

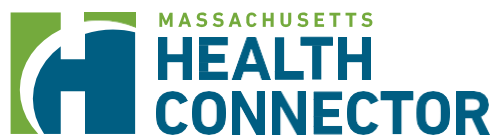
**Report to the
Massachusetts Legislature:**

Activities and Accomplishments of the Massachusetts Marketplace

Fiscal Year 2023



Massachusetts Health Connector
2024



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Preface

Massachusetts has an extensive history of health care reform efforts aimed at expanding health insurance coverage to its residents. The Massachusetts Health Connector is proud to be a key part of the public interest legacy created when the Commonwealth's landmark health reform law, Chapter 58 of the Acts of 2006, was passed and included a state-based Marketplace: a place where individuals, families, and small businesses can find, compare, and enroll in affordable health insurance coverage. As a result of that legacy, Massachusetts has the highest rate of insurance in the country, with over 97 percent of residents insured.

The work of the Health Connector and the sustained success of health reform in Massachusetts has benefited from the support and assistance of the Legislature and many state agencies. The Health Connector would like to thank the Office of the Governor, the General Court, 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, 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, the Office of the Attorney General, and the Massachusetts Office of Business Development. Collaboration across these entities enriches Massachusetts health reform, and the Health Connector appreciates these partnerships.

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 Fiscal Year 2023 (FY23) included:

- Marylou Sudders replaced by Kathleen E. Walsh (January 2023), Chair of the Board, Secretary of the Executive Office of Health and Human Services;
- Michael Heffernan replaced by Matthew Gorzkowicz (January 2023), Secretary of the Executive Office for Administration and Finance;
- Gary Anderson, Commissioner of the Division of Insurance;
- Matthew Veno, Executive Director of the Group Insurance Commission;
- Michael Chernen, Ph.D., Leonard D. Schaeffer Professor of Health Care Policy at Harvard Medical School;
- Filaine Deronnette, Vice-President at Large of 1199 SEIU MA;
- Mark S. Gaunya replaced by Eric Gulko (December 2022), President of Innovo Benefits Group;
- Keisha O'Marde-Jack (Resigned May 2023), Chief Human Resources Officer at Upstream USA;
- 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; and
- Rina Vertes, President of Marjos Business Consulting.

Executive Summary

During Fiscal Year (FY) 2023, spanning from July 1, 2022, until June 30, 2023, lingering effects of the COVID-19 pandemic continued to impact the Health Connector's work and associated policy responses. Throughout 2022 and 2023, economic changes and federal policies resulted in enrollment changes for the Health Connector. In response to the Medicaid continuous coverage requirement ending on March 31, 2023, the Health Connector's top priority for FY23 was to design and implement strategies to ensure residents losing eligibility for Medicaid (MassHealth) were aware of changing eligibility requirements and able to maintain health insurance coverage and would have the support they needed to enroll in Health Connector or other sources of health coverage. In addition to the Health Connector's outreach and programmatic planning, passage of the Inflation Reduction Act (IRA) in August 2022 extended enhanced Affordable Care Act (ACA) premium subsidies, providing crucial affordability support to individuals in purchasing Health Connector coverage through 2025.

In May 2023, the Health Connector Board voted to amend Minimum Credible Coverage (MCC) regulations to specify that no-cost high-value preventive services must be included in coverage for residents to avoid paying a tax penalty under the state's individual mandate. MCC amendments were proposed in response to *Braidwood Management v. Becerra*, a lawsuit that challenges ACA requirements covering preventive care services. While MCC does not apply to health plans directly, plans often choose to meet MCC standards so enrolled members are not faced with individual mandate tax penalties. Amending MCC regulations bolstered robust coverage of affordable and accessible preventive services to all adult Massachusetts residents.

The Health Connector ended FY23 with 224,206 non-group medical plan enrollees and 12,521 small-group medical plan enrollees. Compared to the end of FY22, the Health Connector experienced a 1.6 percent decrease in non-group membership and a 10.4 percent increase in small group membership. The non-group membership decrease is largely attributable to the Medicaid continuous coverage requirement associated with the COVID-19 pandemic that temporarily suppressed typical enrollment dynamics for the Health Connector. The Health Connector's continued position as a source of high-quality and affordable health coverage in the state, even as broader dynamics temporarily altered its enrollment, is a result of the strategic approaches it took in FY23:

- The Health Connector engaged in broad-based outreach to generate awareness of the end of the Medicaid continuous coverage requirement beginning on March 31, 2023, to assist residents experiencing changes in eligibility status.
- The Health Connector raised awareness of the availability of increased federal subsidies for health insurance purchased through ACA Marketplaces through 2025.
- The ConnectorCare program provided low-to-moderate income residents with affordable health coverage with low or no cost sharing and no deductibles. Premiums increase gradually with income, with plans as low as \$0 a month for those with incomes up to 150 percent of the FPL and \$137 a month for those at 300 percent of the FPL. (Of note, beginning in 2024, the ConnectorCare Pilot expansion raises income eligibility from 300 to 500 percent of the FPL, effective through 2025. The Health Connector will monitor pilot implementation and impacts through FY24 and include details in the FY24 Annual Report for the Legislature.)
- The Health Connector continued to address health inequities through its Seal of Approval (SOA) plan design and certification process by eliminating cost sharing for certain medications related to chronic illness disproportionately borne by communities of color for ConnectorCare members in 2023.

- Health Connector for Business continued to offer Massachusetts businesses with up to 50 employees a way to provide flexible benefit options in health insurance plans as well as premium rebates for participating in a wellness program. The Health Connector uses multi-channel outreach strategies including paid media, event participation, and close relationships with brokers to promote Health Connector for Business to small businesses across the Commonwealth.

Health Connector staff spent the latter portion of FY23 collaborating on a refined strategic plan for 2024-2028, to review existing approaches to supporting the diverse needs of state residents who depend on Marketplace coverage. The 2024-2028 strategic plan provides a clear and measurable pathway for future policy, programmatic, and operational improvements to deliver high value coverage across the Commonwealth. The Health Connector continues to strive to improve the applicant and member experience, respond to and resolve customer issues at the member and operational levels, and enhance approaches to equitable health insurance coverage.

The Health Connector will continue to build on its 18-year legacy of providing residents of Massachusetts with access to high-quality health insurance, responding to consumer needs and an ever-evolving policy and market landscape. The Health Connector looks forward to working with stakeholders to help Massachusetts to continue to lead the nation in health reform and coverage expansion.

1.0: Introduction

1.1: History of the Health Connector

In Massachusetts, Chapter 58 of the Acts of 2006, the state's landmark 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 Commonwealth residents. Since its creation, the Health Connector has maintained an essential role in the Massachusetts merged non-group and small-group market, including through the state's transition to the federal Patient Protection and Affordable Care Act (ACA), which became law in 2010 and was largely implemented between 2014 and 2015.

Through that transition, Massachusetts continued its commitment to keeping insurance affordable for low-income individuals and created the ConnectorCare program to supplement federal subsidies. ConnectorCare provides additional support to members to reduce both premiums and out-of-pocket costs at the point of service, such as co-pays. Historically, the program has served Health Connector members with income under 300 percent of the Federal Poverty Level (FPL), which is around \$40,770 a year for an individual, or \$83,250 for a family for 2023 plans. ConnectorCare has been critical to preserving coverage gains made in Massachusetts prior to the ACA and driving competition that helps keep premiums stable and low-cost in the merged market. See Appendix A for a timeline of milestones in Massachusetts market reform.

2.0: Policy Updates

2.1 Extension of ARP's Enhanced Subsidies through the IRA

Enhanced federal premium subsidies continue to increase affordability of health coverage for individuals and families in Massachusetts in FY23. The American Rescue Plan Act (ARP) was signed into law in March 2021 and included enhanced and expanded premium subsidies available through

state-based Exchanges like the Health Connector. While ARP’s expansion of APTCs was originally set to expire at the end of 2022, the Inflation Reduction Act (IRA), signed into law by President Biden on August 16, 2022, included a three-year extension of the enhanced ACA premium tax credits through 2025. These federal premium subsidy enhancements represent the most significant federal expansion of coverage and affordability since the ACA was passed and have increased affordability for hundreds of thousands low- and moderate-income residents across the Commonwealth. Approximately two-thirds of Health Connector members had lower premiums on their bills in FY23 than they would have without these enhanced subsidies.

High impact provisions of the ARP and IRA in effect for 2021 through 2025 include:

1. **Expansion of APTC generosity:** Through 2025, expanded federal Advance Premium Tax Credits (APTC) enhance generosity for households with incomes under 400 percent FPL (about \$54,360 for an individual or \$111,000 for a family of four in 2023) in a manner that more closely mirrors the level of support that Massachusetts has provided for over a decade through state subsidies.
2. **Expansion of APTC eligibility:** Through 2025, there is no income “cap” on receiving APTCs, making subsidies available to households with incomes above 400 percent FPL for the first time. This ensures that a family’s contribution towards a benchmark plan premium will not exceed 8.5 percent of their household income.

Extension of these enhanced subsidies has made coverage more affordable for nearly 200,000 Massachusetts residents, particularly given heightened costs of household goods and services. This extension brought about \$160M-\$175M additional APTC support into the state for the purpose of premium affordability in 2023 alone. In FY23, Massachusetts residents saved hundreds of dollars per month on Health Connector plans. All subsidized Health Connector enrollees are receiving more tax credits because of ARP (Table 1).

Table 1. Impact of Enhanced APTCs

Premium Savings for Massachusetts Residents in 2023 Due to Enhanced Premium Tax Credits	
ConnectorCare	Up to \$29/month
APTC eligible enrollees above 400 percent FPL	Average of \$219/month

Source: Health Connector September 2022 Board Presentation. Federal Policy Updates. https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2022/09-08-22/Policy-Updates-090822.pdf.

