



## **NASHP/Maximizing Enrollment State to State Exchange**

### **Exchange Experience: The Massachusetts Health Connector**

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## **Agenda**

- Evolution of the Massachusetts Health Connector
  - Lessons learned
- Relationship between Health Connector Medicaid
  - Current state
  - Future state: National Health Reform
- Road map to 2014



## Evolution of the Massachusetts Health Connector

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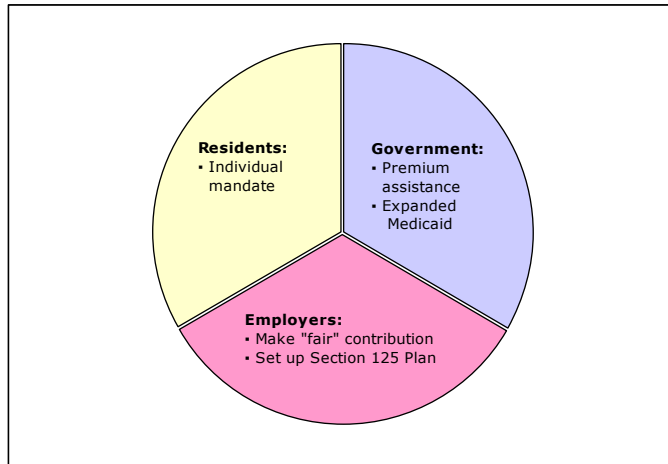
## Why Health Reform in Massachusetts?

- 400,000 – 650,000 uninsured adults
- Improve health of the uninsured and provide financial safety net
- “Free Care” isn’t free
- Strong starting point:
  - high rates of coverage and employer-sponsored insurance
  - existing insurance market reforms (guaranteed issue, no pre-existing coverage limitations, modified community rating, no medical underwriting)
  - Political “stars aligned”

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## The Massachusetts Model: Shared Responsibility



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## Residents: The Individual Mandate



FIRST NAME \_\_\_\_\_ M.I. \_\_\_\_\_ LAST NAME \_\_\_\_\_ SOCIAL SECURITY NUMBER \_\_\_\_\_

**Schedule HC Health Care Information. You must enclose this schedule with Form 1 or Form 1-NR/PY. 2007**

As a result of the new health care reform law, most Massachusetts residents age 18 and over are required to have health insurance, if it is affordable for them. Those who did not have health insurance by December 31, 2007 may lose their personal exemption. This schedule **must** be completed by all full-year residents and certain part-year residents (see instructions) age 18 and over to determine the amount of their personal exemption.

**Completing Schedule HC:** If you were **enrolled** in a health insurance plan as of December 31, 2007, you **only** need to complete page 1 of Schedule HC, using the information from Form MA 1099-HC issued to you by your health insurance carrier (see instructions for line 2 if you were not issued a Form MA 1099-HC). After completing page 1 of this schedule and entering your personal exemption amount on Form 1 or Form 1-NR/PY, you should skip the remainder of Schedule HC and continue completing your tax return. **Note:** Failure to enclose Schedule HC will delay the processing of your return.

DATE OF BIRTH \_\_\_\_\_ SPOUSE'S DATE OF BIRTH \_\_\_\_\_

**1** Were you (and/or your spouse if married filing jointly) enrolled in a health insurance plan as of December 31, 2007? For information regarding late 2007 applicants for Young Adult Plans, Commonwealth Care and MassHealth, see instructions. ▶ 1 You:  Yes  No  
Spouse:  Yes  No

If you (and your spouse if married filing jointly) answer Yes in line 1, **complete** lines 2 or 3 below, whichever is appropriate. Also, enter one of the following amounts on line 2a of Form 1 or line 4a of Form 1-NR/PY: \$4,125 if single or married filing a separate return; \$6,375 if head of household; or \$8,250 if married filing jointly. Be sure to fill in the oval(s) in line 2 if you were not issued Form MA 1099-HC (see instructions).

If you are filing a joint return, and one spouse answers Yes in line 1 but the other answers No in line 1, the spouse who answers Yes must complete lines 2 or 3 below, whichever is appropriate, and the spouse who answers No must go to line 4a on page 2.

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## Employers (11+ employees)

### 1. Fair Share Assessment

Make a "fair and reasonable" contribution to employees' health coverage or pay state a fair share assessment of up to \$295 per employee per year.

### 2. Section 125 Plan Requirement/Free Rider Surcharge

Give employees option of paying premiums on a pre-tax basis (saves up to 40%).

