



Conditional Award of the 2018 Seal of Approval (VOTE)

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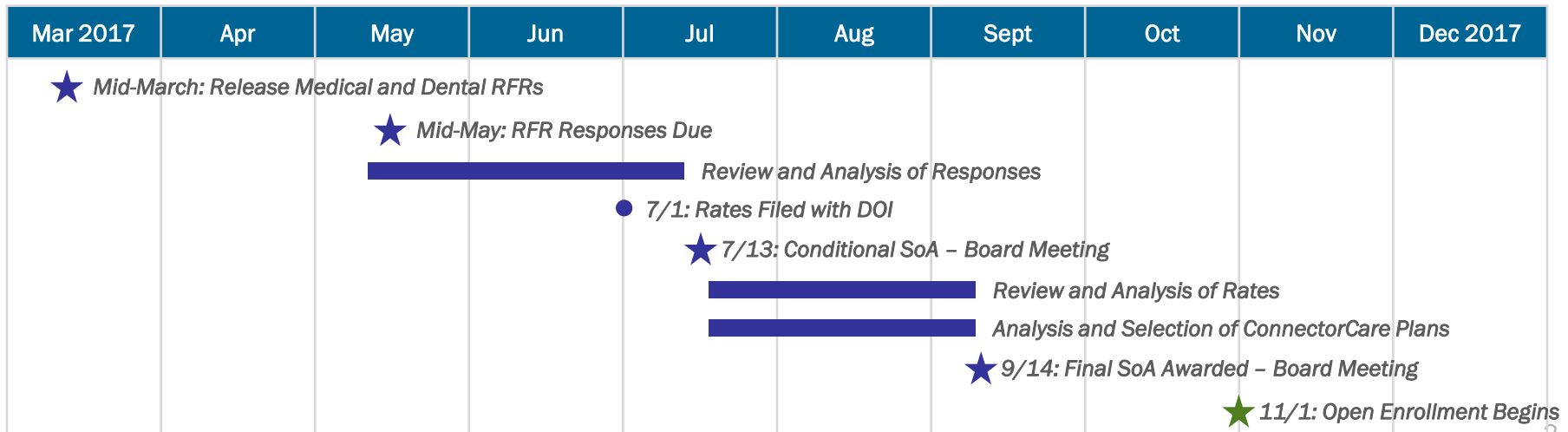
Board of Directors Meeting, July 13, 2017

2018 Conditional Seal of Approval



Today we will ask the Board to allow further consideration of the proposed plans we received in response to the Seal of Approval (SOA) Request for Responses (RFR) issued in March.

- A vote today authorizing the Conditional SOA allows us to consider these plans for sale through the Health Connector for the 2018 benefit year; it is not an indication of expected approval, but rather a signal to the market of the types of plans we are considering for sale
- We will return to the Board in September seeking a final award of the 2018 SOA, after the Division of Insurance (DOI) completes its form and rate filing review process and Health Connector staff complete their review of the value the plans offer to our Marketplace
 - Final rates could be materially impacted by a federal decision regarding cost-sharing reductions, which is being closely monitored by Health Connector and DOI staff





Qualified Health Plan (QHP) Submissions

Qualified Health Plans: Overview



Nine medical carriers responded to the 2018 SOA, submitting a total of 59 Qualified Health Plans.

- As required, all carriers proposed at least one plan for each of the four Standardized plan designs on the Issuer's broadest commercial network
 - Fallon Health proposed Standardized plans on alternative networks
 - Two carriers have proposed offering the optional Bronze #2 (HSA-compatible) Standardized plan
 - One carrier requested to waive offering the Standardized Bronze plan
- Issuers submitted 16 Non-standardized plans
- All carriers submitted Catastrophic plans as required, with five carriers requesting to waive their Catastrophic plan offering

Carrier Changes

- One carrier offering on both the small and non-group shelves in 2017 is exiting the merged market and has not resubmitted for 2018 – CeltiCare Health
- One carrier, Minuteman Insurance Company, filed for SOA as a new corporate entity, which is being organized by staff currently associated with Minuteman Health Inc., an HMO now on the Health Connector's shelf. Minuteman Health Inc. has already announced that it will not be writing insurance effective January 1, 2018

Qualified Health Plans: Overview (cont'd)



The chart below outlines the 59 QHPs proposed for the Health Connector's consideration for 2018, a 5% reduction 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 Health	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

Qualified Health Plans: New Plans for 2018



Carriers have proposed eight new plan designs for 2018.

