



*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, November 8, 2018
9:00 AM to 11:00 AM

50 Milk Street, 8th Floor
Boston, MA 02109

Attendees: Louis Gutierrez, Marylou Sudders, Nancy Turnbull, Michael Chernew, Dimitry Petion, Roberta Herman, FayeRuth Fisher, Elizabeth Denniston (who was sitting by designation on behalf of Secretary of Administration and Finance Michael Heffernan), Matthew Veno (who was sitting by designation on behalf the Commissioner of the Division of Insurance Gary Anderson), and Rina Vertes who was joining by telephone due to geographic location.

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

- I. Minutes:** The minutes of the September 13, 2018 meeting were unanimously approved.

Before beginning the Executive Director's report, Secretary Sudders noted that the Health Connector had officially began its Open Enrollment.

- II. Executive Director's Report:** Mr. Gutierrez began the meeting by informing the Board that the Health Connector (CCA) is now seven days into its Open Enrollment 2019 (OE) period, which opened smoothly. He noted that the start of enrollment has been stable and there has been modest growth in CCA's enrollment, with early effectuations higher this year than in the past, though the trend may or may not continue. He commented that though the volume is slightly lower than last year, federal data that is being received by CCA to make redeterminations will require members to come in and update their information in order to avoid losing subsidies if they are still eligible. He provided detail on the movement of members between tiers and updated the Board on the customer service center volume. He informed the Board of new federal rules governing the Affordable Care Act (ACA), specifically the recently released proposed program

integrity rule which was particularly troubling with respect to operationalizing new billing and collections approaches for insurance that provides coverage for certain women's health services.

In response to Mr. Gutierrez informing the Board of the upcoming retirement of Edward DeAngelo, General Counsel, at the beginning of the New Year, several Board Members were disappointed to see such an integral member of the agency leaving. Also on the horizon, Mr. Gutierrez noted that the December meeting would focus on strategic topics to inform the path of CCA for the next three to four years.

Prior to beginning with the agenda items, Secretary Sudders commented on the rich contributions Mr. DeAngelo has made to the Commonwealth over the course of his career. She noted that Mr. DeAngelo exemplifies the best of public service and thanked him for his extraordinary service to the Commonwealth.

III. Open Enrollment Update: The PowerPoint presentation "Open Enrollment Update" was presented by Vicki Coates and Marissa Woltmann. Ms. Woltmann began the presentation by reminding the Board that Open Enrollment 2019 officially opened to shoppers last week. She reviewed the notices that CCA members have received so far. Ms. Coates then informed the Board that the Walk-In Centers have been busy in comparison to years past but operations have been smooth. She provided review of the targeted outreach strategy and the activities of the state-wide tour promoting Open Enrollment and the #StayCovered campaign prior to the start of OE. Ms. Woltmann then reviewed enrollment projections for the Open Enrollment period, which includes the expectation that there will be small growth with some new members joining and other members leaving. She commented on what CCA expects to see during OE with respect to member shopping. She stated that while CCA encourages members to compare plans and explore their options, with the modest premium increases this year, there is an expectation that shopping activity among members will be similar to OE 2018, rather than OE2017 when CCA saw record high shopping. She noted that CCA will be monitoring interest in bronze and low-gold plans to understand member behavior. In response to a question from Ms. Turnbull regarding member confusion about shopping as a barrier, Ms. Woltmann noted that there is a lot for a member to understand and that CCA does offer a guide to assist members with respect to medication and providers. In response to a follow up question from Ms. Turnbull regarding CCA's ability to track members who become overwhelmed by shopping for healthcare, Ms. Woltmann noted that for last OE we were able to see who looked at new plans and then changed their plans. In response to a question from Ms. Denniston regarding the effect of the premium stabilization funds on member movement, Ms. Woltmann noted that it is early to assess trends in member movement because the process to automatically renew existing members has not yet been executed. In response to a question about the motivation for member movement, Ms. Woltmann noted that typically premiums are the main motivator behind member movement. Ms. Woltmann then reviewed the remaining Open Enrollment timeline and CCA's scheduled member communication moving forward. She concluded, noting that as data develops CCA will return to the Board with updates.

