



*The Commonwealth of Massachusetts
Commonwealth Health Insurance Connector Authority
100 City Hall Plaza, 6th Floor
Boston, MA 02108*

DEVAL PATRICK
Governor

TIM MURRAY
Lieutenant Governor

LESLIE KIRWAN
Board Chair

JON M. KINGSDALE
Executive Director

Board of the Commonwealth Health Insurance Connector Authority

Minutes

Thursday, June 11, 2009

9:00 AM – 11:00 AM

One Ashburton Place

Boston, MA 02108

21st Floor Conference Room

Attendees: Leslie Kirwan, Jon Kingsdale, Jonathan Gruber, Louis Malzone, Nonnie Burnes, Nancy Turnbull, Ian Duncan, Thomas Dehner, Rick Lord, and Kathy Glynn (attending on behalf of Dolores Mitchell). Celia Wcislo absent.

The meeting was called to order at 9:08 AM. Secretary Kirwan provided an update on the ongoing budget process for Fiscal Year 2010 and its impact on Commonwealth Care (CommCare). In response to drastic reductions in revenue, the Governor has re-filed House 1 (H.1). H.1 will maintain CommCare coverage for aliens with special status, a population that became ineligible as part of the proposed Senate budget, by implementing several cost-saving strategies. Administration and Finance as well as Connector staff will keep the Board apprised of any new developments as the budget process continues.

- I. Minutes:** Minutes of the May 14th meeting were accepted by unanimous vote.
- II. Executive Director's Report:** Jon Kingsdale congratulated BMC HealthNet on receiving accreditation from the National Committee for Quality Assurance.

While recently published news articles have raised some concerns about the partnership between Caritas Christi and Centene, Mr. Kingsdale assured the Board that CeltiCare continues to meet their commitments to expanding their provider network and ensuring that members have access to a broad range of medical benefits.

Mr. Kingsdale noted that he has had the opportunity to review draft legislation for national health care reform. The proposals include a robust role for state connectors. He noted that Jonathan Gruber will be testifying on this matter later in the day. Mr. Gruber explained that Massachusetts continues to be very influential in the crafting of health care legislation at the Federal level.

- III. Commonwealth Care Regulations (VOTE):** Jamie Katz and Melissa Boudreault came before the Board seeking approval of proposed amendments to the Eligibility and Hearing Process regulations for CommCare. The Board approved the draft amended regulations in April. The changes were intended to be modest, including technical changes necessary for July 1st as well as some stylistic changes. More substantive changes, regarding the auto-enrollment "lookback" period, member payment plans, and the dismissal of certain appeals, were also proposed in April.

Based on concerns raised during the public comment period, Connector staff has further amended the proposed regulations. The proposal to end member payment plans and the proposal to provide Connector staff greater authority to dismiss appeals of individuals who do not respond to requests for information have been withdrawn. The proposal to allow the Board more flexibility in setting a “lookback” period was modified. The medical expenses hardship category has been broadened to allow for inclusion of expenses accrued during a gap period. This change will not significantly impact the volume of appeals, but will allow for a needed increase in flexibility. Ms. Boudreault explained that in April and May, only one member applied for a hardship waiver due to medical debt and that waiver was approved. During the public comment period, Connector staff received some requests which were outside the scope of the proposed changes and will not be feasible until the new systems are stable and the financial implications of those changes are fully analyzed.

The Board voted unanimously to approve the amendments to 956 CMR 3.00, the Eligibility and Hearing Process regulations for Commonwealth Care as recommended by Connector staff.

IV. Minimum Creditable Coverage Update: Mr. Katz provided the Board with an update on the Minimum Creditable Coverage (MCC) certification process. Connector staff continues to evaluate and improve the certification process to ensure that any new issues are properly addressed. While staff has been able to resolve the majority of issues through analysis of the regulations and determination of the Board’s intent, Mr. Katz requested further Board guidance on three matters: caps on prescription drug coverage, collectively-bargained plans that are not MCC compliant; and the exclusion of maternity benefits for dependents.

A small number of self-insured plans have requested certification of plans that cap prescription drug coverage, but are otherwise MCC compliant. The existing MCC regulations do not specify whether or not a cap on drug coverage is permissible and, lacking Board guidance, Connector staff has rejected such plans to date. Mr. Katz asked the Board for clarification on what an acceptable cap would be. Nancy Turnbull noted that drug caps are highly unusual and inconsistent with market standards. She expressed concern that this could set the stage for allowance of more severe limitations on benefits. Thomas Dehner stated that caps on prescription drug coverage should be explicitly prohibited in the regulations.

