



*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, July 12, 2018  
9:00 AM to 11:00 AM

50 Milk St., 8th Floor  
Boston, MA 02109

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**Attendees:** Louis Gutierrez, Marylou Sudders, Gary Anderson, Rina Vertes, Nancy Turnbull, Lou Malzone, Michael Chernew, Roberta Herman, FayeRuth Fisher, Elizabeth Denniston (who was sitting by designation on behalf of Secretary of Administration and Finance Michael Heffernan), and Mark Gaunya who was joining by telephone.

The meeting was called to order at 9:02 AM.

Secretary Sudders began the meeting by welcoming the newest member of the Board of Directors, Attorney General Appointee FayeRuth Fisher. Ms. Fisher noted that she was excited to be joining the Board and looked forward to continuing to meet the goals of the Health Connector. Secretary Sudders then commented on the recent Risk Adjustment news and the conversation and options that are available locally and nationally.

- I. Minutes:** The minutes of the May 10, 2018 meeting were unanimously approved.
- II. Executive Director's Report:** Mr. Gutierrez began the meeting by thanking the Health Policy Commission for hosting the Board of Directors meeting. He welcomed Ms. Fisher to the Board and noted that she had already been active in assisting the Health Connector (CCA) in informing striking National Grid workers about the availability of health insurance coverage through CCA. He provided an overview of the agenda items, noting that the Administrative Budget Update will report favorable variance for Fiscal Year 2018 (FY18) and reset reserves to the 2015 level. He reminded the Board of the upcoming customer service procurement and noted that unrelated to the procurement the call center has been understaffed but CCA has worked closely with NTT to reset expectations. He

commented on the strong Seal of Approval (SOA) submissions that were received and noted the addition of plans as well as carriers. He stated that the federal landscape continues to be in flux and noted that the presentation would shed light on the final Association Health Plan (AHP) rule that was recently released and the suspension of Risk Adjustment payments for 2017.

Mr. Gutierrez reflected on the mission of CCA to provide affordable coverage for everyone, noting that enrollment is near an all-time high, while still experiencing gradual growth and that dental enrollments are at their highest. In conclusion he commented on where the Massachusetts market stands nationally, with the lowest average Exchange premium, while being awarded the title of healthiest state in the country, noting that the work of the state promoting universal access to coverage has paid off.

Secretary Sudders thanked Mr. Gutierrez and while she acknowledged that Massachusetts was deemed the healthiest state, she noted that there are still wide disparities in access to coverage and access to care, and that CCA is essential in address these remaining concerns.

**III. 2019 Preliminary Seal of Approval and ConnectorCare Overview (VOTE):** The PowerPoint presentation “2019 Preliminary Seal of Approval and ConnectorCare Overview” was presented by Emily Brice, Maria Joy Dawley and Edith Calvao. Ms. Brice provided a review of the Seal of Approval (SOA) process noting that the Conditional SOA before the Board for a vote was the midway point of the process. She noted that the Division of Insurance had received rates, but has not yet put them on file and therefore there would be no discussion of rates during the meeting. She outlined the goals of CCA for the upcoming year, which included returning to normalcy and making sure that there are affordable options for all members. She then provided review of the ConnectorCare program which is unique to Massachusetts and offers smaller, capped premiums and cost sharing for eligible members, with the lowest cost plan in each plan type subsidized to the affordability schedule. Ms. Brice then provided the range of Actuarial Values (A/V) for ConnectorCare plans in response to a question from Ms. Turnbull, noting that they are richer than the ACA plan types. Secretary Sudders noted that in each part of the state there is at least one plan with no deductible. Ms. Brice continued with review of the ConnectorCare program and silver plans, and noted the new dynamics in light of the elimination of Cost Sharing Reduction (CSR) payments and how that has impacted design for 2019. She reviewed the changes for 2019, including elimination of non-standard silver plans, increased actuarial value (A/V) on silver plans and elimination of co-insurance, noting the benefits associated with these changes. Ms. Turnbull asked what we know and what we can anticipate about the people that will be impacted by non-standard silver plan closures, which the Connector will need to look into further. In response to a question by Ms. Vertes regarding the impact of A/V increase on unsubsidized members and on the status of the CCA’s lowest premiums in the country, Ms. Calvao explained that the silver-load will be smaller when the A/V is increased.

