



To: MassAHU

From: Shelley Kaleita

Re: June 17th 2020, Merged Market Advisory Council Meeting

Date: June 17th, 2020

Attendees

Gary Anderson | Commissioner of Insurance, Chair
Louis Gutierrez | Executive Director, Health Connector
Michael Caljouw | Health Insurance Carrier
Rosemarie Lopes | Health Insurance Broker, MassAHU Member
Rina Vertes | Health Insurance Actuary
Amy Rosenthal | Health Insurance Individual Purchaser
Patricia Begrowicz | Business Community Employer
Joshua Archambault | Health Insurance/Business Community
Jon Hurst | Health Insurance/Business Community
Lauren Peters | Department of Health and Human Services
Kevin Beagan | Deputy Commissioner, Mass DOI
Lora M. Pellegrini | Mass Association of Health Plans

Overview

On Wednesday, June 17th from 1-1:30pm, the Merged Market Advisory Council convened via phone. The council discussed previous meeting minutes, the latest merged market membership numbers indicating membership in May, the suggested Changes to 211 CMR 40.00 and a discussion on NCOIL Sharing Ministry Model.

The council began by voting on previous meeting minutes. The first being the March 11th meeting minutes. Gary Anderson noted that the amendments made in the March 11th meetings were made by Mark Gaunya specific to comments he had made. The council unanimously amended these meeting minutes and moved to discuss the May 20th meeting minutes. Michael Caljouw commented that he wanted clarification in the first paragraph on the minutes, concerning something that Kevin Beagan had stated regarding the changes in monthly membership from April compared to March and that this had stayed relatively similar crediting this to the bulletins that were provided by The Division of Insurance. Michael expressed that this

is not how he recalls the discussion happening and that there should be a technical correction made. Kevin clarified that he meant the actions the carriers may have to taken to be more flexible regarding continuation of coverage and trying to maintain coverage probably enabled for membership to stay constant from March to April. Kevin said that it may be worthwhile that they make suggested changes to that sentence. They will be amending these minutes so if there are any changes that council members would like to make, they can submit this to Gary Anderson.

The council then moved to discuss the latest merged market membership numbers indicating membership in May. Gary noted that they are encouraged that they have not seen a drop off in membership as they had anticipated. He attributed this to a number of factors such as actions taken by the administration and carriers to ensure people maintain coverage during this crisis. Kevin then highlighted the aggregate membership changes that they have been collecting from all the carriers in the market regarding their monthly changes in membership. Prior to this meeting Kevin circulated a chart that illustrates that for the month of May across the four reporting categories: merged market, large group, ASO and government accounts. There was a 5 thousand drop in the number of individuals covered under the plans reported information. According to the information reported, Medicaid membership under government accounts has increased by approximately 14 thousand, meaning the number of individuals covered by commercial accounts went down about 20 thousand. Kevin noted from what they gathered from the commercial accounts reductions are spread across all carriers. After conversation with carriers he found that groups are not dropping their total health coverage but instead there is attrition in the number of individuals who are covered under their employers group plans perhaps drawn from the reductions in the number of people who are actually employed by employers. Kevin expressed that they expected much lower numbers due to high unemployment numbers and they are happy to report that these numbers have not as significantly changed from one month to the next. He noted they need to carefully know the numbers for June and that each 15th on the month carriers report the previous months membership and that they are looking to expand the four reporting categories and are looking to collect information separate between individual and small group and separating government accounts between Medicare and Medicaid in order to further report these numbers.

They then moved to discuss changes to 211 CMR 40.00 the Marketing of Insured Health Plans, that the council previously voted for the DOI to revisit and make changes. Kevin wanted to address certain things that have been brought up in previous meetings about individual products that individuals may buy and that they might not fully understand what is an insured plan versus what is not a fully insured benefit plan. The Division of Insurance has been working on these suggestions internally and wants the council to be aware of this and would like to take any suggestions. The Merged Market Advisory Council will not develop these regulations or approve the language, but instead, he wants the council to be aware of what they are working on and to make any suggestions or comments. He highlighted they are trying to add in CMR 40.04, which

was distributed to members, and the idea that there be some kind of disclosure that plans are required to include on documents to make individuals aware whether they are enrolled what is considered to be an insured health plan, that is not a limited health plan and separately that they are enrolled in a limited health plan. If any members have suggestions or comments, they ask it is sent to either Gary or Kevin.

