



Massachusetts's State-Based Marketplace and Approach to Health Coverage Expansion

Perspectives and Experiences from the Health Connector

AUDREY MORSE GASTEIER
Chief of Policy and Strategy

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Health Connector Overview

The Health Connector is the state’s health insurance marketplace, offering Massachusetts residents and small businesses a way to understand their health coverage options, access affordability help, and compare and enroll in quality health and dental plans.

- The Health Connector was created in 2006 as part of a set of bipartisan 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)
- Roughly 300,000 Massachusetts residents are covered through the Health Connector
- The Health Connector serves three primary populations:
 - Low-to-moderate income residents via its ConnectorCare Program
 - Middle and higher-income unsubsidized nongroup enrollees
 - Small employers (<50 employees)
- In addition to its role as a place to compare and enroll in health coverage, the Health Connector also plays an active policy role in Massachusetts’ version of health reform, setting policy for the state’s individual mandate and working with the Massachusetts Division of Insurance to support a robust “merged market” for individuals and small groups

Health Connector's Role in Massachusetts Reform

Massachusetts's success in promoting coverage and affordability for residents rests in part on unique programs and policies administered by the Health Connector:

- 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:

Additional subsidies for low- to moderate-income households

The Health Connector offers additional premium and cost sharing subsidies for individuals under 300% FPL who receive federal premium tax credits. Premiums increase gradually with income, offering options as low as \$0 up to 150% FPL and \$126 at 300% FPL.

BUILDING BLOCK:

A proactive approach to keeping insurance markets healthy

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

BUILDING BLOCK:

Coordinated coverage expansion for the Marketplace and Medicaid

In addition to offering a robust set of programs, the Health Connector works seamlessly with its state Medicaid partners at MassHealth to allow individuals to apply for both programs at once and receive immediate eligibility results for each program.

BUILDING BLOCK:

A data-driven outreach and marketing approach

Targeted outreach and in-person assistance raises awareness among the uninsured about the availability of health insurance. Messages are delivered in 7 languages and a variety of formats: print, radio, television, digital, and in-person events.

Health Connector By the Numbers

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

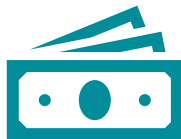
97% 

More than 97% of Massachusetts residents are insured

1/4 Million 

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

\$332



The Health Connector has the second lowest silver benchmark plan in the country for three years running