2.2 The End of the Federal Public Health Emergency (PHE) and Medicaid Protections

The Families First Coronavirus Relief Act (FFCRA) directed Medicaid agencies to keep all enrollees covered for the duration of the federal COVID-19 Public Health Emergency (PHE) which began in January 2020. The population protected in the Commonwealth’s Medicaid program, MassHealth, included individuals who reported eligibility changes that would normally make them ineligible for MassHealth and instead qualify them for Health Connector coverage. The Consolidated Appropriations Act, passed in December 2022, delinked the Medicaid continuous enrollment provision from the end of the PHE. As a result, the continuous enrollment provision ended on March 31, 2023, and MassHealth began conducting eligibility redeterminations for 2.3 million Massachusetts residents on April 1, 2023. Specifically, from April 2023 to June 2024, MassHealth is

engaging all 2.3 million members in a renewal process to gather updated information and reassess whether they still qualify for coverage. Health Connector staff have been working closely with MassHealth and other external stakeholders to monitor this process, make coverage transitions as easy as possible, and ensure individuals and families secure affordable coverage.

The Health Connector has implemented a robust communications and outreach strategy during MassHealth redeterminations to ensure people find their way into affordable coverage after transitioning out of MassHealth. Direct outreach to people receiving a new Health Connector eligibility started in April 2023, encouraging enrollment, and highlighting deadlines.

Between April and June of 2023, more than 222,000 communications were delivered as part of direct outreach to people newly eligible for Health Connector coverage.¹ Direct communications include text, email, mail, and calls. The Health Connector is also outreaching the public through enrollment events and other community activities. By the end of FY23, 19,000 people visited 22 events. The Health Connector's statewide paid media campaign included locally targeted material before enrollment events and broad-based visibility, delivered via radio and digital content, Facebook, and television. The Health Connector's robust communications and outreach campaign to help guide people through the redeterminations process will continue into FY24.

The end of Medicaid protections will result in the largest coverage shifts since implementation of the ACA. At the end of FY23, only three months into Medicaid redeterminations, over 16,000 individuals enrolled in Health Connector coverage after losing MassHealth eligibility and qualifying for Health Connector coverage. More information about Medicaid redetermination activity and coverage transitions to the Health Connector will be detailed in the FY24 Annual Report.

2.4 Minimum Creditable Coverage (MCC) Regulation Amendments

In FY23, Health Connector staff proposed and the Health Connector Board voted to pursue amendments to Minimum Creditable Coverage (MCC) regulations to specify that no-cost high-value preventive services must be included in coverage that residents must enroll in to avoid facing a tax penalty. In July 2023, the Health Connector Board voted to approve final amendments to MCC regulations which are effective as of January 1, 2024.

The Individual Mandate and Minimum Creditable Coverage

Massachusetts law requires adult residents to have health insurance that meets the state's MCC standards or potentially face an individual mandate penalty. The Health Connector's MCC regulations govern what constitutes minimum creditable coverage for nearly 5 million state residents. MCC outlines the type of coverage a person needs to avoid facing a tax penalty under the state's individual mandate. State law defines MCC at a high level and authorizes the Health Connector Board to further determine the minimum standards of the plans that individual residents are required to have. MCC standards do not require market actors to provide compliant coverage. While MCC does not apply to health insurance plans directly, plans often choose to meet MCC standards so that their members do not face tax penalties.

¹ Health Connector Board Presentation, July 2023. https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2023/07-13-23/Update-on-MassHealth-Redeterminations-071323.pdf

Braidwood Management v. Becerra & Coverage of Preventive Services Under the Affordable Care Act (ACA)

Staff recommended amendments to MCC regulations in response to a U.S. District Court ruling (*Braidwood Management v. Becerra*) that placed limitations on the ability of the federal government to enforce the ACA requirement that health plans cover a broad range of preventive services and that they do so without cost-sharing. The ACA requires all (non-grandfathered) plans to cover preventive services without cost sharing if the U.S. Preventive Services Task Force (USPSTF) recommended them. The ruling determined that any recommendations made on or after March 23, 2010, were not enforceable, which would allow insurers and plan sponsors to remove coverage or charge cost-sharing for these services. Examples of preventive services recommended by the USPSTF on or after March 23, 2010, include: lung and skin cancer screenings, PrEP for HIV prevention, statins to lower cholesterol, and medications to reduce the risk of breast cancer. The court's decision has been stayed by a federal Appeals Court while litigation continues.

Amendments to Minimum Creditable Coverage (MCC) Regulations to Protect Access to Preventive Services

Health Connector staff recommended amending MCC regulations to prohibit any cost sharing (beyond just deductibles) for all preventive services and to make a clarifying edit to 956 CMR 5.03(1)(a)6. to replace the word “preventive” with the defined term “Preventive Health Services,” for the avoidance of doubt that all of the preventive services required to be covered by the ACA without cost-sharing before the Braidwood decision must be included.

The Health Connector accepted comments on the draft MCC regulations from interested parties from May 25, 2023, to June 23, 2023, including in writing and in a public hearing hosted by the Health Connector on June 22, 2023.² The Health Connector received written comments or testimony from two stakeholders in total. The two commenters, Health Care for All (HCFA) and Blue Cross Blue Shield of Massachusetts (BCBSMA), voiced strong support for the proposed amendments to MCC regulations. In July 2023, Health Connector staff recommended that the Board finalize proposed amendments to MCC regulations. Staff also recommended making MCC regulation amendments effective for January 1, 2024, to align with the tax year and to generally be consistent with the Health Connector's approach to individual mandate policy making.³

3.0: Non-group Membership

At the end of FY23, the Health Connector provided coverage to 224,206 non-group health plan enrollees, a decrease of 1.6 percent compared to FY22 enrollment. This decrease in enrollment is mainly attributable to the continuous enrollment requirement for MassHealth members for the duration of the federal public health emergency associated with federal COVID-19 relief packages. Massachusetts residents enrolled in Health Connector coverage 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

² Health Connector staff posted a Notice of Public Hearing on 956 CMR 5.00 Minimum Creditable Coverage on May 25, 2023.

³ The Health Connector published [Administrative Information Bulletin 04-23](#) in September 2023 to provide implementation information to grandfathered health plans.

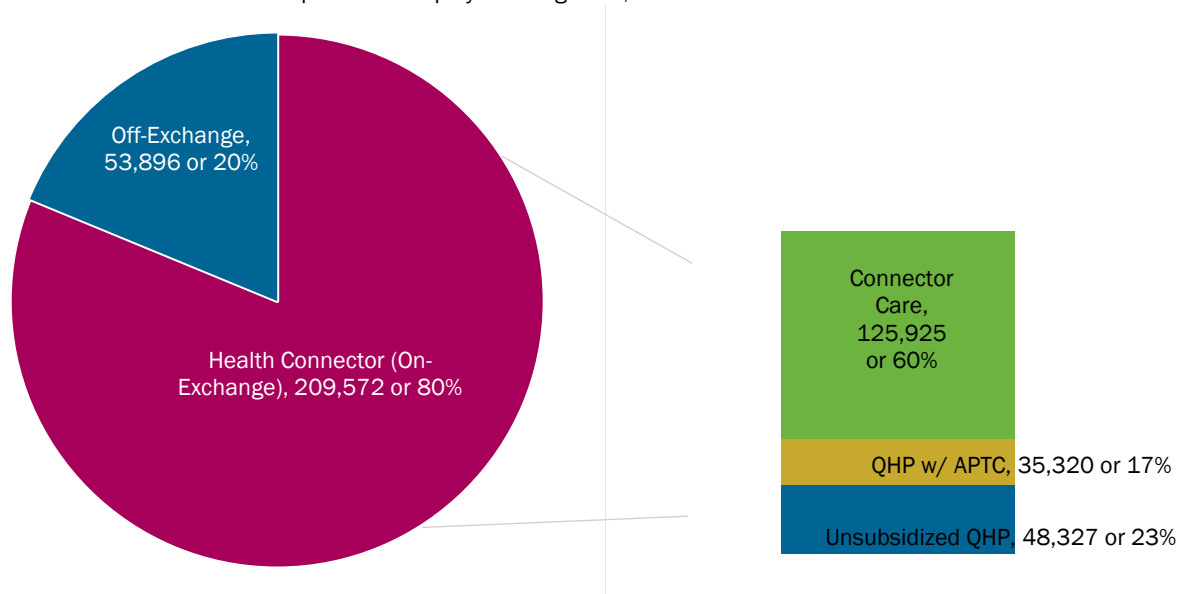
Bronze. Platinum plans provide low out-of-pocket costs for services, but have higher premiums, while Bronze plans have higher out-of-pocket costs for services, but lower monthly premiums. Additionally, the Health Connector offers “Catastrophic” plans with higher cost-sharing for individuals under age 30 or who have a financial hardship that makes purchasing more robust coverage unaffordable.

The ConnectorCare program is available to those with incomes up to 300 percent FPL that do not have access to other health coverage. In August 2023, the ConnectorCare expansion pilot was announced, and will be implemented in 2024 to increase ConnectorCare income eligibility limits to up to 500 percent FPL. Implementation and impacts of the ConnectorCare expansion pilot will be covered in the 2024 Annual Report to the Massachusetts Legislature.

3.1: Massachusetts non-group market

The Health Connector serves roughly 80 percent of the individuals in the non-group market in Massachusetts, mostly through the ConnectorCare program (Figure 1).

