



*The Commonwealth of Massachusetts  
Commonwealth Health Insurance Connector Authority  
100 City Hall Plaza  
Boston, MA 02108*

CHARLES BAKER  
Governor

MARYLOU SUDDERS  
Board Chair

KARYN POLITO  
Lieutenant Governor

LOUIS GUTIERREZ  
Executive Director

**Board of the Commonwealth Health Insurance Connector Authority**

**Minutes**

Thursday, December 14, 2017  
9:05 AM to 11:00 AM

One Ashburton Place  
Boston, MA 02108  
21<sup>st</sup> Floor Conference Room

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**Attendees:** Louis Gutierrez, Marylou Sudders, Gary Anderson, Rina Vertes, Nancy Turnbull, Lou Malzone, Dimitry Petion, Michael Chernew, Celia Wcislo, Mark Gaunya, Roberta Herman, Meghan Sisk (who was sitting by designation on behalf of Secretary of Administration and Finance Michael Heffernan).

The meeting was called to order at 9:06 AM.

- I. Minutes:** The minutes of the October 4, 2017 meeting were unanimously approved as amended.
  
- II. Executive Director's Report:** Mr. Gutierrez began the meeting by recalling, as noted at a previous Board meeting, that Massachusetts remains the state with the highest rate of insured in the country. He continued that Massachusetts was recently found to be, for the first time, the healthiest state in the country and noted that one of the factors taken into consideration for the ranking was the uninsured rate. Mr. Gutierrez continued that Open Enrollment season has reached a half way point and informed all in attendance that Open Enrollment extends to January 23, 2018. He commented that the period has been stable, with a focus on the unsubsidized members and the options available to this population. He stated that silver unsubsidized members who do not shop will be affected by the elimination of federal cost sharing reductions (CSR) payments to carriers by the federal government. He continued to review the impacts of the CSR cut-off on membership

numbers and the anticipated decline. He noted that it is projected that by the second quarter CCA can expect to regain membership. Mr. Gutierrez also provided an update on the Health Connector for Business platform that went live in early November for January enrollments and stated that next month a broker quoting tool will be introduced into the platform. He noted that CCA continues to monitor federal developments and that, in response to the loss of CSR payments prior to Open Enrollment, difficult decisions were made to promote market stability. Mr. Gutierrez highlighted upcoming re-procurement for customer service providers and shared the key qualities that CCA will be looking for as part of the new contract. He then noted CCA's commitment to stability during Open Enrollment 2018, including an extended enrollment period, and shared details of CCA's "Day of Coverage" that would be occurring next week. In response to a question from Ms. Wcislo regarding what we may know about CSRs in the future, Mr. Gutierrez commented that, though there have been champions in Congress, the political future of CSRs remain uncertain. Dr. Chernew commented on the uncertain work of Maine Senator Susan Collins and Secretary Sudders agreed that these negotiations are not concrete.

**III. Open Enrollment 2018: Context and Membership Update:** The PowerPoint presentation "Open Enrollment 2018: Context and Membership Update" was presented by Audrey Gasteier, Jason Lefferts and Marissa Woltmann. Ms. Gasteier began the presentation by noting that there would be two presentations on Open Enrollment during the meeting and reviewed the focus of the presentation. She explained the work that leads up to the Open Enrollment period, which began with the Seal of Approval (SOA) Request for Responses in March. She noted that CSR uncertainty and ultimate withdrawal added a new dynamic to this year's Open Enrollment, but contingency planning began long before the payments were revoked on October 12.

Ms. Gasteier explained the decision to use higher rates for 2018 on-Exchange silver plans and reviewed subsequent member impact. In response to a question from Secretary Sudders, Ms. Gasteier stated that for 2018, 80,000 members are already enrolled in ConnectorCare silver plan or are downgraded and subject to increased premiums. In response to a question from Ms. Wcislo, Ms. Gasteier stated that the decision to use higher rates has insulated ConnectorCare and APTC-only members who will receive greater APTCs to subsidize their increased premiums. Ms. Gasteier continued with the details of unsubsidized member impacts, noting the top concern with the chosen approach is loss of coverage or gaps in coverage for the unsubsidized population. She reviewed characteristics of the population, noting that this group is already the most likely to say that a premium is unreasonable and struggle with the cost. The priority, she continued, is to make sure these individuals have access to coverage regardless of where they purchase it. She stated that there is a risk that silver-tier members, who were more likely to have received benefits before, may go off-Exchange and not be aware if they become eligible for subsidies in the future. In response to a question from Ms. Turnbull, Mr. Gutierrez replied that he does not believe carriers are asking income question of new enrollees in an effort to direct them back to the Exchange. In response to a question from Dr. Chernew regarding the role carriers have played in communications, Mr. Lefferts noted the close working relationship of carriers and CCA and stated that carriers are sending messages in