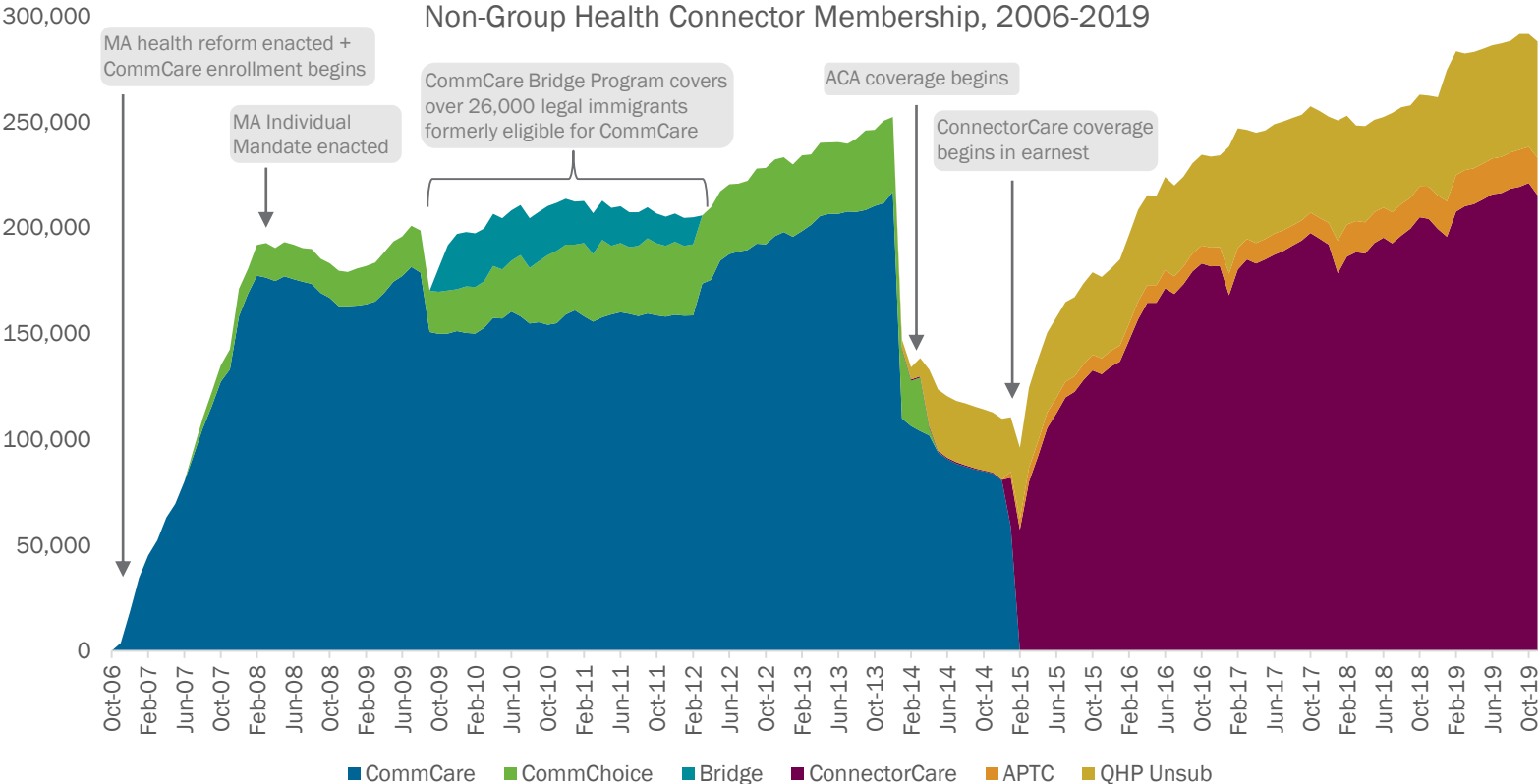
\$392



The Health Connector has the lowest average individual premiums of any Exchange in the country for three years running (2017-2019), despite otherwise high health care costs

