

# Massachusetts Health Connector

## Report to the Massachusetts Legislature Implementation of Health Care Reform

Fiscal Year 2017

December 2017



## **Table of Contents**

Section 1.0: Preface .....	1
Section 2.0: Introduction.....	2
Section 3.0: Health Connector Membership .....	3
Section 4.0: Outreach and Education.....	13
Section 5.0: Policy and Regulatory Responsibilities .....	17
Section 6.0: Concluding Comments .....	21
Appendix .....	22

## List of Tables and Figures

### Figures

- Figure 1: Milestones in Massachusetts Market Reform
- Figure 2: Non-Group Enrollment On and Off Exchange
- Figure 3: ConnectorCare Plan Types by Income
- Figure 4: ConnectorCare Enrollment by Plan Type
- Figure 5: ConnectorCare Enrollment by Carrier
- Figure 6: Non-ConnectorCare Enrollment by Metallic Tier
- Figure 7: Non-ConnectorCare Enrollment by Carrier
- Figure 8: Non-ConnectorCare Non-group Enrollment On- and Off-Exchange by Carrier
- Figure 9: Small Group Enrollment by Metallic Tier
- Figure 10: Small Group Enrollment by Carrier
- Figure 11: Wellness Track Portal
- Figure 12: Non-Group Dental Enrollment by Benefit Type
- Figure 13: Non-Group Dental Enrollment by Carrier
- Figure 14: Small Group Dental Enrollment by Benefit Type
- Figure 15: Small Group Dental Enrollment by Carrier
- Figure 16: Ethnic Media Messaging
- Figure 17: Outreach Platforms

### Tables

- Table 1: FY17 ConnectorCare Budget
- Table 2: FY17 Premium Waiver Requests
- Table 3: FY17 Appeal Requests
- Table 4: CY2017 Affordability Schedule for Individuals
- Table 5: CY2017 Affordability Schedule for Couples
- Table 6: CY2017 Affordability Schedule for Families
- Table 7: Penalty Schedule for Failure to Comply with the Individual Mandate, 2013–2017

## Section 1.0: Preface

Massachusetts has a long history of health care reform efforts aimed at expanding health insurance coverage to residents of the Commonwealth. The Massachusetts Health Connector is proud to be a key part of that legacy since 2006 when the Commonwealth's landmark health reform law, Chapter 58 of the Acts of 2006, was passed, creating a state-based Exchange: a place where individuals, families, and small businesses can find, compare, and get help to afford health coverage.

This report focuses on fiscal year (FY) 2017, during which the Health Connector offered new and renewing members a stable enrollment experience despite preparing for member shifts resulting from eligibility changes and planned program design and program integrity improvements. The Health Connector's commitment to continually improving the member experience was underscored by the advancement of its technological capabilities, used to provide a seamless enrollment process. In FY17, the Health Connector continued to effectively provide affordable coverage, ensuring that the state's health insurance landscape is more competitive, efficient, and easier for consumers to navigate.

The sustained success of health reform in Massachusetts would not be possible without the support and assistance of the Legislature and many state agencies. The Health Connector would like to thank the Office of the Governor, the Legislature, the Executive Office of Health and Human Services, MassHealth, the Executive Office for Administration and Finance, the Division of Insurance, the Group Insurance Commission, the Department of Revenue, MassIT (now the Executive Office of Technology Services and Security), the Center for Health Information and Analysis, the Department of Public Health, the Division of Unemployment Assistance, the Massachusetts Board of Higher Education, the Health Policy Commission, and the Office of the Attorney General for their ongoing commitment to Massachusetts health reform.

The Health Connector is governed by a Board of Directors consisting of 11 members. The staff of the Health Connector wishes to extend its deepest gratitude to all past and current Directors for their commitment to health reform. Directors who served in FY17 are:

- Secretary of the Executive Office of Health and Human Services Marylou Sudders, Chair of the Board;
- Secretary of the Executive Office for Administration and Finance Kristen Lepore;
- Michael Chernen, Ph.D., Leonard D. Schaeffer Professor of Health Care Policy at Harvard Medical School;
- Mark S. Gaunya, GBA, LIA, Co-owner and Chief Information Officer, Borislow Insurance;
- Roberta Herman, M.D., Executive Director of the Group Insurance Commission;
- Daniel R. Judson, Commissioner of the Division of Insurance; succeeded by Acting Commissioner Gary Anderson mid-way through FY17;
- Louis F. Malzone, Executive Director of the Massachusetts Coalition of Taft-Hartley Funds;
- Dimitry Petion, President and CEO of Mulberry Systems, Inc.;
- Nancy Turnbull, Senior Lecturer on Health Policy and Associate Dean at Harvard School of Public Health;
- Rina Vertes, President of Marjos Business Consulting; and
- Celia Wcislo, Assistant Division Director of 1199 SEIU United Health Care Workers East

## Section 2.0: Introduction

### 2.1 History of the Health Connector

In Massachusetts, Chapter 58 of the Acts of 2006, our state’s health reform law, and the Health Connector were built on the understanding that access to affordable and comprehensive coverage is a fundamental need of all of the Commonwealth’s residents. For over a decade, the Health Connector has maintained an essential role in the Massachusetts merged non-group and small group market, particularly through the state’s transition to the federal Patient Protection and Affordable Care Act (ACA), which became law in 2010 and was implemented by 2014.

Through that transition, including adjusting state policies and regulations to conform to the ACA and the availability of federal premium tax credits and cost-sharing reductions to subsidize individuals purchasing coverage from health insurance Exchanges like the Health Connector, Massachusetts continued its commitment to keeping insurance affordable for low-income individuals and created the ConnectorCare program to supplement federal subsidies. These additional premium and cost-sharing reductions provide enrollees under 300% FPL with premiums and benefits comparable to what was available through the state’s pre-ACA Commonwealth Care program. ConnectorCare has been critical to preserving coverage gains made prior to the ACA and driving competition that helps keep premiums stable and low in the merged market.

In the next chapter of the Health Connector’s history, the Exchange will continue to improve the member experience for non-group enrollees while seizing opportunities to meet the needs of the small group market in Massachusetts. Through the implementation of a new Group Market Exchange (GME), the Health Connector aims to provide employers an easy to use platform and the ability to offer a wide range of high-value options to employees, including plans that offer savings compared to average small group premiums.

Though the policies and functions of the Exchange have changed significantly, the mission and results remain consistent, as hundreds of thousands of people rely on the Health Connector for affordable health insurance. Key milestones in Massachusetts’ commercial market are highlighted in Figure 1.

**Figure 1. Milestones in Massachusetts Market Reform**

1992 – 1996	<ul style="list-style-type: none"> <li>Massachusetts introduced consumer protections to the non-group and small group market, including guaranteed issue and a state version of adjusted community rating rules.</li> </ul>
2006 – 2008	<ul style="list-style-type: none"> <li>Massachusetts enacted Chapter 58 of the Laws of 2006 (Chapter 58), comprehensive reforms that aimed to achieve near-universal health coverage. Key components of Chapter 58 and subsequent amendments included:               <ul style="list-style-type: none"> <li>The creation of the Health Connector, an independent agency that serves as an "exchange" marketplace to assist individuals and small employers in accessing health insurance, as well as subsidies to promote affordable coverage for residents with incomes up to 300% FPL through the Commonwealth Care program.</li> <li>State shared responsibility requirements for individuals and employers.</li> <li>The merger of the non-group and small group markets into a single risk pool.</li> </ul> </li> </ul>
2010 – 2014	<ul style="list-style-type: none"> <li>Massachusetts prepared to implement the ACA, opting to retain its state-based marketplace and merged market structure.</li> <li>Massachusetts enacted comprehensive cost-containment legislation.</li> </ul>
2014 – 2017	<ul style="list-style-type: none"> <li>Massachusetts retained its state-based marketplace, the Health Connector, and transitioned Commonwealth Care enrollees to ConnectorCare, a new program within the Exchange for residents with income up to 300% FPL that includes new federal APTCs and CSRs and maintains a federally-matched “state wrap” via a Medicaid Section 1115 waiver to meet a state affordability schedule that exceeds the federal affordability schedule. Residents between 300-400% FPL are also eligible for premium tax credits.</li> <li>As of July 2017, the Health Connector has over 250,000 enrollees, including nearly 190,000 ConnectorCare enrollees under 300% FPL and nearly 10,000 APTC-only enrollees with incomes between 300-400% FPL.</li> </ul>

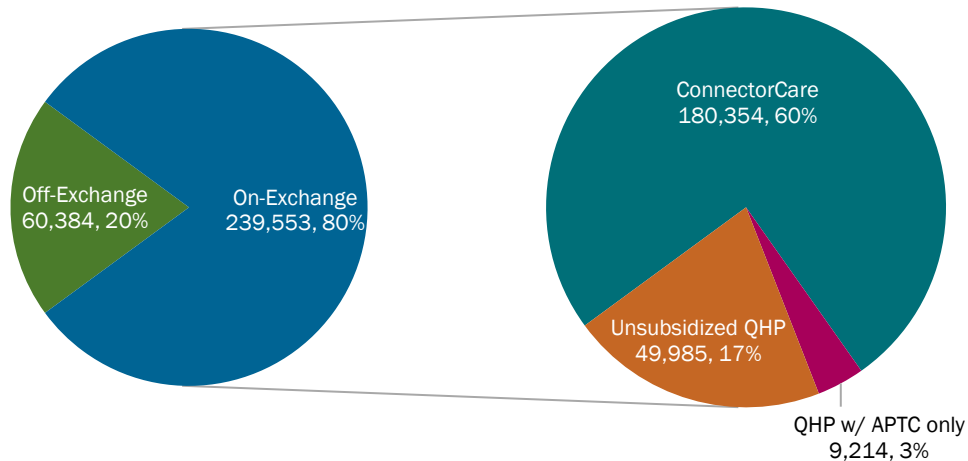
## Section 3.0: Health Connector Membership

At the end of FY17, the Health Connector provided coverage to over 250,000 individuals and 5,800 employees of small businesses. These Massachusetts residents received high-quality coverage through Qualified Health Plans (QHPs) certified by the Health Connector. Plans are organized into four metallic tiers that represent the richness of the benefits provided: Platinum, Gold, Silver, and Bronze. Platinum plans provide low out of pocket costs for services, but have higher premiums, while Bronze plans have higher out of pocket costs for services, but lower monthly premiums. Additionally, the Health Connector offers “Catastrophic” plans with higher cost sharing for individuals under age 30 or who have a financial hardship that makes purchasing more robust coverage unaffordable.