line with CCA's message. Mr. Lefferts also commented on the effort to outreach members through various mediums to encourage them to update their income information. Dr. Chernew noted the unique decision of Massachusetts to pay carriers the CSR gap for the remaining months of 2017 and stated this may also serve as an incentive for carriers to keep individuals enrolled in those plans. Secretary Sudders commented that Massachusetts is the only state to have taken such action and it was done for a number of reasons, including maintaining stability of the Commonwealth's insurance market and a sign of our commitment moving forward. In response to a question from Ms. Turnbull regarding member movement, Ms. Woltmann noted that we are not able to see who contacted a carrier and then returned to coverage through CCA.

Ms. Woltmann then reviewed premium increases and the distribution among membership. She focused on the 80,000 members who will see a premium increase and the movement and actions of these members so far in Open Enrollment. In response to a question from Ms. Turnbull regarding the status of remaining unsubsidized members, Ms. Woltmann and Mr. Gutierrez replied that status for January is still being determined as updates occur daily. Ms. Woltmann continued to outline expected actions for this population. In response to a question from Ms. Vertes regarding expectations for the remaining unsubsidized members, Ms. Woltmann noted that not all of them have taken action yet, and they can potentially move into a number of categories. Ms. Woltmann stated that most unsubsidized members have moved into bronze plans. In response to a request from Secretary Sudders, Ms. Woltmann provided a brief review of the actuarial value and overall benefits of the bronze and silver plans. In response to a question from Mr. Gaunya regarding member's movement and action off-Exchange, Ms. Woltmann noted that we are getting information from carriers but the level of detail of consumer action is unknown. Ms. Gasteier confirmed that we will know where a member was before and if they enrolled with a carrier directly.

Ms. Woltmann then provided a more granular look at action taken by members. In response to a question from Ms. Turnbull regarding member response to CCA's call to action, Mr. Gutierrez noted that the number of members who have taken action is small, and that a higher level of activity is needed. Ms. Woltmann noted that there is activity occurring within the Exchange that accounts for a greater number of members. She then reviewed the impact of CSR withdrawal on APTC-only members, noting premium increases and APTC increases for the majority of members. She stated that some members who were APTC eligible in previous years and received zero dollars because premiums were too low, may be receiving APTC for the first time on account of increased premiums. Ms. Gasteier then reviewed the state's commitment to stability, building off of earlier comments related to the state's CSR payments to carriers for the remaining months of 2017. She noted that Massachusetts has made decisions to promote stability, including extending Open Enrollment and maintaining funding for outreach and marketing efforts.

Mr. Lefferts then reviewed the coordination between CCA and carriers to outreach impacted members. He noted that the communications strategy for outreaching affected members means that members will have heard from CCA six times from the end of

October to the conclusion of Open Enrollment. He stated that CCA has engaged in an email campaign to members who are eligible for coverage but not actively enrolled and noted that there is a strong effort to get members 'over the line' for January 1 coverage. He highlighted the continued work of Navigators assisting new and returning members and emphasized their importance this year in helping members with questions regarding unsubsidized silver tier enrollments. He concluded that prior to and throughout Open Enrollment, CCA has communicated its commitment to providing access to affordable coverage.

Ms. Woltmann then reviewed the overall Open Enrollment membership activity. She stated that CCA has witnessed greater early member activity, which could be a result of national news and Open Enrollment closing for Exchanges through the federal platform the next day. She reminded individuals that Open Enrollment continues until January 23 for Massachusetts. She continued that, because CCA collects premiums, we are also able to report on effectuation, which has also increased. She clarified that early activity does not necessarily mean more activity at the end of Open Enrollment. She also noted that the integrated payment center may be assisting our members in effectuating earlier. She shared the overall increase in new members and noted that more analysis was needed. Ms. Wcislo commented that it would be interesting to know if there have been changes in activity within immigrant communities, and the citizenship status of early actors. In response to a question from Ms. Turnbull regarding news on the federal level regarding individual mandate and its impact here, Ms. Gasteier replied that there has not been any increase in what we are hearing on the ground, but CCA is prepared to make sure that the market is aware that Massachusetts' individual mandate is active and residents should not risk being left without coverage believing that the individual mandate is going away. Ms. Turnbull elaborated upon her concerns regarding individuals who do not effectuate coverage and do not realize until after Open Enrollment is completed that they will not be able to get coverage. Secretary Sudders supported these concerns and noted it would be beneficial to message beyond CCA that the individual mandate remains in Massachusetts. Ms. Woltmann reviewed analysis of renewing members and noted that ConnectorCare members are switching plans at higher rates and premium price appears to be the main factor, which is consistent with member behavior. She noted that there will need to be further review of member activity as members settle into their plans in January. Dr. Chernew commented that this is remarkably good news considering all factors. Secretary Sudders acknowledged the uncertainty of the past few months, and the nimbleness of CCA staff. She noted the partnership with the Division of Insurance (DOI) to work on a new set of plans and stated that it would be impossible to imagine enduring these operational challenges just a few years ago.

