Report to the Massachusetts Legislature:

Activities and Accomplishments of the Massachusetts Marketplace

Fiscal Year 2021

Massachusetts Health Connector
December 2021

MASSACHUSETTS HEALTH CONNECTOR

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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 get help to afford 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 for our collaborative efforts towards Massachusetts health reform.

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 2021 (FY21) include:

- Secretary of the Executive Office of Health and Human Services Marylou Sudders, Chair of the Board;
- Secretary of the Executive Office for Administration and Finance Michael Heffernan;
- Gary Anderson, Commissioner of the Division of Insurance;
- Matthew Veno, Executive Director of the Group Insurance Commission;
- Michael Chernew, Ph.D., Leonard D. Schaeffer Professor of Health Care Policy at Harvard Medical School;
- FayeRuth Fisher, Political Director of 1199 SEIU MA
- Mark S. Gaunya, GBA, LIA, Co-owner and Chief Information Officer, Borislow Insurance;
- Dimitry Petion, President and CEO of Mulberry Systems, Inc.;
- Zaranique Pope, Chief Human Resources Officer at DotHouse (who was replaced by Keisha O'Marde-Jack, Chief Human Resources Officer at Upstream USA in FY22);
- 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) 2021, spanning portions of the 2020 and 2021 plan years, the Health Connector's work was deeply impacted by the COVID-19 pandemic and associated policy responses. In 2020, economic changes and federal policies providing extended Medicaid coverage to many individuals resulted in enrollment changes for the Health Connector. In 2021, the Health Connector undertook special efforts to rapidly implement provisions of the new American Rescue Plan (ARP), which was signed into law by President Biden in March 2021 and materially enhanced the population of state residents eligible for premium subsidies under the Affordable Care Act as well as the amount of those subsidies.

Ending FY21 with 273,000 non-group medical plan enrollees and 9,800 small-group medical enrollees, the Health Connector experienced an 8 percent decrease in non-group and a 16 percent increase in small-group membership when compared to the end of FY20, largely attributable to protected Medicaid coverage rules as a result of the federal Public Health Emergency that have temporarily suppressed typical enrollment flow 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 alter its enrollment, is a result of the strategic approaches it took to its work in FY21:

- The Health Connector implemented new ARP subsidies and conducted broad-based outreach approach to generate awareness of new, lower premiums.
- The ConnectorCare program provided low-to-moderate income residents with affordable health coverage with zero-to-low dollar 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 Federal Poverty Level (FPL) and $133 a month for those at 300 percent of the FPL.
- Health Connector for Business continued to offer Massachusetts businesses with up to 50 employees a way to provide health insurance with flexible benefit options 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.
- Continued administration of the state-level requirement that individuals carry health insurance and efforts to bolster public awareness of the requirement to carry health coverage, the health and financial benefits of coverage, and how to enroll in coverage.

The Health Connector remains committed to supporting the changing needs of state residents who depend on Exchange coverage by using data to improve the member experience by quickly responding to and resolving customer issues at the member and operational levels.
The Health Connector also continued implementation of its strategic plan for 2020-2022 to ensure a clear and measurable pathway to future policy, programmatic, and operational improvements.

The Health Connector will continue to build on its 15-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 other stakeholders to help Massachusetts to continue to lead the nation in health reform and coverage expansion.

1.0: Introduction

1.1: Mission statement and values

The mission of the Health Connector is to advance access to high-quality health care by serving as a transparent and transformative marketplace for Massachusetts residents and small businesses to come together and easily find, compare, and enroll in affordable health insurance by:

1. Structuring a health insurance eligibility and shopping experience that makes it easy for individuals and small businesses to understand their health insurance options and choose, enroll in, and maintain coverage that best meets their needs.
2. Promoting affordability in the health insurance market and health care system through the power of transparent competition.
3. Capably assessing and executing health care reform policymaking and other regulatory responsibilities to promote health insurance coverage and shared responsibility for sustaining health care reform.
4. Fully embodying the high standards inherent to serving as the Commonwealth's official public Health Insurance Exchange.
5. Promoting robust public engagement.

1.2: 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. The program serves Health Connector members with income under 300 percent of the Federal Poverty Level (FPL), which is around $38,280 a year for an individual, or $78,600 for a family of four for 2021 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: American Rescue Plan (ARP) implementation

The ARP was signed into law by President Biden on March 11, 2021 and represents the most significant federal expansion of both coverage and affordability in over a decade when the ACA was passed. The ARP offers new opportunities to lower costs for low- and middle-income families in Massachusetts by enhancing and expanding premium subsidies available through state-based Exchanges like the Health Connector. High impact provisions of the ARP requiring Exchange implementation included:

1. Expansion of APTC generosity: For 2021 and 2022, the ARP expanded federal Advance Premium Tax Credit (APTC) generosity for individuals with income under 400 percent FPL (about $51,000 for an individual or $105,000 for a family of four) in a manner that more closely mirrors the

premiums Massachusetts has provided for over a decade than what the ACA originally provided for.

2. Expansion of APTC eligibility: For 2021 and 2022, the ARP removed the "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 premiums will not exceed 8.5 percent of their household income.
3. Enhancement of APTC eligibility for Unemployment Income (UI) beneficiaries: For Tax Year (TY) 2021 only, the ARP automatically designated recipients of UI for any week of 2021 as being 133 percent FPL for the purposes of APTC and cost sharing reduction (CSR) eligibility, making them eligible for a $0 health plan with low cost-sharing.

