total	High	Low	Pedi	Total	
Altus Dental	✓	✓	1	1	1	3	-	-	-	0	**3**
Blue Cross Blue Shield of MA		✓	1	1	1	3	-	-	1	1	**4**
Delta Dental of MA	✓	✓	2	2	2	6	-	1	2	3	**9**
Guardian		✓	1	1	1	3	-	-	-	0	**3**

	Standardized Plans	Non-Standardized Plans	All Plans
Non-Group	9	3	**12**
Small Group	15	4	**19**

New Non-standardized QDP Submissions – Family High

The Health Connector did not receive any new Non-standardized Family High QDPs for 2018.

Existing Non-standardized QDP Submissions – Family High

The Health Connector did not offer any Non-standardized Family High QDPs for 2017.

New Non-standardized QDP Submissions – Family Low

The Health Connector did not receive any new Non-standardized Family Low QDPs for 2018.

Existing Non-standardized QDP Submissions – Family Low

One (1) Family Low Non-standardized plan proposed by Delta Dental was previously awarded the 2017 SOA. As there are limited changes to this plan, Health Connector staff recommend recertifying this Non-standardized Family Low plan offering for both the non-group and small group shelves for 2018.

Plan Feature/ Service	Family Low Standard Design	Delta Dental EPO Family Basic Exclusive Network Plan
Plan Year Deductible	$50/$150	$100/$300
Deductible Applies to	Major and Minor Restorative	Major & Minor Restorative
Plan Year Max (>=19 only)	$750	$750
Plan Year MOOP <19 Only	$350 (1 child) $700 (2+ children)	$350 (1 child)/ $700 (2+ children)
Preventive & Diagnostic Co-Insurance In/out-of-Network	0%/20%	0% In-Network, No Out-Of-Network
Minor Restorative Co-Insurance In/out-of-Network	25%/45%	<19-EHB-60% In-Network, No Out-Of-Network >=19-70% In-Network, No Out-Of-Network
Major Restorative Co-Insurance In/out-of-Network	50%/70% No Major Restorative >=19	60% In-Network, No Out-Of-Network No Major Restorative >=19
Medically Necessary Orthodontia, <19 only, In/out-of-Network	50%/70%	60% In-Network, No Out-Of-Network

New Non-standardized QDP Submissions –Pediatric-only

The Health Connector did not receive any new Non-standardized Pediatric-only QDPs for 2018.

Existing Non-standardized QDP Submissions – Pediatric-only

Three (3) Pediatric-only Non-standardized plans proposed by Blue Cross Blue Shield of MA and Delta Dental were previously awarded the 2017 SOA. As there are limited changes to these plans, Health Connector staff recommend recertifying these Non-standardized Pediatric-only plan offerings for both the non-group and small group shelves for Delta Dental, and the small group shelf only for Blue Cross Blue Shield of MA for 2018.

Plan Feature/ Service	Pediatric-only Standard Design	Blue Cross Blue Shield Dental Blue Pediatric Essential Benefits	Delta Dental EPO Pediatric Basic	Delta Dental PPO Pediatric
Plan Year Deductible	$50	$50	$100	$50
Deductible Applies to	Major and Minor Restorative	Major and Minor Restorative	Major and Minor Restorative	Major and Minor Restorative
Plan Year Max (>=19 only)	N/A	N/A	N/A	N/A
Plan Year MOOP <19 Only	$350 (1 child)	$350 (1 child)	$350 (1 child)	$350 (1 child)
Preventive & Diagnostic Co-Insurance In/out-of-Network	0%/20%	0% In-Network No Out-Of-Network	0%/20%	0%/20%
Minor Restorative Co-Insurance In/out-of-Network	25%/45%	25% In-Network	60%/70%	25%/45%

		No Out-Of-Network		
Major Restorative Co-Insurance In/out-of-Network	50%/70%	50% In-Network No Out-Of-Network	60%/70%	50%/70%
Medically Necessary Orthodontia, <19 only, In/out-of-Network	50%/70%	50% In-Network No Out-Of-Network	60%/70%	50%/70%

Issuer Responses – Tiered and Limited Networks

We also asked dental Issuers questions about current engagement with limited or tiered networks in the merged market to inform future SOA strategy. While no dental Issuers currently use such network structures, most Issuers indicated a desire to move away from strictly fee-for-service pricing and toward care structures based on provider cost and/or quality. One Issuer noted that the relatively limited availability of dental quality metrics compared to medical quality measures is a challenge to implementing network structures based on quality.

Issuer Responses –Out-of-State Providers

All dental products proposed for the 2018 SOA include national coverage.

BOARD RECOMMENDATION AND NEXT STEPS

Health Connector staff recommend conditionally awarding the 2018 SOA to all proposed Standardized and Non-standardized Platinum, Gold, Silver, Bronze and Catastrophic QHPs and all proposed Standardized and Non-standardized QDPs for both the non-group and small group shelves.

All standardized QHPs and QDPs and select Non-standardized QHPs and QDPs, as outlined in this memorandum, proposed by the following Issuers are recommended for approval:

- Altus Dental
- Blue Cross Blue Shield of MA
- BMC HealthNet Plan
- Delta Dental of MA
- Fallon Health
- Guardian
- Harvard Pilgrim Health Care
- Health New England
- Minuteman Insurance Company*
- Neighborhood Health Plan
- Tufts Health Plan – Direct
- Tufts Health Plan – Premier

The award of the final 2018 SOA is contingent upon the successful completion of the DOI's rate review and form filing process. In accordance with existing DOI processes, all QHP Issuers in the Massachusetts merged market and all QDP Issuers seeking the SOA submitted proposed premium rates for coverage effective January 1, 2017 no later than July 5, 2017. We will discuss with the Board the results of the

*Subject to Division of Insurance (DOI) approval

premium rate review process and any proposed changes to our initial recommendation for the 2018 SOA later this summer.

Staff will also be working to propose which Issuers are eligible to offer ConnectorCare plans to qualified individuals in 2018. All QHP Issuers recommended for the conditional award of the 2018 SOA are required to provide premium rates to the Health Connector for all Silver plans. Working in collaboration with the DOI, Health Connector staff will validate the lowest-cost Silver plan from each QHP Issuer and will recommend which Issuers should be selected to offer ConnectorCare plans. We will also work closely with the Board later this summer to select those Issuers best positioned to serve the subsidized non-group market.

We anticipate returning to the Board at the September 14, 2017 Board meeting to present our final recommendation for the 2018 Seal Approval, based upon information received through the above-described processes.