



Overview of the Health Connector: The Massachusetts Health Insurance Exchange

Massachusetts Health Policy Forum

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Agenda

- Overview of the Health Connector
- Role in state and federal health reform
- Examples of the Health Connector's unique policy roles in Massachusetts coverage landscape:
 - Evolving role in the non-group market
 - ConnectorCare
 - Individual mandate
- Questions?

Health Connector Overview

The Health Connector was designed to offer Massachusetts residents and small businesses an easy way to compare and enroll in qualified health and dental plans, understand their health coverage options, and access affordable care – and promote health coverage in the general population.

- The Health Connector was created in 2006, as part of a set of state health reforms aimed at increasing access to health insurance in Massachusetts, and later adapted to incorporate the federal health reforms of the Affordable Care Act (ACA)
- The Health Connector's programs, outreach, public education efforts, and policies have helped Massachusetts lead the nation with over 97% of residents insured
- In addition to its role as a place to compare and shop for coverage, the Health Connector plays an active policy role in Massachusetts' health reform by determining the policies that govern the Commonwealth's health insurance mandate
- The Health Connector currently serves over a quarter million Massachusetts residents, with about three-quarters enrolled in the ConnectorCare program, a unique state program that enhances affordability for eligible individuals with incomes up to 300% of the Federal Poverty Level (FPL)

State and Federal Health Reform

The Health Connector has played central roles in implementation of both state and federal health reform laws.

State Health Reform (Ch. 58 of the Acts of 2006)

- Signed into law in 2006 by Governor Romney, with key provisions effective within months to a year.
- Designed to expand health coverage in Massachusetts.
- Created a public insurance exchange for individuals and small businesses (the Health Connector), created subsidies for low-income residents ineligible for Medicaid, enacted an individual mandate, built on prior insurance market reforms and consumer protections, and introduced new coverage-related responsibilities for employers.

Federal Health Reform (Affordable Care Act of 2010)

- The Affordable Care Act was signed into law by President Obama in 2010, with key provisions becoming effective starting January 1, 2014.
- Implemented new insurance market reforms and new consumer protections at a national level, many influenced by Massachusetts.
- Expanded coverage using public insurance exchanges, as well as Medicaid expansion. Subsidies available through Exchanges are not as generous as in Massachusetts. (The law also included other health care delivery and cost reforms not focused on coverage expansion per se.)

Health Connector's Impact

The Health Connector's programs, outreach and public education efforts, and policies have helped Massachusetts lead the nation in coverage rates.



More than 97% of Massachusetts residents are insured



More than a quarter million Massachusetts residents are served by the Health Connector



The Health Connector has the third lowest cost silver benchmark plan of any Exchange in the country



The Health Connector has the lowest average individual premiums of any Exchange in the country for four years running (2017-2020), despite otherwise high health care costs

Building Blocks for Coverage Expansion

Massachusetts' success in promoting coverage and affordability for residents rests on an array of careful program and policy approaches.

- Our unique “wrap program,” ConnectorCare, which uses state-financed subsidies on top of ACA subsidies
- Active market engagement for unsubsidized individuals and small groups
- Our state individual mandate
- Substantial outreach to the general population and targeted communities about health coverage and how to get and stay insured

BUILDING BLOCK:

Provide additional subsidies for low- to moderate-income households

We offer additional premium and cost-sharing subsidies for people who qualify for federal premium tax credits. Premiums increase gradually with income. We have plans as low as \$0 a month for those with incomes up to 150% FPL and \$130 a month for those at 300% FPL.

BUILDING BLOCK:

Take a proactive approach to keeping insurance markets healthy

We promote a healthy market with policies like an “individual mandate” to maintain coverage, a merged market for individuals and small groups, standard Health Connector plan requirements, higher MLR requirements, and monitoring against non-compliant plans and scam offers.

BUILDING BLOCK:

Coordinate coverage expansion for the Marketplace and Medicaid

In addition to offering a robust set of programs, we work seamlessly with state Medicaid partners at MassHealth to allow individuals to apply and receive immediate eligibility results for both programs at one time.

BUILDING BLOCK:

Use data to drive outreach and marketing

Targeted outreach and in-person assistance helps us to raise awareness about the availability of health insurance among the uninsured. Our messages are delivered in 7 languages and through a variety of formats: print, radio, television, digital, and in-person events.