Historical View of Health Connector Enrollment

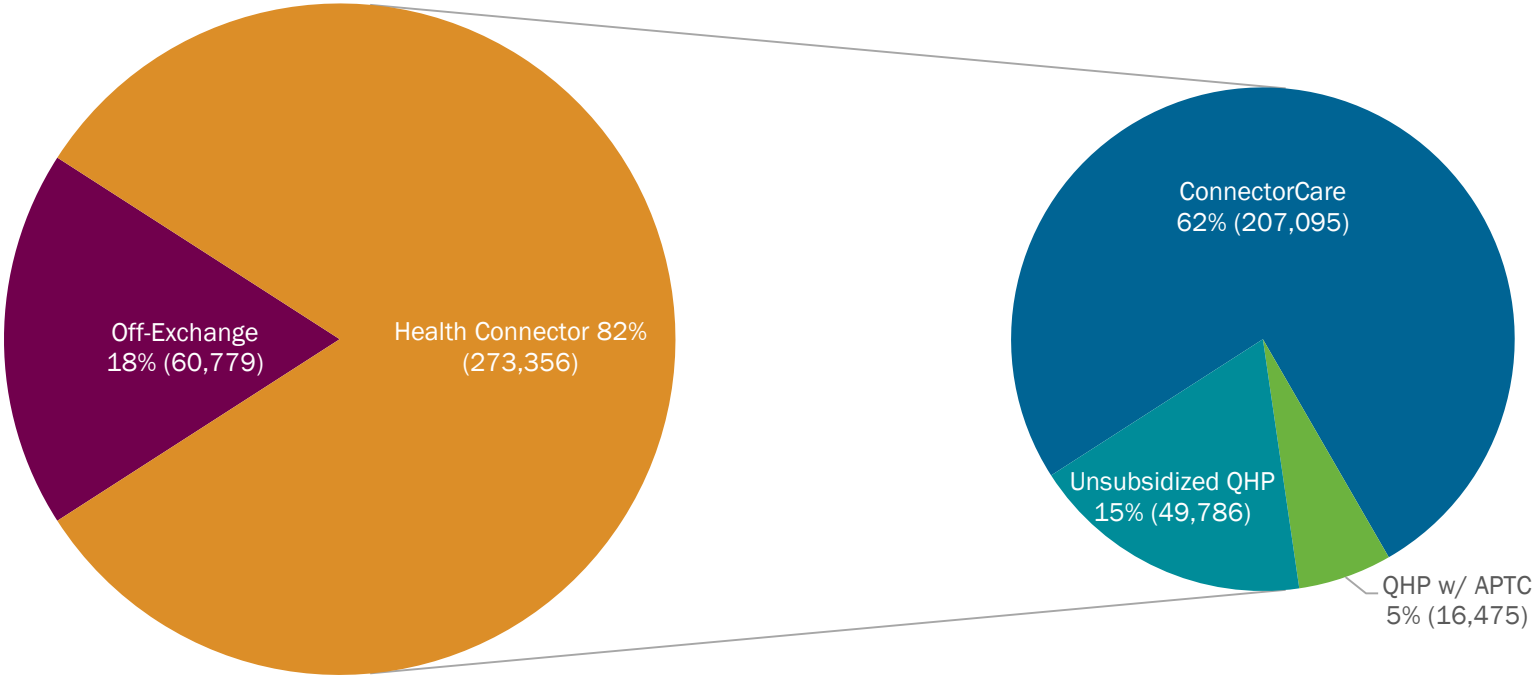
Pre-ACA the Health Connector reached a high watermark of 252,185 non-group enrollees in December 2013. In October 2019, the Health Connector reached a new all-time high, enrolling 291,459 non-group members.



Health Connector Individual Coverage Enrollment in 2019, in Market Context

The Health Connector serves 82% of the over 300,000 individuals in the non-group market in Massachusetts, mostly through the ConnectorCare program.

MA Non-Group Membership by Exchange Use, March 2019



Source: CHIA Enrollment Trends August 2019 Databook. Data from March 2019.



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 based on Commonwealth Care, a pre-ACA subsidy program for individuals up to 300% FPL without access to other types of coverage, like job-based insurance
- The program makes coverage more affordable and accessible for over 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

ConnectorCare was designed to blend pre-ACA health coverage reforms in Massachusetts with new requirements and opportunities under the ACA.

- 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)
 - The program was designed to closely align with the state's Medicaid (MassHealth) agency and rules
 - The program was established and partially funded via a Medicaid Section 1115 Demonstration Waiver
- 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, APTCs 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 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

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 \$130/monthly for 2020
- Plans have modest co-pays, but no deductibles or coinsurance

2020 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	\$45	\$87	\$130

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 2019...

	In Massachusetts (With ConnectorCare)		In States Without Additional State Subsidy Program (With APTCs Only)	
Premiums	Lowest Cost Plan for this individual:	\$44	Lowest Cost Silver Plan for this individual:	\$78.73
Cost Sharing	Deductible:	\$0	Deductible:	\$200
	Maximum Out-of-Pocket (MOOP) (medical)	\$750	MOOP (combined):	\$2,600
	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