- Two carriers, Health New England and Tufts Health Plan – Premier, are offering a new Bronze #2 (HSA-compatible) Standardized plan
- Carriers proposed six new non-standardized plans on the Gold, Silver and Bronze tiers for 2018

Carrier	New Non-standardized Plans
Fallon Health	Select Care Deductible Hybrid 2000 [Gold]: A new variation of an existing Non-standardized Gold plan offering on the carrier’s “Select Care” network, a broader network than Fallon’s existing Non-standardized Gold offering
Minuteman	CONNECT Premium 1000 Extra MA [Gold]: A plan with 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
	CONNECT Value 3000 MA [Silver]: A plan with a higher deductible (\$3,000/\$6,000) compared to the Standardized design, and coinsurance on preferred and non-preferred brand drugs
Neighborhood Health Plan	NHP Prime HMO 1000/2000 20/35 30% FlexRx 6-Tier [Gold]: A modified variation of a Non-standardized Gold plan currently offered by NHP with an AV lower (~76%) than the previously-accepted de minimis range of +/-2%
	NHP Prime HMO 3000/6000 30/50 35% FlexRx 6-Tier Area 7 [Silver]: A new Silver plan with broad use of coinsurance, based on a new service area that focuses coverage on certain portions of the Commonwealth*
Tufts Health Plan – Direct	Direct Bronze 3500 with Coinsurance [Bronze]: A high-AV Bronze plan with wide use of coinsurance, a deductible higher than both Standardized Bronze designs, and an out-of-pocket maximum that matches that of the Standardized Bronze #1 design

- No carriers have elected to offer PPO products for either the small or non-group shelves

*The Health Connector is working with DOI regarding coverage options for Martha’s Vineyard and Nantucket.

Qualified Health Plans: Waivers and Frozen Plans



Carrier requests for waivers of offering the Standard Bronze and Catastrophic plans were consistent with 2017.

- One carrier, Neighborhood Health Plan, submitted a request to waive offering the Standardized Bronze plan
 - A minimum of three Bronze plans will be available in all zip codes and staff recommend approving this Standardized Bronze plan waiver
- Five carriers submitted requests to waive offering the Catastrophic plan: BMCHP, HNE, HPHC, NHP and Tufts Health Plan – Premier
 - As a result, 47 zip codes would have fewer than the target of a minimum of two carriers per zip code
 - The SOA provides flexibility to have less than two plans per zip code and, as no existing Catastrophic members will be displaced, staff recommend approving all of the Catastrophic plan waivers
- No carriers have requested “frozen” status in 2018 for any previously offered plans

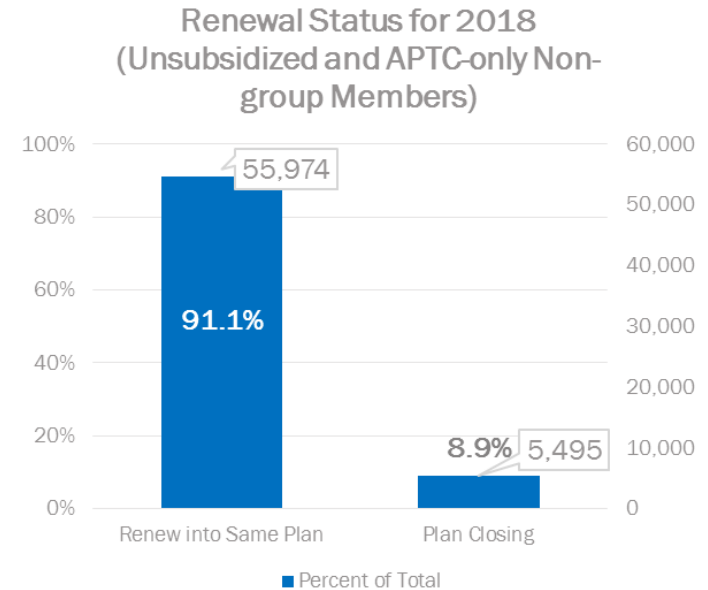
Qualified Health Plans: Closed Plans and Member Transition



Fourteen plans previously offered in 2017 have been closed for 2018, covering approximately 5,500 members, or 8.9% of unsubsidized and APTC-only non-group enrollees. The vast majority of these members would be able to renew into their same plan for 2018, assuming the acceptance of current proposals and staff recommendations.