- IV. Open Enrollment Operational Status:** The PowerPoint presentation "Open Enrollment Operational Status" was presented by Catie Torri, Nelson Teixeira, Sage Shaw and Vicki Coates. Ms. Coates began the presentation by noting the end date of Open Enrollment in Massachusetts. She continued with review of actions by CCA that preceded the first day of Open Enrollment, including contingency planning for the possible withdrawal of CSR payments. She noted that invoking the contingency led to delayed noticing of members

but CCA was able to catch up. She reviewed the timeline of the expected schedule for Open Enrollment against the actual schedule.

Ms. Shaw then provided review of the preliminary eligibility process and the delay of plan loading which impacted the series of final eligibility events. She noted the significance of the AutoEnrollment business event, elaborating on the transactions that occur during this time, and the processes leading up to AutoEnrollment. She reviewed the success of AutoEnrollment and where improvements can occur for next Open Enrollment and shared member experience enhancements available for Open Enrollment 2018. She stated that one of the tools was found to be miscalculating APTC values and was being reinstated to the website the next day. In response to a question from Mr. Petion regarding the members not effectuated during AutoEnrollment, Ms. Coates clarified that everyone is enrolled during AutoEnrollment; however it ran 56 percent slower this year than previously and CCA is working to understand why.

Ms. Torri then reviewed the timeline, quantity and production issues related to sending renewal notices to members. She commented on the rich content of the notice and future efforts to shorten the notice. She stated that there were improvements to the testing of bill runs prior to Open Enrollment and identified the benefits of the new payment center for members with respect to receiving renewal notices and invoices almost immediately.

Mr. Teixeira then provided details on the call center activity so far this Open Enrollment. He noted that there are 14 percent more calls this Open Enrollment than last year, but staff are well able to handle the calls within the agreed timeframe. He reviewed the reasons that calls are taking longer and provided details on the nature of the calls. Ms. Wcislo expressed an interest in the turnover rate of customer service representatives, which Mr. Teixeira stated he would look into. Mr. Teixeira stated that the call center is reporting that members are concerned about activity on the federal level and the stability of their coverage in the future. He reviewed walk-in center volume and noted that application and eligibility assistance are the primary drivers bringing members to the walk-in centers. In response to a question from Ms. Turnbull regarding variability at the walk-in sites and her hypothesis relative to the Brockton site, Mr. Teixeira stated that there is no hard evidence, but he would agree that higher numbers in Brockton could be due to fewer other places available to offer assistance in the region, which was one of the reasons the Brockton center was opened. In response to a question from Mr. Petion regarding language as a driver in the population that is seeking services, it was noted that in total 37 different languages are served, but that the walk-in centers offer services in different languages based on their location and populations served. It was also noted that for a language that there is not an in-person staff member to assist with, there is also the language line. Mr. Teixeira continued with review of customer satisfaction ratings, which remain high; however a customer satisfaction group has been assembled to review the scores and take action. He reviewed the number of people that Navigators have assisted during this year's Open Enrollment and noted that they also help in spreading awareness in their communities. In response to a question from Secretary Sudders, Mr. Teixeira stated that there are 16 Navigator organizations that employ 81 individual Navigators. He concluded the presentation noting that in the weeks ahead CCA will

remain focused on getting members effectuated prior to key deadlines and continue communications with targeted populations.

- V. **Federal Policy Update:** The PowerPoint presentation “Federal Policy Update” was presented by Audrey Gasteier and Emily Brice. Ms. Gasteier began the presentation by noting that federal activity is being monitored closely by CCA and sister agencies. She stated that this presentation will provide an update on federal activity and uncertainty and how it may impact Massachusetts and CCA. She noted that CCA is well positioned to navigate the future landscape as it moves into its second decade as an Exchange, but CCA is not insulated from federal changes. She provided an update on where CSRs stand and the diminishing utility, with respect to Plan Year 2018, of previously-filed legislation that would have sought to restore them. She added that Senator Susan Collins of Maine has filed a reinsurance bill that could provide some assistance to states and that has gained traction recently, but the future of the bill still remains uncertain. She reviewed the litigation surrounding CSRs, the outlooks of which also remain uncertain. She noted that all of these factors are taken into consideration as CCA prepares for 2019.