Some employers and unions have designed collectively-bargained plans specifically for part-time workers. Employers do not pay a premium and deductibles are typically minimal, but the plans fail to meet MCC because they include an annual limit and a cap on prescription drug coverage. The plans cover about 8,000 Massachusetts residents and 1,000 non-residents. They are set to expire in December 2010. If the Board deems them MCC compliant, they would be approved through December 2011. Rejection will likely result in employers dropping coverage for part-time employees. Without access to employer-sponsored insurance (ESI), these individuals may shift to government-sponsored coverage. Connector staff recommends granting a short-term exemption for the duration of the contract. Mr. Gruber asked if employees whose ESI does not meet MCC would be eligible for CommCare. Ms. Boudreault explained that they would not. CommCare does not look at whether the plan offered is MCC compliant. Mr. Dehner noted that it would be very difficult to assess the impact that dropping these plans would have on enrollment in government-sponsored insurance and MCC should not be decided based on a potential increase in enrollment. Ian Duncan asked if workers enrolled in these collectively-bargained plans could be eligible for supplemental coverage through MassHealth. Mr. Katz responded that it is possible for enrollees to receive wrap-around coverage from MassHealth. Louis Malzone stated that, while the plans do not meet MCC, they are a good faith effort by the employer to offer assistance to part-time employees. Several Board members agreed, noting that there is no opportunity to re-bargain until the plan expires.

Connector staff has received requests for certification of plans that exclude maternity benefits for dependents, but otherwise meet MCC. Maternity benefits are considered part of the broad range of benefits enumerated in the regulations. Connector staff has allowed some limitations on services in this category, but, because this particular limitation targets a segment of the population, Connector staff is seeking guidance from the Board before acting. Mr. Duncan asked how many plans are waiting for a response. Mr. Katz responded that there are 45 plans seeking certification that lack maternity benefits for dependents. Several Board members expressed their strong disapproval of this limitation, noting that it is very discriminatory and constitutes a fundamentally different form of limitation than other limitations that staff has allowed.

Secretary Kirwan summarized the discussion. She explained that the Board remains sensitive to the consequences for enrollees should the plans with identified issues not receive MCC certification, but Connector staff must send a clear message that these limitations will not be permitted after the current enrollment period. Unless the Board decides otherwise, caps on prescription drug coverage will only be allowed for the current enrollment period. Self-insured plans that do not provide maternity benefits to dependents will only be permitted for the duration of this enrollment period. This limitation is discriminatory and will not be permitted henceforward. Collectively-bargained plans are to be deemed compliant for the duration current contract period only. Connector staff should offer assistance to employers and unions to seeking to design an affordable and valuable benefit package for part-time employees.

- V. Seal of Approval Update:** Patrick Holland provided the Board with an update on the Seal of Approval process. All responses have been received and evaluated. Connector staff is seeking direction from the Board on modifications made to the suite of products offered, minor changes to the standardization model, and annual benefit limits on Young Adult Plans (YAPs).

The revised suite of products decreases the number of plan designs from 21 to nine, making the products easier to navigate while preserving choice. Staff is recommending one gold plan, three silver plans, three bronze plans, and two YAP plans. Ms. Turnbull asked if each carrier will be required to offer all plan designs and expressed concerns that this would actually increase the number of options. Mr. Holland stated that, even with all six carriers offering each of the nine plans, choice is being standardized. The new model will provide a standard base with several price points. Mr. Holland reviewed each of the plan designs. By shifting co-pays, premiums for the new gold and silver plan designs will increase at a lower rate. Based on market research, staff is recommending a co-pay model for one of the Bronze level plans, rather than moving entirely to co-insurance. Mr. Gruber expressed concern that premiums for Bronze level plans are increasing at a higher rate than the market average and requested that Connector staff evaluate cost-shifting as a means of moderating premium trends. Mr. Holland reviewed YAP benefit designs. Staff requested bids on two plans with four iterations of the annual benefit max. Mr. Gruber asked how many YAP members hit the annual limit. Mr. Holland responded that a carrier poll revealed that none reached the max. Staff is recommending allowing carriers to propose an annual benefit max of no less than \$50,000. The minimum is based on Qualifying Student Health Insurance Plan standards. Ms. Turnbull expressed concern that a \$50,000 annual limit is too low.

Mr. Holland reviewed modifications to the standardized model. Staff is proposing allowing carriers to waive co-payments for preventative care visits, to offer a three visit co-pay option on primary care visits in one of the YAP plan designs, and to modify the inpatient mental health cost-sharing arrangement. Staff is also recommending waiving the requirement that carriers conform to the same cost-sharing and benefit structure for durable medical equipment. This modification will only impact cost-sharing, not the level of benefit.

There being no further business before the Board, the meeting was adjourned at 11:10 AM.

Respectfully submitted,
Nicole Iannuzzi