



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

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Governor

MARYLOU SUDDERS
Board Chair

KARYN POLITO
Lieutenant Governor

LOUIS GUTIERREZ
Executive Director

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

Thursday, December 13, 2018
9:00 AM to 11:00 AM

501 Boylston Street, Suite 501
Boston, MA 02116

Attendees: Louis Gutierrez, Marylou Sudders, Gary Anderson, Nancy Turnbull, Lou Malzone, Michael Chernew, Rina Vertes, Ashley Maagero Lee (who was sitting by designation on behalf of Executive Director of the Group Insurance Commission, Roberta Herman), Elizabeth Denniston (who was sitting by designation on behalf of Secretary of Administration and Finance Michael Heffernan), Dimitry Petion joined by phone and later joined in person, and Mark Gaunya who was joining by telephone.

The meeting was called to order at 9:09 AM.

- I. Minutes:** The minutes of the November 8, 2018 meeting were unanimously approved.
- II. Executive Director's Report:** Mr. Gutierrez began the meeting noting that Open Enrollment is underway in Massachusetts. He stated that nationally, enrollment on the federal exchange has declined but that state based exchanges are doing better, including in Massachusetts (MA) where we continue to see enrollment success. He commented on the retained individual mandate in the state and the strong partnership with Navigators, which are both useful tools in promoting enrollment in the state. He stated that the Health Connector (CCA) is about halfway through Open Enrollment and member activity has increased already from this time last year. He continued with updates on member activity and where CCA is seeing increases and decreases in activity.

Mr. Gutierrez provided updates on proposed federal rules and regulatory challenges before CCA. Secretary Sudders noted that there will be a response to the women's health related provisions of the CMS program integrity rule from CCA on behalf of the Commonwealth.

Mr. Gutierrez commented that there is no expectation of finding definitive solutions to the strategic questions presented to the Board today but he is looking forward to the Board's thoughts on the objectives included in the strategic planning presentation. Before moving on to the strategic portion of the meeting, it was noted that December 23rd is an important day for enrollment because it is the payment deadline for January 1, 2019 coverage, not to be confused with the extended Open Enrollment dates of MA.

III. Kick Off: Strategic Planning 2019-2022: The PowerPoint presentation "Kick Off: Strategic Planning 2019-2022" was presented by Louis Gutierrez, Audrey Gasteier and Vicki Coates. The presentation began with review of CCA's current long-standing mission statement and values followed by a review of proposed adjustments to the mission statement and values. In response to a comment from Ms. Turnbull regarding the insertion of the word 'transparent', Mr. Gutierrez stated that this is in reference to the apples to apples comparison-shopping that exists on the Exchange, and the value of this attribute in providing transparent pricing to consumers. In response to an additional comment from Ms. Turnbull regarding removing the word 'transforming', it was noted that the word was interpreted to reflect a place in time and that CCA had surpassed that stage. Dr. Chernew noted that the draft language is an improvement because of the simplified language, but stated that the concept of collaborating with other state entities and organizations was missing and is increasingly important given the nature of coverage in the nation churn on the state level.

Mr. Gutierrez then provided review of where CCA finds itself at the end of 2018 and the challenges CCA faces moving into the new year, including expanding into the small group market, plateauing of customer satisfaction and the need to devote resources to navigating federal interventions. He continued, noting that being stable is different from being consumer friendly, and while maintaining static enrollment is a success, there remains the question of how to address the uninsured. He stated that CCA has a solid offering in the small group platform, but the obstacle is making the choice known. Secretary Sudders commented on the high watermark enrollment figures, and asked if CCA has ever set an enrollment figure goal. In response to a comment from Dr. Chernew regarding CCA finances and if they are a highlight or a challenge, Mr. Gutierrez commented on historical expenses and funding of CCA, and stated that CCA has been living within budgets, though there is a goal to get to a more sustainable per member per month figure. Dr. Chernew noted that it's important to keep in mind whether we have the resources or not to meet the mission that is important to CCA.

Mr. Malzone arrived at 9:30

Ms. Gasteier then provided review of the five areas of strategic focus selected by CCA and welcomed additional items. Dr. Chernew offered the addition of financial stability as a subset of all focus areas.

ConnectorCare

Ms. Gasteier then began with a review of the first area of strategic focus, “Strengthening ConnectorCare” and the vulnerabilities that the program faces, including the withdrawal of federal Cost-Sharing Reduction (CSR) payments, network issues and carrier participation. Noting her support of Accountable Care Organizations (ACOs), Ms. Turnbull asked if there is a need to coordinate with MassHealth on new approaches to network adequacy and bare counties, curious to know MassHealth approaches bare counties. The question on CCA’s legal authority to contract directly with entities or subcontract through Medicaid was raised.