Other health insurance related provisions of the law that did not require Exchange implementation action but affected populations that use or consider Health Connector coverage included:

- Tax reconciliation relief for 2020 premium tax credits for people who misestimated their 2020 income
- 100 percent subsidization of COBRA coverage through September 30, 2021

Table 1. Health Care Related ARP Changes

Before ARP	After ARP
▪ People up to 400 percent can qualify for federal premium tax credits ▪ No premium assistance available to anyone over 400 percent FPL ($51K/year for an individual) ▪ No special health coverage supports for people on unemployment income ▪ COBRA is an option for some unemployed people but no help available to pay for it	▪ Premium tax credits for people up to 400 percent FPL become more generous ▪ People over 400 percent FPL can now qualify for premium tax credits ▪ People receiving unemployment income are eligible for free coverage option through Exchanges for PY2021 ▪ Many people eligible for COBRA can receive 100 percent federal subsidy for COBRA coverage through 9/30/21

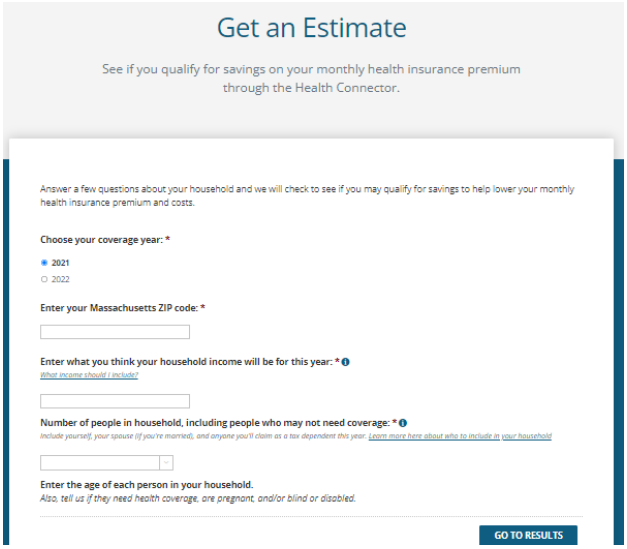
Source: Health Connector Board presentation, "American Rescue Plan Implementation Update". https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2021/05-13-21/ARP-Update-and-Outreach-Budget-VOTE-051321.pdf

In the weeks following the passage of the ARP, the Health Connector worked rapidly to allow members and applicants to receive the new federal subsidies as quickly possible. The Health Connector extended its Open Enrollment period through July 23, 2021 (which typically only runs through January 23rd) to ensure state residents had ample time to learn about enhanced ARP subsidies and enroll in coverage through the Exchange. The Health Connector was one of the first states to switch its application to the ARP-based APTC calculator on March 26, 2021. Shortly thereafter, the Health Connector recalculated APTC amounts for over 400,000 existing members and applicants with income up to 400 FPL. The Health Connector removed the 400 FPL income limit to APTCs on April 29, 2021. In May 2021, the Health Connector determined subsidy amounts for over 40,000 individuals who had never before qualified for financial support. Finally, in July 2021, the Health Connector began to automatically designate anyone in receipt of UI in 2021 as earning 133 percent FPL which corresponds to ConnectorCare Plan Type 2A, providing access to at least one zero-dollar plan.

To successfully implement the ARP, the Health Connector closely collaborated with the Division of Insurance (DOI) and carriers to ensure that individuals moving from a carrier's off-Exchange coverage to on-Exchange coverage mid-year would not lose credit for the out-of-pocket costs already paid towards deductibles and maximum out-of-pocket limits. Carriers also communicated with off-Exchange individual market enrollees (approximately 61,000 individuals) and recently disenrolled individual market enrollees (approximately 131,000 individuals in the last 12 months) to increase awareness of new ARP subsidies on-Exchange. Additionally, the Health Connector's contact center vendor created a special queue for members calling with questions about the ARP. Contact center staff and agents were trained to handle complex ARP scenarios and new staff were hired to support the expected increase in call volume triggered by the ARP and extended OE period.

Because ARP subsidies and savings varied by age, income, and zip code, the Health Connector designed a new online cost estimator tool to help people understand whether they could qualify for new subsidies without having to complete an application. Between late May 2021 and July 2021, the tool received, on average, 1,000 page views a day.

Figure 1. Health Connector Get an Estimate Tool



2.1: Impact

In Massachusetts, the ARP increased affordability for current low-income Health Connector enrollees, resulting in further decreased premiums for many of the 194,000 lower-income ConnectorCare enrollees. The new law also increased affordability for moderate-income residents both on- and off-Exchange. For individuals who previously did not qualify for state or federal subsidies (or those earning over 300 or 400 percent FPL, respectively), the expected contribution towards Silver-tier health coverage was capped at 8.5 percent of income, using federal premium tax credits to fill in the difference.

Already-enrolled Health Connector members receiving subsidies experienced, on average, a 31 percent reduction in their required premium contribution beginning in May 2021. This represents a savings of approximately $25 per month. These savings varied widely across different income groups because ConnectorCare state premium wrap funds had previously defrayed most of the monthly cost for ConnectorCare members.

Table 2. ARP Savings for Enrolled Health Connector Members between April and May 2021

	ConnectorCare Program Type (0-300 percent FPL)					APTC-only (300-400 percent FPL)	
	Plan Type 1	Plan Type 2A	Plan Type 2B	Plan Type 3A	Plan Type 3B	APTC-only in April 2021	$0 APTC in April – newly eligible in May
April enrollee count	15,100	32,400	59,900	51,800	35,000	17,800	3,600
April enrollee contribution	$2.68	$7.44	$57.47	$105.65	$152.22	$263.71	$341.76
May enrollee contribution	$2.48	$5.79	$25.71	$74.75	$133.77	$198.51	$257.19
$ savings	$0.19	$1.66	$31.76	$30.90	$18.44	$65.20	$84.57
Percent savings	-7 percent	-22 percent	-55 percent	-29 percent	-12 percent	-25 percent	-25 percent

Source: Health Connector May 2021 Board Presentation. American Rescue Plan Implementation Update. https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2021/05-13-21/ARP-Update-and-Outreach-Budget-VOTE-051321.pdf

The ARP also presented new opportunities to address the significant health care affordability challenges faced by adults between 55 and 64 years old in the individual market (prior to Medicare eligibility). Before the ARP, pre-Medicare adults who were not eligible for subsidies paid the full commercial premium of a health plan, which could be roughly two times higher than premiums for younger adults. On average, unsubsidized 55-64-year-olds spent $724 in monthly premiums on-Exchange compared to $353 for unsubsidized 26–34-year-olds. After the ARP, pre-Medicare adults may save thousands of dollars on health insurance each year.