Individuals (non-group members only) under 400% of the Federal Poverty Level (FPL) may qualify for federal tax credits to reduce their premiums, and individuals under 250% may qualify for cost-sharing reductions (CSRs) to reduce their out of pocket costs, if appropriated by Congress. The ACA allows for the premium tax credits to be taken during the tax year or claimed when filing after the tax year closes. When used during the tax year, they are known as advance premium tax credits (APTCs). In addition to federal subsidies, Massachusetts provides enrollees with incomes under 300% FPL with supplemental state subsidies via the ConnectorCare program.

The Health Connector covers 80% of the state’s non-group market, with 20% of Massachusetts’s individual purchasers opting to obtain coverage outside of the Exchange by going to a carrier directly (see Figure 2). While subsidies draw many consumers to the Health Connector, 49,985 members were enrolled in the Exchange without subsidies, representing 17% of the non-group on-exchange enrollment and 45% of unsubsidized members in the overall unsubsidized market segment overall.

**Figure 2. Non-Group Enrollment On and Off Exchange, 2017**



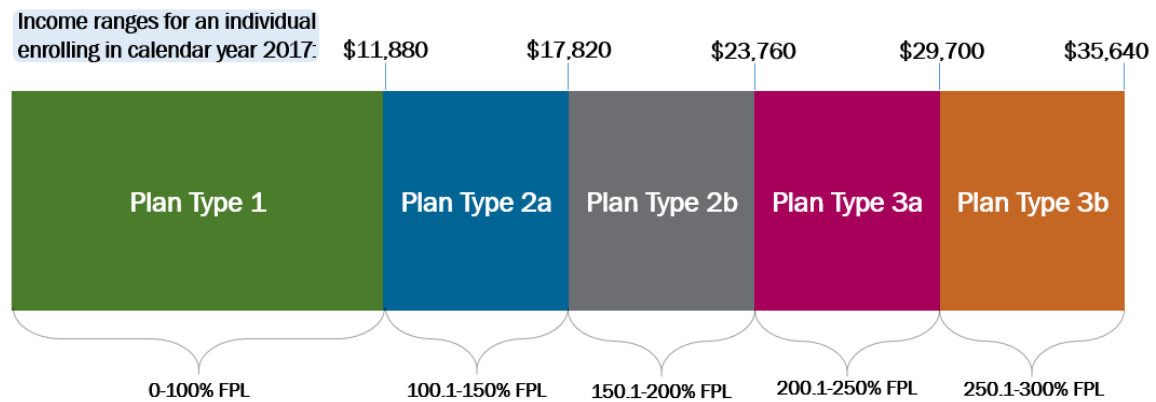
Source: CHIA Enrollment Trends August 2017 Databook. Data from March 2017. <http://www.chiamass.gov/enrollment-in-health-insurance/>.

In a survey conducted in early FY17, approximately three-quarters (77%) of enrollees reported being satisfied with their Health Connector coverage. This is a significant increase from FY16, when satisfaction was at 68%. Members reported coming to the Health Connector because they needed health insurance (60%) and it represented their best option for coverage (39%). Members’ primary consideration when selecting a plan was low monthly premium cost followed by a plan network including their own provider. Most members (81%) found the enrollment process easy, citing the ability to compare plans as a helpful tool (93%). This information was gathered in a consumer survey completed by approximately 1,000 enrolled or recently dis-enrolled members. The findings were used to enhance member communications, address gaps in member knowledge, and implement strategies to improve the member experience.

### 3.1 ConnectorCare Membership

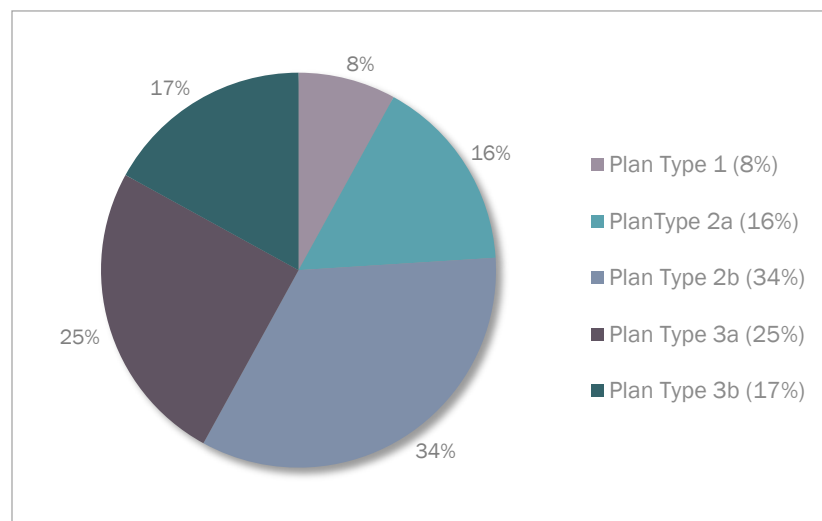
The ConnectorCare program provides comprehensive, affordable health insurance to Massachusetts residents with incomes below 300% FPL. Because federal premium tax credits and cost-sharing subsidies are supplemented with state funds, ConnectorCare coverage is more generous than the federal standard. There are five ConnectorCare Plan Types that depend on an individual's income (see Figure 3). Enrollees make small premium payments on a sliding scale, in monthly minimum amounts ranging from \$0 to \$124 monthly, but receive the same benefits regardless of premium and plan type. Enrollees who do not choose the lowest cost carrier may pay more than the minimum premium. ConnectorCare plans have low co-pays for covered services and never include coinsurance or deductibles. In FY17, ConnectorCare enrollees were able to select plans from seven different carriers.

**Figure 3. ConnectorCare Plan Types by Income**



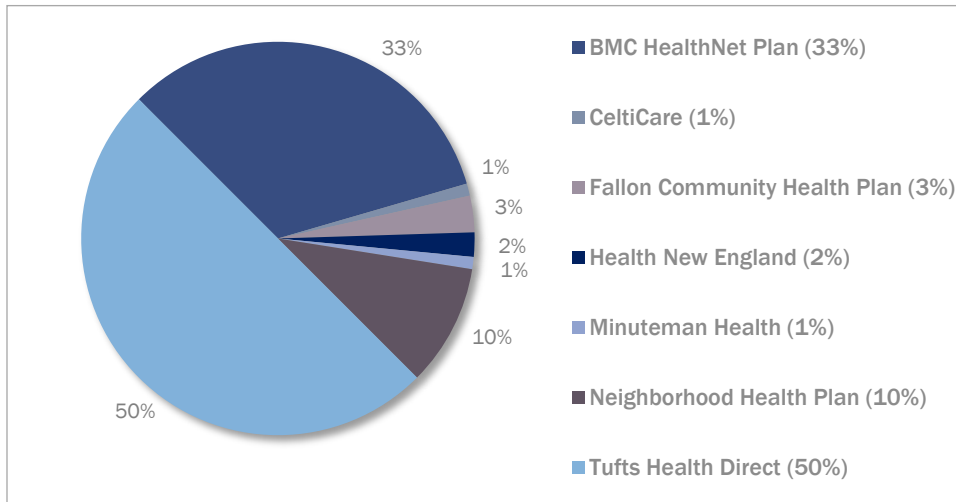
The ConnectorCare program had 188,892 active members as of June 30, 2017, with the highest volume of members enrolled in Plan Type 2b (34%). These enrollees had income between 150.1 and 200% FPL or \$17,821 to \$23,760 for an individual. Depending on their region and carrier, individuals in this income bracket had monthly premiums that ranged from \$43 to \$221 in 2017.

**Figure 4. ConnectorCare Enrollment by Plan Type**



Nearly 83% of ConnectorCare enrollees chose Tufts Health Direct or BMC HealthNet Plan. BMC HealthNet Plan was the lowest-cost ConnectorCare plan option available in 2017 in eight of the 14 ConnectorCare regions across the state, including the greater Boston region.

