



*The Commonwealth of Massachusetts
Commonwealth Health Insurance Connector Authority
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Board Chair

KARYN POLITO
Lieutenant Governor

LOUIS GUTIERREZ
Executive Director

Board of the Commonwealth Health Insurance Connector Authority

Minutes

Thursday, February 8, 2017
9:00 AM to 11:00 AM

Dante Alighieri Society of Massachusetts
41 Hampshire Street
Cambridge, MA 02139

Attendees: Louis Gutierrez, Marylou Sudders, Gary Anderson, Rina Vertes, Nancy Turnbull Mark Gaunya, Lou Malzone, Michael Chernew, Celia Wcislo, Roberta Herman, Elizabeth Denniston (who was sitting by designation on behalf of Secretary of Administration and Finance Michael Heffernan) and Dimitry Petion participated via telephone because of geographic distance.

The meeting was called to order at 9:00 AM

- I. Minutes:** The minutes of the December 14, 2017 meeting were unanimously approved.
- II. Executive Director's Report:** Mr. Gutierrez began by noting that the days' meeting, which differs in structure from regular Board meetings, is an opportunity to listen and respond to questions as the Health Connector (CCA) charts its course forward. He commented that the dialogue during the meeting would help shape planning for 2018. After outlining the agenda, Mr. Gutierrez noted that Open Enrollment 2018 finished with stable and consistent membership levels despite premium increases and external factors. He stated that Ms. Woltmann would continue with a brief Open Enrollment status update.

Ms. Woltmann began her presentation noting February 2018 enrollment figures were slightly higher than December 2017. She noted that enrollments were generally static

during Open Enrollment and that the period signified a continuation of stable growth for CCA. She then acknowledged the significant increase in dental enrollments since 2016. Reflecting upon the Open Enrollment period, she stated that member activity was driven by price sensitivity. In response to a question from Ms. Wcislo regarding ConnectorCare and off-Exchange enrollment, Ms. Woltmann responded that there were a couple dozen members that took action on the Exchange and were enrolled off-Exchange. Ms. Woltmann also noted that non-payment is often a method of voluntary termination from coverage. In response to a question from Secretary Sudders regarding people who left their CCA coverage during OE, Ms. Woltmann confirmed that CCA would conduct a smaller online survey sooner than the annual member survey. She noted that the survey would provide insight into where members with increased premiums ended up and what their overall experiences was. She reviewed member activity over the course of Open Enrollment and noted that members who receive Advanced Premium Tax Credits (APTC) remained in the 'action required' bucket more so than any other population and this was likely due to the increased APTC amounts received to offset increased premiums. In response to a question from Ms. Wcislo relative to how CCA is treating member who may have enrolled directly through a carrier after auto enrollment occurred, Ms. Woltmann replied that most people did not both, take action or switch a plan, and then leave the exchange.

In response to a question from Ms. Turnbull regarding consumer struggles with cost, Ms. Gasteier noted that the annual member survey probes members with questions regarding medical debt and could show a change in trends as a result of members enrolling in different metallic tiers and subsequent cost sharing barriers. Ms. Woltmann continued with an overview of the number of enrollments during Open Enrollment 2018 and informed the Board of the differences between the counting methodology used by CCA and the federal government. She also informed members of the impact that terminations will have on enrollment figures and the expectation that membership figures will decrease over the course of the next several months before returning to current levels.

Mr. Gutierrez then provided review of CCA's 2018 strategic initiatives and priorities. He reviewed the current structure of the contract with NTT Data and the range of services that they provide. He informed the Board of the upcoming procurement for a vendor that would provide call center and customer support services as well as handle the premium billing. He noted the significance of a procurement of this size and stated that CCA has already started laying the groundwork that leads up to procurement. In response to a question from Dr. Herman regarding the procurement timeline and contract, Mr. Gutierrez stated that currently the call center is not part of a separate contract, but it can be done either way.