Unsubsidized Nongroup Membership

Unsubsidized Nongroup Market Dynamics

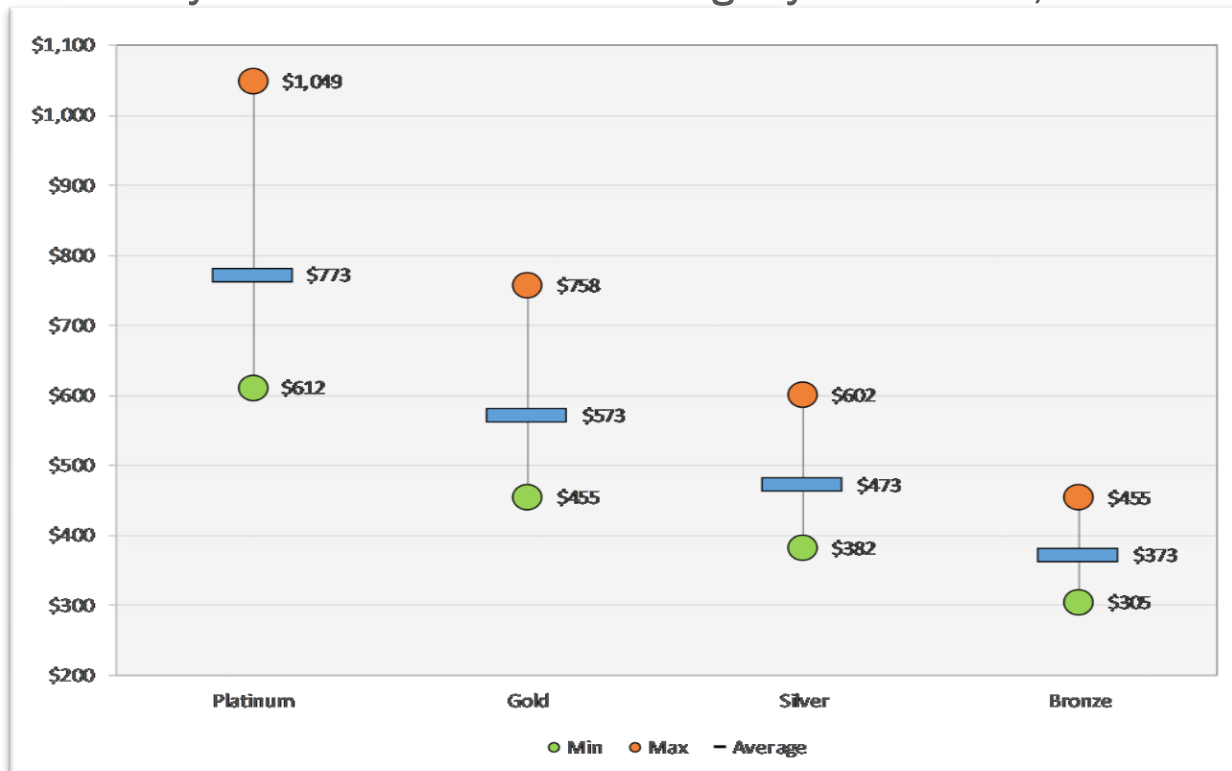
The unsubsidized nongroup market faces unique access and affordability challenges that the Health Connector seeks to address.

- National unsubsidized enrollment has declined in recent years, with unsubsidized enrollment decreasing by 2.5 million people or 40% between 2016 and 2018 nationally.
- During the same time period, Massachusetts experienced a 7.5% increase in unsubsidized non-group enrollment
- Roughly half of the Massachusetts unsubsidized nongroup market is enrolled through the Health Connector.
- The Health Connector “standardizes” plan choices for unsubsidized enrollees and shoppers to make it easier to compare plans.
- While Health Connector unsubsidized enrollees have access to the lowest average Exchange premiums in the country, they report significant challenges with affording the cost of coverage, as they have to pay the full premium, without any assistance via subsidy or via an employer contribution, or preferred tax treatment.

Premium Ranges for Unsubsidized Enrollees

Unsubsidized enrollees have access to a range of premiums in each metallic tier, which facilitates competition among carriers.

Monthly Unsubsidized Premium Range by Metallic Tier, 2020 ¹



¹ Premiums reflect an unsubsidized 42 year-old individual in Worcester

The Role of Standardized Plans

The Health Connector “standardizes” plan choices for unsubsidized enrollees and shoppers to make it easier to compare plans.