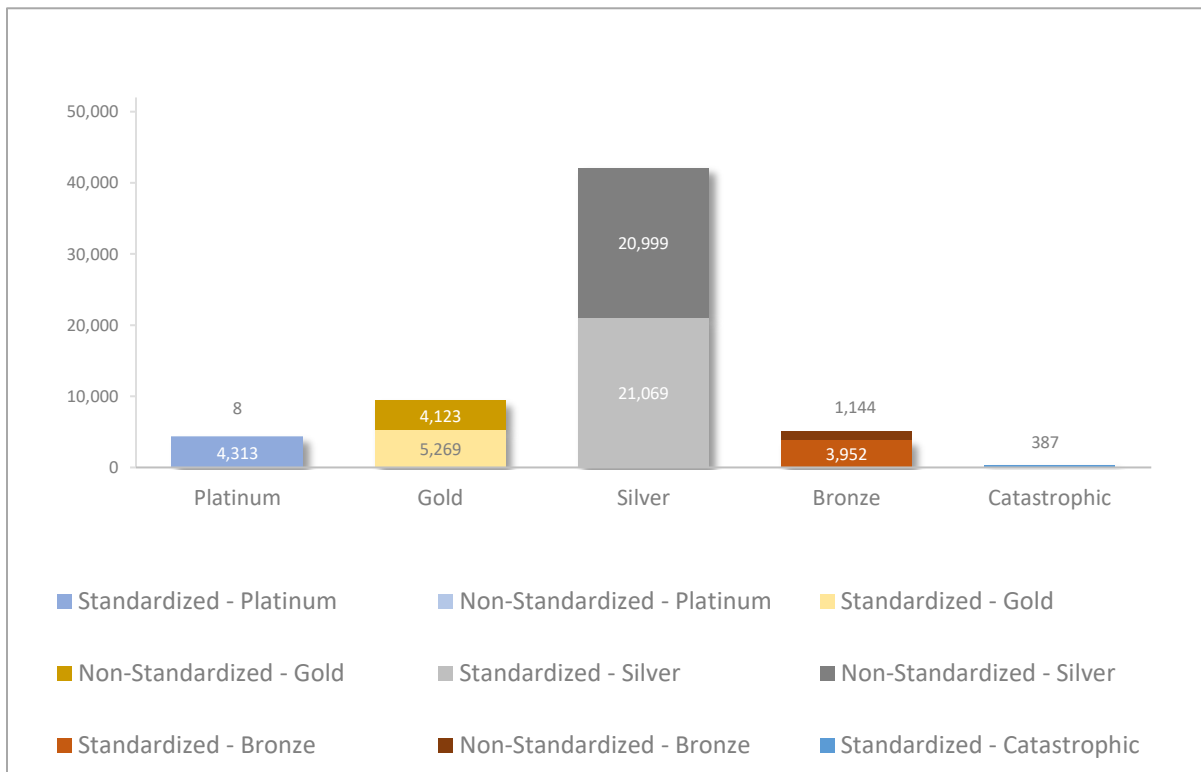
**Figure 5. ConnectorCare Enrollment by Carrier**



### 3.2 Non-Group Membership Outside ConnectorCare

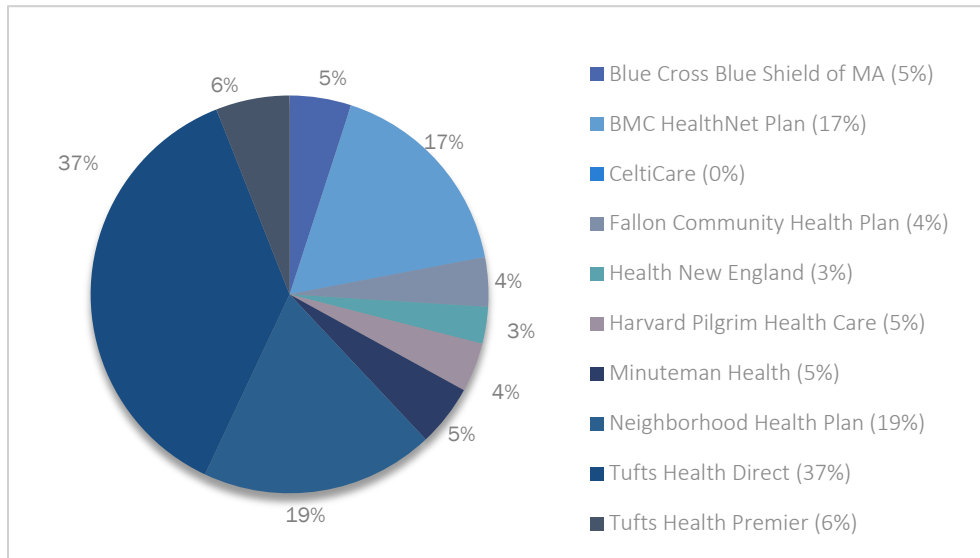
At the end of FY17, 61,264 individuals were enrolled in Qualified Health Plans with either no subsidies or only federal APTCs (i.e., households with income between 300 and 400% FPL). Approximately 70% of non-group members enrolled in plans on the Silver tier. Tufts Health Direct was the most popular carrier among these non-ConnectorCare members, with 37% of non-ConnectorCare enrollment, followed by Neighborhood Health Plan and BMC HealthNet Plan, with 19% and 17% enrollment, respectively.

**Figure 6. Non-ConnectorCare Enrollment by Metallic Tier**



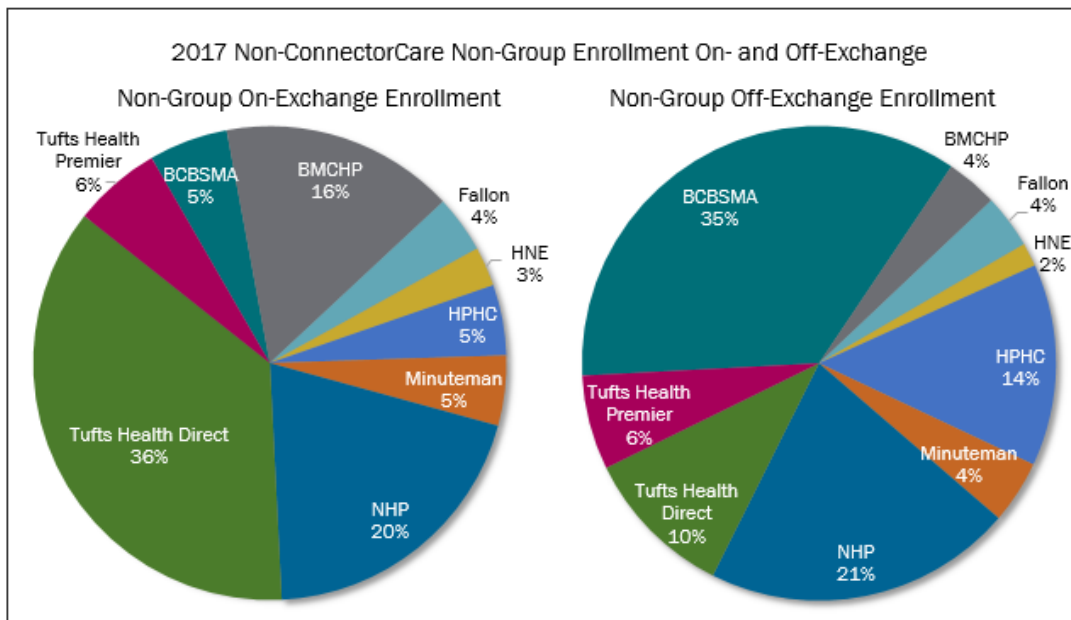


**Figure 7. Non-ConnectorCare Enrollment by Carrier**



The health insurance carriers selected by the Health Connector’s non-group, non-ConnectorCare enrollees (on-exchange) differ substantially from those chosen by non-group shoppers outside the Health Connector (off-exchange). Although non-group, non-ConnectorCare enrollees are divided nearly equally between Health Connector and off-exchange plans, an updated comparison of membership by carrier (see Figure 8) shows notable differences in enrollment patterns. These differences indicate that consumers are more likely to “shop around” and discover alternative high-value options that they may not have considered without the plan comparison shopping experience offered by the Health Connector.

**Figure 8. 2017 Non-ConnectorCare Non-Group Enrollment On- and Off-Exchange by Carrier**



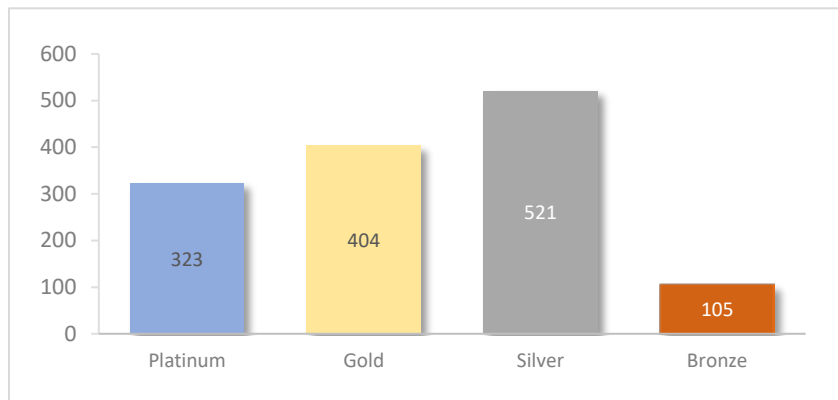
Source: CHIA Enrollment Trends August 2017 Databook. Data from March 2017. <http://www.chiamass.gov/enrollment-in-health-insurance/>. Enrollment totals for On-Exchange Non-Group enrollment do not include ConnectorCare enrollment. Excludes carriers with negligible enrollment.