- III. Guest Speaker:** John McDonough joined the Health Connector Board of Director's meeting as a guest speaker and began this portion of the meeting with a presentation entitled "Thoughts on the Massachusetts Health Connector at ~12" in which he highlighted the history of the Health Connector. He commented on his involvement in the passage of Massachusetts General Law, Chapter 58 and recalled the process of determining the original affordability schedule. He cited the significant impact that the

affordability schedule has had on healthcare discussions since that time, both at a state level and during the congressional discussions that preceded passage of the ACA.

Mr. McDonough provided a deeper review on the history of CCA, slicing the years since its inception into phases. He suggested that the early years were ones of stability and maturation, followed by destabilization and uncertainty between 2013-2015. He noted that this time period of uncertainty was not uncommon among state based Exchanges, and many found themselves questioning their future. He remarked upon the newest chapter beginning in 2018 and with it the renewed appreciation for state based marketplaces (SBMs). He stated that it is critical for SBMs to continue to provide a contrast between the SBMs and the federal marketplace.

Mr. McDonough then introduced the “Public Value Strategic Triangle” as a method for public facing entities to assess where they have been and are currently situated. He reviewed the importance of each component of the triangle and how each one helps in evaluating the feasibility and relevance of the organization’s mission. He broke down each of the three points as it pertains to the longstanding mission of the Health Connector and new endeavors, including growing the small group market. He commented, with respect the Authorizing Environment and Support point of the triangle, that the acid test of health reform is the change in Executive leadership. He noted that CCA is now on its third Governor and has never experienced legislative doubt, even during its darkest days. He lauded the Health Connector’s second lowest benchmark premium in the U.S. and the high rate of customer satisfaction when evaluating the Operational Capabilities component of the triangle.

Mr. McDonough then reviewed other items that should be taken into consideration by CCA, such as the state’s individual mandate that has catapulted it back to the national spotlight following the reduction of the federal penalty. He noted that though it is important to continue to do the basics, it is critical that Massachusetts creates more of a public voice and highlight the success here as a way to help others around to country. He specifically commented on the importance of the state wrap in contributing to the success of our insured rate, stating that most people think it is the mandate, but it is affordability that has contributed to the high rate of insured. He recalled the rigorous process to determine the affordability schedule on the state level and the efforts to create a national affordability model. He cited the different obstacles to establish a comparable affordability schedule on the national level, and as a result the national affordability schedule that is not truly affordable. He stated that he believes “repeal and replace” efforts in Congress are dead for this year, but there will be repeated efforts by the federal Administration to undermine the structure of the law. He shared his surprise when seeing the figures that represent membership movement between CCA and MassHealth, and stated that this churn serves as a constant reminder of the need for a strong relationship between the two agencies. He reiterated that Massachusetts must stop hiding their light under a basket. He continued that Massachusetts has a valuable and necessary role to play and because of its strong history, and the individual state mandate and state wrap program. CCA truly matters to people, inside and outside of Massachusetts, and CCA must play a more robust and visible role in policy discourse.

In response to a question from Ms. Turnbull regarding the most impactful ways to engage, Mr. McDonough encouraged CCA to draw attention to the reports that are being released and broadcast the success that Massachusetts is experiencing. Ms. Turnbull remarked that from 2006-2011 there was a feeling of Massachusetts saturation on the national level and she was curious if this has changed. Mr. McDonough stated that he believes that this feeling of saturation is less and less, people may not remember that Massachusetts was the model for Title I of the ACA, he continued to note that 13 Exchanges now have good stories to tell. He encouraged Massachusetts to create a voice for state Exchanges and shape the attitude towards affordability by showing what has been done in Massachusetts.