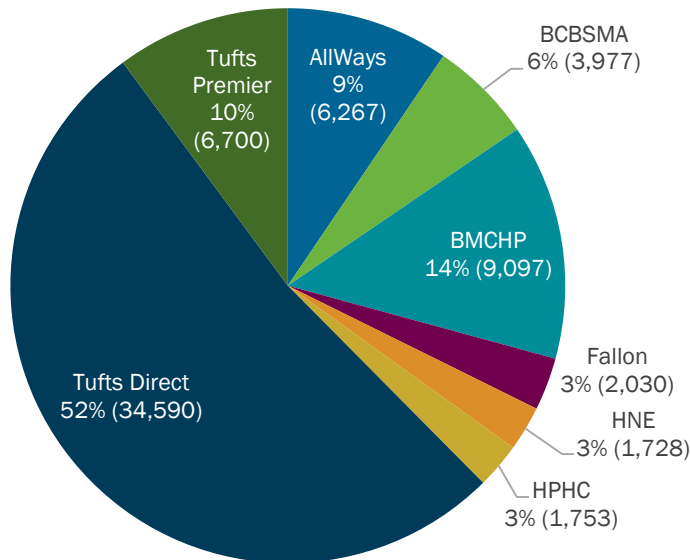
- Standardization was designed to allow consumers to make “apples to apples” comparisons across carriers
- The majority of health plans on the non-group shelf are considered “standardized” because they adhere to common coverage of 21 major benefits across carriers
- Outside these 21 benefits, carriers are allowed to vary cost sharing. In addition to standardized plans, carriers are allowed to offer several non-standardized plans that they believe add value for consumers
- Both standardized and non-standardized plans have historically been organized into metallic tiers based on relative richness of benefits

On-Exchange vs. Off-Exchange Consumer Behavior

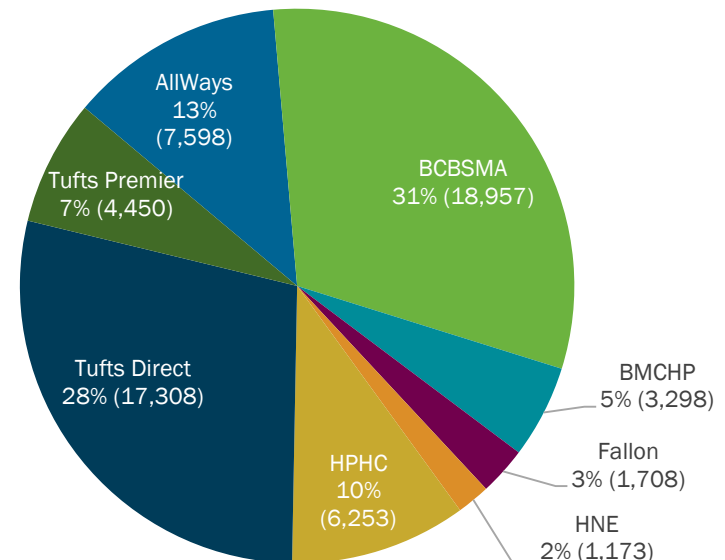
Carriers selected by on-Exchange (non-ConnectorCare) enrollees differ substantially from those chosen by off-Exchange shoppers. The comparison shopping experience offered by the Health Connector increases competition among carriers. Consumers are more likely to shop and discover new options that give good value for their dollar.

2019 Non-ConnectorCare Non-Group Enrollment On- and Off-Exchange

Non-Group, Non-ConnectorCare On-Exchange



Non-Group, Non-ConnectorCare Off-Exchange



Source: CHIA Enrollment Trends August 2019 Databook. Data from March 2019. <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.

A faint, light blue graphic of a scale of justice is visible in the background of the slide. It features a central vertical pillar with a curved arm extending from the top, holding a circular weight. The graphic is semi-transparent and occupies the upper half of the slide.