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## Government

- Expand Medicaid and eliminate enrollment caps/restore benefits
  - Children of families up to 300% FPL
  - Insurance Partnership expanded to employees up to 300% FPL
- Premium subsidies for non-Medicaid eligible low-income adults (Commonwealth Care)
  - Hybrid commercial/subsidized approach
- Funding for outreach and enrollment
- Increased Medicaid rates

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## Additional Insurance Reforms

- Merger of small and non-group health insurance markets
- Expanded eligibility for family coverage for dependents (up to age 26 or loss of dependency status under IRS rules, whichever is sooner)
- Non-discrimination rules for fully insured market (e.g., cannot offer smaller percentage employer contribution to lower-salaried employees)

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## Role of the Health Connector

### Health Connector Board of Directors

A&F Secretary Jay Gonzalez, Chair  
 Terry Dougherty (MassHealth)  
 Ian Duncan (actuary)  
 Jonathan Gruber (health economist)  
 Andres Lopes (small business)  
 Lou Malzone (Taft-Hartley)  
 Dolores Mitchell (Group Ins. Cmsn.)  
 Joseph Murphy (Div. of Ins.)  
 Nancy Turnbull (consumers)  
 Celia Wcislo (labor)

### Health Connector

Staff size: 49  
 Budget: \$32 million  
 Departments:  
 Programs (Care/Choice)  
 Legal  
 Policy  
 Finance  
 IT  
 Sales and Marketing  
 Communications/  
 Intergovernmental Relations

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## Affordability Schedule & Minimum Creditable Coverage

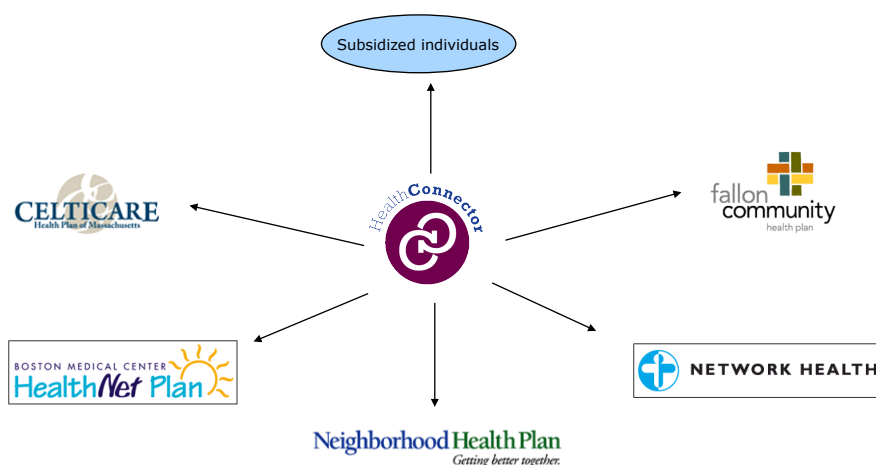
- Who's subject to the individual mandate?
  - Determined by affordability schedule established annually by the Health Connector Board
  - Connector also has Appeals Unit to hear individual hardship claims
- What coverage complies with the individual mandate?
  - Health Connector Board establishes rules for "minimum creditable coverage"

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## Commonwealth Care/Bridge: 180,000 members

Connects low-income adults without ESI to subsidized health plans (enrollee premiums > 150% FPL)



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**HealthConnector**

**Commonwealth Choice: ~41,000 members**  
Connects Massachusetts residents and small businesses to commercial health insurance

The diagram illustrates the HealthConnector's role in connecting members to various health plans. At the center is the HealthConnector logo. Arrows point from this central logo to three categories at the top: Non-Group, Small-Group, and Vol Plan Employers. Below these categories, arrows point from the central logo to several health plans: CELTICARE Health Plan of Massachusetts, HNE Health Plan, Harvard Pilgrim Health Care, Neighborhood Health Plan (with the tagline 'Getting better together.'), fallon community health plan, and TUFTS Health Plan (with the tagline 'No one does more to keep you healthy.').

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**HealthConnector**

**Outreach By Health Connector**

- Public Information Unit
- Partnerships with corporate and civic organizations including the health care community, faith communities, unions, business groups, sports teams, etc.

The logos of partner organizations are displayed in a row: CVS pharmacy, Boston Red Sox, shaw's (with the tagline 'Crazy about food.'), Bank of America, and Bank of Opportunity. To the right of these logos is a small graphic with the text 'We can help. Just Ask.' and an illustration of a family.