Ms. Dawley then provided review of the SOA submissions on the non-group and small group platforms, highlighting the introduction of a preferred provider organization (PPO) on the small group side. She stated that United Healthcare will be returning to CCA and

that Tufts Premier will be joining the small group platform for April 1, 2019 sales. She highlighted that CCA does not anticipate carrier exits or bare regions for plan year 2019. In response to concerns from Ms. Turnbull regarding United's previous participation in other states and on our Exchange, Ms. Dawley stated that United reached the 5,000 covered lives threshold, which requires participation per state statute. Ms. Dawley then reviewed the small group offerings, noting the addition of a low silver plan that is compatible with health savings accounts (HSA). In response to a question from Dr. Herman regarding HSA compatible plan requirements, Ms. Dawley noted that CCA does not offer HSAs but the plan itself is compatible. In response to the addition of PPO plans to CCA's shelf and concerns about network adequacy, Mike Conway from the Division of Insurance was able to respond to several comments and confirm that the majority of health plans have adequate networks in the state and arrangements with national networks and administrators. Secretary Sudders, as a previous employer with employees out of state, voiced her support for state wide access to networks, noting that PPOs are long overdue for the small market. In response to a comment from Ms. Turnbull regarding her support for PPOs but identifying potential enhancements, Ms. Brice noted that consumer feedback on PPOs will be monitored and adjustments will be made where necessary. Dr. Chernew reflected on the history of ConnectorCare plan designs, and how it responds to changing dynamics over time and impacts members differently. In response to comments by Ms. Vertes regarding change in A/V and member impact, Ms. Calvao explained that carriers are pricing to higher A/Vs in the absence of CSR payments and the higher A/V implemented by CCA makes the CSR gap being filled slightly smaller. Ms. Dawley continued with review of waived plans and dental plan offerings which have no changes for 2019. In response to a question from Dr. Herman regarding catastrophic plan offerings, Ms. Dawley noted that Blue Cross Blue Shield has a statewide catastrophic plan. In conclusion she noted that CCA would be returning to the Board with the final SOA in September. With no further questions or discussion the Board unanimously approved the Health Connector's 2019 Conditional Seal of Approval recommendation.

- IV. Health Connector Fiscal Year 2019 Administrative Budget (VOTE):** The PowerPoint presentation "Health Connector Fiscal Year 2019 Administrative Budget" was presented by Kari Miller and Nupur Gupta. Ms. Miller began the presentation providing an overview of the presentation. She noted the positive trends and efficiencies of the FY19 budget and informed the Board of the positive net position of the FY18 budget. She stated that the "per member per month" (PMPM) costs continue to decrease. In response to a question from Dr. Chernew, Ms. Miller explained what the CommonwealthCare Trust Fund (CCTF) is and that it serves as one of two primary funding streams. In response to a question from Secretary Sudders regarding what a reasonable administrative cost would be, Mr. Gutierrez noted that it is not necessarily scientific, it could be below 20 dollars, or closer to pre-ACA amounts.

Ms. Gupta provided a review of the FY18 administrative budget and cited that a decrease in expenses and increase in carrier fees contributed to the net position of the budget. She continued with the recommendation for the FY19 budget, which continues the favorable net position, and reflects negotiated price reductions, and maintains the assumption that CSRs are not restored. Ms. Gupta reviewed the assumptions factored into the 2019

enrollment projection, which reflects a 3% increase compared to FY18. In response to a question from Ms. Turnbull regarding carrier stability and risk adjustment developments, Mr. Gutierrez noted that there is reason to believe that 2019 should be stable; however the only fair statement is that there is uncertainty and we are unsure as to how things will work out. Secretary Sudders added that Center for Medicare and Medicaid Services (CMS) stated that the court decision impacts 2018 and earlier, and therefore 2019 rates should not be affected. Secretary Sudders commended CCA staff on the FY18 budget and opportunity to add to the reserves. The Board then voted unanimously to approve the CCA proposed FY19 administrative budget recommendation.

- V. Student Health Insurance Program Update:** The PowerPoint presentation “Student Health Insurance Program Update” was presented by Maria Joy Dawley, David Greco of MassHealth and Colleen Murphy from UMass Medical School Center for Health Care Financing. Before the presentation began, Secretary Sudders noted that this was a topic that came up early in her position as Secretary.