State Individual Mandate

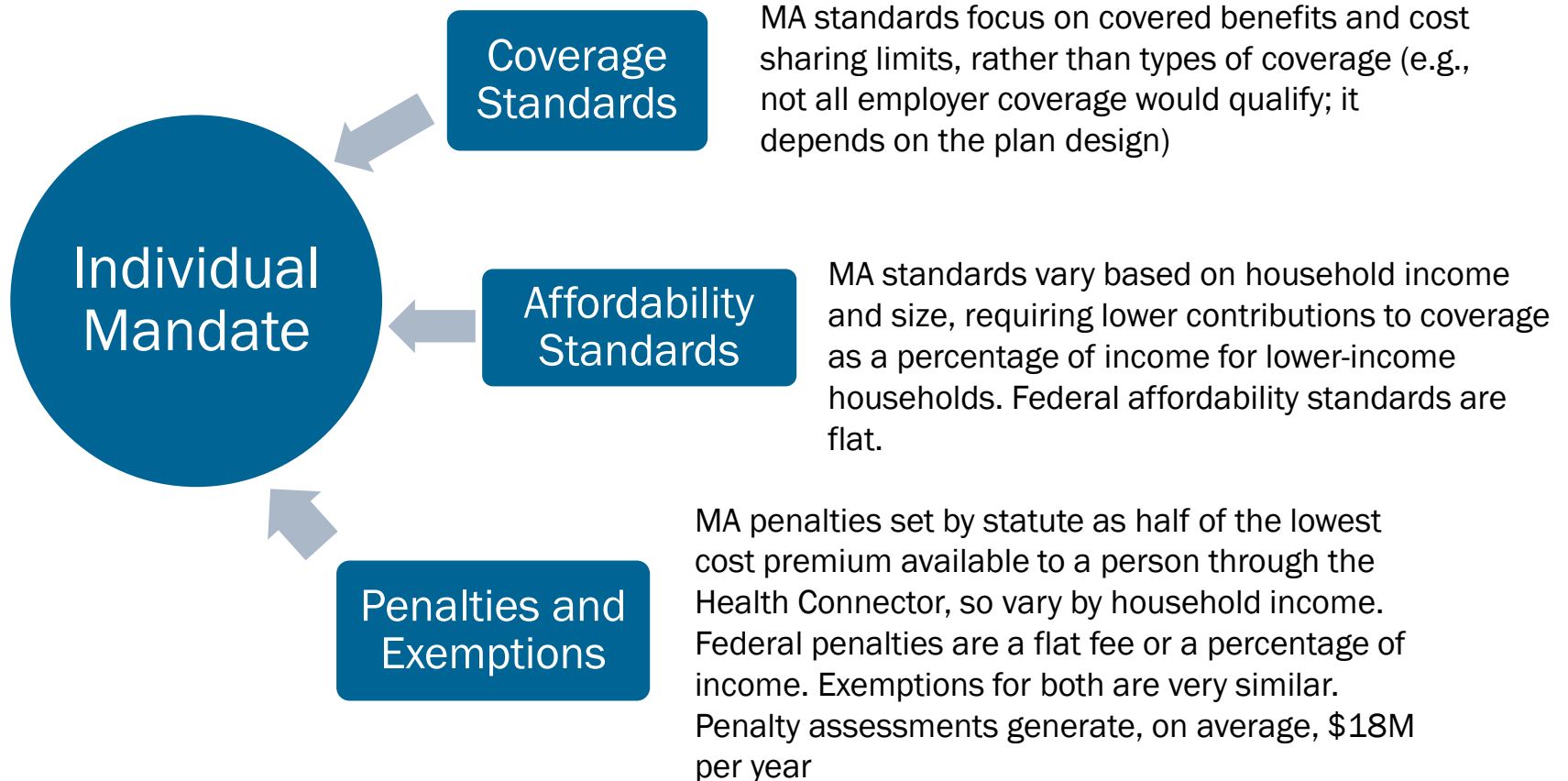
The Role of Massachusetts's Ongoing Individual Mandate

Massachusetts's 12-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)
- 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 put consumers at risk
 - Outreach capabilities enabled by mandate administration, which in turn helps affordability for those who can be newly enrolled + overall risk pool

Individual Mandate – Policy Components

The Massachusetts mandate differs from the federal mandate in its design.