BUILDING BLOCK:

Streamline enrollment for low-income enrollees

People who newly qualify for ConnectorCare can enroll in coverage through a Special Enrollment Period at any time of the year. This ensures that our success at enrolling new residents during Open Enrollment is extended throughout the year for key populations.

BUILDING BLOCK:

Support the changing needs of our population

We work to reach and support the increasing number of people who depend on our coverage due to population changes and an evolving economy. We've also re-doubled efforts to serve our small business community with flexible and affordable plans designed to meet the needs of small employers.

Overview of Health Connector Programs

Programs available to individuals & families

ConnectorCare

Households up to 300% FPL can combine federal premium tax credits with state premium and cost sharing subsidies

- Plans have 2020 premiums as low as \$0 - \$130, on a sliding scale based on income; members may pay more based on the plan they select
- Members can choose from one to four plans in 2020, depending on region
- Plans have no deductibles and low cost-sharing
- In 2020, 300% FPL is \$37,470 for a single individual and \$77,250 for a family of four

Advance Premium Tax Credits (APTCs)

Households between 300 to 400% FPL (up to \$49,960 for an individual or \$103,000 for a family of four) can obtain federal-only premium tax credits to reduce the cost of health insurance purchased through the Connector

Unsubsidized

Households that do not qualify for subsidies can choose from a broad range of plans in tiers that range from bronze to platinum (depending on the actuarial value of the plans)

Small Group

Small employers with 50 or fewer full-time equivalent employees

Available to Employers

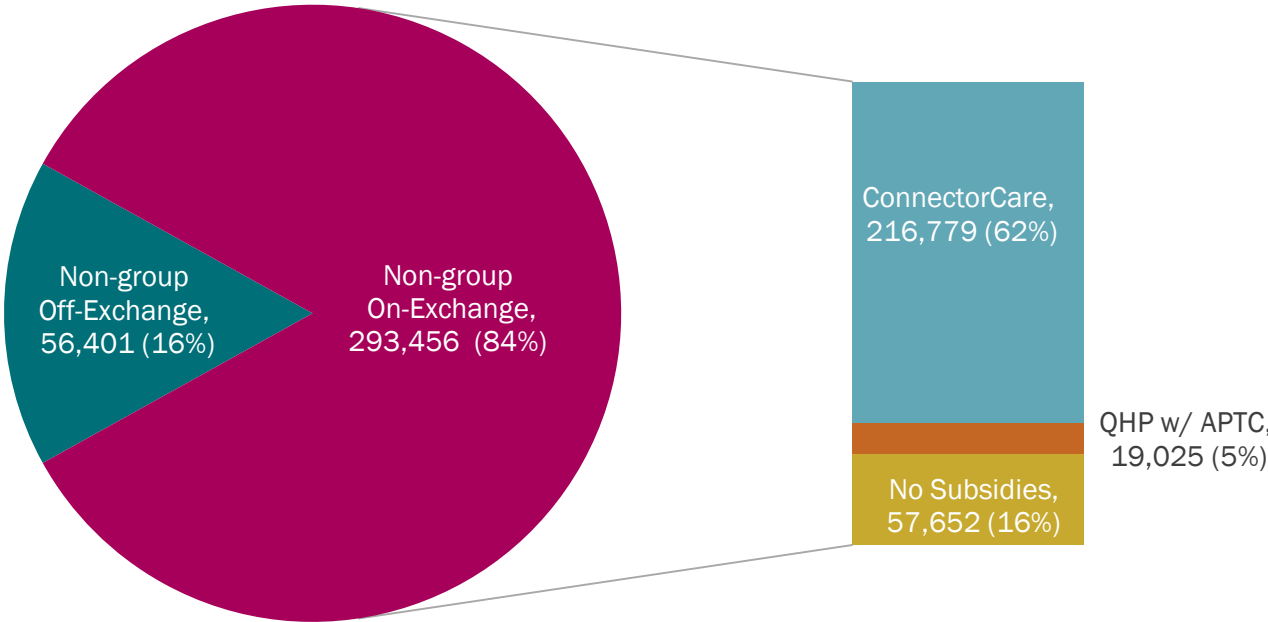


Role in the Individual (“Non-Group”) Insurance Market

Non-Group Enrollment in 2020

The Health Connector serves 84% of the nearly 350,000 individuals in the non-group market in Massachusetts, mostly through the ConnectorCare program.