In response to a question from Mr. Gaunya regarding reconciliation between the second lowest benchmark premium and the fourth highest cost for employer premiums, Dr. Chernew noted that narrow networks contribute to lower premiums and Ms. Gasteier stated that the ConnectorCare program rewards the carriers who come in with lower premiums which introduces competition. Dr. Chernew noted that there is more that could be done with respect to underlying characterization of plan features. Dr. Herman stated that this is a wonderful topic to sort through and understands that network structure is a huge part of lower premiums with other factors on the margins. Ms. Turnbull stated that a major factor is the merged market, and we need to be careful when comparing employer insurance and state to state coverage. In response to question from Secretary Sudders regarding CCA networks, Ms. Gasteier stated that there are many types of networks. She continued to note that ConnectorCare networks tend to be narrower, whereas employers have the opportunity to purchase different plans with different networks and often gravitate to broader networks. Dr. Herman added that it is important to differentiate between individual purchasing and large employers who have access to the entire market.

In response to a question from Secretary Sudders regarding Association Health Plans (AHP) Mr. McDonough stated that the concern is that it splinters the market and creates cherry picking, leaving some groups to fare better and others to fare worse. Ms. Turnbull noted that as a way to mitigate this, there could be requirements to use the same rate and be subject to all the same market rules. Dr. Chernew noted that proposed rules surrounding the state's ability to regulate Association Health Plans may limit the ability for a state to control what is offered in their state and it is may not yet be clear how those rules will be finalized. If a state allows plans to come in and pull individuals from the market you have then altered your risk pool, he continued. Ms. Gasteier agreed and noted that the final rule on AHPs is expected in early March and CCA, along with colleagues at the Division of Insurance, will be watching closely how the rule will speak to continued independent state authority to regulate and oversee all small group plans including AHPs. She agreed with Mr. McDonough in that AHPs will splinter the risk and could pose challenges to Massachusetts's longstanding market stability. When issuers a group has better risk, they will be offered a cheaper rate because no rating rule protections apply that might otherwise constrain rating practices, and therefore there are market stability impacts when considering the kinds of groups who would get left behind in the merged market, she continued. In response to concerns from Secretary Sudders regarding the

federal Administration's attempts to chip away at protections through regulations, Mr. McDonough noted that much of the Affordable Care Act (ACA) is in statute and there is no way to structure around Medicaid expansion in Title II, or subsidy structure for APTC or guaranteed issue. He continued that he anticipates the administration's efforts to rollback and undermine where they can but those will be subject to lawsuits that will take time and there will be resistance. Secretary Sudders then commented on the climate in Washington D.C. and concern that Medicaid waivers that do not include work requirements may not be approved. Dr. Chernew then posed the question of how Massachusetts would fare in a world without access to the benefits that have been received through 1115 waivers. Secretary Sudders responded with her concerns regarding CHIP funding, noting that two years from now there will be lower matching rates that will decrease revenue significantly. Dr. Chernew stated that Massachusetts is very good at viewing funding and budgets holistically but voiced concerns about possible decreases in availability of federal revenue and the flow of funding previously enjoyed in Massachusetts no longer being available. Mr. McDonough noted that Massachusetts has benefited from federal support under bipartisan administrations, which helps to legitimize such support, but recognized that federal support is under pressure and there is an attempt to erode this support. Ms. Gasteier agreed with previous comments about enhancing CCA's focus on reports and analysis to understand how impactful CCA's investments have been. In response to a comment from Mr. McDonough regarding how other Exchanges have showcased their work and national relevance, Secretary Sudders commented on the opportunity to share CCA's successes jointly with other SBMs, possibly by highlighting the differences between federal and state Exchanges. On that note, Mr. Gutierrez noted that recent enrollment figures from Open Enrollment show a decline in enrollment activity on the federally facilitated marketplace (FFM) contrasting the average increase in enrollments on SBMs. Secretary Sudders concluded this portion of the meeting noting that it is important to take a step back and think about the opportunities that are available for CCA. Mr. McDonough reminded the Board and CCA that there are a lot of fans and friends of CCA out there.