- Carriers who have submitted for 2018 have elected to close 11 previously offered Non-standardized plans
 - Harvard Pilgrim has closed two plans (Silver and Gold), impacting 1,037 members
 - Fallon Health has closed five plans (two Gold, one Silver and two Bronze), impacting 334 members
 - Minuteman has closed two plans (Silver and Bronze), impacting 1,242 members
 - Neighborhood Health Plan has closed a Gold plan impacting 2,141 members
 - Tufts Health Plan Premier has closed a Bronze plan, impacting 541 members
 - Existing members in these products will be automatically mapped at renewal into a plan from the same carrier and metallic tier

- CeltiCare Health is withdrawing from the merged market and closing three existing plans sold through the Health Connector, impacting 613 ConnectorCare and 200 unsubsidized and APTC-only members
 - Existing ConnectorCare enrollees will be mapped to the lowest cost ConnectorCare plan available in their region, while unsubsidized and APTC-only members will be mapped to the lowest cost plan available in the metallic tier



Note: All enrollment data as of June 2, 2017. Unless otherwise noted, all enrollment data is unsubsidized and APTC-only members.



**Qualified Dental Plan (QDP)
Submissions**

Qualified Dental Plans: Overview



The proposed 2018 dental plan submission is unchanged from 2017.

- Overall, carriers again submitted 19 plans for the small group market and 12 plans for the non-group market
 - Four existing carriers submitted for the small group market: Altus Dental, Blue Cross Blue Shield, Delta Dental and Guardian
 - Two existing carriers also submitted for the non-group market: Altus Dental and Delta Dental of MA
- All carriers submitted the required one plan for each of the three standardized plan designs: Family High, Family Low and Pediatric-only
 - One carrier, Delta Dental, submitted each of its standardized plans on one alternative network
- Carriers submitted four non-standardized QDPs for 2018, all previously offered in 2017
 - Delta Dental submitted three non-standardized plans and Blue Cross Blue Shield of MA submitted one non-standardized plan

Carrier Changes

- No new carrier entrants or departures

Qualified Dental Plans: Overview (cont'd)



The charts below outlines the QDPs submitted for the Health Connector's consideration for 2018.

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

	Standardized Plans	Non-Standardized Plans	All Plans
<i>Non-Group</i>	9	3	12
<i>Small Group</i>	15	4	19



Next Steps

2018 Seal of Approval: Next Steps



The Conditional Seal of Approval is an important step in the process, but more data and analysis, particularly regarding premiums, is required before the 2018 product shelves are finalized.

- We will work closely with the Board through the summer to develop recommendations for final award of the Seal of Approval
 - Issuers must demonstrate compliance with all DOI requirements, including completion of premium rate review and willingness to execute a contract with the Health Connector
 - Our final recommendation will be based on confirmation that all SOA plans offer good value to our consumers
 - The final SOA will also incorporate selection of ConnectorCare Plans based on price competition among the lowest-cost Silver plans proposed by each Issuer, network adequacy, experience and ability to serve the population, and overall value, among other factors
 - Pending federal determination on cost-sharing reductions could create uncertainty for final rates

A large, white, stylized plus sign is centered on a light green background. The plus sign is composed of two thick, rounded rectangular bars that intersect at their centers. The word "Vote" is written in a bold, dark blue, sans-serif font, positioned in the lower-left quadrant of the plus sign's central area.