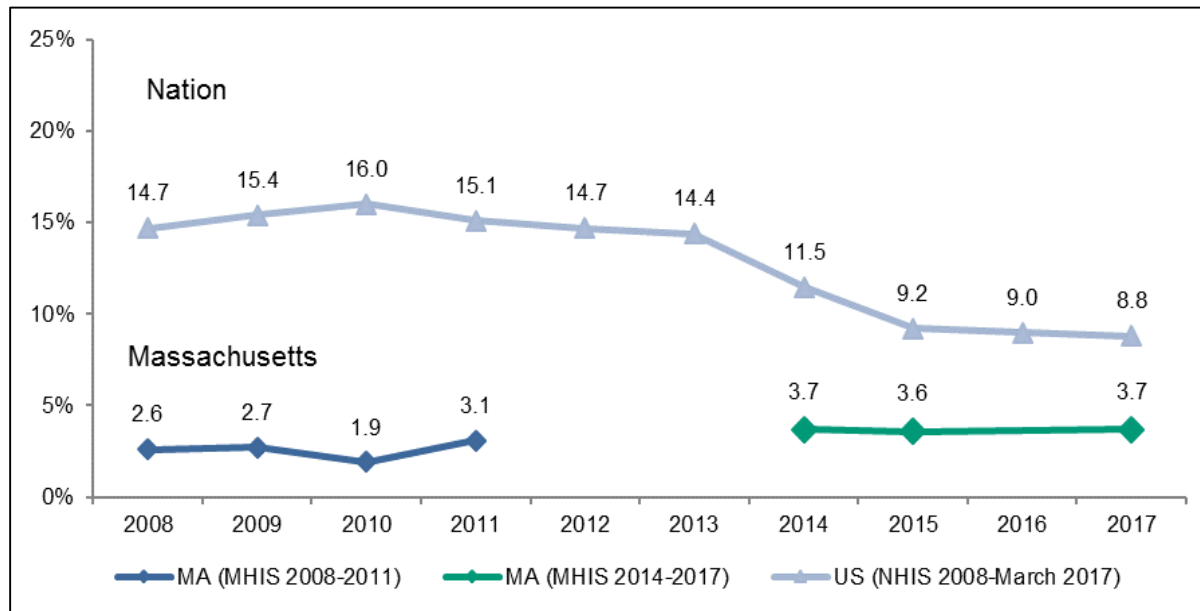
Uninsured in Massachusetts

Uninsured Rate in Massachusetts

The uninsurance rate in MA has remained lower than the rest of the country, at 3.7% in 2017 according to CHIA, though the gap is shrinking.

Uninsured survey respondents most often cited the high cost of coverage as an important reason for being uninsured (61%).

Uninsurance at the time of the survey for all MA respondents and the nation as a whole, 2008-2017



Source: CHIA MHIS (2017)

Note: US Census data released in Sept. 2018 indicate a 2.5% uninsured rate for Massachusetts. Other sources of uninsurance data are available. The Health Connector uses CHIA's data as our gold standard because it is the most tailored to the MA population. We use Census uninsured data to compare our uninsured rate and demographics to that of other states.

Uninsured Demographics

The uninsured in MA are comprised of non-elderly adults and are more likely to be low-income, male, single with no children living with them, and Hispanic.

The high percentage of uninsured individuals with family income below 400% FPL suggests that many may be eligible for subsidized health coverage through the Health Connector or MassHealth.

Characteristics of the uninsured in Massachusetts in 2017

Characteristic	Among the uninsured respondents, percent with the characteristic	Among all respondents, percent with the characteristic
Aged 19-64	86.2%	62.7%
Male	64.7%	48.4%
Single individual, no children living with them	63.2%	39.7%
Hispanic	24.2%	11.9%
Family income below 400% of the FPL	78.4%	58.6%