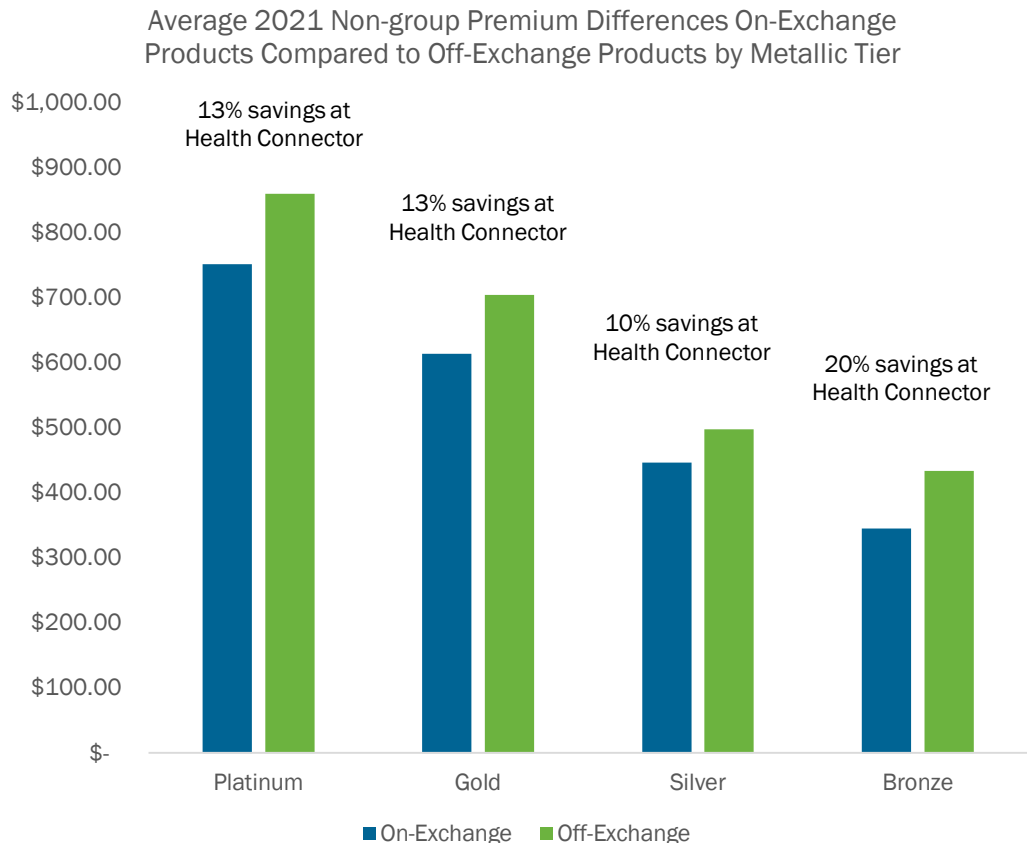
Massachusetts Non-Group Membership by Exchange Use, March 2020



Source: CHIA Enrollment Trends, September 2020 (data through March 2020).

Non-Group Premium Spending Differences: On- vs. Off-Exchange Shopping

- Although plans are rated the same on- and off-Exchange, shoppers using the Health Connector tend to choose lower cost plans, particularly on the Bronze metallic tier.
- As such, premium differences reflect different consumer choices made in curated Exchange shopping environment.
- Platinum, Gold, and Silver shoppers still reap savings by shopping on Exchange, though in relatively smaller magnitudes.



Note: Analysis for illustrative, comparative purposes only. Rates are for a non-group 42 year old in Boston, representing a simple average of the 2020 rates for products offered on-exchange by each carrier within a metallic tier. The analysis represents enrollment of unsubsidized individuals only.



ConnectorCare

ConnectorCare Overview

The Health Connector's programs, outreach efforts, and policies have helped Massachusetts lead the nation in coverage rates. A key contributor to that success is ConnectorCare, a unique state program that enhances affordability for eligible individuals with incomes up to 300% of FPL.

- ConnectorCare is historically based on Commonwealth Care, a pre-ACA subsidy program for eligible members
- The program makes coverage more affordable and accessible for ~200K low and lower-middle income residents who may otherwise struggle to remain covered
- Individuals can be eligible for ConnectorCare if they meet the same eligibility criteria required by the ACA to receive Marketplace coverage and subsidies, but only if their incomes do not exceed 300% FPL
- ConnectorCare leverages ACA subsidies, and “wraps” them with additional state subsidies to offer low monthly premiums and point-of-service cost-sharing

History of ConnectorCare

The ConnectorCare program, which provides subsidized coverage for individuals up to 300% FPL, is historically based on Commonwealth Care, a pre-ACA subsidy program for eligible members.