IV. Update on Health Connector for Business: The PowerPoint presentation “Health Connector for Business” was presented by Heather DiLorenzo and Audrey Gasteier. Ms. Gasteier began the presentation by reminding the Board of the mission of the Health Connector for Business (HCB) to provide small employers in Massachusetts with choices when offering health insurance coverage to their employees. Ms. Gasteier noted that CCA is successful in bringing affordable options to the people in the individual market, even without subsidies, and wants to bring that model into the small group market. She stated that the HCB is one stop shopping with access to leading carriers and brokers. The intention of the platform, she noted, is to promote smart and active decision making to allow employers to know what their options are at different price points and permutations, bringing buyers and sellers together to provide trustworthy coverage choices that are high in value.

Ms. DiLorenzo then provided a review of where HCB is one year into its launch, including the development of critical partnerships and efforts to grow brand awareness. She highlighted the unique offerings of HCB, including the participation by all leading carriers in Massachusetts and the opportunity for employers to offer their employees access to all carriers in one place through the “one level” choice model. Ms. DiLorenzo reviewed the choice models and shared a helpful analogy with members of the Board. In response to Mr. Petion regarding decision support tools to assist employers, Ms. DiLorenzo stated that employees have access to decision support tools, and brokers are available to employers for free. In response to a follow up question from Mr. Petion regarding employer tools, Mr. Gutierrez noted that one benefit of the choice models is that employers do not need to make specific health insurance decisions on behalf of their employees. Mr. Gutierrez did note that providing decision support tools is one of the highest priorities as well as improving the anonymous browsing capabilities for employers so that they can browse options without setting up an account. In response to a question from Dr. Chernew regarding what happens to an employer if they grow to have over 50 employees, Ms. DiLorenzo noted that if you are enrolled through HCB and grow, you are not barred from the Exchange, though there may be other reasons an employer of that size would want to shop off-Exchange. In response to a comment by Secretary Sudders regarding the opportunity for HCB to assist employers in digesting the complexities of health insurance, Ms. Gasteier agreed that there is an opportunity to test how information is presented to ensure it is maximally understandable. In response to a comment from Secretary Sudders relative to the steps required by an employer in order to browse plans without having to set up an account, Ms. DiLorenzo agreed and noted that the ability to anonymous browse is the number one enhancement goal for the platform. She also noted that there are plans to create educational tools for employers and employees like user guides and online tutorials. Dr. Herman commented that she is an avid supporter of HCB and is pleased to see that there are brokers available to employers, but also wants to acknowledge that there may be employers that want to understand and do this on their own. Mr. Petion noted that employers like to educate themselves before providing information to others, recommending that more information be shared with business owners to empower them in engaging the right broker or making the correct decisions. In response to a question from Ms. Fisher regarding how HCB is engaging and

educating employers, Ms. DiLorenzo noted that there is a pilot program in Middlesex County where individuals are going door to door to educate employers and are then referring them back to HCB for more assistance. Ms. DiLorenzo noted that there will be future updates on the successes of the pilot program when it is completed. She then reviewed improvements that have been made in the small group space in response to stakeholder feedback. Ms. DiLorenzo then provided an update on the redesign of the Small Group Wellness Program. In response to a question from Dr. Chernew regarding the structure of the program, Ms. DiLorenzo stated that the Health Connector provides the rebate to the employer and Ms. Gasteier informed the Board that the Wellness Program was created by the legislature and is in statute. Dr. Chernew then commented that there is no data to suggest that wellness programs encourage savings. Ms. DiLorenzo continued with review of the new design of the program to make it easier for employers and modify the incentive for employees to participate. In response to a suggestion from Secretary Sudders, CCA would be interested in consulting with the Group Insurance Commission (GIC) as it considers the role of wellness in HCB.

Ms. Gasteier continued with the presentation, noting that in addition to the unique offerings of the HCB platform, employers and employees can feel comfortable that all plans offered on HCB meet both state and federal coverage requirements. She informed the Board of the early data suggesting significant cost savings – 20% on average, weighted for enrollment -- for groups shopping on the Exchange which led to a conversation among Board members regarding how these savings are achieved. Dr. Chernew questioned whether the cost savings are a result of a migration away from certain plans, and Dr. Herman suggested that employers may be buying plans with different levels of benefit richness. Ms. Gasteier noted that the savings hold even when holding steady for benefit richness, noting that people shop among carriers differently when they shop on – Exchange versus off-Exchange. Ms. Turnbull commented that the decisions people are making when shopping on the Exchange are different because premiums are the same off – Exchange. In response to a question from Dr. Chernew, Ms. Gasteier shared that the data CCA reviews to understand off-Exchange enrollment is enrollment data from Center for Health Information and Analysis (CHIA). Ms. Gasteier continued, noting that CCA is agnostic to the plans that are selected but CCA is seeing that there is market interest in the ability to view and shop from among all the carriers and available plans, which may not otherwise be evident to small businesses shopping on their own. While CCA is able to see what percentage of on - Exchange groups shop using a broker, Ms. Turnbull noted that it would be very interesting to see data on how use of a broker compares between on - Exchange and off - Exchange sales and how that may influence shopping behavior. Ms. Turnbull noted that anything that can be done to make sure employers see the full range of options to make informed decisions is important.