Ms. Turnbull then noted her concerns with the Partners provider network not being accessible to ConnectorCare members and the importance of their behavioral and mental health systems. She questioned whether a vibrant, high quality program is possible without access to this network. Dr. Chernew agreed with this concern and highlighted the challenges of identifying where in the state a stronger provider network is needed and then questioned what levers are available to require that certain providers are present and partner with the Health Connector in these areas. He continued to note that this is less of a concern in areas where there is greater competition. Ms. Vertes added that geographic dominance of a provider system is important to take into consideration. She stated that in a region where Partners is not the only option it is not necessary to have them in the system as it sends the wrong message, suggesting that other offerings are lesser products, which is not the case. She stated that this problem is not unique to the Health Connector and individuals, including unsubsidized members, must make these decisions based on price and availability and the ConnectorCare population should not be treated differently.

In response to a question from Ms. Denniston regarding the percentage of members in broad networks, Ms. Gasteier noted that most members, in ConnectorCare and outside of it, land in narrow networks. In response to a question from Ms. Denniston regarding why some enrollees actively select broad network plans, Ms. Gasteier agreed that some carriers would say the member is paying more for access given higher health care needs. Dr. Chernew reiterated that if there are alternatives in the market, we may need to accept this, however, he does have trouble with bifurcation of the market. Ms. Turnbull stated that this issue required greater examination when looking at mental and behavioral health services, noting there may be lack of access to necessary services for those enrolled in public insurance. Dr. Chernew stated that access to any service for any member is a concern and this should be addressed as part of a broader coalition with CCA.

Secretary Sudders agreed with a broader coalition to address this topic and commented on the interconnectivity of CCA and its partner agencies, but noted that the role of CCA is not to transform. Mr. Gaunya noted that telemedicine is a tool to leverage behavioral health services in the commercial space. He also commented on the predominate provider issue, stating that this is not unique to MA, and it would be interesting to learn how other states have addressed similar concerns. Secretary Sudders noted that there are three predominate providers in the state, and Dr. Chernew commented that no state has solved this issue and the solution will lie in policy.

Unsubsidized Members

Ms. Gasteier then began review of the unsubsidized population within the Health Connector, reminding the Board that these members were already struggling with cost and are now bearing the burden of the silver load fully. She then posed the question of how CCA should be assisting these members in the next three to four years. In response to a question from Mr. Petion regarding the trends in use of services by this population, Ms. Gasteier noted that over time unsubsidized members purchase lower tiers of coverage and Dr. Chernew noted that data suggests that less services are used by members in lower plans than those in richer plans. In response to a question from Ms. Denniston about defaulting the churn population to a bronze plan instead of a silver plan, Ms. Gasteier noted that this has been reviewed, but there are technical and legal complexities.

Mr. Malzone commented on the average PMPM premium amount for an individual, and noted that with the size of the unsubsidized pool one would expect better alternatives, such as self-insurance may exist. Ms. Vertes noted that the Connector does not get paid by premiums; rather it is a vehicle to purchase coverage. She continued to note that prior to the Affordable Care Act (ACA), CommonwealthCare had its own risk pool that carriers bid for and the unsubsidized market was its own risk pool. Ms. Vertes then shared her concerns about losing the ability to load silver plans and the disadvantage for certain carriers created by these dynamics. In response to a question from Ms. Turnbull regarding a ConnectorCare only risk pool, Ms. Gasteier noted that it would require a waiver and also stressed that the competitive nature of ConnectorCare does lower premiums across the entire market. In response to a question from Mr. Malzone regarding premiums paid against claims data and alternative financing or insurance options, Ms. Gasteier stated that medical loss ratio (MLR) data could be helpful to steer that conversation.

Ms. Turnbull then asked about the opportunity to make the user experience easier, commenting that other states, including those with more standardized plans, have more user friendly experience.

Customer Experience

Mr. Gutierrez introduced the next strategic priority, noting that CCA has tracked the challenges it faces when addressing the customer experience and will share current plans for improvements prior to requesting comments from the Board. Ms. Coates then reviewed customer satisfaction over recent years, as tracked through an annual survey and call center surveys.

Ms. Denniston left at 10:15 AM.

Ms. Coates noted that while there has been program stability, customer satisfaction has been decreasing. She reminded the Board of the procurement that CCA is in the midst of and that member feedback is an integral part of determining where CCA believes it should be. She noted that the customer experience is not where it needs to be for 2018, 2019. She identified the website as a significant area for improvement, and reviewed the challenges

members face when using the payment portal. She outlined what member tools CCA needs in order to accomplish its member experience goals, including additional payment methods, a Spanish website and ways to make document processing more efficient. In response to a question from Secretary Sudders regarding payment form, Ms. Coates confirmed that CCA receives a significant amount of money orders, and members would prefer to pay weekly rather than a large sum, upfront on a monthly basis. Ms. Coates stated that the main use for the walk-in centers (WIC) are for payment and document drop offs, and there is the opportunity to eliminate the need to use the WIC for this. She informed the Board that by summer 2020 there will be the option for members to upload documents by phone. In response to a question from Ms. Turnbull regarding how this feature will work with MassHealth, Mr. Gutierrez acknowledged that with the shared eligibility systems CCA works closely with MassHealth on the system, but now that the basics with respect to stability are addressed, both agencies are able to look at the features offered through the system. He recognized the close relationship of the two agencies and the importance of working in concert with one another. Secretary Sudders commented on the progress that has been made with respect to the relationship between CCA and MassHealth and the prioritization of fixing the system.