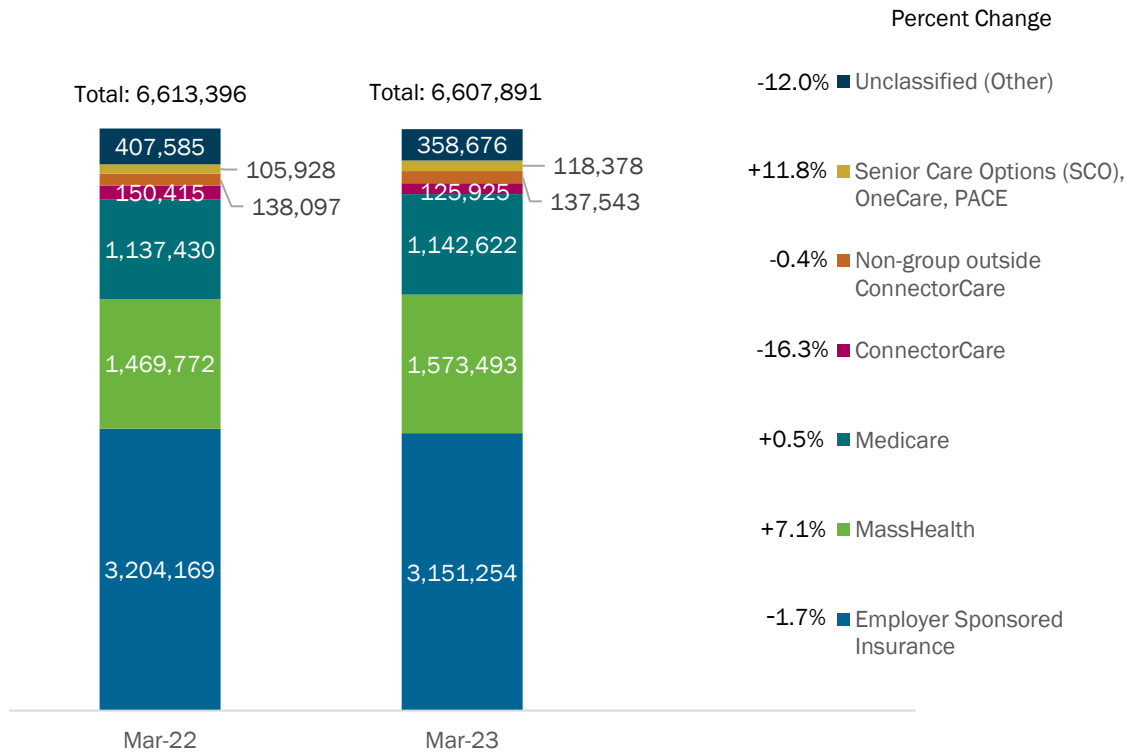
Figure 1. Massachusetts Non-Group Membership by Exchange Use, March 2023



Source: CHIA Enrollment Trends, September 2023 (data through March 2023). <https://www.chiamass.gov/enrollment-in-health-insurance/>.

In FY2023, the overall Massachusetts market remained relatively stable and decreased by less than one percent. Employer Sponsored Insurance (ESI) coverage decreased by about 2.4 percent between March 2021 and March 2023. Overall non-group coverage also decreased with ConnectorCare enrollment decreasing by about 3 percent between July 2022 and June 2023, due in part to Medicaid continuous coverage requirement as part of the federal public health emergency keeping members in MassHealth coverage who would otherwise be Health Connector eligible (Figure 2). Carrier dynamics changed as well as all 2022 members in Tufts Premier Plans transitioned to HPHC plans in 2023 as part of the Tufts-Harvard Pilgrim (HPHC) merger to Point32Health,

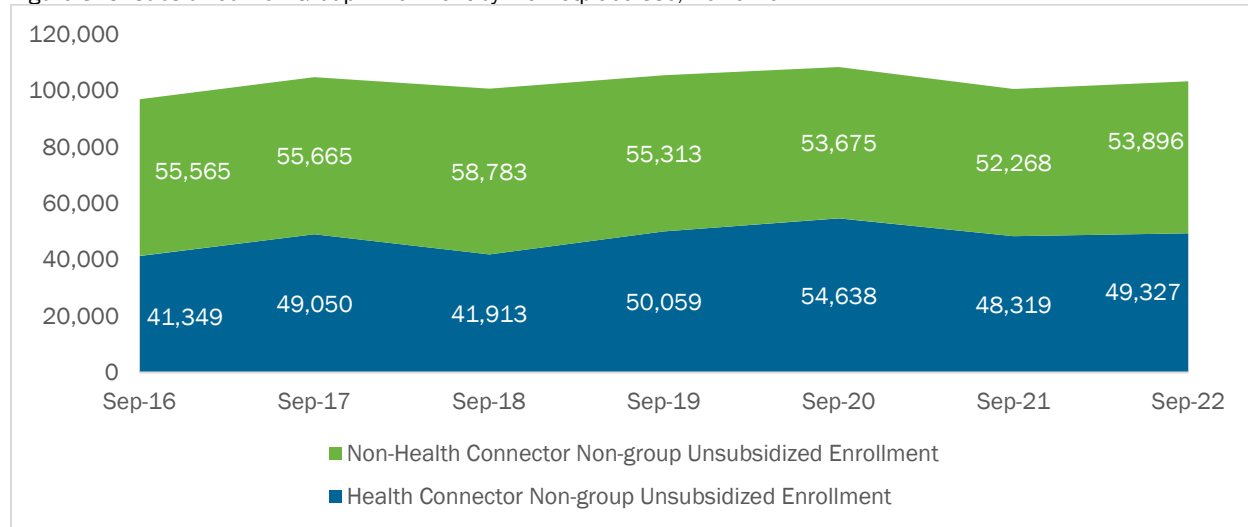
Figure 2. Massachusetts Health Coverage by Insurance Type, 2022-2023



Source: CHIA Enrollment Trends, September 2023 (data through March 2023). <http://www.chiamass.gov/enrollment-in-health-insurance/>.

Just under half of the Commonwealth’s unsubsidized consumers purchase health insurance on-Exchange while the other half purchase coverage directly from carriers. Non-group unsubsidized enrollment increased by 2,636 or 2.6 percent between September 2021 and September 2022. The proportion of on-Exchange members remained consistent at about 48 percent (Figure 3).

Figure 3. Unsubsidized Non-Group Enrollment by Marketplace Use, 2016-2022.



Source: CHIA Enrollment Trends, September 2023 (data through March 2023). <https://www.chiamass.gov/enrollment-in-health-insurance/>.

3.2: ConnectorCare membership

The ConnectorCare program provided comprehensive, affordable health insurance to Massachusetts residents with incomes up to 300 percent FPL in FY23. ConnectorCare coverage supplements the federal premium tax credits and cost-sharing subsidies available under the ACA to make coverage more affordable for members. There are five ConnectorCare Plan Types that vary by income. Enrollees make premium payments on a sliding scale, with minimum amounts ranging from \$0 to \$137 monthly, but all plans cover the same comprehensive benefits regardless of premium and plan type (Table 2). Enrollees who do not choose the lowest cost carrier may pay more than the minimum monthly premium. ConnectorCare plans have low co-pays for covered services that increase gradually with income but never include coinsurance or deductibles.

In FY23, five carriers—Fallon Community Health Plan, Health New England (HNE), Mass General Brigham Health Plan (formerly AllWays Health Partners), Tufts Direct, and WellSense Health Plan (formerly Boston Medical Center HealthNet Plan) –participated in the ConnectorCare program. Beginning in 2023, Health New England withdrew its ConnectorCare participation in Worcester County, and members were auto-renewed into the lowest cost ConnectorCare plan available to them. Tufts Direct and Fallon Health served as additional offerings for members in Worcester County in 2023. Fallon Health began newly covering Middlesex County in full in 2023.

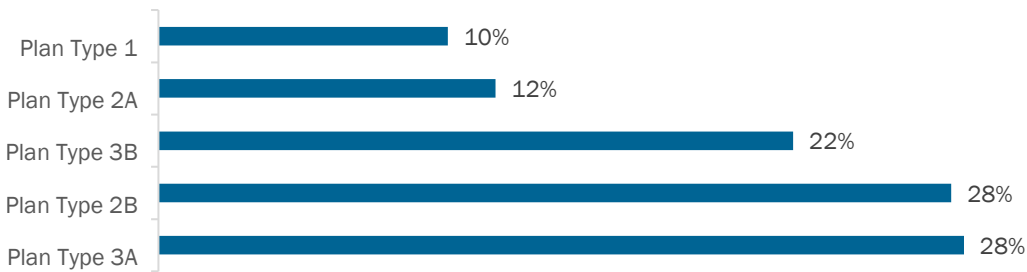
Beginning in 2023, ConnectorCare plans eliminated cost sharing for certain medications related to the management of chronic conditions as part of ongoing Health Connector equity initiatives. Black and Hispanic residents are diagnosed with chronic conditions such as asthma, coronary artery disease, diabetes, and hypertension at higher rates than White, non-Hispanic residents in Massachusetts. Impacts of zero-cost sharing for ConnectorCare members with chronic conditions will be evaluated over the coming years.

Table 2. ConnectorCare Plan Types by Income

Plan Type	Federal Poverty Level (FPL) Range	Income Ranges for Individuals Enrolling in CY2023
Plan Type 1	0-100 percent	Up to \$13,590
Plan Type 2A	100.1 – 150 percent	\$13,591 to \$19,320
Plan Type 2B	150.1 – 200 percent	\$19,321 to \$25,760
Plan Type 3A	200.1 – 250 percent	\$25,761 to \$32,200
Plan Type 3B	250.1 – 300 percent	\$32,201 to \$38,640

The ConnectorCare program had 136,753 active members at the end of FY23, with the highest volume of members enrolled in Plan Type 3A (28 percent). These enrollees had income between 200.1 and 250 percent FPL or \$25,761 to \$32,200 for an individual. Individuals in this income bracket had access to plans with a minimum monthly enrollee premium contribution of \$93 in 2023 (Figure 4).

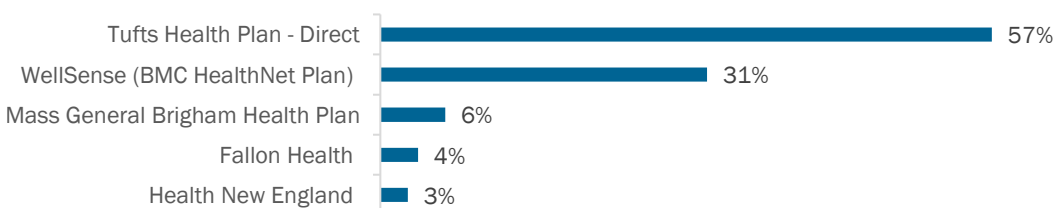
Figure 4. ConnectorCare Enrollment by Plan Type, July 2023 (n=136,753)



Source: Health Connector Board Summary Report, July 2023. https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2023/07-13-23/Board-Summary-Report-July-2023.pdf.