IV. Discussion about Calendar Year 2018: After a brief break, Board members reconvened to discuss the year ahead for the Health Connector. Secretary Sudders reminded the Board of the questions previously shared that may help guide their discussion. Dr. Herman commented that at the Group Insurance Commission they are exploring out of the box thinking and have been keeping a watchful eye on the progress of CCA with the development of the new small group platform. She commented that if there is a way to leverage the capability of the new platform, that opportunity should not be missed. As investment has been made in robust and successful infrastructure Dr. Herman suggested that the opportunity to use parts and pieces and share them with each other should be evaluated. Dr. Herman explored the idea of implementing a defined contribution option through CCA, leveraging individual shopping. Ms. Wcislo commented in response that, though she does worry about defined contribution, she believes some smaller large employers would like to join the Exchange. With respect to the large churn of members between MassHealth and CCA, Ms. Wcislo asked if there are any ideas on how to deal with this fluctuation of membership, or if it is just inevitable. In addition to Ms. Wcislo's concerns Ms. Turnbull noted that the MassHealth Accountable

Care Organization (ACO) transition will likely intensify such churn and inquired as to whether or not there needs to be more thinking done on the transition to make the experience more seamless. Secretary Sudders acknowledged the question of member churn and noted that one of the reasons for Governor Baker's population transfer proposal was to reduce churn. Secretary Sudders then provided a response to Ms. Turnbull's concerns regarding the ACO transition and stated that the ultimate goal is to mitigate churn and ensure continuity. She also noted her strong support for employee choice and the small business platform. In response to Ms. Wcislo's recognition of the unique behavioral health and drug coverage offered through Medicaid and the responsibility of private insurers, Secretary Sudders praised DOI for the work that they have conducted relative to mental health parity (MHP) laws to ensure that carrier plans offer the same protections and benefits. Mr. Gaunya noted the value of telehealth in providing access to behavioral health services for individuals who may not feel comfortable seeking services outside of the privacy of their own home. Commissioner Anderson commented that DOI, with the Secretary's leadership, has worked collaboratively with carriers on several projects exploring services covered by carriers to ensure that MHP requirements are being met. It was noted that there are jurisdictional concerns and it is important that the state maintain flexibility in order to chart its own course. Secretary Sudders commented that Massachusetts almost faced a bare county in the previous year. Mr. Gutierrez elaborated on the circumstances and noted that this is also trying to be averted for the 2019 plan year. Commissioner Anderson stated that carriers are focused on ensuring coverage in the western portion of the state and it will be important to focus potential efforts to that region as well. Ms. Gasteier clarified that the bare county would have been within the ConnectorCare program only, and CCA welcomes thoughts from Board members as continued work with carriers is essential to address this concern in future plan years. In response to a question from Ms. Wcislo regarding the restoration of state statutes that may have been removed with the implementation of the ACA, Ms. Gasteier replied that changes to the statute in response to passage and implementation of the ACA were very surgical and most major changes were technical. She stated that reviewing what is in place to ensure what Massachusetts has built can withstand federal action is critical.

Mr. Gaunya commented that promoting the transparency law and transparency tools on the platform would be of great help to consumers, noting that there is a wealth of data available through third parties that could be useful to CCA. Mr. Gutierrez commented on the interesting work of CHIA and the potential for a productive relationship and collaboration given their depth of data. Dr. Chernew noted the low success rate of transparency tools on affecting consumer behavior and the need for the right benefit design in order to truly make an impact on the rising rates of insurance and health care coverage. Ms. Turnbull suggested that evidence inform decision-making and cautioned not to expend resources on strategies and tools that are not supported by evidence. Ms. Wcislo provided the member perspective of choosing a provider, noting that a provider referral would unlikely be questioned by a patient. Dr. Herman stated that incentives also need to be great enough to encourage people to act differently. In response to a question by Dr. Chernew as to whether or not reference pricing can be done through the Seal of Approval process, Dr. Herman commented that this question opens up the discussion of

the fundamental role of the Exchange and changing market trends. Secretary Sudders suggested that time be carved out to discuss Seal of Approval. She then thanked everyone for participating in the discussion.

The meeting adjourned at 11:00 AM.

Respectfully submitted,

Erin E. Ryan