In addition to direct reduction of premiums for members, the expanded federal premium tax credits via ARP (which persist through Calendar Year 2022 only) are offsetting roughly $81 million net per year of ConnectorCare state premium wrap costs in FY21-FY22. These offsets have not been redirected to other elements of Health Connector programs, but the Health Connector is prepared to examine opportunities for subsidy eligibility expansions, as financing allows.

Table 3. ARP Impacts for 55-64-year-olds Earning $52,000/year

	55-year-old in Chelsea	64-year-old in Pittsfield	55-year-old in Hyannis	64-year-old on Martha's Vineyard
Monthly Costs Before ARP	$513/month (12 percent of income)	$639/ month (15 percent of income)	$541/ month (13 percent of income)	$966/ month (22 percent of income)
Monthly Costs After ARP	$351/month (8 percent of income)	$277/month (6 percent of income)	$338/month (8 percent of income)	$315/month (7 percent of income)
Annual ARP Savings	$1,944	$4,344	$2,436	$7,812

Source: Health Connector May 2021 Board Presentation. American Rescue Plan Implementation Update. https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2021/05-13-21/ARP-Update-and-Outreach-Budget-VOTE-051321.pdf

In an e-mail poll distributed to members, 68 percent reported that the premium impacts of ARP were very or extremely helpful. Many members also shared what the savings meant for them in reducing cost burdens in other aspects of their lives:

- *"I own a small business and last year I was really impacted financially by the pandemic. [… I've seen a decline in business and am taking in less income. The decrease in my premium through this plan is welcomed by me (…)[…] I'm sure with people's routines starting to return to 'normal' I will weather this blip. Knowing I have reduced premiums for a while is an appreciated gesture."*
- *"My payment lowered a bit -- it wasn't a lot but when you're a single mother every penny counts and it helped add more food to our weekly shopping trip that I've had to be more strict on."*
- *"I am saving a little over $10 a month. It may not appear to be a lot to some, but to me during these difficult times every penny counts! Costs of food and other things have gone up so even if it's just $10 saved, it's $10 I can allocate to other things that I also need."*

2.2: Equity focus

The ARP's affordability enhancements presented a new opportunity to boost the Commonwealth's efforts to address coverage inequities among racial and ethnic sub-populations in the state. Using Census data, the Health Connector estimated the number of uninsured state residents from communities of color who may be newly eligible for Exchange subsidies or enhanced Exchange subsidies due to the ARP. Targeted outreach strategies were used to encourage these Massachusetts residents to apply for coverage through the Health Connector.

Table 4. Opportunities to Address Racial and Ethnic Coverage Inequities via ARP

	African-American/Black Residents	Hispanic/Latino Residents	Asian/Asian-American Residents
Coverage Gap	23,900 (4.9 percent) of African American/Black residents were uninsured in 2019.	46,200 (5.5 percent) of Hispanic/Latino residents were uninsured in 2019.	13,300 (2.8 percent) of Asian/Asian-American residents were uninsured in 2019.
How Can ARP Help?	3,600 of uninsured African American/Black residents are over 400 percent FPL and may be NEWLY eligible for Marketplace subsidies because of ARP. 20,200 of uninsured African American/Black residents are under 400 percent and now likely eligible for enhanced premium subsidies.	6,800 of uninsured Hispanic/Latino residents earning over 400 percent FPL may be NEWLY eligible for Marketplace subsidies because of ARP. 39,400 uninsured Hispanic/Latino residents are under 400 percent and now likely eligible for enhanced premium subsidies.	2,300 of uninsured Asian American residents are over 400 percent FPL and may be NEWLY eligible for Marketplace subsidies because of ARP. 11,000 uninsured Asian-American residents are under 400 percent FPL and now likely eligible for enhanced premium subsidies.
Targeted Outreach Strategy	Population specific fact-sheets for community partners & elected officials Population-focused media strategy (*e.g.,* In-person neighborhood events, community festival sponsorship & participation, print advertising via Bay State Banner (Boston), AF-AP Point of View (Springfield), radio advertising via WBQT (Boston), WJMN (Boston), and more)	Population specific fact-sheets for community partners & elected officials Population-focused media strategy (*e.g.,* Spanish-language television ads on Telemundo & Univision, Spanish-language television "Linea de Ayuda" help line events; print advertising in El Planeta, El Mundo, La Voz Hispana) and more)	Population specific fact-sheets for community partners & elected officials Population-focused media strategy (*e.g.,* Khmer Post in Lowell and Lynn, radio advertising and independent producers in Vietnamese, targeted signage in local businesses and more)

Source: Health Connector May 2021 Board Presentation. American Rescue Plan Implementation Update. https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2021/05-13-21/ARP-Update-and-Outreach-Budget-VOTE-051321.pdf

2.3: Public outreach

Awareness-generating public outreach was central to Massachusetts's successful implementation of the ARP. The Health Connector applied for and was awarded a $1.3 million CMS state Exchange modernization grant to support its outreach strategy around the new law. The Health Connector and its communications vendor, ASG, engaged in a special project between June and July 2021 to increase

outreach and education around new ARP benefits, with specific focuses on the target populations including the following key groups:

- The uninsured and sub-populations of the uninsured such as young men, individuals from communities of color, immigrant populations, and lower-income residents, who may be encouraged to apply for coverage by enhanced affordability under the ARP
- Health Connector members who were newly eligible for subsidies or enhanced subsidies
- Massachusetts residents who received unemployment benefits during 2021 and could newly benefit from no-premium plans via the ARP
- Massachusetts residents who purchased their own coverage directly from a carrier off-Exchange, who may be eligible for new subsidies if they enroll through the Health Connector (especially adults, aged 55-64).