- Media Outreach/Direct Mail
- Seminars and forums (over 150 presentations)
- Grants to Community Organizations

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## High-Level Results of MA Reform

1. **1.9% uninsured** after 4 years (reduced disparities, improvements in access)
2. **97% compliance** (taxpayer filings)
3. **More employers offering coverage (76% in 2009), and more than 95% of employers are doing their fair share**
4. **59% - 75% voter approval** rating
5. **Net new state costs ~ 1% state budget**
6. **Heightened focus on cost containment**

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## Lessons Learned

- Importance of shared responsibility
  - Individuals, employers, government, insurers
- Value of a phased approach
  - 2007: Report insurance coverage as of 12/31/07
  - 2008: Report insurance coverage for each month of the tax year
  - 2009: MCC regulations effective for each month of the tax year
- Importance of outreach, education, and stakeholder engagement

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## Real People Who Benefit



## Relationship between the Health Connector and Office of Medicaid



## Interagency Collaboration

- 2006 - Connector utilized existing Medicaid systems and program standards as the foundation for Commonwealth Care
  - Fairness across state programs
  - Administrative simplicity
  - Consumer Protections
  - Rapid start-up
  - Executive and stakeholder sign-off
- Current functions performed by MassHealth on behalf of the Connector include:
  - Application processing
  - Eligibility determination and verification
  - Appeal adjudication
  - Analytics and Reporting
  - Customer Service
  - Provider interface

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## Eligibility

- MassHealth determines eligibility for all programs that use the Medical Benefit Request form
  - MassHealth
  - Children's Medical Security Plan
  - Healthy Start
  - Commonwealth Care
  - Health Safety Net
- Centralized eligibility system (MA-21) ensures applicants will be determined for the richest benefit available and allows for a smooth transition between programs with minimal lapses in coverage.
- MA-21 sends real-time eligibility information to state's enrollment and Medicaid claims processing system (MMIS).

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## MMIS

MMIS (Medicaid Management Information System) is the state Medicaid claims processing and managed care enrollment system

- Services Provided:
  - Eligibility Verification System – Web and Automated Voice Response system that gives providers access to current and complete member eligibility information on the date or date ranges services are provided
  - Enrollment system of record for MassHealth and Commonwealth Care members. MMIS serves as the business interface for participating health plans handling all transactions with the plans including payment.
- MMIS interfaces with multiple different programs, agencies, and health plans. This configuration creates less disruption as a member transitions between the health programs offered by different agencies.

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## Commonwealth Care Systems

Commonwealth Care uses information stored in MMIS to operate a unique member servicing and premium billing system

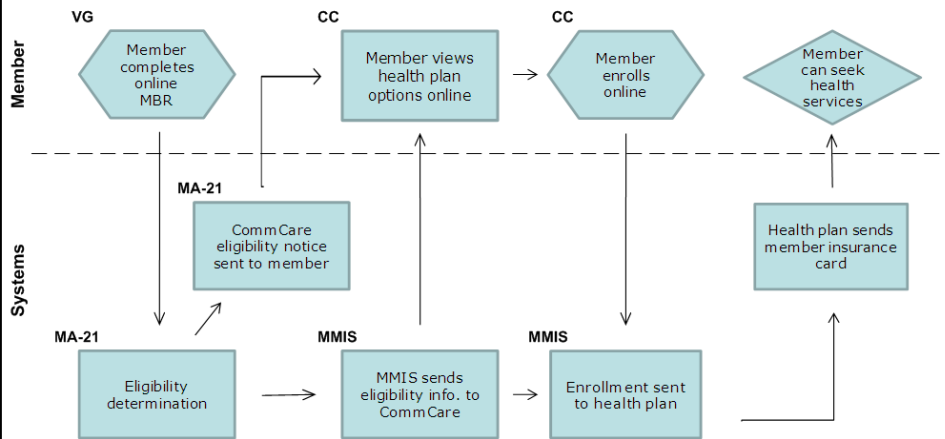
- Commonwealth Care Member Web Portal
  - Members can enroll and pay premiums online
  - Displays personalized health plan options and premium amounts
  - Member health plan selection sent to MMIS. Health plans notified of enrollment on the daily 834.
- Interface with MMIS allows system to adjust premium amounts automatically as a member's income changes
- Commonwealth Care and MassHealth customer service and enrollment teams must work together to solve member issues