Ms. Dawley then provided background on the Massachusetts requirement that all students in a higher education program be covered by health insurance. She noted that since the implementation of the ACA, fewer students were enrolling in the Student Health Insurance Program (SHIP), likely because of access to other insurance, including Medicaid or coverage through the Connector. She stated that the SHIP MassHealth Premium Assistance (PA) was introduced to bring students back into the SHIP pool. Ms. Dawley then provided a review of the expected 2018/19 range of premiums, which were mostly below expectations.

Mr. Greco then provided greater detail on the SHIP PA program, and its intention to provide a cost effective way of delivering benefits to MassHealth members. He noted that MassHealth pays the premium and cost sharing for eligible students and becomes the secondary payor. He continued to review enhancements that have been made since the launch of the program and stated that since year one they have received mostly positive feedback and highlighted areas for improvement, such as coordination of benefits. In response to a question from Ms. Turnbull regarding factors impacting premiums in the student pool, Ms. Dawley noted that there will need to be review of claims data when it becomes available. In response to a question from Dr. Chernew regarding requirement to enroll in the PA program, Mr. Greco noted that this is mandatory for participating schools and it is enforced through a waiver. He continued that previously a student could waive enrollment if they were covered by MassHealth, but now a student must enroll in the PA program. Mr. Greco informed the Board that 48 private colleges and universities joined the MassHealth SHIP PA program in academic year 2017/18. In response to a question from Ms. Turnbull, Mr. Greco noted that they conducted extensive outreach and education to schools to bring them on board and into the SHIP PA program. He then continued with review of the composition of the student population and noted again that participation by private schools was increasing. He concluded with review of enhancements to the program and system upgrades to alleviate administrative burdens. Secretary Sudders thanked the presenters for their work on the cost-effective program that provides a strong benefit for Medicaid eligible students and students in general.

**VI. Federal Policy Update:** The PowerPoint presentation “Federal Policy Update” was presented by Audrey Morse Gasteier. Ms. Gasteier began the presentation by providing an overview of the regulatory and federal administrative updates that the Board would be briefed on. She thanked DOI for its continued leadership and collaboration with CCA. She updated the Board on the recent announcement by CMS that risk adjustment payments would be suspended. She explained that risk adjustment is one of the three market stabilization tools of the ACA and informed the Board of the court case challenging the risk adjustment payment methodology that resulted in the suspension of payments. She noted that though CMS believes it has addressed the issue for 2019, CCA will continue to monitor in order to protect market stability. She then provide review of the Open Enrollment (OE) dates, noting that the period of time is longer than the federal OE and will allow extra time for communications to assist with enrollment and to conduct a market awareness campaign. In light of recent news from the federal government regarding funding for Navigator programs, Mr. Gutierrez noted that Massachusetts conducts and funds its own program and remains committed to the Navigator program and the enrollment support that it offers to our residents. Ms. Gasteier added that CCA staff will be returning to the Board in September to provide an update on the Navigator program. Ms. Gasteier provided an update on the final Association Health Plan (AHP) rule released by the federal government. She reminded the Board that the state’s strong statutory language, Chapter 176J, subjects AHPs to the rules of the merged market. She noted that CCA is working with DOI to inform carriers about the state’s authority in this space and educate employers on the continued requirements that individuals must have health insurance that meets state standards.

Ms. Gasteier informed the Board of what CCA would be watching on the horizon, including potential public charge regulatory change. She noted that CCA would be continuing to assess the impact of changes to the federal individual mandate and thanked the Board for their collaboration on the #StayCovered campaign. She noted that while in the midst of the SOA process, CCA would continue to monitor the impact of the absence of CSR payments, including legal action being pursued. She concluded that CCA would keep the Board apprised of developments on the federal level.

Prior to ending the meeting, Secretary Sudders noted that the draft rules on public charge are expected before the end of July. She noted that meetings with health care advocacy groups regarding public charge have been held. She informed the Board that the Commonwealth will be submitting strong comments in response to the rule. She recognized the strong collaboration and true working relationship of CCA with MassHealth, UMass Medical School and DOI, and the importance of these relationships given the changing dynamics, noting that continued communication with carriers is critical. She stated that we will work through this and reminded that in Massachusetts access to quality coverage is important, and we remain committed to this. She acknowledged the work of CCA staff.

The meeting adjourned at 10:33 AM.

Respectfully submitted,

Erin E. Ryan