Using a multi-pronged outreach strategy, the Health Connector educated Massachusetts residents about the new and more-generous-than-ever health coverage and affordability benefits under the ARP.

- Direct engagement and community-based outreach: including direct outreach to current members through mail and e-mail, carrier directed outreach to non-Exchange members, DUA directed outreach to state residents on unemployment, DOR directed outreach to uninsured state residents, in-person activities, and collaborations with community-based organizations (Project Bread, Greater Boston Food Bank, City of Boston Office of Immigrant Advancement, MA Immigrant Collaborative, Chinese Progressive Association, MA Association for Community Action (MassCap) and many others). Additionally, the Health Connector restarted public events in downtowns and neighborhoods around Massachusetts in Spring 2021, after maintaining a virtual presence during Fall 2020 and Winter 2021 due to COVID-19.
- Social media and web-based outreach: including development of a social media toolkit with public awareness messaging content on the ARP for sister agencies, elected officials, and health care organizations and monthly public webinars about the ARP and how to enroll in QHP coverage.
- Paid marketing and outreach: including new cable TV adds, presence on regional news websites, TV partnerships on Celtics broadcasts, Red Sox in-game radio opportunities, increased ethnic TV and radio spots, and influencer engagement. During extended OE21, the Health Connector had 206 paid print/digital media opportunities, 5,232 paid radio spots, and 2,195 paid TV spots.

Additionally, key Health Connector resources were made available in a variety of languages to be as consumer-centered and responsive as possible.

Figure 2. Health Connector ARP Outreach Materials

During the Health Connector's extended OE21 period, approximately 87,000 new members enrolled in coverage, with 55,000 enrolling in coverage for March through August. Overall, extended OE21 months saw lower new enrollments compared to prior years. Adds towards the end of the OE21 period in July were slightly higher than in 2020 which may be due to the Health Connector's redoubled outreach work in June and July which included local, community-based events to amplify messaging around new ARP benefits and subsidies.

3.0: Non-group Membership

At the end of FY21, the Health Connector provided coverage to 273,000 individuals, a decrease of 8 percent compared to FY20 enrollment. This decrease is mainly attributable to maintenance of members in MassHealth for the duration of the federal public health emergency associated with federal COVID-19 relief packages. These Massachusetts residents 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 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.

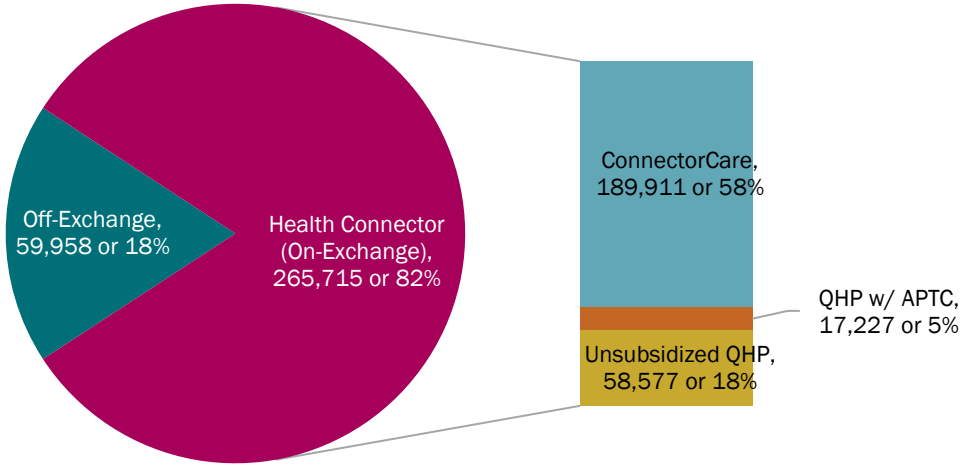
Prior to March 2021, individuals (non-group members only) under 400 percent FPL could qualify for federal tax credits to reduce their premiums, and individuals under 250 percent could qualify for cost-sharing reductions (CSRs) to reduce their out-of-pocket costs. From March 2021 through 2022, federal tax credits are 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.

The ACA allows for the premium tax credits to be taken during the tax year or claimed when filing after the tax year closes. When used during the tax year, they are known as advance premium tax credits (APTCs). In addition to federal subsidies, Massachusetts provides enrollees with incomes under 300 percent FPL with supplemental state subsidies via the ConnectorCare program.

3.1: Massachusetts non-group market

The Health Connector serves 82 percent of the 325,678 individuals in the non-group market in Massachusetts, mostly through the ConnectorCare program.

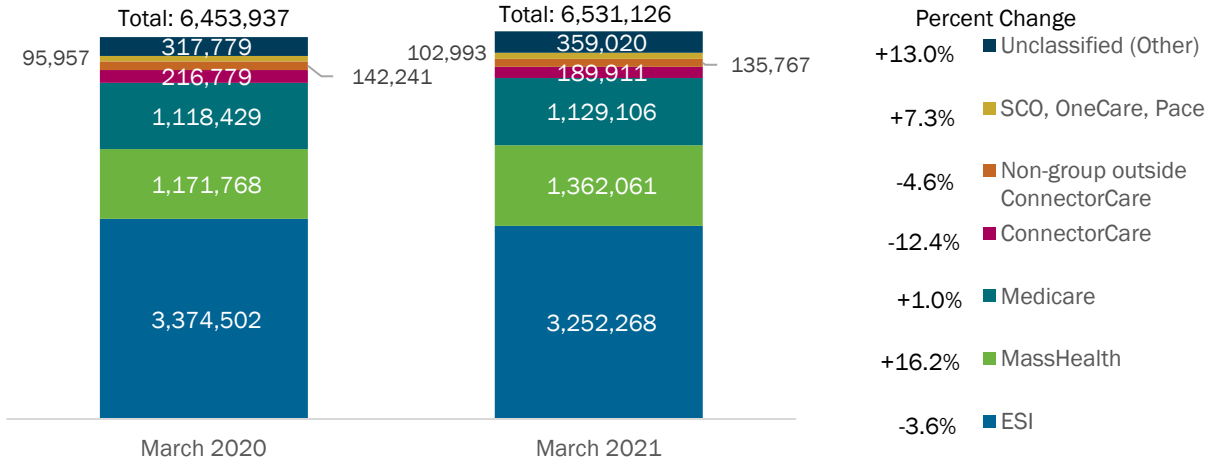
Figure 3. Massachusetts Non-Group Membership by Exchange Use, March 2021