Vote

The Health Connector recommends allowing the 2018 Conditional Seal of Approval to enable consideration of all recommended Standardized and Non-standardized QHPs and QDPs proposed by the following carriers:

- ***Altus Dental***
- ***Blue Cross Blue Shield of MA***
- ***Boston Medical Center 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***



Appendix: Standardized QHP Designs

Qualified Health Plans: 2018 Standardized Plan Designs



Plan Feature/ Service <i>A check mark (✓) Indicates that this benefit is subject to the annual deductible</i>	Platinum	Gold	Silver	Bronze #1	Bronze #2 (HSA)
Annual Deductible – Combined	\$0	N/A	\$2,000	\$2,500	\$3,000
	\$0	N/A	\$4,000	\$5,000	\$6,000
Annual Deductible – Medical	N/A	\$1,000	N/A	N/A	N/A
	N/A	\$2,000	N/A	N/A	N/A
Annual Deductible – Prescription Drugs	N/A	\$0	N/A	N/A	N/A
	N/A	\$0	N/A	N/A	N/A
Annual Out-of-Pocket Maximum	\$3,000	\$5,000	\$7,350	\$7,350	\$6,650
	\$6,000	\$10,000	\$14,700	\$14,700	\$13,300
Primary Care Provider (PCP) Office Visits	\$20	\$30	\$30	\$30 ✓	\$20 ✓
Specialist Office Visits	\$40	\$45	\$50	\$50 ✓	\$40 ✓
Emergency Room	\$150	\$150 ✓	\$700 ✓	\$700 ✓	\$250 ✓
Urgent Care	\$40	\$45	\$50	\$50 ✓	\$40 ✓
Inpatient Hospitalization	\$500	\$500 ✓	\$1,000 ✓	\$1,000 ✓	\$750 ✓
Skilled Nursing Facility	\$500	\$500 ✓	\$1,000 ✓	\$1,000 ✓	\$750 ✓
Durable Medical Equipment	20%	20% ✓	20% ✓	20% ✓	20% ✓
Rehabilitative Occupational and Rehabilitative Physical Therapy	\$40	\$45	\$50	\$50 ✓	\$40 ✓
Laboratory Outpatient and Professional Services	\$0	\$20 ✓	\$25 ✓	\$25 ✓	\$25 ✓
X-rays and Diagnostic Imaging	\$0	\$20 ✓	\$25 ✓	\$25 ✓	\$25 ✓
High-Cost Imaging	\$150	\$200 ✓	\$500 ✓	\$500 ✓	\$500 ✓
Outpatient Surgery: Ambulatory Surgery Center	\$250	\$250 ✓	\$750 ✓	\$750 ✓	\$500 ✓
Outpatient Surgery: Physician/Surgical Services	\$0	\$0 ✓	\$0 ✓	\$0 ✓	\$0 ✓
Prescription Drug	Retail Tier 1	\$10	\$20	\$20	\$20 ✓
	Retail Tier 2	\$25	\$30	\$60	\$60 ✓
	Retail Tier 3	\$50	\$50	\$90 ✓	\$90 ✓
	Mail Tier 1	\$20	\$40	\$40	\$40 ✓
	Mail Tier 2	\$50	\$60	\$120	\$120 ✓
	Mail Tier 3	\$150	\$150	\$270 ✓	\$270 ✓
2018 Final FAVC	88.24%	79.69%	71.40%	64.84%	64.88%



**Appendix: New Non-
standardized QHP Designs**

Qualified Health Plans: New Non-standardized Gold



Plan Feature/ Service <i>A check mark (✓) indicates that this benefit is subject to the annual deductible</i>	Gold	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.

**Low generic = \$5; Regular generic = \$25*

Qualified Health Plans: New Non-standardized Silver



Plan Feature/ Service <i>A check mark (✓) indicates that this benefit is subject to the annual deductible</i>		Silver	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.

Qualified Health Plans: New Non-standardized Bronze



Plan Feature/ Service <i>A check mark (✓) indicates that this benefit is subject to the annual deductible</i>		Bronze #1	Bronze #2 (HSA)	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%



Appendix: Standardized QDP Designs

Qualified Dental Plans: 2018 Standardized Plan Designs



Plan Feature/ Service	Family High	Family Low	Pediatric-only
Plan Year Deductible	\$50/\$150	\$50/\$150	\$50
Deductible Applies to	Major and Minor Restorative	Major and Minor Restorative	Major and Minor Restorative
Plan Year Max (>=19 only)	\$1,250	\$750	N/A
Plan Year MOOP <19 Only	\$350 (1 child) \$700 (2+ children)	\$350 (1 child) \$700 (2+ children)	\$350 (1 child)
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% No Major Restorative >=19	50%/70%
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