### 3.3 Small Group Membership

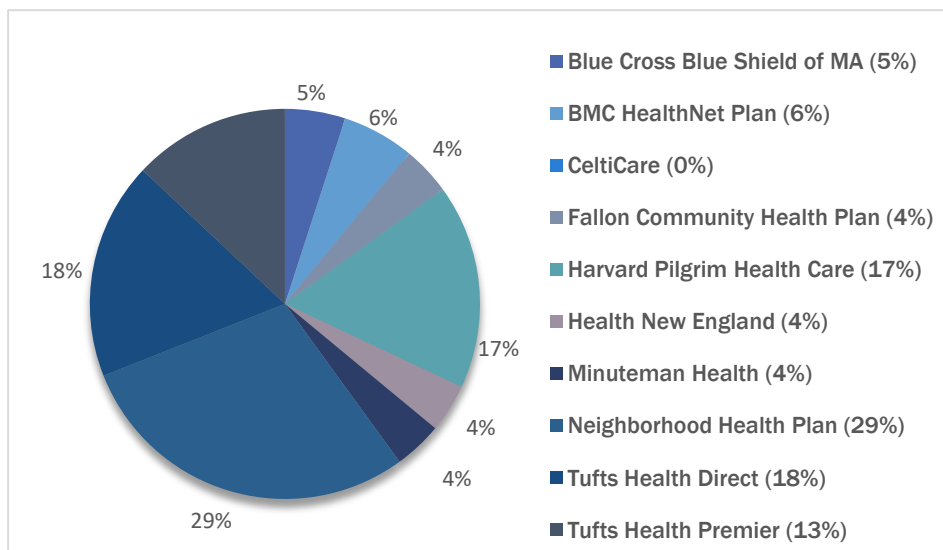
During FY17, the Health Connector began the process of procuring and building a new small group platform to be launched in FY18. In an effort to create opportunities for further growth in the Massachusetts employer-based insurance market for future years, the new Group Market Exchange (GME) will provide Massachusetts employers and their employees more choices, predictable costs, and enhanced competitive dynamics. The impact of the new GME on small group membership will be assessed in future reports.

By the end of FY17, the Health Connector had 5,803 small-group members among 1,353 groups. As with non-group enrollees, Silver tier plans are the most popular within small group members. Neighborhood Health Plan, Tufts Health Direct and Harvard Pilgrim Health Plan share the majority of enrollees.

**Figure 9. Small Group Enrollment by Metallic Tier**



**Figure 10. Small Group Enrollment by Carrier**



## Wellness Track

Since June 2011, small businesses in Massachusetts shopping through the Health Connector have also had access to Wellness Track, a web-based worksite wellness and employer rebate program. Wellness Track provides small businesses with technical assistance to implement evidence-based employee health and wellness programs. Via the Health Connector website, participating employers and their employees have access to a user-friendly web interface that offers customized wellness programs and a library of health information. While all small businesses enrolled in a plan through the Health Connector may participate in Wellness Track, certain employers may also be eligible to receive a rebate of 15% of the employer's share of eligible employee health care costs.

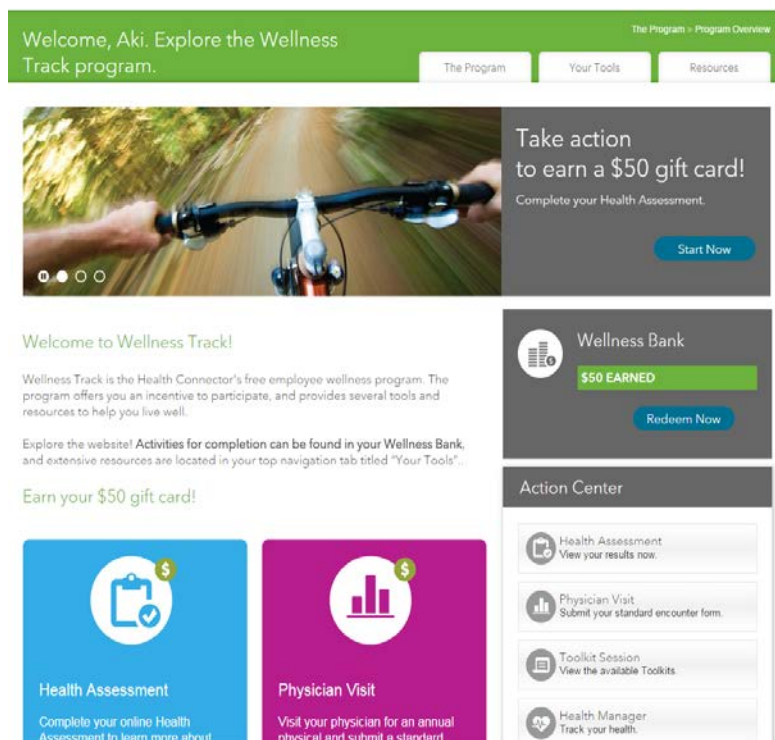
In 2013, the Health Connector expanded eligibility for the Wellness Track rebate. In the past, eligibility for the rebate was based on a set of standards that closely mirrored the requirements for the ACA's Small Business Health Care Tax Credit (SBTC), in that both employer size and average salary were considered. In an analysis of why the program was generally underutilized by employer groups, the Health Connector determined that these guidelines, particularly with regard to average salary, were too restrictive. Revised regulations removed the salary criterion while continuing to focus on employers with 25 or fewer employees, a market segment that has traditionally been underserved by other wellness programs.

The change in eligibility standards, coupled with a campaign to relaunch the program, resulted in more than twice as many employers and employees enrolled in the program at the end of FY2014. In 2017, Wellness Track enrolled 400 companies, representing a 40% increase in membership when compared to 2014. Additionally, the Wellness Track program completion rate doubled between 2014 and 2017, with 12% of employer groups completing the program in 2017. In addition to the change in eligibility standards, in 2015, the Wellness Track launched a new web portal experience featuring an App Manager page. The App Manager is fully integrated with over 130 wearable fitness devices to help members manage their health.

To qualify for a rebate, employers must promote a healthy work environment by implementing their choice of three wellness toolkits: nutrition, physical activity, or stress management. Each toolkit includes wellness activities (e.g., walking programs, healthy eating plans, and time management worksheets), resource lists and flyers for distribution to employees. Employees can qualify for rewards upon completion of a routine preventive care visit or a confidential online health risk assessment and fulfillment of activities outlined in their company's chosen toolkit. The stress management toolkit includes smoking cessation resources. Early analysis of health risk assessment data for Wellness Track showed that its population had a wellness score that compared favorably to a broad database of wellness scores collected through the University of Michigan's Health Management Research Center. These scores can help predict future disease development and the chances of an individual's use of the healthcare system over time.

The Health Connector is considering further improvements to the wellness program by requesting flexibility to administer the federal SBTC at the state level. According to a survey conducted by the Center for Health Information and Analysis in 2016, there are low levels of awareness among small firms of this tax credit and its

**Figure 11: Wellness Track Portal**

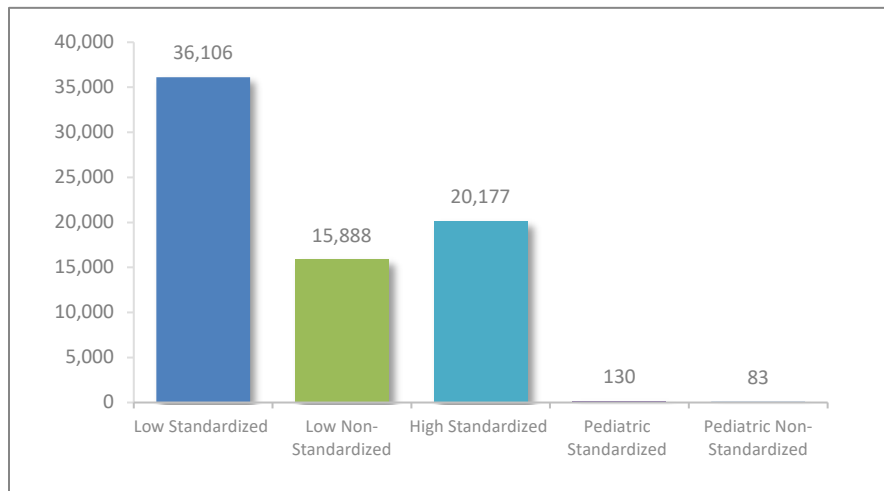


availability through the Health Connector.<sup>1</sup> The SBTC would work in conjunction with the existing Wellness Track program in an effort to better support Massachusetts employers' ability to obtain the credits and help maximize their intended purpose: to help the small employers struggling the most to offer coverage to their workers. Administering the tax credit at the state level would afford Massachusetts the opportunity to craft an easy-to-use, effective and meaningful support structure for the most "coverage-vulnerable" small businesses.

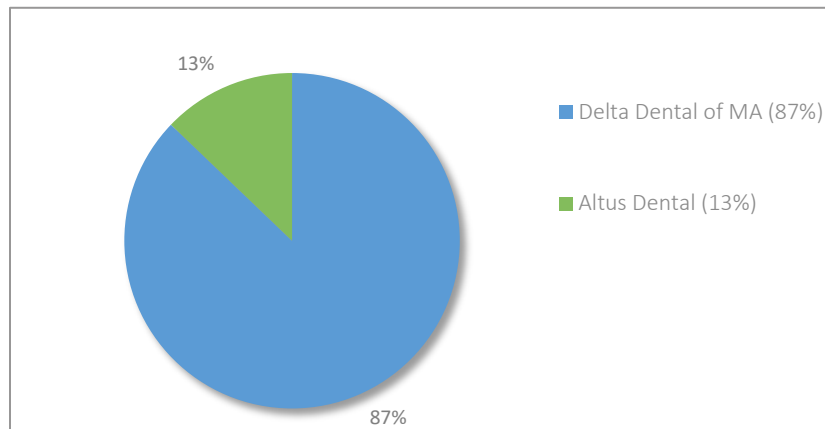
### 3.4 Dental Membership

The Health Connector first began to offer dental coverage to individuals and small groups in January 2014. Between FY16 and FY17, enrollment in dental coverage increased by 22% with 72,384 individuals enrolled at the end of FY17. Most members chose to enroll in Delta Dental.