- Prior to the ACA, Massachusetts established Commonwealth Care, the precursor to ConnectorCare, as a part of comprehensive state health reform in 2006
- Commonwealth Care was a subsidized insurance program available through the Health Connector, designed to offer affordable coverage for low-to-moderate income residents who would otherwise fall into a coverage gap because they were ineligible for other public coverage (e.g. Medicaid) but lacked other insurance (e.g., employer insurance)
- In 2014, the ACA expanded federal health coverage and financing for plans sold through the Massachusetts Health Connector, with the introduction of Advance Premium Tax Credits (APTCs), Cost-sharing reductions (CSRs), and consumer protection standards for Qualified Health and Dental Plans (such as metallic tiers and Essential Health Benefits)
 - To maintain the same level of affordability for Commonwealth Care enrollees post-ACA, Massachusetts revised its 1115 Waiver to redesign the program as a “state wrap” to the new ACA plans and federal subsidy structure
 - With these changes, Commonwealth Care was rebranded as ConnectorCare and experienced back-end adjustments, but maintained a relatively similar enrollee-facing program design

ConnectorCare Today

As a result of this legacy, the ConnectorCare program is different from the subsidy programs available through other ACA Marketplaces.

- In most states, ACA premium tax credits are available to Marketplace enrollees with income up to 400% FPL and federal CSRs were available to Marketplace enrollees up to 250% FPL prior to Plan Year 2018
 - Unique to Massachusetts, the Health Connector layers additional state subsidies on top of ACA subsidies for eligible individuals with incomes up to 300% via the ConnectorCare program
 - VT, NH, MN, and NY also have subsidy “wrap” programs, but ConnectorCare is particularly robust
- To support the same level of affordability for low-to-moderate income residents as Commonwealth Care, Massachusetts designed ConnectorCare to “wrap” federal subsidies with additional state subsidies for individuals with income up to 300% FPL.
 - ConnectorCare maintains a similar affordability level of the Commonwealth Care-era plan designs (with adjustments for changes in FPL), in keeping with the state individual mandate “affordability schedule”
 - ConnectorCare selects plans from commercial carriers (including carriers which also participate in Medicaid) and enrollees are part of the commercial “merged market” risk pool
 - ConnectorCare uses each selected carrier’s lowest-cost Silver tier plan as the base and enriches it with state premium and cost-sharing subsidies, in addition to federal APTCs, to create a selection of plans with low premiums and co-pays for eligible individuals
 - Nationally, APTCs may be used for Platinum, Gold, Silver, and Bronze plans, but in Massachusetts, ConnectorCare enrollees are only enrolled in the lowest-cost Silver plan from a ConnectorCare issuer

ConnectorCare's Impact on Affordability

ConnectorCare leverages ACA subsidies, and “wraps” them with additional state subsidies to offer low monthly premiums and point-of-service cost-sharing.

- Enrollees are divided into 5 “plan types based on income
- Enrollees make per-member premium contributions based on their plan types in base amounts ranging from \$0 to \$133/monthly for 2021
- Plans have modest co-pays, but no deductibles or coinsurance

2021 ConnectorCare lowest-cost premiums by plan type

Plan Types 1 & 2A 0-150% FPL	Plan Type 2B 150%-200% FPL	Plan Type 3A 200%-250% FPL	Plan Type 3B 250%-300% FPL
\$0	\$46	\$89	\$133

CONNECTORCARE BENEFITS & COPAYS				
Plan Type		Plan Type 1	Plan Types 2A & 2B	Plan Types 3A & 3B
Medical Maximum Out-of-Pocket (Individual/ Family)		\$0	\$750/\$1,500	\$1,500/\$3,000
Prescription Drug Maximum Out-of-Pocket (Individual/ Family)		\$250/\$500	\$500/\$1,000	\$750/\$1,500
Preventive Care/Screening/Immunization		\$0	\$0	\$0
Primary Care visit to treat injury or illness (exc. Well Baby, Preventive and X-rays)		\$0	\$10	\$15
Specialist Office Visit		\$0	\$18	\$22
Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services		\$0	\$10	\$15
Rehabilitative Speech Therapy		\$0	\$10	\$20
Rehabilitative Occupational and Rehabilitative Physical Therapy		\$0	\$10	\$20
Emergency Room Services		\$0	\$50	\$100
Outpatient Surgery		\$0	\$50	\$125
All Inpatient Hospital Services (including Mental/Behavioral Health and Substance Abuse Disorder Services)		\$0	\$50	\$250
High Cost Imaging (CT/PET Scans, MRIs, etc.)		\$0	\$30	\$60
Laboratory Outpatient and Professional Services		\$0	\$0	\$0
X-Rays and Diagnostic Imaging		\$0	\$0	\$0
Skilled Nursing Facility		\$0	\$0	\$0
Retail Prescription Drugs:	Generics	\$1	\$10	\$12.50
	Preferred Brand Drugs	\$3.65	\$20	\$25
	Non-Preferred Brand Drugs	\$3.65	\$40	\$50
	Specialty High Cost Drugs	\$3.65	\$40	\$50