Source: CHIA Enrollment Trends, September 2021 (data through March 2021). http://www.chiamass.gov/enrollment-in-health-insurance/.

During the first year of the pandemic, the overall Massachusetts market increased by 1.5 percent, driven by enrollment in MassHealth. Employer Sponsored Insurance (ESI) coverage decreased by nearly 4 percent. Overall non-group coverage also decreased with ConnectorCare losing 12.4 percent members, due in part to MassHealth protections keeping members in MassHealth coverage who would otherwise be Health Connector eligible.

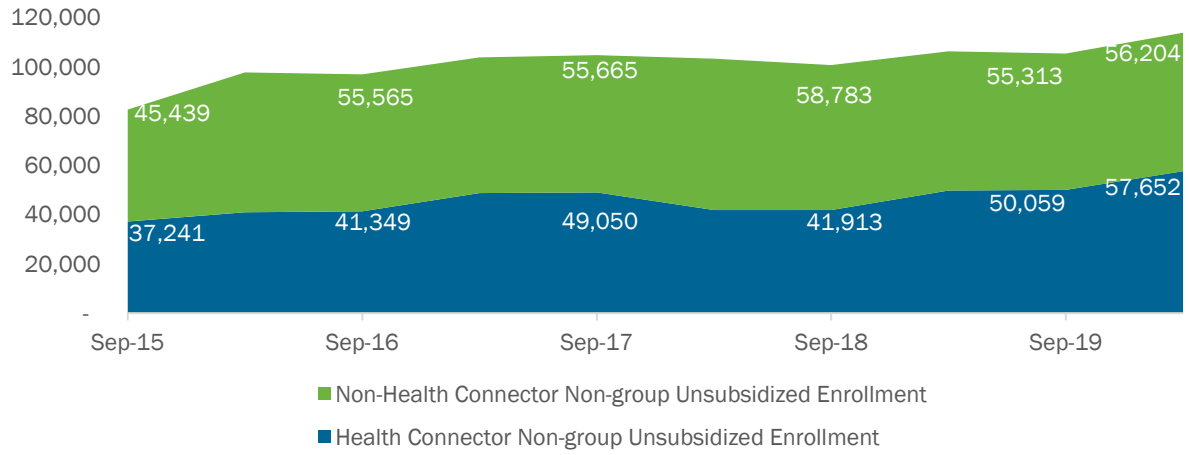
Figure 4. Massachusetts Health Coverage by Insurance Type, 2020-2021



Source: CHIA Enrollment Trends, September 2021 (data through March 2021). http://www.chiamass.gov/enrollment-in-health-insurance/.

Approximately half of the Commonwealth's unsubsidized consumers purchase health insurance on-Exchange while the other half purchase coverage directly from carriers. The absolute number of total non-group unsubsidized enrollees increased by 4,183 or 3.7 percent between September 2020 and March 2021. The proportion of on-Exchange members increased by 1 percentage point from 48 percent to 49 percent.

Figure 5. Unsubsidized Non-Group Enrollment by Marketplace Use, 2016-2021



Source: CHIA Enrollment Trends, September 2021 (data through March 2021). http://www.chiamass.gov/enrollment-in-health-insurance/.

3.2: ConnectorCare membership

The ConnectorCare program provides comprehensive, affordable health insurance to Massachusetts residents with incomes up to 300 percent FPL. Because federal premium tax credits and cost-sharing subsidies are supplemented with state funds in this program, ConnectorCare coverage is more generous than the federal approach enabled by the ACA. There are five ConnectorCare Plan Types that vary by an individual's income. Enrollees make small premium payments on a sliding scale, in monthly minimum amounts ranging from $0 to $133 monthly but receive the same benefits regardless of premium and plan type. Enrollees who do not choose the lowest cost carrier may pay more than the minimum premium. ConnectorCare plans have low co-pays for covered services that increase gradually with income but never include coinsurance or deductibles.

In FY21, five carriers (AllWays Health Partners, Boston Medical Center HealthNet Plan (BMCHP), Fallon, Health New England (HNE), and Tufts Direct) participated in the ConnectorCare program, but ConnectorCare enrollees were able to select plans from up to four different carriers, depending on their region. In 2021, HNE expanded its geographic coverage area, newly entering Worcester County. The Health Connector continues to assess the risk of "bare counties" in Franklin, Dukes, and Nantucket Counties, which currently have only one ConnectorCare option.