**Figure 12. Non-Group Dental Enrollment by Benefit Type**

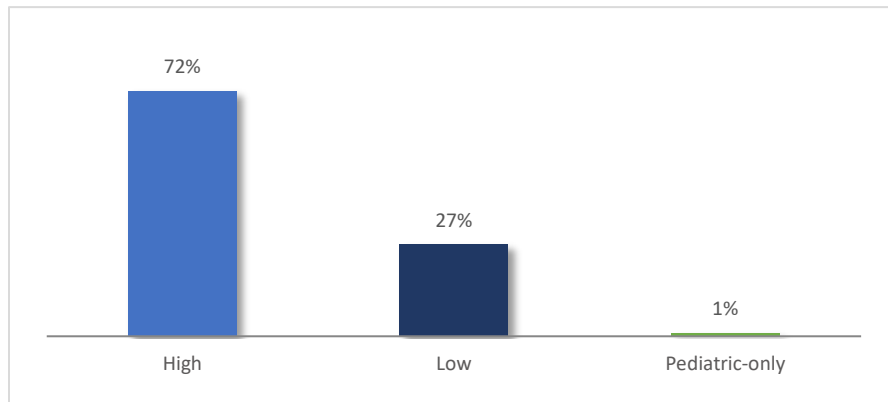


**Figure 13. Non-Group Dental Enrollment by Carrier**

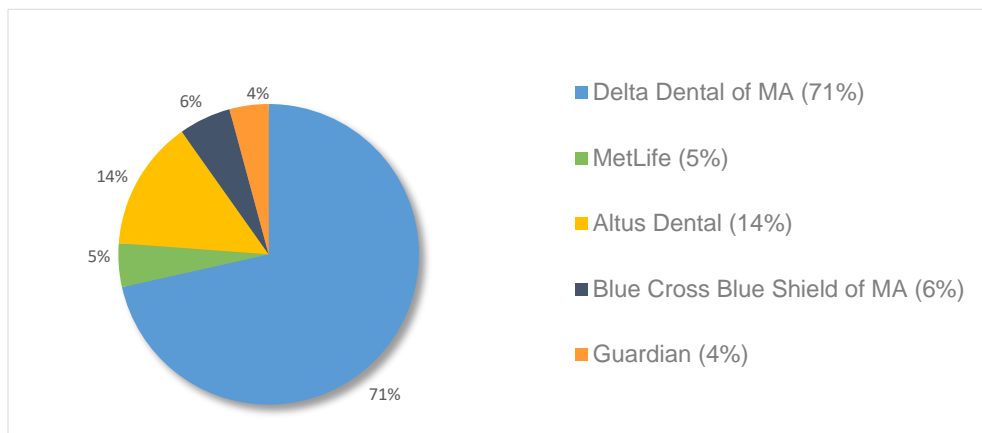


Delta Dental has the majority of small group membership, as well, though small groups have five carriers to choose from, where individuals only have two.

**Figure 14. Small Group Dental Enrollment by Benefit Type**



**Figure 15. Small Group Dental Enrollment by Carrier**



### 3.5 Administration and Operations

Chapter 58 created the Commonwealth Care Trust Fund (CCTF) to provide support for subsidized coverage through the Health Connector. Funding streams dedicated to the CCTF are premiums paid by Health Connector members, dedicated tax revenue available through a surcharge on the state cigarette tax, and receipts from the employer medical assistance contribution. Additionally, Federal Financial Participation (FFP) matches a portion of the state’s spending on premium and cost sharing subsidies. Beyond premium supports for individuals, the Health Connector also administers wellness subsidies for employers as noted above and facilitates payments to carriers for certain state mandated benefits that must be paid for by the state under the ACA. Separately from the program budget, the Health Connector receives a percentage of enrollee premiums to support administrative costs.

#### ConnectorCare Budget

The ConnectorCare budget in Table 1 shows expected and actual spending for FY17. The federal government provides matching FFP payments only for citizens and certain other immigrants. While the immigrants who do not qualify for FFP are legally entitled to Health Connector coverage, the Commonwealth provides a larger portion of their subsidies. However, the total amount to cover those members is substantially lower than the costs for members who do qualify for FFP because non-qualified members comprise less than 20% of total enrollment. The FY17 ConnectorCare program budget was updated on January 6, 2017 for the Governor’s Budget. Health Connector programs were estimated at \$153.5M net of FFP and the actual costs came in at \$153.4M, a positive variance of \$87,000.

**Table 1. FY17 ConnectorCare Budget**

<b>FY17 Net Costs</b>	<b>FY17 Actuals as of August 2017</b>	<b>FY17 Budget as of January 2017</b>
	<b>Total</b>	<b>Total</b>
ConnectorCare (Total)	\$118,552,000	\$118,726,000
Enrollees who do not qualify for FFP	\$22,298,000	\$21,959,000
State Premium Wrap	\$13,784,000	\$13,447,000
State CSR	\$8,513,000	\$8,512,000
Enrollees who do qualify for FFP	\$127,928,000	\$128,441,000
State Premium Wrap	\$56,206,000	\$56,362,000
State CSR	\$71,722,000	\$72,079,000
Cost Sharing Reconciliation (CY14 & CY15)	-\$31,674,000	-\$31,674,000
Health Insurer Providers Fee (CY15)	\$3,000	\$3,000
State Mandated Benefits	\$587,000	\$596,000
Wellness Subsidies (FY16)	\$150,000	\$150,000
CCTF Draw	\$38,160,000	\$38,160,000
<b>Total Program Cost (Net of FFP)</b>	<b>\$157,451,000</b>	<b>\$157,635,000</b>

## Operational Support

The Health Connector engages two vendors to provide customer service and business operations support. NTT Data (formerly Dell Systems) provides member support for non-group members. NTT is critical to providing shoppers and members with information by phone and in person, and are able to provide assistance in a variety of different languages. In FY17, the Small Business Service Bureau provided support for small group applicants and enrollees, however, Health Connector staff transitioned to a new group market platform at the close of FY17.

## Group Market Exchange

During FY17, the Health Connector procured a new Group Market Exchange (GME) solution, entering a cooperative agreement with the District of Columbia Health Benefit Exchange (DCHBX). By utilizing DCHBX's service model and platform, the Health Connector has begun the transition to a new solution that will offer savings, compliance with federal requirements, and growth opportunities to better serve a range of employers. The new platform will benefit small businesses, their employees, and their brokers by offering: a modern, easy-to-use website and call center; a range of ways for employers to contribute to health and dental plans; choice options for health plans; new opportunities for employees to shop for competitively priced plans with robust benefits; and the ability to easily find and partner with a broker.

Historically, the Small Business Health Options Program (SHOP) product line has run at a loss for the Health Connector. Given the recent changes in market dynamics as well as improved functionality and lower vendor costs, the potential for growth is much higher. These changes position the new GME as a strategic asset worth investing in and growing. Over the past fiscal year, the Health Connector engaged in planning and implementation activities for a launch set for late 2017 for coverage beginning on January 1, 2018. A thorough analysis of the impact of the new GME will be provided in future reports.

## 3.6 Consumer-Oriented Improvement Initiatives

The Health Connector strives to achieve the highest levels of customer satisfaction and consistently improve the customer experience by better understanding current member experiences. By soliciting feedback through survey research, the Health Connector has begun to establish baseline measures of customer satisfaction and perceptions.

### Payment Portal

Customer feedback has consistently included requests for access to more information online, self-service features, and paperless billing options. Considering these comments and the limitations of the former payment tool, the Health Connector implemented a new payment portal in late FY17. The payment portal aims to provide a more integrated customer experience and achieve operational efficiencies and cost savings. Through the payment portal, members can:

- transition from enrollment to payment without encountering an additional login screen;
- view premium charges and payment transactions;
- make one payment for multiple plans;
- select their own payment date;
- view and print their premium bills; and
- sign up for paperless correspondence delivery.

### Call Center

The Health Connector continued to improve the member experience through process improvements originally put in place in FY16. First, customer service center staff levels were adjusted to meet increased demand while maintaining short wait times for callers. Second, customer service representatives were trained extensively prior to and during open enrollment to ensure customers were well supported during all phases of both the renewal and enrollment processes. This included implementation of an option for members to speak to a team of representatives trained specifically in helping members shop for plans. The “shopping queue” was well-received and was continued throughout the year. Third, call centers operated on expanded business hours to better serve a larger proportion of customers. Finally, the implementation of Salesforce, a Customer Relationship Management tool, enables customer service representatives to summarize and view encounters with members to track issues needing additional follow-up. In addition to these member experience improvements, the Health Connector’s ombudsman program continued to support harder to resolve member cases.

The Health Connector customer service center received approximately 20 percent more calls in the first week of Open Enrollment 2017 (OE17) compared to week one of OE16. Despite an increase in call volume between FY16 and FY17, the call center exceeded its service levels and customer satisfaction scores remained stable. The average speed to answer customer phone calls was only about two minutes during peak times and as low as 13 seconds during the remainder of the fiscal year.