As of July 2023, approximately 88 percent of ConnectorCare enrollees chose Tufts Health Direct or WellSense plans. WellSense and Tufts Direct were the lowest-cost ConnectorCare plan options available in 14 of 18 ConnectorCare regions across the state (Figure 5).

Figure 5. ConnectorCare Enrollment by Carrier, July 2023 (n=136,755)



Source: Health Connector Board Summary Report, July 2023. https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2023/07-13-23/Board-Summary-Report-July-2023.pdf.

3.3: Non-group Membership Outside ConnectorCare

At the end of FY23, 87,453 individuals were enrolled in Qualified Health Plans with either no subsidies or only federal APTCs. Among individuals over 300 percent FPL, 47 percent enrolled in Silver tier plans, and 45 percent enrolled in Bronze tier plans (Figure 6). In FY23, the share of individuals over 300 percent FPL enrolled in Bronze plans increased slightly compared to FY22. While a combined 92 percent of individuals over 300 percent FPL were enrolled in either a Silver or Bronze plan, 6 percent were enrolled in a Gold plan, 2 percent enrolled in a Platinum plan, and fewer than 1 percent enrolled in a Catastrophic plan.

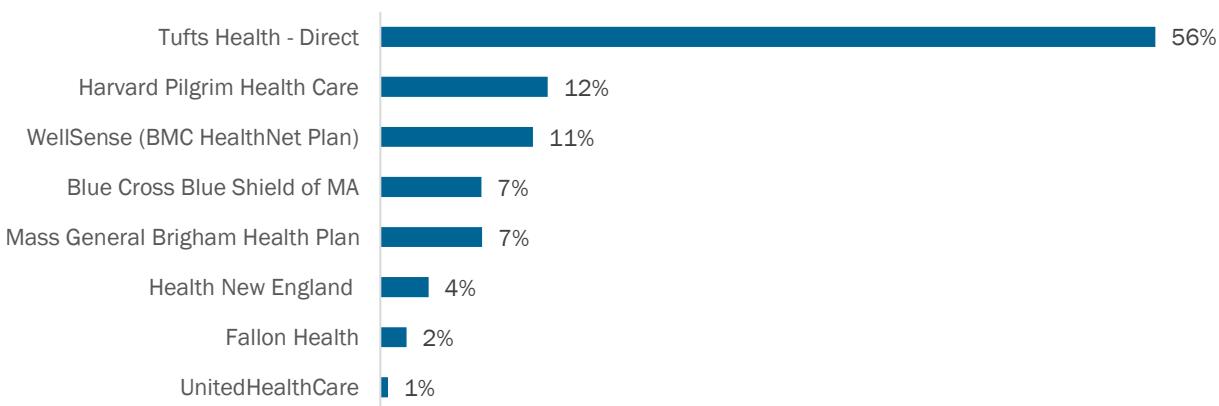
Figure 6. Non-ConnectorCare (>300% FPL) Enrollment by Metallic Tier, July 2023 (n=87,453)



Source: Health Connector Board Summary Report, July 2023. https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2023/07-13-23/Board-Summary-Report-July-2023.pdf.

Tufts Health Direct was the most popular carrier among members over 300 percent FPL in non-group coverage, with 56 percent of APTC-only and unsubsidized enrollment, followed by Harvard Pilgrim Health Care and WellSense, with 12 percent and 11 percent enrollment, respectively (Figure 7).

Figure 7. Non-ConnectorCare (>300% FPL) Enrollment by Carrier, July 2023 (n=87,453)



Source: Health Connector Board Summary Report, July 2023. https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2023/07-13-23/Board-Summary-Report-July-2023.pdf.

The health insurance carriers selected by the Health Connector's over 300 percent FPL individual coverage enrollees differ substantially from those chosen by individual coverage shoppers outside the Health Connector. Although individual coverage enrollees with incomes over 300 percent FPL are divided nearly equally between Health Connector and non-Health Connector individual coverage plans, a comparison of members by carrier shows notable differences in enrollment patterns. Health Connector members are more likely to engage in the comparison-shopping experience offered by the Marketplace, leading them to choose lower-cost carriers and narrow-network products. Outside the Health Connector, shoppers tend to choose higher-cost carriers that have broader networks.

3.4: Non-group member demographics

The Health Connector’s membership reflects the diversity of the Commonwealth. There are key demographic differences when comparing ConnectorCare members to APTC-only and unsubsidized members. ConnectorCare members come from populations that historically face cost barriers to enrolling in health coverage and accessing care when compared to other segments of the non-group market and the state population more broadly. ConnectorCare members are more likely to be women, speak a language other than English, and be non-citizens compared to Health Connector members who only receive APTCs and members who do not receive any subsidies. The average age for ConnectorCare and APTC-only members is slightly higher than for unsubsidized members, as children under the age of 18 with qualifying incomes typically obtain coverage through MassHealth (Table 3).

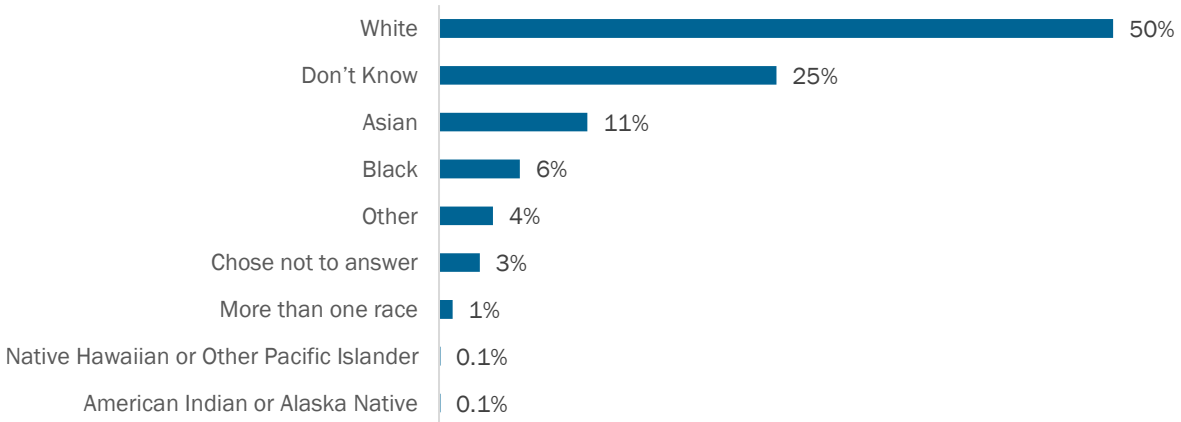
Table 3. Health Connector Member Demographics: ConnectorCare vs. Non-ConnectorCare

	ConnectorCare ≤ 300% FPL	Non-ConnectorCare >300% FPL	
Subsidy	APTCs + State Wrap	APTCs only	No Subsidies
Age (average)	44 years old	44 years old	39 years old
Gender	57% women	52% women	50% women
Household enrollment size (additional household members may have other coverage)	67% Individual members 33% families	41% Individual members 59% families	52% Individual members 48% families
Immigration status	33% Lawfully present immigrants	14% Lawfully present immigrants	8% Lawfully present immigrants
Language	22% speak a language other than English 15% speak Spanish	8% speak a language other than English 6% speak Spanish	3% speak a language other than English 2% speak Spanish

Source: Health Connector Administrative Data

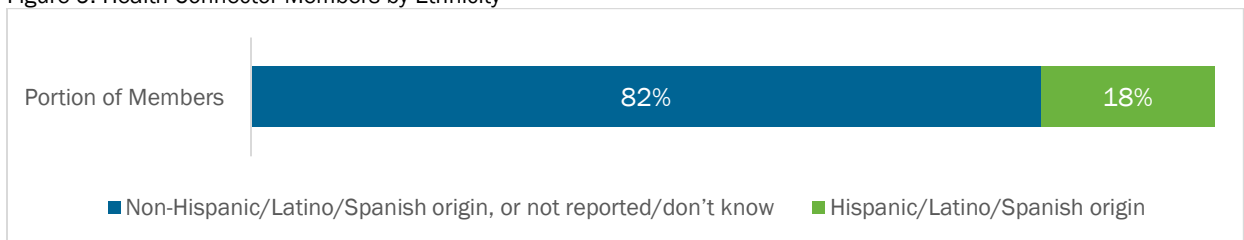
In FY23, half of Health Connector members reported their race as White in their application for coverage and roughly 30 percent did not identify any race on their application (Figure 8). An application could reflect unknown race if, for instance, a paper application did not have any race option selected. Approximately 18 percent of Health Connector members reported being of Hispanic, Latino, or Spanish origin (Figure 9).

Figure 8. Health Connector Members by Race



Source: Health Connector Administrative Data

Figure 9. Health Connector Members by Ethnicity



Source: Health Connector Administrative Data

4.0: Small-group Membership

Health Connector for Business (HCB) was designed to bring the Health Connector's competitive state-based Marketplace model to small employers. Serving employers with 50 or fewer employees, HCB aims to maximize access and affordability by offering small employers in Massachusetts unprecedented flexibility, choice, and savings opportunities.

Both Chapter 58 of the Acts of 2006 and the ACA require that the Health Connector offer small-group coverage to address the challenges faced by small businesses in providing affordable insurance to employees. HCB was implemented to serve the small group market in a sustainable and meaningful way, reflecting the Commonwealth's commitment to small employers.

Through HCB, employers have three ways to offer health coverage so employees can find the plan that best meets their needs.

- **One Plan:** Employers choose one health plan, and all employees enroll in that same plan.
- **One Level:** Employers choose a benefit level. Employees can choose a plan from any carrier at the level their employer chooses. No matter what plan they choose, employers pay the same amount towards their coverage.