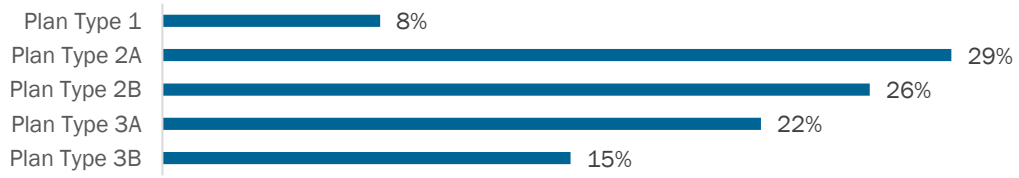
Table 5. ConnectorCare Plan Types by Income

Plan Type	Federal Poverty Level (FPL) Range	Income Ranges for Individuals Enrolling in CY2021
Plan Type 1	0-100 percent	Up to $12,760
Plan Type 2A	100.1 – 150 percent	$12,761 to $19,140
Plan Type 2B	150.1 – 200 percent	$19,141 to $25,520
Plan Type 3A	200.1 – 250 percent	$25,521 to $31,900
Plan Type 3B	250.1 – 300 percent	$31,901 to $38,280

The ConnectorCare program had 197,105 active members at the end of FY21, with the highest

volume of members enrolled in Plan Type 2A (29 percent). These enrollees had income between 100.1 and 150 percent FPL or $19,140 to $25,520 for an individual. Depending on their region and carrier selection, individuals in this income bracket had access to monthly premiums that ranged from $0 to $256 in 2021.

Figure 6. ConnectorCare Enrollment by Plan Type, July 2021 (n=197,105)



Source: Health Connector Board Summary Report, July 2021. https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2021/07-08-21/Board-Summary-Report-July-2021.pdf.

Approximately 88 percent of ConnectorCare enrollees chose Tufts Health Direct or Boston Medical Center (BMC) HealthNet Plan. Tufts Health Direct and BMC HealthNet Plan were the lowest-cost ConnectorCare plan options available in 12 of 16 ConnectorCare regions across the state.

Figure 7. ConnectorCare Enrollment by Carrier, July 2021 (n=197,105)

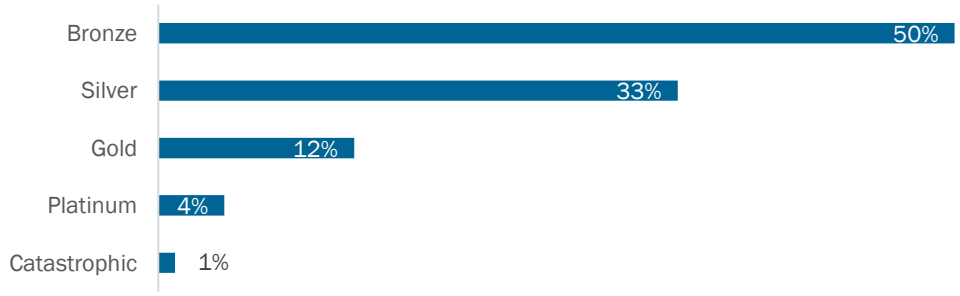
Source: Health Connector Board Summary Report, July 2021. https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2021/07-08-21/Board-Summary-Report-July-2021.pdf.

3.3: Non-group Membership Outside ConnectorCare

At the end of FY21, 75,981 individuals were enrolled in Qualified Health Plans with either no subsidies or only federal APTCs. On average, APTC-only families spend approximately $411 on monthly premiums after APTCs (with an average family size of two) while unsubsidized families spend $600 (with an average family size of one). The figures below present monthly premiums among APTC-only and unsubsidized subscribers by age band. APTC-only members are more likely to have children enrolled in Health Connector plans (as opposed to unsubsidized members who are more likely to be in individual households) which is why the 35-44-year-olds have the highest family premiums.

Approximately half of non-group, non-ConnectorCare members enrolled in Bronze tier plans.

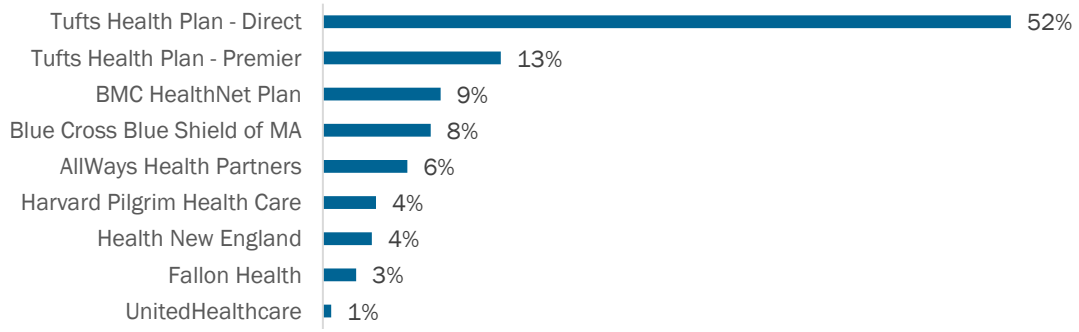
Figure 8. Non-ConnectorCare Enrollment by Metallic Tier, July 2021 (n=75,983)



Source: Health Connector Board Summary Report, July 2021. https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2021/07-08-21/Board-Summary-Report-July-2021.pdf.

Tufts Health Direct was the most popular carrier among these non-ConnectorCare members, with 52 percent of non-ConnectorCare enrollment, followed by Tufts Health Premier and Boston Medical Center HealthNet Plan, with 13 percent and 9 percent enrollment, respectively.

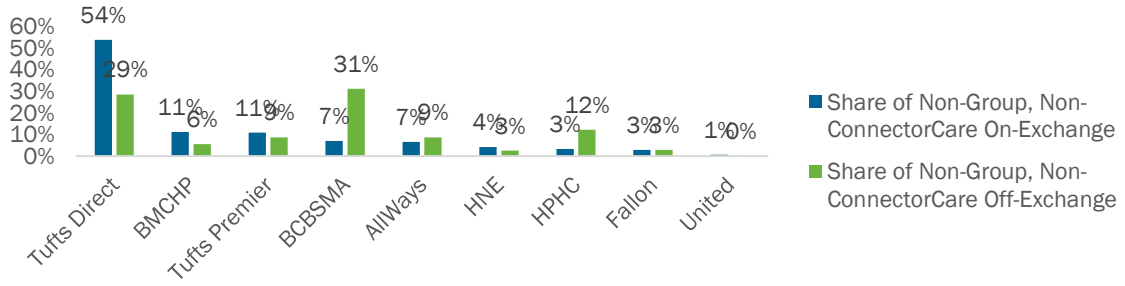
Figure 9. Non-ConnectorCare Enrollment by Carrier, July 2021 (n=75,983)



Source: Health Connector Board Summary Report, July 2021. https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2021/07-08-21/Board-Summary-Report-July-2021.pdf.