### Decision Support

Through a member experience survey fielded in 2016, more than three-quarters of members (78%) indicated they would be interested in tools that allowed the Health Connector to recommend plans to them. In addition to current decision support services such as standardized plan comparisons, filtering and sorting options, provider network type differentiation, and a stand-alone provider and facility search tool, the Health Connector Board unanimously voted to procure decision support tools from two cost-effective vendors with the goal of enhancing the member shopping experience. The first, a formulary search tool by Consumers’ Checkbook, offers the ability for consumers to search prescription drugs, including dosages, strengths, and both generic and brand names, and determine whether these drugs are included in the formulary by tier or cost. The second, a total cost calculator tool by Picwell, Inc., draws information from plan designs, robust claims data, and user inputs about expected health care needs and preferences (i.e. anticipated health care usage prescription drugs, preferred providers and risk tolerance) to provide a comprehensive total cost estimate. Checkbook will be integrated in the member shopping experience for Open Enrollment 2018 and Picwell is expected to launch during 2019.

## 3.7 Appeals and Waivers

The ConnectorCare program offers premium waivers to members who demonstrate extreme financial hardship according to criteria outlined in Health Connector regulations. Hardships include homelessness, eviction, or foreclosure; shut off of an essential utility; a sudden, significant increase in expenses due to domestic violence, death of a family member who was a primary child care provider, a family illness requiring full-time care, natural or manmade disaster; and bankruptcy. A breakdown of approved, denied, dismissed, and pending premium waiver requests in FY17 is available in Table 2 below. Reasons for dismissal of waiver applications include missing documents, submission by non-members, or other administrative reasons. In FY17, no applications were dismissed.

Under the ACA, all individual eligibility decisions are appealable; prior to 2014, eligibility appeals were limited to Commonwealth Care. In the past fiscal year, the Health Connector received a total of 3,744 appeal requests from individuals (see Table 3). Among the 2,049 dismissed appeals, 404 were resolved without the need for a hearing. Fifty percent of the 1,121 hearings scheduled were dismissed for failure to appear. The remainder were approved or denied at hearing, as noted in the table below.

**Table 2. FY17 Premium Waiver Requests**

Approved	109
Denied	273
Dismissed	0
Pending	0
<b>Total</b>	<b>382</b>

**Table 3. FY17 Appeal Requests**

Approved	18
Denied	291
Dismissed	2049
Pending	224
<b>Total</b>	<b>3744</b>

## Section 4.0: Outreach and Education

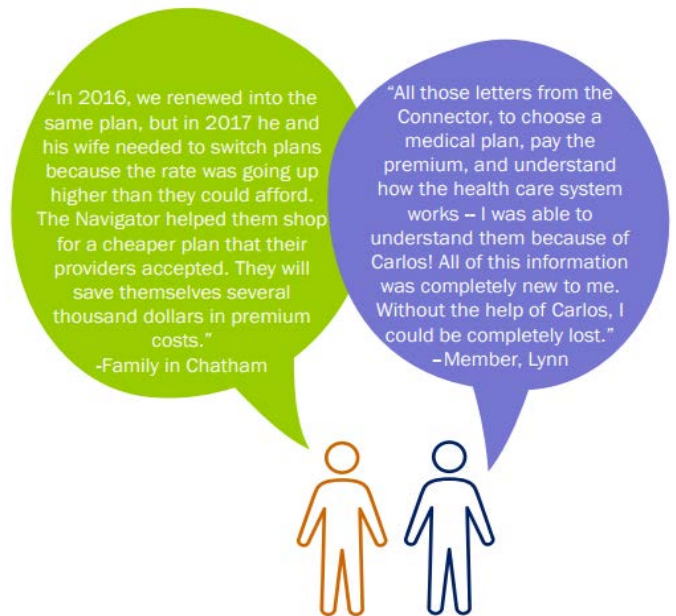
### 4.1 Community-Based Assistance

The Health Connector selects and provides grant funds to a set of community organizations to serve as Navigators, providing community-based assistance to Health Connector members and potential members. The goals of the Navigator program are three-fold. Navigators are tasked with utilizing evidence-based strategies to reach the uninsured and those at risk of uninsurance, using culturally and linguistically appropriate methods to continue to generate awareness, and assisting with eligibility questions, renewals, application updates, shopping for plans, and payment.

The Navigator program is required by the ACA and supported by state funds. At the start of FY17, the Health Connector streamlined the Navigator organization selection process by extending the program to a two year cycle. The 2016-2017 list of Navigators includes:



- Boston Public Health Commission
- Cambridge Economic Opportunity Council
- Caring Health Center
- Community Action Committee of Cape Cod & Islands, Inc.
- Community Health Center of Franklin County (Greenfield)
- Ecu-Health Care
- Family Health Center of Worcester
- Fishing Partnership Support Services
- Greater Lawrence Community Action Council
- Health Care For All
- Hilltown Community Health Care Centers
- Joint Committee for Children’s Health Care in Everett
- Manet Community Health Center
- People Acting in Community Endeavor (PACE)
- Stanley Street Treatment and Resources
- Vineyard Health Access/County of Dukes County



“In 2016, we renewed into the same plan, but in 2017 he and his wife needed to switch plans because the rate was going up higher than they could afford. The Navigator helped them shop for a cheaper plan that their providers accepted. They will save themselves several thousand dollars in premium costs.”  
-Family in Chatham

“All those letters from the Connector, to choose a medical plan, pay the premium, and understand how the health care system works – I was able to understand them because of Carlos! All of this information was completely new to me. Without the help of Carlos, I could be completely lost.”  
-Member, Lynn

The 2016-2017 Navigator organizations performed a wide variety of outreach activities in multiple languages and effectively reached both the uninsured and Health Connector members in need of support. In FY17, these 16 organizations collectively:

- submitted 5,724 applications for 9,037 people;
- enrolled 4,800 new members in coverage;
- assisted 5,479 members through the redetermination and renewal process;
- answered 2,709 question regarding Health Connector premiums and bills; and
- attended nearly 400 community events to increase awareness about Open Enrollment.

Notably, navigators not only assist members during Open Enrollment but continue to support members with post-enrollment needs, providing outreach and enrollment assistance year-round.

## 4.2 Employer Engagement

While Navigators predominantly focus on individual members and shoppers, the Health Connector has sought other channels to help educate employers about changes in the policy landscape that affect them. The Health Connector has presented at and sponsored multiple events across the state over the past year in an effort to increase awareness among small business owners and their brokers about the Small Business Health Options Program, now known as “Health Connector for Business,” which offers employers affordable, flexible coverage at a time when many are struggling to continue offering health insurance to their employees. The Health Connector is ramping up these events with the launch of the new Health Connector for Business customer experience in FY18, engaging in a series of outreach events hosted in partnership with local Chambers of Commerce and employer associations and groups across the state.

The Health Connector has continued to engage an Employer Advisory Council to establish regular communication and dialogue with the business community. Founded during FY14, the Council and the Health Connector discuss key policy and programmatic changes taking place in the reform landscape that may affect businesses and employees alike. Further, the Council is an opportunity for the Health Connector to answer questions and hear feedback from the employer community that can be used to improve and enhance its policies and operations in a manner that will help employers and employees better navigate the health insurance landscape in Massachusetts. The Council includes representatives from the Associated Industries of Massachusetts (AIM), the Retailers Association of Massachusetts (RAM), the National Federation of Independent Business (NFIB), the Massachusetts Restaurant Association (MRA), the Massachusetts Food Association (MFA), the Massachusetts Nonprofit Network (MNN), the Greater Boston Chamber of Commerce, the Massachusetts Business Roundtable, and the Massachusetts Taxpayers Foundation.

The Health Connector has also worked closely with Massachusetts brokers, educating them about the ACA and the Health Connector so that they can better serve individuals and small businesses throughout the Commonwealth. Four-hundred and seventeen brokers are certified through the Health Connector to work with small businesses. In FY16, the Broker Enrollment Assister program underwent changes to better align its certification requirements with those for Navigators and Certified Application Assistants (which are primarily based at medical providers or social service agencies). In addition to educating brokers, the Health Connector learns from them as well. A Broker Advisory Council convenes at least quarterly to discuss topics important to small businesses, solicit feedback from brokers in the field, and raise awareness of challenges facing small businesses in Massachusetts.

### 4.3 Targeted Outreach & Community Engagement

In FY17, the Health Connector renewed its emphasis on grassroots community engagement and formed a new direct outreach approach comprising ethnic media marketing. Committing to a deeper and more informed outreach effort, the Health Connector developed outreach concepts, messaging, and visuals keeping specific populations in mind.

#### Targeted Outreach

After identifying key communities and populations in need of additional engagement in order to address ongoing disparities in health insurance coverage rates among particular demographics, Health Connector staff partnered with Archipelago Strategies Group, which conducted four focus groups in Spanish to identify barriers to enrollment and to test outreach messaging. Using information from the focus groups, Archipelago developed culturally appropriate messaging that targeted Latinos and other ethnic minority groups. To reach these communities, focused outreach was conducted in eight languages in addition to English including Spanish, Portuguese, Chinese, Haitian Creole, Vietnamese, Khmer and Polish. Ethnic media messages ran across 55 ethnic media outlets as: 1,881 30-second TV messages; 5,131 30-second radio messages; and 121 full- or half-page print messages (see Figure 17).

#### Community Engagement

In an effort to boost the Health Connector’s traditional pre-Open Enrollment media campaign, staff members were joined by Navigator organizations and local officials for a one-day, statewide “Hidden Gems” tour. The tour highlighted 15 interesting locations around the Commonwealth while simultaneously sharing the “hidden gems”—quality health insurance plans—that can be found through the state health insurance exchange. Staff, Navigators, and local officials urged members to “stop, shop, and enroll,” highlighting special offerings such as standardized plans, APTCs, and the low-cost, no deductible ConnectorCare program. Coverage of the Hidden Gems tour was featured in more than 20 media outlets and reached 18,000 people on Facebook.