Ms. Coates continued with the review of the member tools CCA has in relation to where it would like to be, and the gaps in between. In response to a question from Mr. Petion regarding the ability for the current vendor to process credit and debit transactions, Ms. Coates stated that currently CCA is only able to accept electronic funds transfer (EFT) as a result of costs and banking regulations. She noted that CCA is looking at other options, where members can make payments at established retailers so that CCA doesn't have to get into the business of banking.

Ms. Turnbull noted that CCA has half of the non-group market, and in response to her question regarding CCA's functionality compared to the Off-Exchange experience, Mr. Gutierrez stated that while other user experience features may be available Off-Exchange, CCA is unique in offering its members choice. In response to an additional question from Ms. Turnbull regarding the member experience on other Exchanges, Ms. Coates stated that California and Rhode Island are both states with Exchanges CCA is looking to discuss operations with. In response to a question from Mr. Malzone regarding too many choices for consumers on Exchange, Mr. Gutierrez noted that preparations for the Seal of Approval (SOA) process are currently underway and that will be the time to discuss plan offerings. In response to a question from Ms. Turnbull regarding where the outlined improvements will leave CCA with respect to other platforms, Mr. Gutierrez noted that obtaining these tools will still leave work to be accomplished.

In response to a question from Ms. Vertes about the cost associated with these improvements, Mr. Gutierrez stated that these will come, some in part of the procurement that is underway and some savings has been recognized because of an updated contract with the vendor, other enhancements will come from annual funding for the system. In response to a question from Mr. Petion regarding back office operations, Mr. Gutierrez noted that improving the member experience will not be considered a success if call center costs are not reduced and noted that specific targets will be developed to track success.

Small Group

Ms. Gasteier provided the Board with a review of progress that CCA, through its Health Connector for Business platform, has made in providing savings and opportunities to the small group market. She reviewed the extensive carrier offerings available to members, the unique “choice” models, and the ability for employers to establish a reference plan to control their costs. She reminded the Board that small group members have access to the same low cost premiums as individual and ConnectorCare members through the Exchange. In response to a question from Dr. Chernew as to the origin of savings for small employers, Ms. Gasteier stated that within the same benefit level there can be a 20 percent price differential by carrier. She explained that the same carriers that dominate the nongroup market do not dominate the small group market and that name recognition plays a big role in the small group market, citing a different shopping behavior between the two markets.

Ms. Gasteier then requested comments from the Board with respect to where CCA should expect to be in the small group market in the next three to four years. Ms. Turnbull noted that concrete goals should be established to assess the progress of the new platform. Ms. Turnbull reminded CCA and Board members that the successful small group markets have competitive advantages, and asked if this is something that CCA should pursue, as well. In response to a comment regarding the importance of brokers in the success of this platform, Mr. Gaunya agreed that CCA has done a great job of making progress with broker relationships and changing perspectives of CCA within that group. He identified the influence of certain organizations throughout the state, noting that establishing relationships and understanding their needs may be beneficial. Ms. Turnbull noted that businesses that do not offer employer sponsored health insurance tend to have lower wage employees that receive public benefits, and while there have been efforts to address this, it may be worthwhile to look at new options again, potentially combining public and private coverage.

Secretary Sudders commented that in order to connect with small businesses, CCA must think like one, and that there is a need to reframe in the public’s opinion that CCA is more than just a government program. In response to a question from Mr. Malzone regarding the employee size of businesses that can use the platform, Ms. Gasteier stated that there are ways to open the small group market up to businesses above 50 employees. Mr. Gaunya agreed that redefining the small group definition from 50 to 100 employees would provide benefits to some, but he stressed that there would be losers as well. He continued to explain that California’s small group market serves up to 100 employees and that there have been changes in the way underwriting occurs, noting that there is a need to assess the impacts of this. In response to a question from Mr. Petion about partnering with other agencies that work with the small group market to incorporate HCB materials into their operations, Mr. Gutierrez stated that HCB is doing just this and working with federal agencies like the Small Business Administration (SBA), too.

Ms. Vertes agreed that rebranding CCA so it is not viewed as strictly a state agency would be beneficial. She also noted that choice may not be enough of a draw for small group

employers. She stated that understanding of the power of the dollar and how costs between carriers differ, would be compelling to small employers.

As the meeting approached 11:00 AM it was determined that the topic of how to cover the remaining uninsured would be addressed during a follow up meeting. After thanking the staff for the thoughtful exploration of the presentation and the ability to respond and adjust to changing dynamics, the Board agreed to adjourn.

The meeting adjourned at 10:56 AM.

Respectfully submitted,

Erin E. Ryan