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## Member Process Flow

Systems Integration is invisible to the member

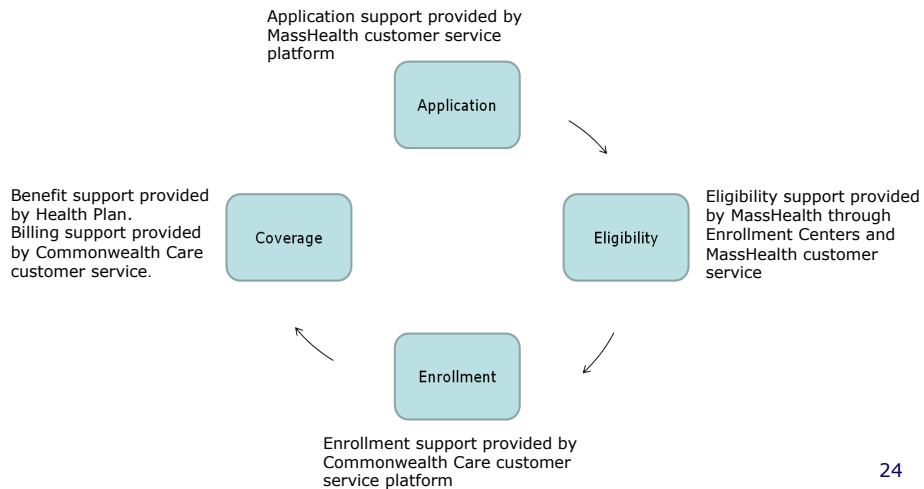


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## Member Servicing

Commonwealth Care members are serviced by multiple different agencies.



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## Future: 2014

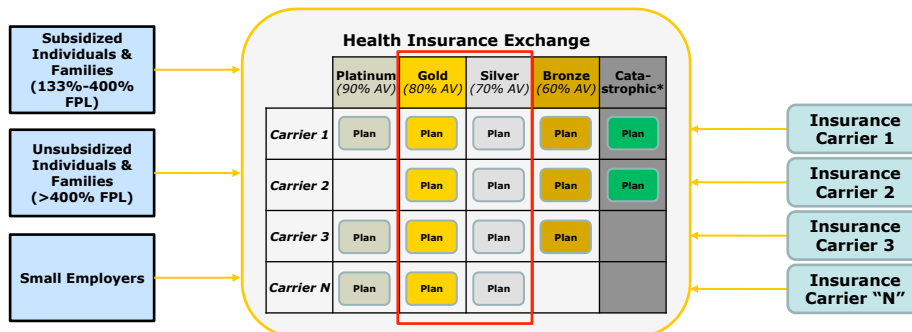
- Consumers use Exchange to search for health insurance options available to them
  - “No wrong door”
  - What functions can be centralized?
- Using technology, Exchange collects basic information from the consumer (e.g. income, citizenship status, family status). Information is verified and (ideally) in real time, consumer is able to enroll in appropriate health insurance plan
  - Simplified application and eligibility process
  - Systems “talk” to each other behind the scenes
  - Servicing teams will be in place to assist consumers
- High quality, affordable health plans are offered
  - State/Exchange oversight and contracting functions in place
  - Benefits offered are standardized and comprehensive

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## Future Exchange Shopping Experience

- Basic vision is **one unified program**, with new non-group (unsubsidized *and* subsidized) and small group policies offered in Platinum, Gold, Silver, Bronze and Catastrophic tiers



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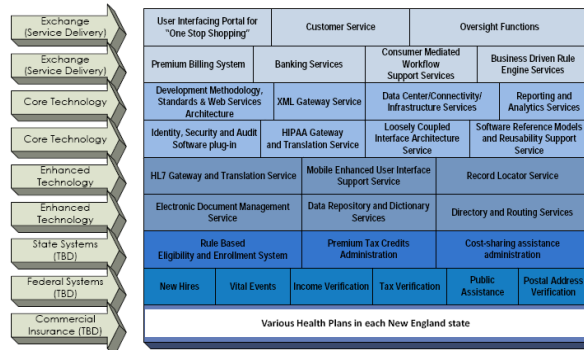


# Future Framework

Massachusetts Application for the Cooperative Agreement to Support Innovative Exchange Information Technology Systems  
 CFDA: 93.525 • Funding Opportunity Number: IE-HBE-11-001  
 New England States Collaborative Insurance Exchange Systems (NESCIES)

Figure 1:

New England States Collaborative Insurance Exchange Systems (NESCIES)  
 Component Framework



# Roadmap to 2014



## Guiding Principles for 2014

**State-wide planning for national health care reform has begun. As we build a model for 2014, our guiding principles are**

- Offer “essential” health insurance coverage to individuals
  - Define the population
  - Define health benefits
- Work within fiscal realities
  - Maximize and leverage financial resources
  - Define subsidies & tax credits
- Focus on consumer simplicity
  - Minimize disruption
  - Understand their needs
- Create efficient administrative infrastructure
  - Leverage technology
  - Eliminate duplication
- Build off what we have learned over the past 4 years
  - And challenge our own “conventional wisdom”