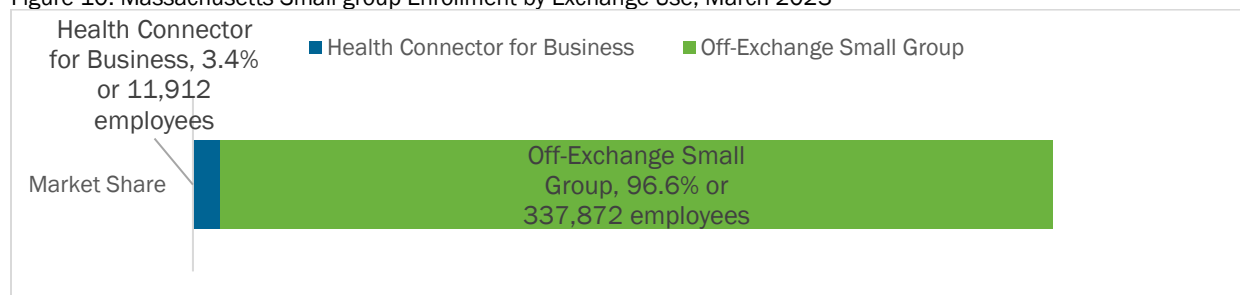
- **One Carrier:** Employers choose an insurance company (carrier). Employees can choose from several plans offered by that carrier at different benefit levels. No matter what plan they choose, employers pay the same amount towards their coverage.

4.1: Massachusetts small-group market

In March 2023, small group employees represented about 9.7 percent of all private commercial enrollment in Massachusetts, a slight decrease from 9.9 percent in FY2022. The total number of small group market employees decreased by about 13,817 employees.

The Health Connector serves 3.4 percent of the small-group market in Massachusetts, a 0.2 percentage point increase since September 2022 (Figure 10). The Health Connector’s small-group membership has grown consistently in size and share of the small-group market since the platform launched.

Figure 10. Massachusetts Small-group Enrollment by Exchange Use, March 2023

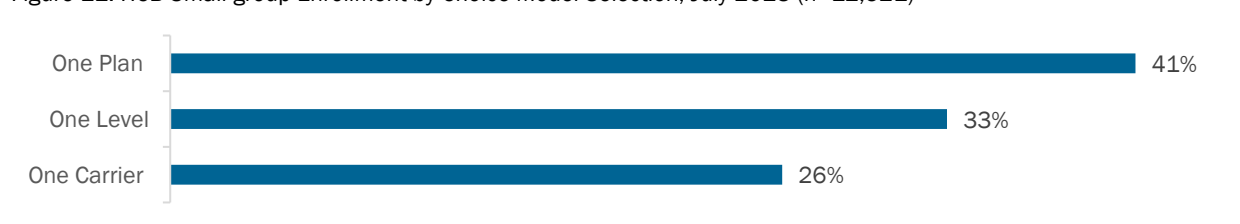


Source: CHIA Enrollment Trends, September 2023 (data through March 2023). <http://www.chiamass.gov/enrollment-in-health-insurance/>.

4.2: Health Connector for Business (HCB) enrollment

By the end of FY23, HCB had 12,521 small-group members among 2,237 groups, representing a 10 percent increase in members and 8 percent increase in groups when compared to the end of FY22. Among new sales, most straemployer groups selected choice models, where an employer offers a reference plan but provides employees with the option to shop from other carriers, or other benefit levels from the same carrier. Approximately 59 percent of new groups elected to offer either “One Level” or “One Carrier” options (Figure 11).

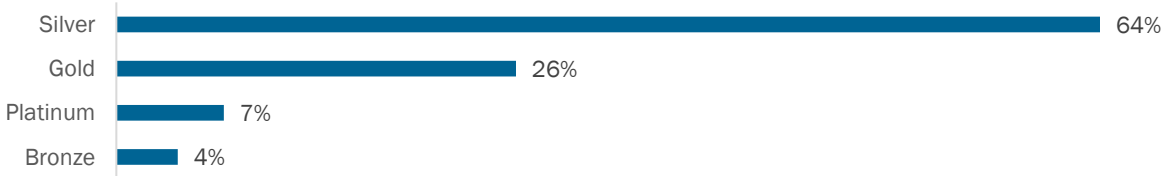
Figure 11. HCB Small-group Enrollment by Choice Model Selection, July 2023 (n=12,521)



Source: Health Connector Board Summary Report, July 2023. https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2023/07-13-23/Board-Summary-Report-July-2023.pdf

Silver tier plans are the most popular among small-group members (Figure 12).

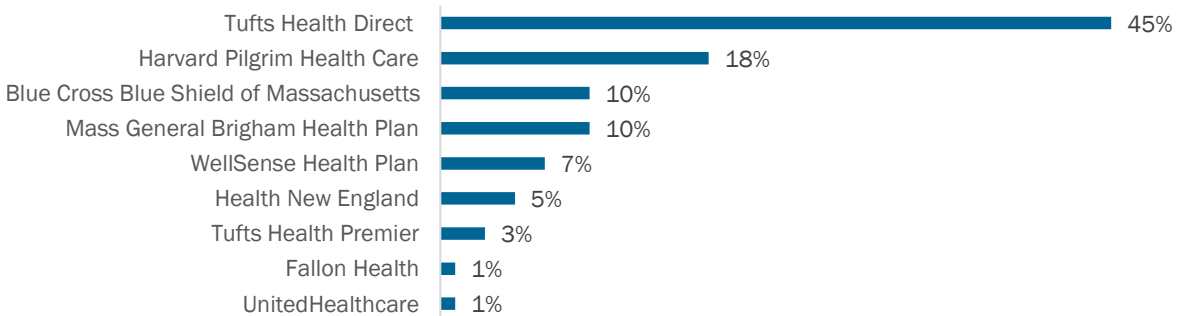
Figure 12. HCB Small-group Enrollment by Metallic Tier, July 2023 (n=12,521)



Source: Health Connector Board Summary Report, July 2023. https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2023/07-13-23/Board-Summary-Report-July-2023.pdf

Most employees enrolled with Tufts Health Direct and Harvard Pilgrim Health Care (63 percent of all Health Connector for Business members, Figure 13).

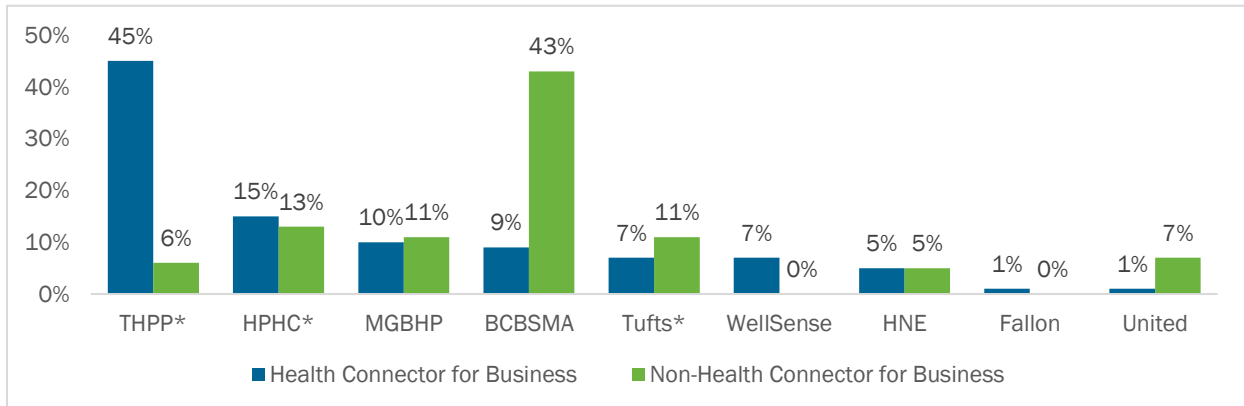
Figure 13. HCB Small-group Enrollment by Carrier, July 2023 (n=12,521)



Source: Health Connector Board Summary Report, July 2023. https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2023/07-13-23/Board-Summary-Report-July-2023.pdf

Like trends seen in the non-group market, HCB small group enrollees' plan selections differ substantially from those chosen by non-HCB shoppers, suggesting that the Health Connector's comparison-shopping experience increases competition among carriers. Tufts Health Direct is the top carrier among on-Exchange small groups compared to BCBSMA for off-Exchange small groups (Figure 14).

Figure 14. Small-group Enrollment On- and Off-Exchange by Carrier, March 2023



* HPHC and Tufts/THPP merged under the parent company Point32Health in January 2021. Tufts Health Public Plan (THPP) corresponds to Tufts Health Direct. Tufts* corresponds to Tufts Premier.

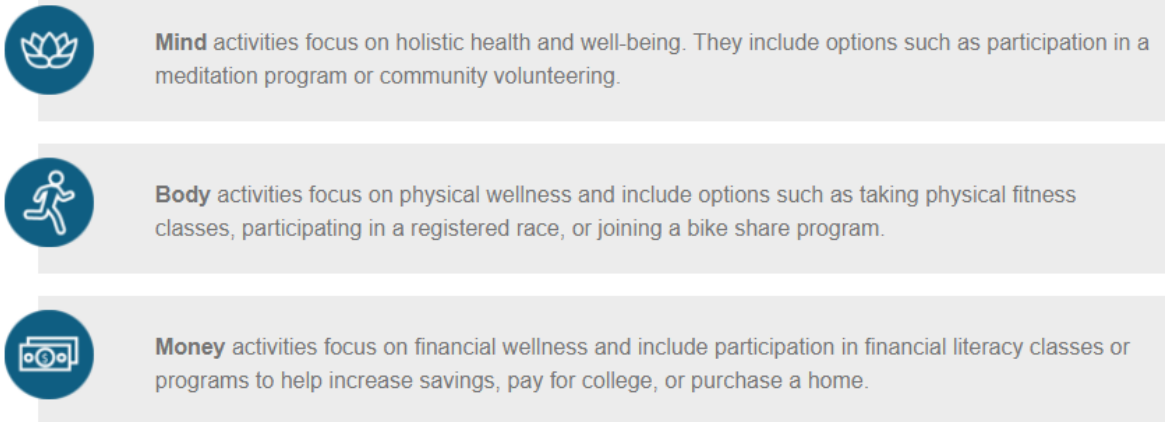
Source: CHIA Enrollment Trends, September 2023 (data through March 2023). <http://www.chiamass.gov/enrollment-in-health-insurance/>.