Ms. Gasteier noted that it has been a busy year for HCB and that the hypothesis of CCA, which is that people shop differently on – Exchange with choices before them, was confirmed in this first year. She continued that HCB remains committed to working on savings programs that exist within the confines of state statute and are hopeful that the value derived from health insurance plans can be translated into savings that small

businesses and their employees can use elsewhere, like growing their business and growing workers' wages. The presentation concluded with a review of important questions that CCA refers to when assessing how to improve the HCB platform and approaches to outreach.

Ms. Turnbull commented that HCB is very exciting and commended CCA staff on the amount of energy and effort that has been put into this endeavor. She noted that the small group market is very different from the individual market and that there are vested stakeholders that benefit from lack of transparency. She continued stating that if one were to look across the nation at the two successful on-Exchange small group markets, it would be noted that both have been given a competitive advantage to break into the small group market, which is serving as an exclusive distribution channel for their small group markets. She stated that she would appreciate the opportunity to include this as part of the strategic planning that the Board will participate in in the future. Dr. Herman also commented on the fabulous work of CCA on HCB and commented on the focus of the Board towards the small group market in the future.

- V. Customer Experience Procurement Project (CXPP) (VOTE):** The PowerPoint presentation "Customer Experience Procurement Project" was presented by Ms. Coates and Mr. Piantanida. Ms. Coates began the presentation by reviewing the focus of the presentation and the intention to request the approval of the Board to increase staffing to bring the customer service procurement project over the line. Ms. Coates reminded the Board of the need for a procurement for customer service vendor and informed the Board that currently a single vendor provides all services for the non-group market. She stated that CCA explored the opportunities within the market to break from a single contract and will move forward with the procurement in four parts. Mr. Piantanida elaborated on the complexities of several procurements being conducted at once, and noted that nothing translates to standing up a single system. He reviewed a diagram of the current system integration with the health insurance exchange (HIX), including the bidirectional requirement to send and receive communications and records between carriers. He noted that in order to maintain current operations and mitigate risks, there is a need for technical resources and supplemental staff. He detailed the large data conversions that will be needed as well as involved testing by CCA. In response to a question from Dr. Herman in reference to the diagram and how many unique vendors could be in the space, Mr. Piantanida stated that currently there are vendors and sub-vendors, including; NTT for enrollment and premium billing, Optum and hCentive with respect to the HIX, connectivity integration through BOOMI, and an interface with all carriers. He stated that this does not include data sent to the Center for Medicaid and Medicare Services (CMS) or contact center activity. Dr. Chernew commented that this is an area where we cannot be pennywise and pound foolish, it is a big deal and must be done correctly. He continued to note that the diagram is very complex to read and that when this implementation occurs, it must be done very well, because even though there is risk that something may go wrong, it should not be because CCA did not do everything that could be done.

Ms. Coates continued with review of the staffing requirements and its span across three fiscal years. She noted the staffing would be temporary and CCA would use agencies that the Commonwealth has already selected through a competitive procurement process. She stated that they were requesting that the Board approve the request for approval to enter into contracts to hire contractors at an amount not to exceed \$3.3Million over fiscal years 2019, 2020 and 2021. In response to a question from Ms. Vertes regarding budgeting for the procurement, Ms. Coates responded that, all expenses are in the FY19 approved budget and the FY20 maintenance budget. In response to a question from Ms. Turnbull regarding CCA policies about offering health insurance to independent contractors, Mr. DeAngelo stated that CCA does not have a policy, and that these contractors will be hired through staffing agencies that may provide health insurance because CCA does not provide it. In response to Ms. Turnbull's request to confirm that CCA ensures that all selected agencies offer health insurance to their contractors, Secretary Sudders stated that the contractors CCA would be using are approved by the state and it is outside of CCA's jurisdiction. With no additional questions or discussion the Board unanimously voted to approve the request to enter into work orders with staffing agencies to secure temporary contractors to perform supplemental project management and technical services support the Customer Experience Procurement Project for an estimated, not to exceed total amount, of \$3,350,000 over FY19, 20 and 21.