ConnectorCare Subsidy Example

For a 40 year old in Boston making \$20,000 per year in 2020...

	In Massachusetts (With ConnectorCare)		In States Without Additional State Subsidy Program (With APTCs Only)	
Premiums	Lowest Cost Plan for this individual:	\$45	Lowest Cost Silver Plan for this individual:	\$58.33
Cost Sharing	Deductible:	\$0	Deductible:	\$250
	Maximum Out-of-Pocket (MOOP) (medical)	\$750	MOOP (combined):	\$2,700
	MOOP (Rx)	\$500		
	PCP Office Visit (OV):	\$10	PCP OV:	\$10
	Specialist OV:	\$18	Specialist OV:	\$30
	Inpatient Hospitalization	\$50	Inpatient Hospitalization (after deductible)	\$200



Individual Mandate Policy

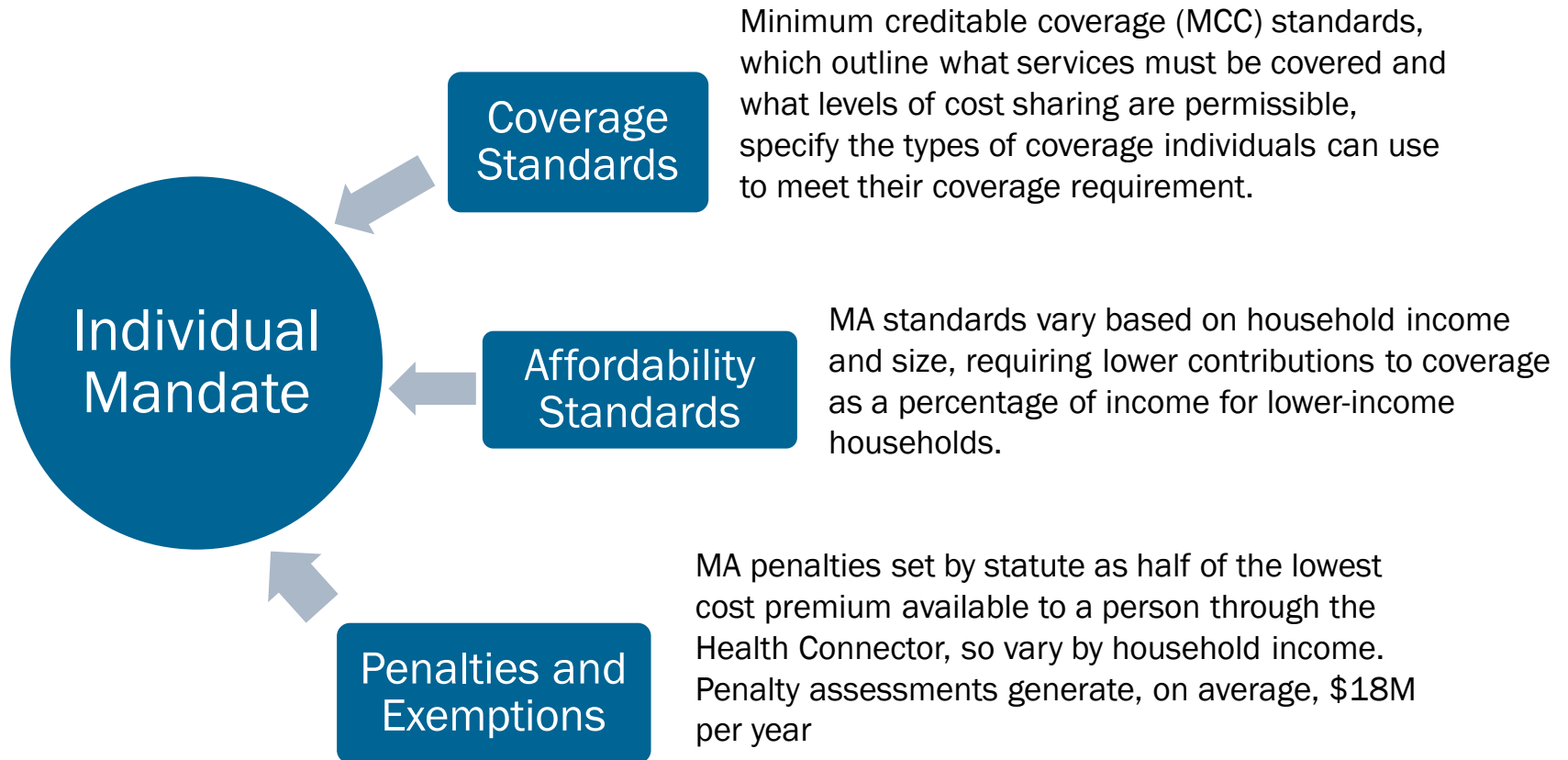
Individual Mandate

Massachusetts's 13-year-old state-level individual mandate plays a unique role in promoting widespread coverage, but also in promoting affordability.

- Massachusetts established a state-level individual mandate as part of its 2006 health reform law
- Massachusetts retained its mandate, even after the ACA individual mandate went into effect in 2014 – and continues to have a mandate today (even after withdrawal of federal mandate penalty)
- The Health Connector's Board of Directors has responsibilities around setting affordability and coverage standards for the mandate as well as developing and administering hardship exemptions for individuals facing a penalty for being uninsured
- While individual mandates are widely understood to promote coverage and ensure risk pool stability, they have other less-discussed, but important benefits related to affordability:
 - Creating ceilings on cost sharing
 - Ability to stem market traction of less robust/"gray market" plans that can leave consumers exposed
 - Outreach capabilities enabled by mandate administration, which in turn helps affordability for those who can be newly enrolled + overall risk pool

Individual Mandate & Affordability

Adults in Massachusetts must carry health insurance meeting “Minimum Creditable Coverage” standards, if it was affordable to them, or face a tax penalty.





Looking Ahead

Strategic Initiatives & Looking Ahead

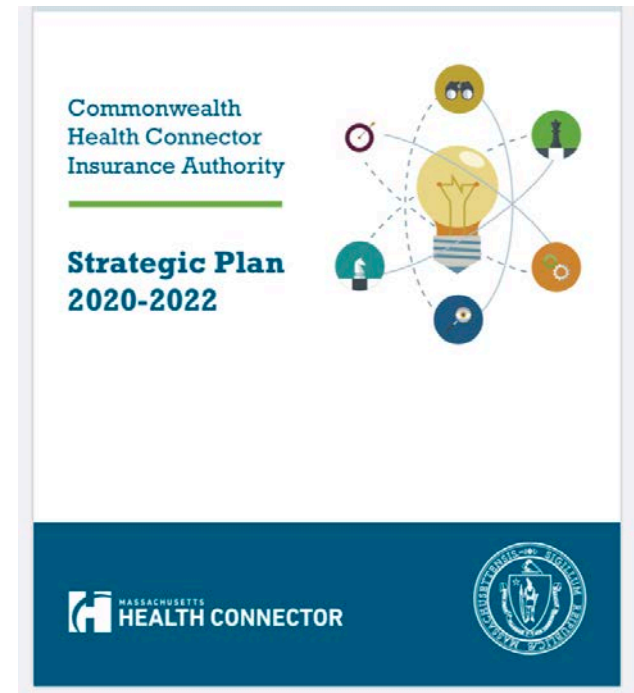
The Health Connector is in the process of implementing its strategic plan for 2020-2022 which covers five key areas of focus:

1. Strengthen the ConnectorCare program
2. Improve coverage and experience for our unsubsidized and APTC-only members
3. Improve our overall member experience
4. Better serve the small group market in Massachusetts
5. Cover the remaining uninsured

Other changes on the horizon:

- Adoption of racial equity framework
- Ongoing impact of COVID-19 on membership, health care system, and coverage landscape
- New incoming federal administration and likely changes to federal approaches to ACA and exchange/market policy

Strategic plan available at: <https://www.mahealthconnector.org/wp-content/uploads/MA-Health-Connector-Strategic-Plan-2020-2022.pdf>



Questions? 

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