#### Outreach Campaign Results

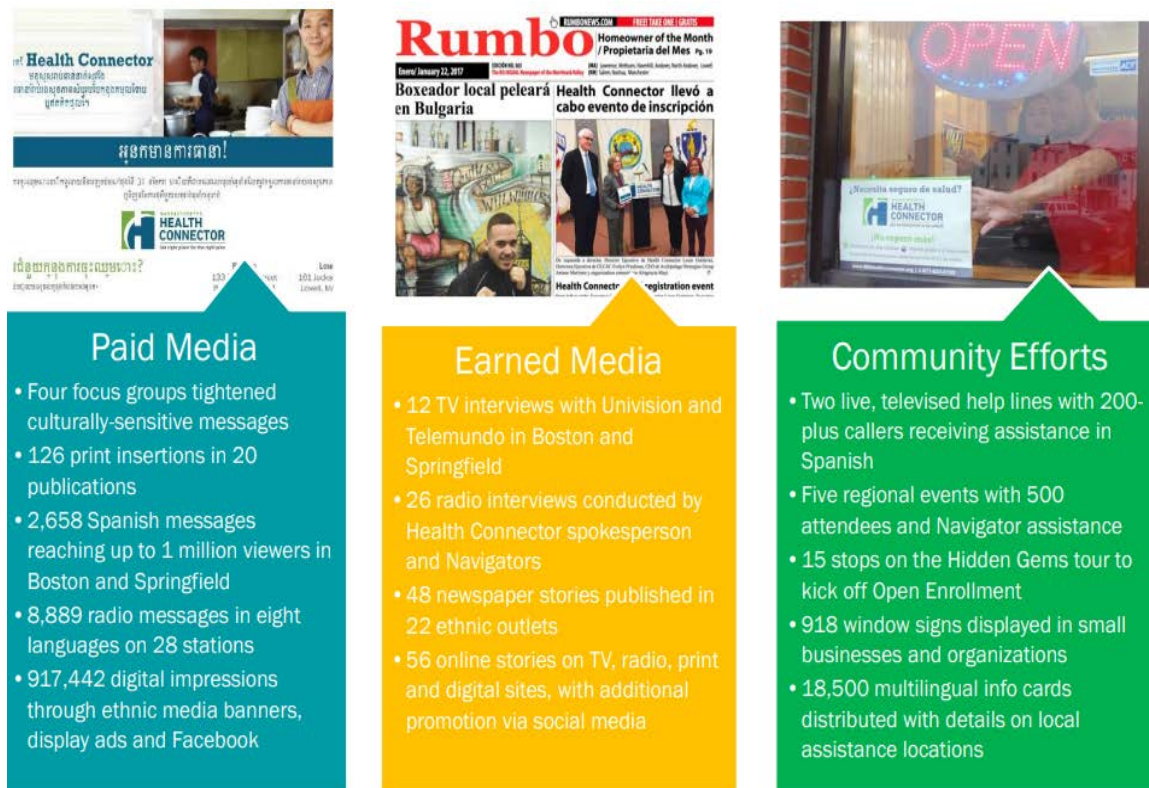
Overall, FY17 represents the most comprehensive ethnic media and community engagement campaign conducted by the Health Connector. An analysis of the campaign found a strong correlation between communities receiving top-level campaign inputs and top gains in new members. For example, strong

Figure 16. Ethnic Media Messaging



community-based efforts and overlapping media outlets in the Boston area led to significant new enrollment increases in Mattapan (70% higher than 2016), East Boston (54%) and Chelsea (50%), along with other nearby communities. Additionally, there were nearly 36,000 calls seeking Spanish assistance to the call center, an increase of 16,000 (more than 130%) compared to OE16. Complete statistics from the Health Connector’s paid media, earned media, and community outreach efforts can be seen in Figure 17.

**Figure 17. Outreach Platforms**



## 4.4 The Remaining Uninsured

Although Massachusetts has the highest health insurance coverage rate in the nation, there continues to be a small but persistent number individuals who lack coverage. The Health Connector is committed to reaching the remaining uninsured, particularly those groups who are more likely to be uninsured or experience gaps in health coverage. To address these disparities, the Health Connector conducted an analysis of internal and external data on the Commonwealth’s remaining uninsured population to inform a targeted population approach to outreach and enrollment. Informed by relevant data, research findings, and metrics on other environmental factors in Massachusetts, the Health Connector identified three special populations that disproportionately comprise the uninsured: Latinos, individuals at risk of losing Employer-Sponsored Insurance (ESI) and new Massachusetts residents. The Health Connector’s FY17 outreach efforts specifically targeted these groups along with historically harder-to-enroll populations, such as young men, with tailored interventions and messages. The Health Connector also deployed direct member communications such as Open Enrollment e-mail reminders to the eligible but unenrolled population. The Health Connector also coordinates with the Department of Revenue to target potential members through a direct mailing to Massachusetts tax filers. The Department of Revenue sends a letter to residents who reported on their tax filings that they did not have health insurance during the tax year.

## Section 5.0: Policy and Regulatory Responsibilities

### 5.1 Plan Certification

The Seal of Approval (SOA), as specified in Massachusetts General Laws Chapter 176Q, is a health plan designation awarded by the Health Connector, indicating that a health benefit plan meets certain standards regarding quality and value. Through the SOA process, the Health Connector is able to designate a set of high-value plan designs and request proposals from the state's leading health insurers to offer them on the Health Connector's shelf. Some plan designs are standardized across carriers, while others are unique designs submitted for consideration by individual carriers. The result is a set of plans that encourages market competition while focusing on keeping choices simple for consumers.

The ACA added new components to the Health Connector's SOA process. The Health Connector now also reviews certain network adequacy and essential community provider participation standards, service area requirements, transparency reporting, quality requirements, and marketing standards. Working closely with the Division of Insurance and other state agencies, the Health Connector developed a revised plan certification process that fully complies with ACA requirements while staying responsive to the state's insurance market.

In FY17, the Health Connector certified 62 Qualified Health Plans from 10 medical carriers for calendar year 2017 coverage. The SOA also certified 19 Qualified Dental Plans from four dental carriers for consumers to choose from. These plans were sold beginning on January 1, 2017.

### 5.2 Student Health Insurance Program

Chapter 224 of the Acts of 2012 (Chapter 224) shifted responsibility for Student Health Insurance Plans (SHIP) to the Health Connector. Effective January 1, 2014, the SHIP regulations were amended to allow students enrolled in MassHealth or subsidized health plans through the Health Connector to waive their college or university SHIPs.<sup>2</sup> This allows students access to affordable insurance while attending institutions of higher education. The Health Connector's management of the public colleges and universities' contract renewals helps keep cost growth down while ensuring compliance with federal and state rules.

After the implementation of the ACA in 2014, fewer students were enrolling in SHIPs, a trend most likely attributable to the increased availability of insurance options through MassHealth and the Health Connector. In FY17, the Health Connector partnered with MassHealth to launch the MassHealth SHIP Premium Assistance program with the public colleges and universities in the Commonwealth. Under the SHIP PA program, Massachusetts students are able to maintain their Medicaid benefits while enrolling in their schools' SHIPs, with the SHIP becoming the primary payer of services and MassHealth being secondary. In the program's first year (Academic Year 2016-2017), approximately 5,000 public college and university students optionally enrolled in coverage. Enrollment in Academic Year (AY) 2017-2018 is projected to increase significantly, to approximately 20,000 enrollees, because enrollment in the SHIP PA program will be mandatory for MassHealth-eligible students at participating schools. Additionally, the program expanded to 49 private schools in AY 2017-2018, further adding to enrollment in SHIPs. The increase in enrolled students will continue to strengthen the risk pool for student coverage while also providing cost-savings for the Commonwealth.

### 5.3 The Individual Mandate

The Health Connector is responsible for defining several policies related to the Commonwealth's requirement that adult individuals carry insurance if they have access to an affordable plan that meets certain coverage standards, known as the individual mandate. Massachusetts maintains this policy independent of a similar federal policy helping to keep Massachusetts the national leader in health coverage among residents as well as ensure that the coverage they have is high quality.<sup>3</sup> Specifically, the Health Connector defines what is deemed "affordable" and the benefits that constitute Minimum Creditable Coverage (MCC). Compliance with the individual mandate reporting requirements, as well as with the requirement to maintain coverage, remains high. Data from the Department of Revenue show that 99% of state residents required to report coverage on their state income tax return do so. Individuals who did not have coverage may have to pay a penalty, unless they qualify for an exemption.