- VI. Federal Policy Updates:** The PowerPoint presentation "Federal Policy Updates" was presented by Ms. Gasteier and Ms. Brice. Ms. Gasteier began by noting that the presentation would provide a high-level overview of the health policy landscape and outlined the items that would be addressed. She informed the Board that just the night before, a program integrity rule had been issued by CMS and while there will be a brief review of that item, the Board should expect more on the proposed rule in the future.

Ms. Gasteier began with the review of the proposed public charge rule and CCA's expectation that there will be substantial impacts in the Massachusetts market and the health care landscape of the state if finalized the way it was proposed. She continued noting that while CCA members would not be directly impacted by the rule as proposed as exchange subsidies are not an explicit trigger for a public charge determination, a number of CCA's members are a part of mixed households and as a result may be impacted. In response to a question by Ms. Fisher regarding messaging for navigators and other community based resources, Ms. Gasteier stated that CCA has been working with navigators and others, but also wants to stress that this rule is only proposed and does not change what individuals are eligible for. However, she noted, CCA is very much at the ready and understands that should something change, messaging is very important. In response to a question from Ms. Denniston regarding the effective date of the rule, Ms. Brice noted it is prospective and Ms. Gasteier added that comments are due by December 10, 2018.

Ms. Brice then provided a review of guidance regarding 1332 waivers, which will now be known as "State Relief and Empowerment Waivers", which were intended to provide pathways to test different models of delivering affordable health insurance coverage. She

noted that the new guidance does not relax the federal deficit requirement of previous waiver guidance, though it does relax all other previous waiver requirements aimed at ensuring comprehensive and affordable coverage. She stressed that the primary concern would be using these waivers to permit access to short term limited duration plans (STLD) or other coverage that does not meet ACA standards. She stated that CMS will be providing additional guidance in the form of waiver concepts or templates in the near future.

Ms. Brice then provided a review of Health Reimbursement Arrangements (HRA) rule which would permit employer contribution to savings accounts that could be extended to STLDs loosening prior rules guidance on the use of HRAs. While CCA supports creative approaches for small employers to offer contributions to health insurance coverage, there are technical concerns with the rule. She stated that receipt of advanced premium tax credits (APTC) or ConnectorCare benefits would be banned if the HRA contribution is deemed affordable and therefore, an employee that receives a modest contribution may be barred from APTC and subsidies, making insurance less affordable. In response to a question from Ms. Turnbull regarding the number of people with employer sponsored insurance and an HRA, Ms. Brice commented that the standalone HRA would be a different vehicle with the ability to be paired with medical or dental insurance or a STLD.

Ms. Gasteier then provided an update on the state's individual mandate and the overall decline in awareness of the mandate. She noted continued work with Navigators and public officials, and welcomed the Board to become involved in the effort. She noted that the goal is to bring the level of awareness back to where it was pre-ACA, and stressed that it is not enough to have insurance, insurance must meet the state's standards for comprehensiveness and fairness. She stated that there has been a national uptick in the sale of products that do not meet Massachusetts's standards and insurance scams have been on the rise. She informed the Board of a recently publicized case where the Federal Trade Commission (FTC) has requested a federal judge to shut down an insurance scam being marketed to individuals as an ACA plan. She stated that with this increase, it is important to promote plans that meet standards and be vigilant about those out there that do not. Lastly she informed the Board of the program integrity rule that had been released and the focus of the rule on how to bill for abortion services. She explained background on the ACA's intersection with the Hyde amendment and the requirement that a one dollar bill be sent to individuals to account for the cost of non-Hyde amendment funded abortions. She also noted that the new rule's proposed approach struck staff as significantly more onerous and problematic as compared to prior guidance on the subject. She concluded with additional review of what CCA is expecting with respect to federal policy in the coming weeks.

Secretary Sudders noted that with respect to the public charge rule, the Baker Administration believes that breadth and depth of comments will be useful. She stated that each agency will file comments and those comments will be rolled up into a general letter to be submitted. With no additional comments or further business there was a motion to adjourn

The meeting adjourned at 10:45 AM.

Respectfully submitted,

Erin E. Ryan