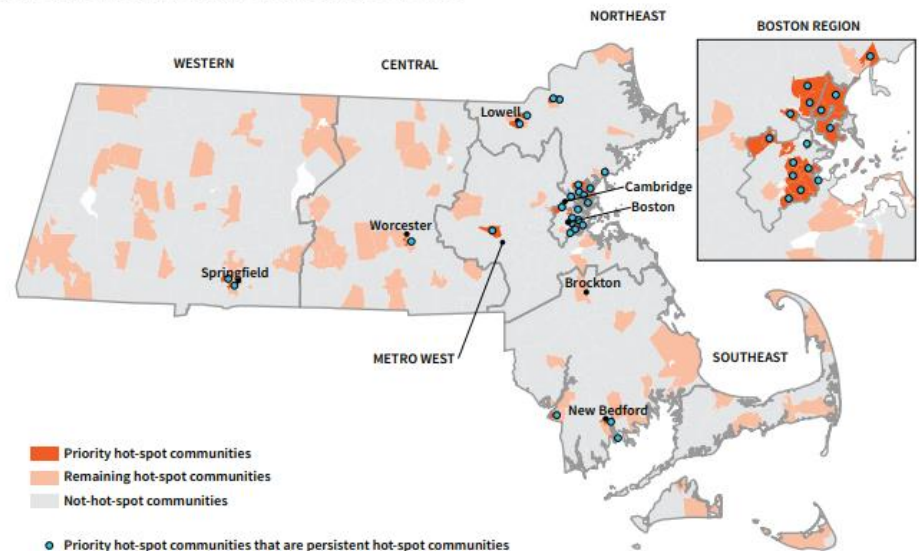
Source: CHIA MHIS (2017)

Geography of the Uninsured

Across the Commonwealth, there are 137 “hot-spot” communities with the highest rates of uninsurance. Of these communities, 31 “priority” hot-spot communities have the highest concentrations of uninsured individuals, mostly in the Boston area

- The average uninsurance rate in hot-spot communities was 5.3%, more than three times the 1.7% rate for not-hot-spot communities
- On average, hot-spot communities have 255 uninsured residents per square mile. The average varies by region, with a low of 83 uninsured per square mile in the Western region to a high of 871 uninsured per square mile in the Boston region.
- The average uninsurance rate in priority hot-spot communities statewide was 5.8 percent, with an average concentration of 799 uninsured residents per square mile.
- 26 of the 31 priority hot-spot communities in 2013–2017 were also hot-spot communities in 2008–2012, demonstrating persistently uninsurance rates

MAP 5. PRIORITY HOT-SPOT COMMUNITIES: HOT-SPOT COMMUNITIES WITH A HIGH CONCENTRATION OF UNINSURED RESIDENTS IN MASSACHUSETTS, 2013–2017



Source: BCBS Foundation of MA. The Geography of Uninsurance in Massachusetts: An Update for 2013-2017. (2019).



Outreach and Public Engagement

Outreach and Communications to Promote Widespread Health Coverage

The Health Connector works through a number of channels to reach not only the state's uninsured populations, but also members, assisters, stakeholders and policy leaders to ensure Massachusetts residents #StayCovered.

- Through a data-driven exercise, the Health Connector focuses on populations with a higher rate of uninsured residents, using ethnically-appropriate and diverse platforms to encourage enrollment
- The Health Connector funds and works closely with 16 Navigator organization around the state
- Annually, the Department of Revenue sends a letter on the Health Connector's behalf to those who say on their tax forms they are uninsured
- Leading up to and throughout Open Enrollment, members receive direct communications, including reminder emails, inserts to notices and invoices, encouraging them to shop and informing them of new functions
- Paid media focuses strictly on ethnic media outlets, providing additional ad buy value and targeting identified populations with higher uninsured rates
 - Languages included Spanish, Portuguese, Chinese, Vietnamese, Haitian Creole, Cambodian and Polish



Looking Ahead

Looking Ahead

The Health Connector's goals in the coming years...

- Preserving and strengthening our state wrap program, ConnectorCare
- Rebolstering awareness of our state-level individual mandate through our #StayCovered and #GetTo100 campaign
- Intensifying efforts and focus on affordability for individuals and small businesses
- Learning from other states and thought leaders around the nation
- Navigating the policy challenges we face:
 - Health care cost growth generally
 - Persistency of remaining uninsured in Massachusetts
 - Dynamic federal policy environment

Questions?



Audrey Morse Gasteier
Audrey.Gasteier@mass.gov