They moved to discuss the NCOIL Sharing Ministry Model. This was for discussion purposes only today, as the council has in the past acknowledged consumer issues that have arisen within the past year about sharing ministries, what they are, people knowing what they're getting into and whether sharing ministries are regulated in any way or form. Kevin noted that he only shared the NCOIL Sharing Ministry Model not to solicit whether the council would endorse or not endorse the model but rather for discussion purposes whether the Merged Market Advisory Council at its next meeting may be interested in making recommendations that there should be some regulation of sharing ministries. Kevin expressed that the sharing ministries themselves had expressed this was a good idea. If the council wants to suggest in the future that there be certain standards they can discuss this as part of a motion in the next meeting. Kevin noted this presentation was only to remind the council that this is a model that identifies a way for regulation, to see if the council considers this a good recommendation going forward. Audrey came on the line to discuss potential overlap with the Connectors regulations on coverage. Audrey explained that the health connector has a minimal coverage standard to satisfy individual mandate and in 2006 the state had included an allowance for healthcare ministries to count as minimum credible coverage but since that time there has been a proliferation of particular kinds of healthcare sharing ministries. They revised the regulations late last calendar year and placed restrictions and activities on healthcare sharing ministries that could continue to satisfy the minimal coverage standard. She noted this has a narrow application of what counts as minimum coverage standard. Kevin commented that this is something the council can consider if there are recommendations or thoughts on how to go forward.

Louis Gutierrez gave an update on the letter that the Connector sent to the official body of the federal CMS, requesting a straight line extension of the Co-op and small group rating factors that were used in 2020, to be used again in 2021. He called CMS to check in on the status and that there are favorable signals in the final process and that they will hear in the next few days.

The next Merged Market Advisory Council meeting is Wednesday, July 22, at 1 PM. The following meeting will be Wednesday, August 19 at 1 PM. Council members should be on the lookout for a Doodle poll regarding the resumption of biweekly meetings in September to complete work of Merged Market Advisory Council.

Council Member Discussions

May Membership Numbers

- Laura Pellegrini expressed that it is great there is such little drop off in membership, but it is surprising given the unemployment numbers. She inquired if the Division of Insurance or the current Administration are tracking employers who furloughed employees but allowed them to keep benefits and now may be let go of since the economy is not rebounding as quickly as hoped. She also inquired about the impact of cobra on these numbers and if they have been tracking that.
 - Kevin responded that at this point the Division of Insurance is collecting high level information and they have had discussions with the administration about collecting more detailed information and have not gone down that path yet.
- Lora Pellegrini emphasized that many small business owners she has spoken to, many of whom received PPP loans and were able to use this for a couple of months but with money running out these businesses have expressed they may not be able to reopen and that these numbers may be deceiving and that there might be a larger drop off in coming months.
- Jon Hurst agreed with Lora's point and added that given COVID-19 and getting sidetracked on doing some real substantial reforms to help out small businesses, that this puts the spotlight back on the rating factors that are used.

Changes to 211 CMR 40.00 - the Marketing of Insured Health Plans

- Amy Rosenthal commented that they are appreciative of the steps taken to make this clarification but would like to come back to suggested language as some of the language is still probably over the head of consumers in understanding the differences. She expressed that there should be no abbreviations and there should be a description of what it is as well as naming it so people understand what a limited health plan is.
- Michael Caljouw commented that they are supportive of these changes generally but want to make sure that it is consistent with the requirements of 211 CMR. 152.00 around limited and regional providers network plans as there is some information that is already required regarding carriers making regional efforts to notify individuals of changes to their plans at least 30 days prior to the change, to make sure new requirements do not conflict with existing ones.

NCOIL Sharing Ministry Model

- Joshua Archambault inquired about why they are spending time and resources on this as it is a relatively minor part of enrollment in the state versus other policy options that could be put on the table and that this is a small part of the market.
- Amy Rosenthal commented that even though this is not a large part of the market it is important to clarify as there is still confusion around sharing ministries.

- Rina Vertes expressed concern about losing focus on the core issue on why does healthcare cost so much in Massachusetts and the burden this is placing on small businesses and individuals and as the economy continues to stumble, those costs that will be borne by the state because of so much government provided or subsidized plans. She is worried about what the rate filings are going to look like in the next few weeks and what that means for businesses.
- Jon Hurst agreed with Rina and said that costs aside from health insurance will be hammering small businesses. He brought up that there will be a 5 billion dollar borrowing in Unemployment Insurance and there will be increased costs for small businesses to keep their doors open. He noted that providers are getting federal money and there has been a drop in utilization and hopes this is reflected in the rates going forward
- Michael Caljouw then suggested that in future meetings to model out actuarially any legislative changes that may occur over the next 6 weeks that are impacting the market as this will show up in rates in July.
 - Kevin commented that these comments from Rina, Jon and Michael have provided a snapshot of the complexity of these issues. The charge of the council is to get at the costs and then bend that a bit to understand the costs at the moment and what measures they can take to alleviate the costs on businesses and consumers. He noted this is difficult because they are working with data that is happening right now. He is open to ideas about cost containment for the next few meetings and the hope is in September they are able to have a better handle on some of the data. He is going to talk to Bella about the next steps, ideas, measures and topics and then will come back to the council with thoughts.