The health insurance carriers selected by the Health Connector's non-group, non-ConnectorCare enrollees differ substantially from those chosen by non-group shoppers outside the Health Connector. Although non-group, non-ConnectorCare enrollees are divided nearly equally between Health Connector and non-Health Connector non-group plans, a comparison of members by carrier shows notable differences in enrollment patterns. Health Connector members are more likely to "shop around" and engage in the comparison-shopping experience offered by the Exchange, leading them to choose lower-cost carriers and narrow-network products. Off-Exchange shoppers tend to choose higher-cost carriers that have broader networks.

Figure 10. Non-Group, Non-ConnectorCare Enrollment On- and Off-Exchange, March 2021



Source: CHIA Enrollment Trends, September 2021 (data through March 2021). http://www.chiamass.gov/enrollment-in-health-insurance/.

3.4: Non-group member demographics

The Health Connector's membership reflects the diversity of the Commonwealth. Key demographic differences can be seen can be seen 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 non-citizens compared to non-ConnectorCare members. Unsubsidized members tend to be younger than members receiving subsidies as well as those in ConnectorCare.

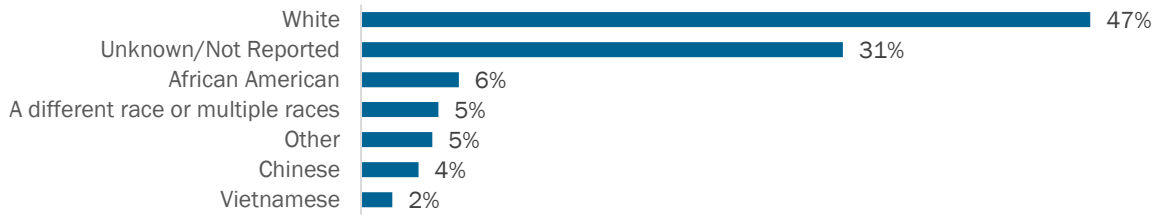
Table 6. Health Connector Member Demographics: ConnectorCare vs. Non-ConnectorCare

	ConnectorCare	Non-ConnectorCare	
Subsidy	APTCs + State Wrap	APTCs only	No Subsidies
Age (average)	43 years old	44 years old	39 years old
Gender	56% women	52% women	50% women
Household enrollment size (additional household members may have other coverage)	79% Individual members 21% families	56% Individual members 44% families	76% Individual members 24% families
Immigration status	31% Lawfully present immigrants	12% Lawfully present immigrants	9% Lawfully present immigrants
Language	19% speak a language other than English 11% Spanish	6% speak a language other than English 3% Spanish	3% speak a language other than English 2% Spanish

Source: Health Connector Administrative Data

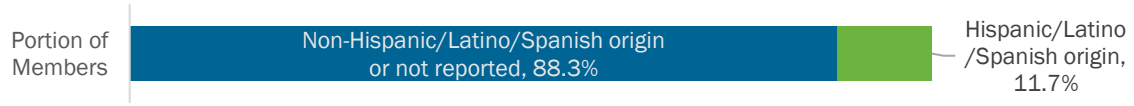
In FY21, nearly half of Health Connector members reported being White in their application for coverage and roughly 30 percent did not attest to a specific racial group. Approximately 12 percent of Health Connector members attested to being of Hispanic, Latino, or Spanish origin.

Figure 11. Health Connector Members by Race



Source: Health Connector Administrative Data

Figure 12. Health Connector Members by Ethnicity



Source: Health Connector Administrative Data

4.0: Small-group Membership

Health Connector for Business was designed to bring the Health Connector's competitive state-based Marketplace model to small employers by connecting employer groups to the full Massachusetts carrier marketplace. Serving employers with 50 or fewer employees, Health Connector for Business 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 Affordable Care Act require that the Health Connector offer small-group coverage to address the challenges faced by small businesses in providing insurance to employees. Health Connector for Business was implemented to serve the small-group market in a sustainable and meaningful way, reflecting the Commonwealth's commitment to small employers. The Commonwealth benefits from a healthy and robust group insurance market and Health Connector for Business is a tool to help draw new employer groups into the merged market.

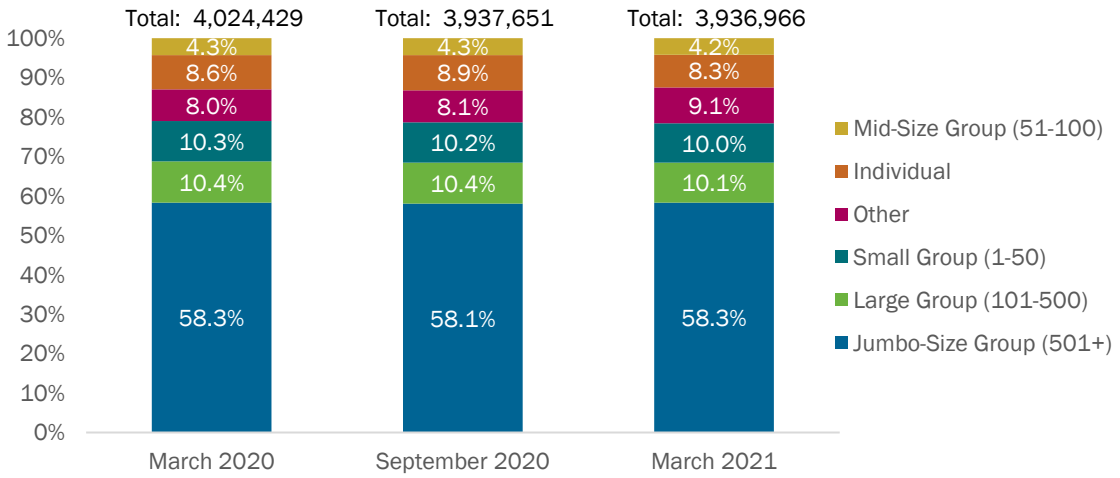
Through the HCB, employers have three ways to offer health coverage so employees can find the plan that best meets their needs.