4.3: ConnectWell Wellness Program

HCB administers a streamlined wellness program called ConnectWell and is working to increase participation in the program among enrolled small groups. ConnectWell is designed to promote health and wellness by encouraging and rewarding eligible employers and employees for completing wellness activities. Employees can earn \$100 gift cards and employers can receive a 15 percent rebate on their health plan contributions.

ConnectWell is managed by HCB, allowing eligible employers to participate without having to sign up with a third party. Upon enrollment into health insurance, eligible employers and their employees receive emailed communications from HCB about the program and how to participate. Employers are considered eligible for ConnectWell if they have 1-25 employees and are eligible for a rebate if 33 percent of their employees participate in wellness activities. Employees can choose from a range of activities to earn the incentive gift card. At minimum, employees must choose one activity in one of three categories: mind, body, or money (Figure 15). At the end of the plan year, employers will receive a rebate based on what they contributed to their employees' insurance.

Figure 15. ConnectWell Activities



Source: Health Connector for Business ConnectWell webpage.
<https://www.mahealthconnector.org/business/employers/connectwell-for-employers>

In 2022, 173 HCB employer groups were eligible for wellness rebates and 327 employees received \$100 gift cards. On average, employers received rebate checks of \$3,134.12. Approximately 84 percent of overall HCB employers did not participate in ConnectWell. The Health Connector continues to encourage ConnectWell uptake by collaborating with employers and brokers, hosting live training sessions about the program for employers and brokers, and conducting outreach to employees directly.

5.0: Dental Membership

5.1: Non-group dental enrollment

The Health Connector first began to offer dental coverage to individuals and small groups in January 2014. Between FY22 and FY23, enrollment in non-group dental coverage increased by about 3 percent with 112,105 individuals enrolled at the end of FY23. Among all Health Connector non-group enrollees, 31 percent were enrolled in health and dental plans and 12 percent were enrolled in a dental plan only (Figure 16, Figure 17).

Figure 16. Non-group Enrollment by Health and Dental Plan, July 2023 (n=256,031)



Source: Health Connector Board Summary Report, July 2023. https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2023/07-13-23/Board-Summary-Report-July-2023.pdf

Figure 17. Non-group Dental Enrollment by Benefit Tier, July 2023 (n=122,155)



Source: Health Connector Board Summary Report, July 2023. https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2023/07-13-23/Board-Summary-Report-July-2023.pdf

5.2: Small-group dental enrollment

At the end of FY23, there were 1,015 small groups and 5,315 employees enrolled in dental coverage, a 20 percent and 25 percent increase compared to FY22, respectively. Approximately 90 percent enrolled in Delta Dental and the remaining 10 percent enrolled in Altus Dental (Figure 18).

Figure 18. HCB Small-group Dental Enrollment by Carrier, July 2023 (n=5,315)



Source: Health Connector Board Summary Report, July 2023. https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2023/07-13-23/Board-Summary-Report-July-2023.pdf

Approximately 73 percent of small-group members were enrolled in a high tier dental plan (Figure 19).

Figure 19. HCB Small-group Dental Enrollment by Benefit Tier, July 2023 (n=5,315)



Source: Health Connector Board Summary Report, July 2023. https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2023/07-13-23/Board-Summary-Report-July-2023.pdf

6.0: Administration and Operations

Chapter 58 created the Commonwealth Care Trust Fund (CCTF) to provide support for subsidized coverage through the Health Connector and Health Safety Net. Funding streams dedicated to the CCTF are state individual mandate penalties, dedicated tax revenue available through a surcharge on the state cigarette tax, and receipts from the employer medical assistance contribution.ⁱ Additionally, Federal Financial Participation (FFP) available via MassHealth’s 1115 waiver matches a portion of the state’s spending on premium and cost sharing subsidies for the ConnectorCare program. 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 small portion of premiums for policies sold through the platform to support administrative costs.

6.1: Health Connector programmatic budget

The Health Connector programmatic budget shows actual spending for FY23 (Table 4). The federal government provides matching FFP payments only for citizens and certain 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 percent of total enrollment. In FY23, Health Connector programs cost \$93.6 million, net of FFP.ⁱⁱ

Table 4. FY23 Health Connector Programmatic Budget

FY23 Net Costs	FY23 as of August 2023		
	July–December 2022	January–June 2023	Total
ConnectorCare Enrollees ⁱⁱⁱ	\$10,311,000	\$30,986,000	\$41,297,000
State Premium Wrap	\$4,424,000	\$4,356,000	\$8,780,000
State CSR	\$29,975,000	\$29,521,000	\$59,496,000
Cost Sharing Reconciliation (CY21)	-\$24,108,000	-\$954,000	-\$25,062,000
State Mandated Benefits ^{iv}	\$224,000	\$139,000	\$363,000
Medical Loss Ratio Rebate ^v	-\$8,000	\$0	-\$8,000
Wellness program subsidies	\$137,000	\$134,000	\$270,000
CCTF Draw	\$22,500,000	\$29,154,000	\$51,654,000
Total Program Cost (Net of FFP)	\$33,164,000	\$60,413,000	\$93,578,000

6.2: Non-group and small-group customer experience vendors

The Health Connector engages vendors to provide customer service and business operations support to its non-group members and small groups.

For FY23, the Health Connector continued to engage with Softheon, Inc. for services including enrollment and premium billing services, payment processing, notice generation and mailing, and member portal operations and maintenance. The Health Connector maintains a separate contractual agreement with Accenture for contact center and eligibility and enrollment support services, including contact center planning and design activities to continue to improve the Health Connector member experience.

In 2022, the Health Connector implemented new features to allow members to interact with the organization via chat through member portal (both virtual and live agent). Members can also opt to receive text and emails with updates regarding their case status, information about how to pay, where to find walk-in centers, how to submit requested documentation, and more. Enhancements were also made to the phone menus that allow members to hear status and balance for current and future plans. Members can also use self-service options to pay for health and dental plans on one call and only enter their banking information once.

Support for small group customers is provided by staff at the Washington, D.C., Health Benefit Exchange Authority (DCHBX). DCHBX contact center and technology performance is actively monitored to ensure appropriate and timely levels of service.

6.3: Additional member support initiatives

Non-group Call Center and Walk-in Centers.

The Health Connector call center supported members and applicants during the Open Enrollment period for 2023 coverage (OE23). The OE23 period ended with an overall customer satisfaction score of 89 percent in January 2023, compared to 85 percent at the end of OE22.

In FY23, the Health Connector worked with its contact center vendor, Accenture, to continue to improve member satisfaction by offering comprehensive training to call center representatives, making process improvements, and by reducing the number of dropped calls while attempting to make call transfers.

Walk-in center services continue to be provided at three locations (Boston, Worcester, and Springfield). These services include payment and document drop-off. Additionally, members have the option to make payments online via the payment portal, by mail, and by phone through the automated self-service menu. Documents can also be mailed or uploaded to the HIX portal.

Member Survey Research

The Health Connector strives to achieve the highest levels of customer satisfaction and to enhance the customer experience by soliciting feedback through survey research that can be used to shape policy and programs.

In the Health Connector's FY23 annual non-group member experience survey of 1,298 current and former members, 81 percent reported being satisfied with their Health Connector coverage, representing a 4 percentage-point increase from 2022. Factors driving satisfaction include 84 percent of respondents rating their choice of providers highly, and 83 percent are pleased with the options available for hospital care. Approximately 3 out of 4 respondents reported that they were satisfied with their plan in 2023, and about half agreed their monthly premiums are affordable. Subsidized members reported more positive experiences with affordability than unsubsidized members, possibly due to enhanced APTC; however, cost remains a concern for many, consistent with statewide surveys. ConnectorCare members were more likely to be satisfied with their Health Connector experience, their plans, incurred costs, and are less likely to have medical debt compared to those in APTC-only or unsubsidized coverage.

In FY23, the Health Connector surveyed 509 current and former small groups to learn more about the employer experience with HCB. Small groups reported high levels of satisfaction with the small group customer experience (89 percent compared to 86 percent in FY22). As with non-group

members, finding an affordable plan can be a challenge small groups face when trying to obtain insurance. Compared to FY22, fewer small groups indicated that finding affordable plans is their greatest challenge in obtaining and offering health insurance (63 percent in FY23 compared to 76 percent in FY22). Businesses primarily choose HCB given its competitively priced plan offerings and ability to compare multiple plans from different carriers.

The Health Connector relies on these survey findings to support existing knowledge about enrollees and to prioritize key areas of operational and policy enhancement.

6.4: 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 childcare provider; a family illness requiring full-time care; natural or manmade disaster; and bankruptcy. In FY23, 102 hardship waiver applications were approved. Reasons for waiver application denials include missing documents, submission by non-members, or other administrative reasons.

In FY23, the Health Connector received a total of 2,149 appeal requests from individuals. Among the 1,212 dismissed appeals, 144 were resolved without the need for a hearing. Sixty-one percent of the 1,034 hearings scheduled were dismissed for failure to appear. The remainder were approved or denied at hearing, as noted in the table below.

Table 5. FY23 Appeal Requests

Appeal Request Status	Count
Approved	8
Denied	200
Dismissed	1,212
Pending	256
Total Requests	2,232

7.0: Outreach, Assistance, and Education

7.1: Non-group assistance and outreach

Navigator program

The Health Connector selects and provides grant funds to a set of community organizations to serve as Navigator grantees, as required by the ACA. The selected organizations provide community-based assistance to help individuals obtain health insurance coverage and remain insured.

The goals of the Health Connector Navigator Program are three-fold. Navigators are tasked with using evidence-based strategies to reach the uninsured and those at risk of uninsurance, using culturally and linguistically appropriate methods to generate awareness about Health Connector coverage, and assisting with eligibility questions, renewals, application updates, shopping for plans, and payment.

For 2022, there were 22 Navigator organizations employing a total of 152 certified Navigators across the Commonwealth (see Appendix B). In January 2023, three new Navigator organizations were added to the Boston area.