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## ACA Structure for Massachusetts

**A state-wide, Interagency ACA Implementation Workgroup was formed, led by Secretary Bigby of EOHHHS**

- **The following agencies are represented**

Attorney General’s Office	Department of Public Health
Executive Office of Administration and Finance •Group Insurance Commission •Department of Revenue	Division of Health Care Finance and Policy •Health Safety Net •Health Care Quality and Cost Council
Executive Office of Health and Human Services •Office of Secretary •Department of Children and Families	Executive Office of Housing and Economic Development •Division of Insurance •Office of Small Business and Entrepreneurship
Department of Development Services	Executive Office of Labor and Workforce Development
Department Elder Affairs	Governor’s Office
Department of Mental Health	Health Connector

- **Workgroup holds quarterly meetings for stakeholders; updates and information posted on website [www.mass.gov/nationalhealthreform](http://www.mass.gov/nationalhealthreform)**

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## ACA Structure for Massachusetts

### ***Five major interagency subgroups have been formed***

- **Insurance Reform:** Focused on implementation of short term and long term private insurance reforms
- **Long Term Care/Behavioral Health:** Focused on home and community based care issues including issues related to: dual eligible populations, the aged and the disabled, medical home and integrated care models, management of chronic conditions and behavioral health issues
- **Employer:** Focused on disseminating information to employers and on considering the interplay between the employer-related ACA provisions and the MA HCR provisions
- **Healthcare Workforce:** Focused on health care workforce development opportunities for the state and expanding awareness of health workforce loan repayment, scholarships and other opportunities for individuals and private institutions
- **Subsidized Insurance/Medicaid:** Focused on issues that impact MassHealth and the Connector and on the populations that are eligible for subsidized coverage and Medicaid

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## Exchange Planning

### ***In addition, Exchange planning efforts are underway***

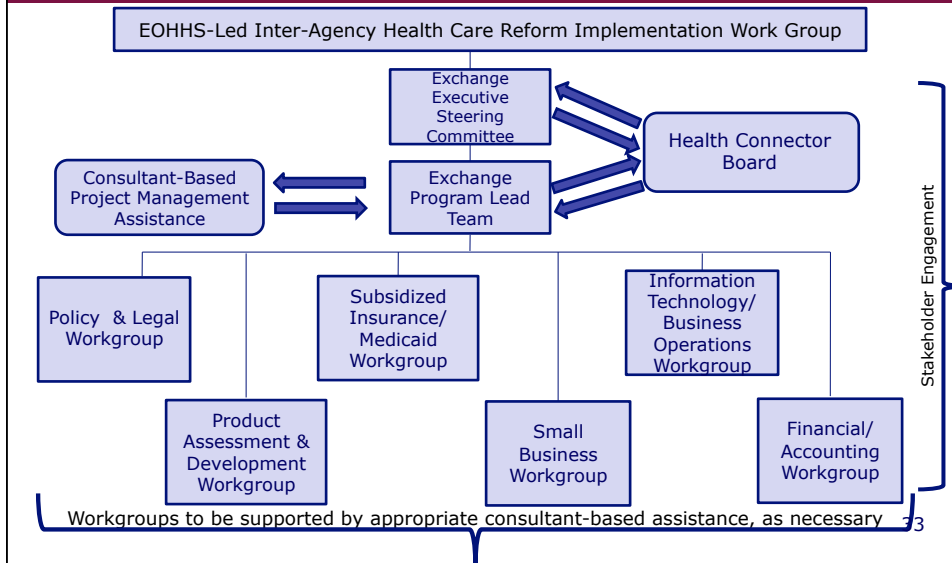
- **State awarded \$1M grant for Exchange planning activities**
  - Managed by Health Connector
  - Funds solely used for research and planning
  - Grant period: October 1, 2010 – September 30, 2011
  - Submitted procurement timeline to our Grant Officer
    - *Procurement for consulting assistance*
- **In collaboration with other New England states, Massachusetts awarded \$35M Early Innovators' grant**
- **Additional Exchange grant opportunities available**
  - Used for infrastructure and operational development

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## Exchange Transition Planning Program Structure



## Stakeholder Engagement for Exchange Planning

***Stakeholder involvement and transparency in Exchange planning is critical to its overall success***

- **Stakeholder engagement include a broad array of participants, including but not limited to:**
  - Advocates
  - Health plans
  - Providers
  - Small businesses
- **Working groups meet with stakeholders to request feedback and to review draft recommendations and plans**
- **Stakeholders are also engaged via periodic reports at public Health Connector Board meetings**



## Massachusetts Health Connector Speakers' Contact Information

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