## Affordability

Individuals are required to purchase coverage if it is considered affordable. To that end, the Health Connector Board is required on an annual basis to devise an “affordability schedule” that defines the amount an individual could be expected to contribute towards the purchase of an MCC-compliant health insurance plan.<sup>4</sup> An adult is considered able to purchase affordable health insurance if his or her monthly contribution to subsidized insurance or the lowest cost insurance plan available through the Health Connector does not exceed the corresponding maximum monthly premium for his or her income bracket. In 2017, the amount considered affordable federally was 8.16%; the cap on the state schedule reflects this adjustment.<sup>5</sup>

**Table 4. CY2017 Affordability Schedule for Individuals**

INDIVIDUALS					
Income Bracket			Monthly Affordability Standard	Dollar Amount	
% of FPL	Bottom	Top		Bottom	Top
0 - 100%	\$0	\$11,880	0%		
100.1 - 150%	\$11,881	\$17,820	0%		
150.1 - 200%	\$17,821	\$23,760	2.90%	\$ 43	\$ 57
200.1 - 250%	\$23,761	\$29,700	4.20%	\$ 83	\$ 104
250.1 - 300%	\$29,701	\$35,640	5.00%	\$ 124	\$ 149
300.1 - 350%	\$35,641	\$41,580	7.40%	\$ 220	\$ 256
350.1 - 400%	\$41,581	\$47,520	7.60%	\$ 263	\$ 301
Above 400%	\$47,521		8.16%	\$ 323	

**Table 5. CY2017 Affordability Schedule for Couples**

COUPLES					
Income Bracket			Monthly Affordability Standard	Dollar Amount	
% of FPL	Bottom	Top		Bottom	Top
0 - 100%	\$0	\$16,020	0%		
100.1 - 150%	\$16,021	\$24,030	0%		
150.1 - 200%	\$24,031	\$32,040	4.30%	\$ 86	\$ 115
200.1 - 250%	\$32,041	\$40,050	6.20%	\$ 166	\$ 207
250.1 - 300%	\$40,051	\$48,060	7.40%	\$ 247	\$ 296
300.1 - 350%	\$48,061	\$56,070	7.40%	\$ 296	\$ 346
350.1 - 400%	\$56,071	\$64,080	7.60%	\$ 355	\$ 406
Above 400%	\$64,081		8.16%	\$ 436	

**Table 6. CY2017 Affordability Schedule for Families**

FAMILIES					
Income Bracket			Monthly Affordability Standard	Dollar Amount	
% of FPL	Bottom	Top		Bottom	Top
0 - 100%	\$0	\$20,160	0%		
100.1 - 150%	\$20,161	\$30,240	0%		
150.1 - 200%	\$30,241	\$40,320	3.45%	\$ 87	\$ 116
200.1 - 250%	\$40,321	\$50,400	4.90%	\$ 165	\$ 206
250.1 - 300%	\$50,401	\$60,480	5.90%	\$ 248	\$ 297
300.1 - 350%	\$60,481	\$70,560	7.40%	\$ 373	\$ 435
350.1 - 400%	\$70,561	\$80,640	7.60%	\$ 447	\$ 511
Above 400%	\$80,641		8.16%	\$ 548	

## Minimum Creditable Coverage

As a part of Massachusetts' own health reform effort, the Health Connector's Board of Directors created a "floor" of covered benefits that adult tax filers must have in order to be considered insured and avoid tax penalties in Massachusetts. The level of coverage required is called Minimum Creditable Coverage (MCC). Sponsors of plans that do not meet specific MCC requirements, but that offer, on the whole, robust coverage, may ask the Health Connector to grant the plan MCC certification.

In FY2017, 1,644 plans were sent to the Health Connector for consideration as MCC-compliant. Of those, 1,620 were granted certification, 14 were denied, and 10 were withdrawn from consideration. Similar to FY2016, the high rate of MCC-certification approval is likely attributable to the fact that non-compliant plans are not submitting applications. The Health Connector has engaged in education of plan sponsors to explain the Health Connector's authority in the certification process, which has led to self-selection among applicants toward those that are most likely to be deemed compliant. Generally, the vast majority of state residents required to maintain insurance under the individual mandate are enrolled in MCC-compliant plans, ensuring that they have access to comprehensive coverage.

## Tax Penalties

Individuals who are deemed able to afford health insurance but fail to comply are subject to a tax penalty on their state income tax return. Statute sets the penalty for non-compliance at no more than half of the lowest cost insurance premium for coverage available through the Health Connector. For those with incomes below 300% FPL, the penalty schedule is based on the lowest cost premium contributions for a ConnectorCare plan. Since individuals with income at or below 150% FPL are not required to make a premium contribution, there is no penalty for individuals in this income cohort. For those with income above 300% FPL, the schedule is based on half of the premium of the lowest cost Bronze plan in CY2017, or half of the premium of the lowest cost catastrophic plan for adults up to age 30. The penalties for CY2017, among other years, are shown in Table 10.<sup>6</sup> The lower cost of catastrophic plans relative to young adult plans accounts for the reduction in the monthly penalty amount for young adults who earn more than 300% FPL.

**Table 7. Penalty Schedule for Failure to Comply with the Individual Mandate, 2013-2017**

	2013		2014		2015		2016		2017	
	per month	per year*	per month	per year*	per month	per year*	per month	per year*	per month	per year*
<b>150.1 - 200% FPL</b>	\$20	\$240	\$20	\$240	\$20	\$240	\$21	\$252	\$21	\$252
<b>200.1 - 250% FPL</b>	\$39	\$468	\$39	\$468	\$39	\$468	\$41	\$492	\$41	\$492
<b>250.1 - 300% FPL</b>	\$59	\$708	\$59	\$708	\$59	\$708	\$61	\$732	\$62	\$744
<b>Above 300% FPL Young Adult**</b>	\$84	\$1,008	\$58	\$696	\$60	\$720	\$71	\$852	\$74	\$888
<b>Above 300% FPL Older Adult**</b>	\$106	\$1,272	\$92	\$1,104	\$91	\$1,092	\$97	\$1,164	\$96	\$1,152
*If the individual is without insurance for all twelve months of the year.										
**Prior to 2014, Young Adult is defined as up to age 26, and Older Adult is defined as 27+. Starting in 2014, Young Adult is defined as up to age 30, and Older Adult is defined as 31+										

## Compliance with the Individual Mandate

Compliance with the state’s individual mandate to obtain coverage remains high, demonstrating that standards like MCC and the affordability schedule are working as intended. The latest compliance data available comes from tax year 2015. As in past years, nearly all tax filers complied with the insurance reporting requirement in tax year 2015, and 96% were insured at some point during the year. This rate has remained the same since the first analysis of individual mandate compliance conducted in 2008. A vast majority of individuals (93%) were insured for the full year with a policy that met the state’s MCC requirements.

The ACA implemented a federal individual mandate that took effect in 2014. The Health Connector’s Board of Directors opted to maintain the state individual mandate alongside the federal. This decision was driven by an interest in preserving the specific coverage standards that had worked well for Massachusetts’s market in the preceding years. The Health Connector worked closely with other agencies, namely the Department of Revenue and the Executive Office for Administration and Finance, as well as other stakeholders, to address the policy differences between the state and federal mandates. The Interagency Individual Mandate Workgroup, comprising the Health Connector, Department of Revenue, and Executive Office for Administration and Finance, aims to continue to support the success of the state’s individual mandate while reducing confusion and administrative burden on individuals as they begin to understand and comply with the new federal rules, as well. Among the actions taken by the Commonwealth is an opportunity for taxpayers to reduce any state penalty owed by the amount of federal penalty paid through a non-refundable offset. This prevents state residents from being dually penalized under two mandates.

## Section 6.0: Concluding Comments

Since Massachusetts's health care law was first passed, the state has paved the way for universal access. The Commonwealth has the highest rate of health insurance coverage in the nation and provides a competitive market for individuals to make apples-to-apples comparisons before selecting a plan. The Health Connector remains committed to providing members and applicants with a seamless eligibility and enrollment process. Additionally, staff members continue to apply data-driven research to better understand Health Connector members and their experience on the Exchange, subsequently delivering strategic IT improvements to provide operational stability.

The Health Connector continues to work diligently to ensure that it can enhance and leverage coverage-related opportunities for individuals, small businesses, and state government. This means serving as a stable and easy to use source of affordable, high-value coverage, but also to find innovative ways to improve the functioning of the health insurance market more generally. By maintaining this focus, Massachusetts will continue its work as a national leader in health care access and affordability, and continue to strive toward our shared goal of providing health care to everyone in the Commonwealth, as it has since its inception.

Looking to the future, the Health Connector will build on the success we have achieved to date by continuing the launch of the new Health Connector for Business and exploring federal flexibility through Section 1332 State Innovation Waivers, where flexibility would benefit both Massachusetts individuals and businesses. A key focus in FY18 will be adapting to a quickly changing federal landscape, including the recent termination of federal cost-sharing reductions which required execution of a contingency plan to promote market stability.

Continued success will continue to depend on and benefit from the Health Connector's collaborative relationship with other state, federal, and private sector partners all focused on the same goal of improving health care. The Health Connector looks forward to exploring innovative ways to ensuring Massachusetts' residents continue to have access to affordable and comprehensive health care coverage.



## Appendix

### Appendix A: Abbreviations

ACA .....	Patient Protection and Affordable Care Act
AY.....	Academic Year
CY .....	Calendar Year
FPL .....	Federal Poverty Level
FY .....	Fiscal Year
Health Connector .....	Commonwealth Health Insurance Connector Authority
MCC .....	Minimum Creditable Coverage
OE .....	Open Enrollment
SHOP .....	Small Business Health Options Program
SOA .....	Seal of Approval
TY .....	Tax Year

## Endnotes

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<sup>1</sup> CHIA. Massachusetts Employer Survey (2016). Data pull for CCA Board Briefings, May 2017.

<sup>2</sup> 956 CMR 8.00

<sup>3</sup> 26 U.S.C. §5000A.

<sup>4</sup> M.G.L. 176Q §3.

<sup>5</sup> The ACA set the federal affordability standard at 8% for 2014 and calls for annual indexing of the standard to reflect growth in health care spending and growth in the overall economy. This methodology resulted in a standard of 8.13% of income in 2016.

<sup>6</sup> Massachusetts Department of Revenue. (2017). Technical Information Release 17-1: Individual Mandate Penalties for Tax Year 2017. Available at, <http://www.mass.gov/dor/businesses/help-and-resources/legal-library/tirs/tirs-by-years/2017-releases/tir-17-1.html>.