Navigators were a vital community resource to help explain the changes to MassHealth protections when they expired on March 31, 2023. While the Health Connector manages the Navigator program, Navigators are trained in eligibility and enrollment processes for both Health Connector and MassHealth coverage, ensuring that individuals get the help they need, regardless of what they qualify for. Navigators continued to support members year-round to submit application materials, work through payment problems, and discuss their benefits – all in a culturally and linguistically appropriate way. The current Navigators offer help in 29 different languages (see Appendix B).

Open Enrollment 2023 Outreach, Education, and Marketing

In FY23, Open Enrollment activities continued to be fueled by a return to community-based, in-person events. As in OE22, in OE23 the ongoing pandemic required an enhanced focus on new populations, such as newly uninsured state residents who lost their employer coverage.

Priority populations outreached during OE23 also included the chronically uninsured and those newly eligible for enhanced APTC. The Health Connector continued to target outreach to communities with large populations and high uninsured rates, including Boston, Springfield, Lowell, Lawrence, Lynn, and New Bedford. To maximize OE23 visibility, paid and earned media opportunities were used to highlight the security of Health Connector coverage, affordable plans, and access to COVID-related services. The Health Connector also continued to reinforce the need for coverage during a pandemic in OE messaging.

The Health Connector continued its engagement with ASG, a marketing and communications firm, on media outreach to these populations for the sixth year in a row. Ethnic media remained a key outreach channel during OE23, including radio and TV programming.

In addition to returning to community events with COVID precautions in place, the Health Connector used video, digital, radio and print outlets for messaging during OE23. Other outreach and marketing included direct member and eligible but unenrolled outreach, local Navigator interview opportunities, signage placement in communities with higher rates of uninsurance, and public webinars.

As mentioned in the policy updates section, the Health Connector implemented a robust communications and outreach strategy in response to MassHealth redeterminations with a focus on ensuring people find their way into affordable coverage after transitioning out of MassHealth. This communications and outreach strategy overlaps with the Health Connector's OE24 outreach work and will be detailed in the FY24 Annual Report.

7.2: Small-group assistance and outreach

Employer Engagement

While Navigators focus on individual members and shoppers, the Health Connector has sought other channels to help educate employers about available health insurance options. To increase awareness about Health Connector for Business (HCB) among small-business owners and their brokers, the Health Connector presented at and sponsored many events across the state in FY23. Additionally, the Health Connector engaged in a series of outreach events hosted in partnership with local Chambers of Commerce, employer associations and groups, and governmental agencies (e.g., Office of Economic Empowerment and Mass Office of Business Development) that support small businesses across the state. Engagement in events and activities with Chambers of Commerce included the Greater Boston Chamber of Commerce, the MA LGBT Chamber of Commerce, and others.

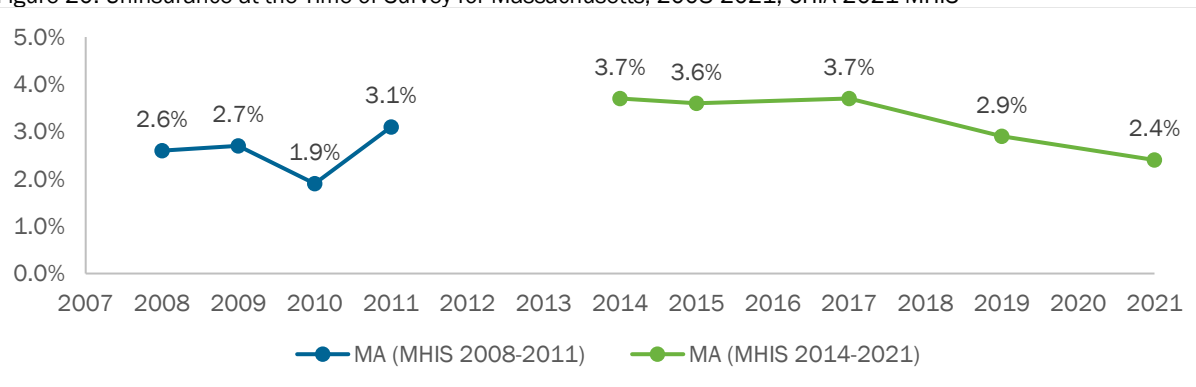
Small-group Outreach, Education, and Marketing

HCB is supported by a comprehensive outreach program that includes paid media, event participation, and close relationships with brokers across Massachusetts. The Health Connector continued to work closely with the broker community, providing direct support, education, and training to brokers through HCB staff. In response to COVID-19, HCB began offering virtual engagement opportunities in addition to in-person events. Activities include participation in annual meetings or high-profile events with a wide range of organizations, including MassAHU, the Massachusetts Non-profit Network, the Sustainable Business Network, and other organizations. HCB formed new partnerships with a variety of organizations in FY23 including the Massachusetts Restaurant Association and the Massachusetts Supreme Judicial Court Standing Committee on Lawyer Well-Being.

7.3: The remaining uninsured

The Commonwealth consistently has the highest rate of coverage in the nation, attributed to a combination of innovative policies and a person-centered outreach strategy. In 2021, the uninsurance rate in Massachusetts declined slightly to 2.4 percent from 2.9 percent in 2019 (Figure 20). In recent years, the state's uninsured rate has flattened with roughly 200,000 remaining uninsured residents. Though the uninsured rate in Massachusetts decreased by 0.5 percentage points from 2.9 percent to 2.4 percent between 2019 and 2021 and 0.8 percentage points from 3.7 to 2.9 between 2017 and 2019, these changes were not statistically significant.

Figure 20. Uninsurance at the Time of Survey for Massachusetts, 2008-2021, CHIA 2021 MHIS



Source: CHIA Massachusetts Health Insurance Survey 2021 (July 2022). <http://www.chiamass.gov/enrollment-in-health-insurance/>. <https://www.chiamass.gov/massachusetts-health-insurance-survey/>.

Compared to the general population, uninsured Massachusetts residents are more likely to be non-elderly adults (ages 19 to 64), male, Hispanic or Black, and have family income below 300 percent FPL. To address these disparities, the Health Connector analyzes state and federal data on the Commonwealth's remaining uninsured population to inform a targeted population approach to

outreach and enrollment. The low family income of many uninsured residents suggests that many may be eligible for MassHealth or subsidized coverage through the Health Connector. In 2021, the most reported reason for Massachusetts residents being uninsured was related to cost. Over 43 percent of uninsured residents reported that the cost of coverage was too high.

8.0: Policy and Regulatory Responsibilities

8.1: Plan certification

The Seal of Approval (SOA) 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 designates a set of high-value plan designs and requests proposals from the state's leading health insurers to offer them on the Health Connector's shelf each year. 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.

In FY23, the Health Connector certified 45 non-group and 57 small-group Qualified Health Plans from eight medical carriers for calendar year 2023 coverage. Compared to the number of certified plans in FY22, this represents a net decrease of seven plans on the non-group shelf and a net decrease of seven plans on the small-group shelf. This decrease was the result of the merger between Tufts Health Plan and Harvard Pilgrim Health Plan into the entity Point32 Health and associated consolidation of plans under the Harvard Pilgrim brand. The SOA also certified 12 Qualified Dental Plans from two dental carriers for consumers to choose from. These plans were sold beginning on January 1, 2023.

Throughout FY23, Health Connector staff designed its 2024 SOA certification process to address racial disparities in health status, access to care, and incidence of medical debt by eliminating cost sharing for high-value medications needed for treating select chronic conditions that disproportionately impact communities of color (diabetes, asthma, coronary artery disease, and hypertension). Staff also established all carrier participation in the ConnectorCare program, expanding the ConnectorCare program participation from five to eight carriers.

8.2: Student Health Insurance Program

Chapter 224 of the Acts of 2012 (Chapter 224) shifted regulatory responsibility for Student Health Insurance Plans (SHIPs) 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 SHIP.^{vi} This allows students to access affordable insurance while attending institutions of higher education.

8.3: The state individual mandate

The Health Connector is responsible for defining several policies related to the Commonwealth's requirement that adults carry insurance if they have access to an affordable plan that meets certain coverage standards, known as the individual mandate. Since 2007, Massachusetts has maintained this 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.^{vii} Specifically, the Health Connector's Board of Directors 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. 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 develop an “affordability schedule” that defines the amount an individual could be expected to contribute towards the purchase of an MCC-compliant health insurance plan.^{viii} An adult is considered able to purchase affordable health insurance if his or her monthly contribution to job-based coverage or coverage available through the Health Connector does not exceed the corresponding maximum monthly premium for his or her income bracket.

The affordability schedule helps support consumers in making choices about coverage and their household budgets by determining whether they would pay a penalty for not enrolling in coverage. The affordability schedule does not:

- Require employers, issuers, or other coverage providers to offer plans deemed affordable by the schedule
- Penalize employers or issuers if individuals fail to enroll in the affordable coverage they offered
- Impact the federal individual mandate in any way (note: the penalty associated with the federal individual mandate was eliminated effective January 1, 2019)

For Calendar Years 2022 and 2023, the affordability schedule largely remained unchanged from several years prior.^{ix}

Minimum Creditable Coverage

As a part of Massachusetts’s health reform effort, the Health Connector’s Board of Directors created the lowest threshold health benefit plan (i.e., the floor of covered benefits) that adult tax-filers must have to be considered insured and avoid tax penalties in Massachusetts. The level of coverage required is called Minimum Creditable Coverage (MCC). The benefits required in an MCC-compliant plan include:

- Ambulatory services, including outpatient, day surgery and related anesthesia
- Diagnostic imaging and screening procedures, including x-rays
- Emergency services
- Hospitalization
- Maternity and newborn care, including pre- and post-natal care
- Medical/surgical care, including preventive and primary care
- Mental health and substance abuse services
- Prescription drugs
- Radiation therapy and chemotherapy

Additionally, MCC standards prohibit lifetime and annual benefit limits on core services and set bounds for out-of-pocket spending. For 2022, deductibles in compliant plans could not exceed \$2,750 for individual coverage and \$5,500 for family coverage, with separate prescription drug

deductibles capped at \$340 for individual coverage and \$680 for family coverage.^x In 2023, these limits rose to \$2,850 for individual and \$5,700 for a family, with separate prescription drug deductibles capped at \$350 and \$700, for individual and family coverage respectively.^{xi} 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 FY23, 2,089 plans were sent to the Health Connector for consideration as MCC-compliant. Of those, 1,898 were granted certification, 105 were denied, 86 were withdrawn from consideration or incomplete. The high rate of MCC-certification approval is attributable to the fact that non-compliant plans are less likely to submit 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, most state residents required to maintain insurance under the individual mandate are enrolled in MCC-compliant plans, ensuring that they have access to comprehensive coverage.

