



Group Market Exchange Update

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Implementation and planning for the launch of the Group Market Exchange (GME) has accelerated in preparation for go-live on August 15.

- Timeline and carrier commitments
- Scope of employer offerings
- Operational and business readiness
- Updated broker commission model

Carrier Commitments and Timeline

The Health Connector, the D.C. Health Benefits Exchange (DCHBX), and Carriers have had in-person working sessions and ongoing meetings to coordinate system development.

Soft Launch Carriers – 10/1 Coverage

- Boston Medical Center Health Plan
- Fallon
- Health New England
- Minuteman

Full Launch Carriers – 1/1/18 Coverage

- Boston Medical Center Health Plan
- Fallon
- Health New England
- Minuteman
- Harvard Pilgrim
- Neighborhood Health Plan
- Blue Cross Blue Shield MA Medical
- Delta Dental
- Altus Dental
- Guardian Dental

Full Conversion to Platform – 7/1/18

- Boston Medical Center Health Plan
- Fallon
- Health New England
- Minuteman
- Harvard Pilgrim
- Neighborhood Health Plan
- Blue Cross Blue Shield MA Medical
- Tufts Direct
- Delta Dental
- Altus Dental
- Guardian Dental

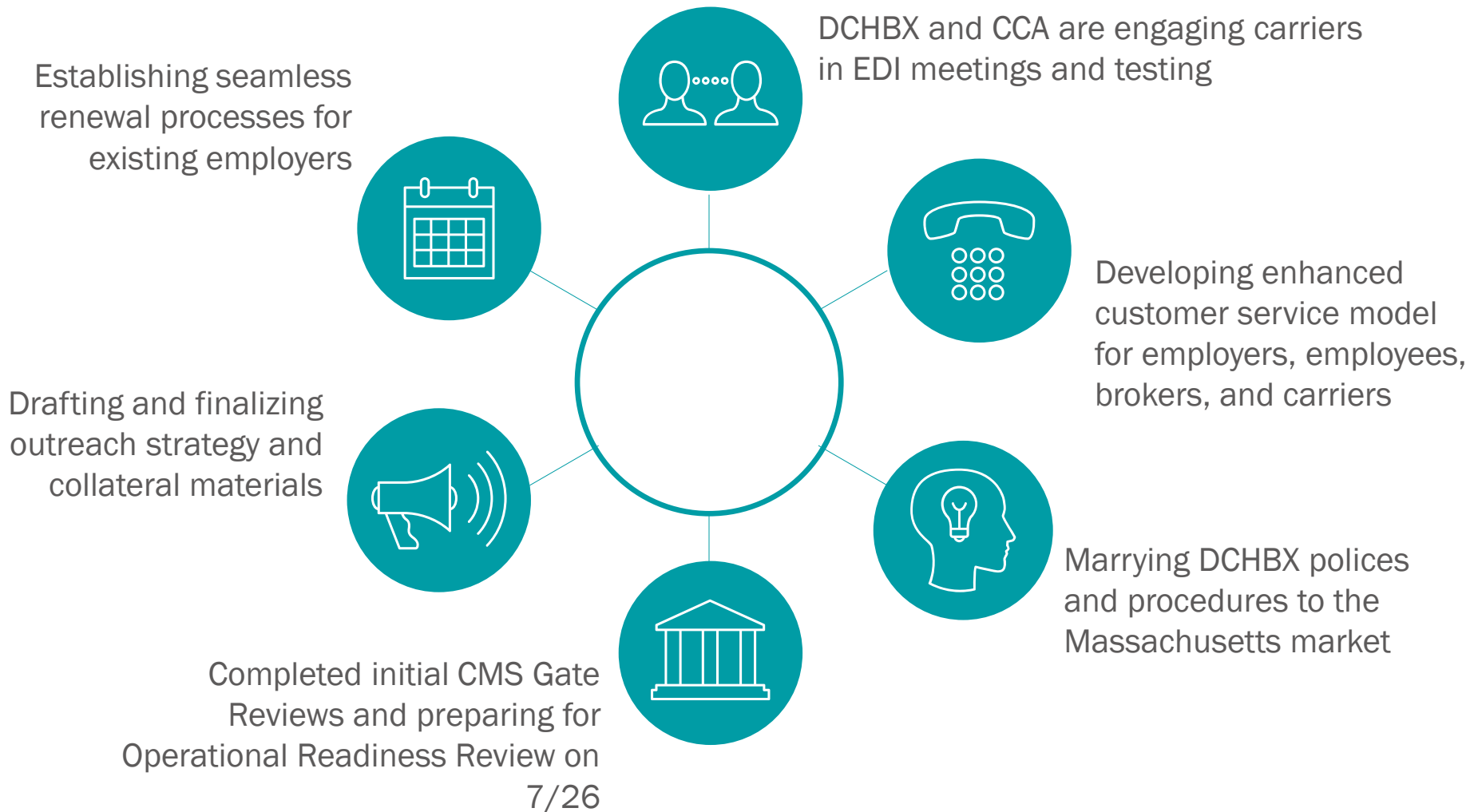
Scope of Employer Options



The Health Connector's new platform will support three health plan options for employers, but the timing of the options and plan availability have been amended to meet policy, development, and market needs.

- Employers can select a single health plan for all employees, aligning with current market practice for renewals and new sales with an effective date of October 1, 2017
- For medical plans, the choice contribution options will commence for new sales with an effective date of January 1, 2018
 - Horizontal choice, a choice of carriers on a specified metal tier, will be limited to the most popular tiers, silver and gold
 - Vertical choice, a choice of metal tiers from one carrier, will be limited to platinum, gold, and silver
 - A phased in approach will allow for gradual market and consumer readiness
- New sales and renewals for dental plans will be available on the new platform on January 1, 2018
- We will work with our existing vendors to service current business during transition to the new platform

Operational and Business Readiness



Updated Broker Commissions



Ensuring equitable broker commissions is an important part of our strategy to collaborate with brokers and facilitate small businesses' access to Health Connector offerings.

- The last review and update of commissions was completed in 2013
- To inform any proposal related to revised broker commissions, a full survey of the existing marketplace commissions was performed
 - The results of the survey indicate that the Health Connector medical commissions would have to be modified to create parity with other commission distribution channels (e.g., direct carrier commissions and intermediaries)
 - Dental commissions would not need to be amended to create parity based on the results of the survey

Intermediaries 1-4 Employees

On average, intermediaries pay \$10 per subscriber per month (pspm) for medical commissions

Off-Exchange Carriers Varied Group Size

Carrier medical commissions range from \$20 pspm to \$32 pspm

Current CCA Medical Commissions

\$10 pspm 1-10 employees
\$20 pspm 10+ employees

Updated Broker Commissions (cont'd)



The Health Connector staff proposes the following revised broker commission schedule based on market research to be effective January 1, 2018.

Product	Group Size	Current Commission Rate	Proposed 2018 Commission Rates
Medical	1 to 4 employees 5 to 9 employees 10+ employees	\$10 pspm \$10 pspm \$23 pspm	\$10 pspm \$20 pspm \$28 pspm
Dental	All groups	\$6 pspm	\$6 pspm

Vote

The Health Connector requests that the Board approve the revised broker commission schedule for Group Market Exchange sales beginning January 1, 2018 as outlined during today's presentation.