Ms. Brice then provided details on the Notice of Benefit Payment and Parameters proposed rule changes for 2019; the final rules are expected in a couple of months. She commented that CCA is closely watching the Executive Order issued by the federal administration regarding Association Health Plans (AHPs), which could impact the stability and risk pool of the Massachusetts merged market. She noted that AHPs are a way for small groups to organize into a large group-like entity. She continued that proponents note the advantage of an increase in bargaining power through AHPs, but also cited that these entities remain out of the reach of state rating rules and market protections, presenting challenges in state markets where they have become active. In response to Dr. Chernew’s comments regarding AHPs and if there is another way for the plans to be arranged, or if state law could impact how these plans operate, Commissioner Anderson replied that there are rules in place and that DOI is working with CCA regarding the future and potential impacts of these plans. Dr. Chernew acknowledged that without the rules having been issued, it is difficult to surmise how the state could react, but noted he would be interested in exploring that in the future. Mr. Gaunya commented that AHPs are subject to state law and state purview. He noted that AHPs give small groups the purchasing power of large groups, and this is the benefit for small businesses. He noted that the rules should be crafted so that adverse selection doesn’t occur. Ms. Turnbull noted that when AHPs were operating in the state in the 1980s they participated in misleading “bait-and-switch” practices that destabilized the market. In response to a question from Dr. Herman regarding AHPs being subject to state regulations, Ms. Turnbull noted that they are not subject to state regulation and they are a threat to the market. She continued to note that it is important that action be taken to ensure that the playing field is kept level. Mr. Gaunya commented that it is important that the playing field be kept level, but that there also needs to be access to affordable coverage for small groups. Ms. Brice continued, noting that the Board would be kept updated on AHPs and flexibility in this space. She then provided an update on responses that Massachusetts received with respect to federal flexibility requests submitted during the fall. She noted that the premium stabilization request was not granted for timing reasons cited by CMS,

but that the request for an additional year for transitional relief in the use of State Based Rating Factors was approved and will be extended until December 31, 2019. She noted that flexibility with respect to the Employer Mandate has not been authorized and that enforcement of the federal employer mandate for larger employers of 100 or more began in November. Secretary Sudders commented that the noticing, which includes the penalty and provides businesses with 30 days to affirm, appeal or correct this action did begin for 2015. The Internal Revenue Service (IRS), she continued, would be able to enforce if the business affirms this amount. She noted that there have been a series of calls regarding the implementation and in total she was aware of only two notices that had been issued to Massachusetts employers to date.

Ms. Gasteier then reviewed Congressional activity and the pending repeal of the federal individual mandate (incorporated into the tax bill), which would be effective for 2019. She reviewed the differences between the state and federal mandate, and stated that, as this develops on the national level CCA will be working to make sure our market understands that the state individual mandate still exists. She stated that, with ten years having passed since the Health Connector originally undertook a campaign to educate Massachusetts residents on the role of the mandate, there will be a need to remind and refresh Massachusetts residents. Ms. Wcislo commented that it may be useful to coordinate with the Department of Revenue to make sure that individuals know that our individual mandate still applies. Ms. Gasteier stated that though Massachusetts has tools and framework established, there could still be impacts felt in the state. She then provided a brief update on the status of funding for the Children's Health Insurance Program (CHIP) noting that Governor Baker was a co-author of a recent New York Times Op-Ed urging funding. Secretary Sudders added that this is the first time since 1997 that CHIP has not been reauthorized, affecting 172,000 children and 5,000 pregnant women. She outlined the timeframe that Massachusetts is comfortable operating within before needing to make changes to the program. She concluded that if it is mid-spring and Congress has not taken action, Massachusetts will need to take action. In conclusion Ms. Gasteier reviewed the proposed next steps with respect to the federal landscape.

As one of the longest serving members on the Board, Ms. Wcislo reflected that through administrative changes and amidst chaos the program has been maintained; the fact that Massachusetts is now the healthiest state and has the most insured population is incredible and everyone should be proud of what the state has accomplished.

The meeting adjourned at 10:48 AM.

Respectfully submitted,

Erin E. Ryan