In May 2023, the Health Connector Board voted to put out for public comment proposed amendments to MCC regulations to specify that no-cost high-value preventive services must be included in coverage that residents must enroll in to avoid paying a tax penalty.

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 percent FPL, the penalty schedule is based on the lowest cost premium contributions for a ConnectorCare plan. Since individuals with income at or below 150 percent 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 percent FPL, the schedule is based on half of the premium of the lowest cost Bronze plan.^{xii}

Table 6. Penalty Schedule for Failure to Comply with the Individual Mandate, 2020-2023

		150.1-200 percent FPL	200.1-250 percent FPL	250.1-300 percent FPL	Above 300 percent FPL
2022	Per month	\$23	\$45	\$67	\$159
	Per year*	\$276	\$540	\$804	\$1,908
2023	Per month	\$24	\$46	\$68	\$183
	Per year*	\$288	\$552	\$816	\$2,196

*If the individual is without insurance for all twelve months of the year.

9.0: Conclusion

As the Commonwealth’s hub for outreach, education, and help paying for health coverage, the Health Connector remains committed to ensuring that all Massachusetts residents can access and afford high quality health care. Since its inception, the Health Connector has worked to build a strong programmatic and policy foundation to provide competitive health insurance options for members at all subsidy levels. Over the years, the Health Connector has grown to become the central and trusted pillar of affordable and high-quality health insurance for the diverse spectrum of the Massachusetts public, serving residents of all incomes, races, ethnicities, and backgrounds and connecting them to comprehensive health coverage.

In FY23, the Health Connector continued to support members and state residents through the ongoing pandemic. The Health Connector worked to maintain affordable access to preventive care by amending MCC regulations and strengthened access to chronic condition management therapies by eliminating cost-sharing for certain medications available to ConnectorCare members. The Health Connector also continued to navigate effects of the COVID-19 pandemic and responded to changing market dynamics by prioritizing providing members with accurate, accessible information about changes to their health insurance eligibility during the Medicaid redetermination process.

In the FY24 Annual Report, the Health Connector is looking forward to sharing information about implementation of the ConnectorCare Expansion pilot, extending ConnectorCare eligibility to those with incomes up to 500 percent FPL, signed into law in August 2023. The Health Connector will also share information about its strategic plan for 2024-2028, detailing updated and improved approaches to member access, affordability, and equity across health insurance coverage and utilization. Additionally, as Medicaid redeterminations continue through FY24, the Health Connector will continue to monitor and assist residents with navigating changing coverage eligibility and identify potential interventions leading to increased coverage and improved access. By continually working to understand the most linguistically and culturally appropriate approaches to outreaching and assisting members, the Health Connector strives to reduce health disparities and reduce administrative burdens that impede member access.

As always, continued success will depend on the Health Connector's collaborative relationship with other state, federal, and private sector partners all focused on the goal of improving health. The Health Connector looks forward to exploring innovative ways of ensuring Massachusetts's residents continue to have access to affordable and comprehensive health care coverage and can make the health insurance market work better for consumers.

Appendix

Appendix A. Milestones in Massachusetts Market Reform

1992 - 1996
<ul style="list-style-type: none">▪ Massachusetts introduced consumer protections to the non-group and small-group market, including guaranteed issue and a state version of adjusted community rating rules.
2006 - 2008
<ul style="list-style-type: none">▪ Massachusetts enacted Chapter 58 of the Laws of 2006 (Chapter 58), comprehensive reforms that aimed to achieve universal health coverage including:<ul style="list-style-type: none">○ The creation of the Health Connector, an independent agency that serves as a Marketplace to assist individuals and small employers in accessing health insurance and subsidies for residents with incomes up to 300 percent FPL through the Commonwealth Care program.○ State shared responsibility requirements for individuals and employers.○ The merger of the non-group and small-group markets into a single risk pool.
2010 - 2014
<ul style="list-style-type: none">▪ Massachusetts prepared to implement the ACA, opting to retain its state-based Marketplace and merged market structure.▪ Additionally, the Commonwealth enacted comprehensive cost-containment legislation.
2014 - 2020
<ul style="list-style-type: none">▪ Massachusetts retained its state-based Exchange, the Health Connector, and transitioned Commonwealth Care enrollees to ConnectorCare, a new program within the Exchange for residents with income up to 300 percent FPL including federal Advance Premium Tax Credits (APTCs) and Cost Sharing Reductions (CSRs) and maintaining a “state wrap” to meet a state affordability schedule that sets lower enrollee contributions than the federal affordability schedule.▪ Residents between 300-400 percent FPL were also eligible for premium tax credits.
2021
<ul style="list-style-type: none">▪ The passage of the federal American Rescue Plan in March 2021 included provisions that significantly expand premium subsidies through ACA Exchanges like the Health Connector. The new law:<ul style="list-style-type: none">○ Expanded federal APTC generosity, for 2021 and 2022, for individuals with income under 400 percent FPL (about \$51,000/individual or \$105,000/family of four).○ Removed the “cap” on receiving APTCs for 2021 and 2022, making subsidies available to households with incomes above 400 percent FPL for the first time, ensuring that they do not have to spend more than 8.5 percent of their household income on health insurance premiums.○ Enhanced subsidies for individuals receiving unemployment compensation for any week of 2021, making them eligible for a \$0 health plan with low-cost sharing.

2022

- The passage of the federal Inflation Reduction Act in August 2022 extended two provisions of the American Rescue Plan Act through the end of 2025, maintaining enhanced generosity of APTCs the removal of the 400 percent FPL cap on eligibility for APTC. Health Connector members continued to benefit from these enhancements.
- The Health Connector launched its Simple Sign-Up program, designed to help facilitate outreach and enrollment of uninsured Massachusetts residents by leveraging the state tax filing process.

2023

- On March 31, 2023, the Medicaid continuous enrollment provision ended and MassHealth redeterminations began on April 1, 2023.
- In May 2023, the Health Connector board voted to amend MCC certification requirements to include no cost-sharing for preventive services declared necessary by the ACA.

Appendix B. Navigators

Navigator Organizations and Locations

Navigator Organization	Location(s)
Boston Public Health Commission	Boston
Cambridge Economic Opportunity Commission	Cambridge
Caring Health Center	Springfield
Codman Square Health Center	Boston
Community Action Committee of Cape Cod & Islands	Hyannis
Community Health Center of Franklin County	Greenfield
Community Health Programs	Great Barrington, Pittsfield, Adams
Ecu-Health Care	North Adams
Edward M. Kennedy Community Health Center	Framingham and Worcester
Family Health Center of Worcester	Worcester
Fishing Partnership Support Services	Gloucester, Plymouth, Hyannis, New Bedford
Greater Lawrence Community Action Council	Lawrence
HealthFirst Family Care Center	Fall River
Hilltown Community Health Center	Huntington, Amherst
Joint Committee for Children's Health Care	Everett
Lynn Community Health Center	Lynn
Manet Community Health Center	Quincy, Taunton
Massachusetts Alliance of Portuguese Speakers	Boston, Cambridge, Framingham, Lowell
PACE (People Acting in Community Endeavors)	New Bedford
Upham's Corner Health Center	Boston
Vineyard Health Care Access	Oak Bluffs

Navigator Languages Spoken

Albanian	French	Mandarin	Urdu
Amharic	German	Nepali	Vietnamese
Arabic	Greek	Pashto	
Berber	Haitian Creole	Portuguese	
Bulgarian	Hindi	Russian	
Burmese	Italian	Sango	
Cape Verdean Creole	Kaba	Serbian	
Cantonese	Khmer	Somali	
Dari	Lao	Spanish	

ⁱ The non-supplemental version of the Employer Medical Assistance Contribution (EMAC) is used to help fund health insurance programs in the Commonwealth. EMAC supports state subsidies for unemployed workers and those who are not covered by employer-sponsored coverage who are on state-funded coverage programs.

ⁱⁱ <https://www.mass.gov/service-details/learn-about-the-employer-medical-assistance-contribution-emac>
ⁱⁱ State expenses for the ConnectorCare program are independent of both FFP and federal ACA subsidies. The overall ‘value’ of the program is considerably higher when APTC and enrollee contributions are included.

ⁱⁱⁱ Includes enrollees who receive FFP as well as those who do not.

^{iv} The ACA requires states to defray the cost of benefits required by state law in excess of essential health benefits for individuals enrolled in any plan offered through a Marketplace. 42 U.S.C. §18031D.

^v The Medical Loss Ratio (MLR) Rebate represents the state share of MLR rebates paid out through carriers.

^{vi} 956 CMR 8.00

^{vii} 26 U.S.C. §5000A.

^{viii} M.G.L. 176Q §3

^{ix} See https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2022/03-10-22/Individual-Mandate-Topics-and-CY2023-Affordability-Schedule-VOTE-031022.pdf for additional detail

^x Health Connector Administrative Bulletin 01-20. (2020). Guidance Regarding Minimum Creditable Coverage (MCC) Regulations For Calendar Year 2020. <https://www.mahealthconnector.org/wp-content/uploads/AdminBulletin01-20.pdf>

^{xi} Health Connector Administrative Bulletin 06-21. (2021). <https://betterhealthconnector.com/wp-content/uploads/rules-and-regulations/AdminBulletin06-21.pdf>

^{xii} Massachusetts Department of Revenue. (2012). Technical Information Release 22-3: Individual Mandate Penalties for Tax Year 2012. Available at <https://www.mass.gov/technical-information-release/tir-22-3-individual-mandate-penalties-for-tax-year-2022>