- 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 2021, small-group employees represented 10 percent of all private commercial enrollment in Massachusetts. Compared to March 2020, the small-group market decreased by 4.7 percent or 19,513 employees.

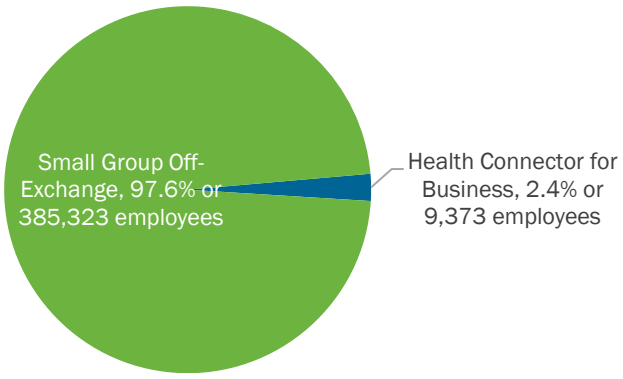
Figure 13. Massachusetts Private Commercial Enrollment by Employer Size, 2020-2021



Source: CHIA Enrollment Trends, September 2021 (data through March 2021). http://www.chiamass.gov/enrollment-in-health-insurance/.

The Health Connector serves 2.4 percent of the small-group market in Massachusetts, a 0.3 percentage point increase since September 2020. The Health Connector's small group membership has grown consistently in both size and in its share of the small group market since the platform launched.

Figure 14. Massachusetts Small-group Enrollment by Exchange Use, March 2021



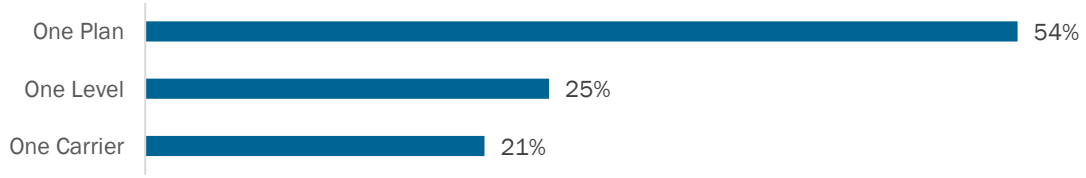
Source: CHIA Enrollment Trends, September 2021 (data through March 2021). http://www.chiamass.gov/enrollment-in-health-insurance/.

4.2: Health Connector for Business (HCB) enrollment

By the end of FY21, HCB had 9,841 small-group members among 1,809 groups, representing a 16 percent increase in members and 13 percent increase in groups when compared to the end of FY20. HCB has continued to grow due to interest from a wide variety of market segments, industries, and

regions. Among new sales, employer 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 51 percent of new groups elected to offer either "One Level" or "One Carrier" options. Of members enrolled in a choice model, about 43 percent of members selected a plan that differed from the plan chosen by the employer.

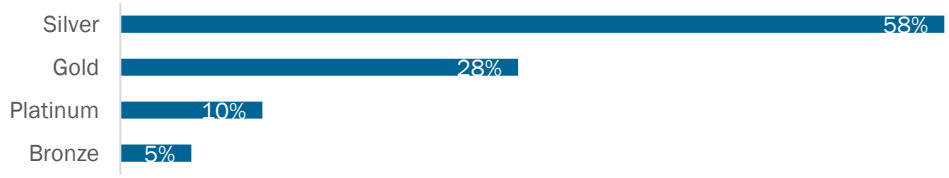
Figure 15. HCB Small-group Enrollment by Choice Model, July 2021 (n=9,841)



Source: Health Connector Board Summary Report, July 2021. https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2021/07-08-21/Board-Summary-Report-July-2021.pdf.

Silver tier plans are the most popular among small-group members.

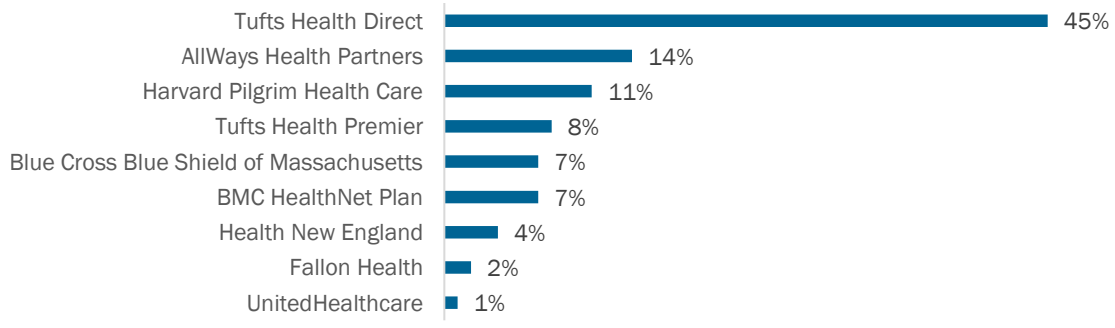
Figure 16. HCB Small-group Enrollment by Metallic Tier, July 2021 (n=9,841)



Source: Health Connector Board Summary Report, July 2021. https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2021/07-08-21/Board-Summary-Report-July-2021.pdf.

Most employees enrolled with Tufts Health Direct, AllWays Health Partners, and Harvard Pilgrim Health Plan (76 percent of all Health Connector for Business members).

Figure 17. HCB Small-group Enrollment by Carrier, July 2021 (n=9,841)

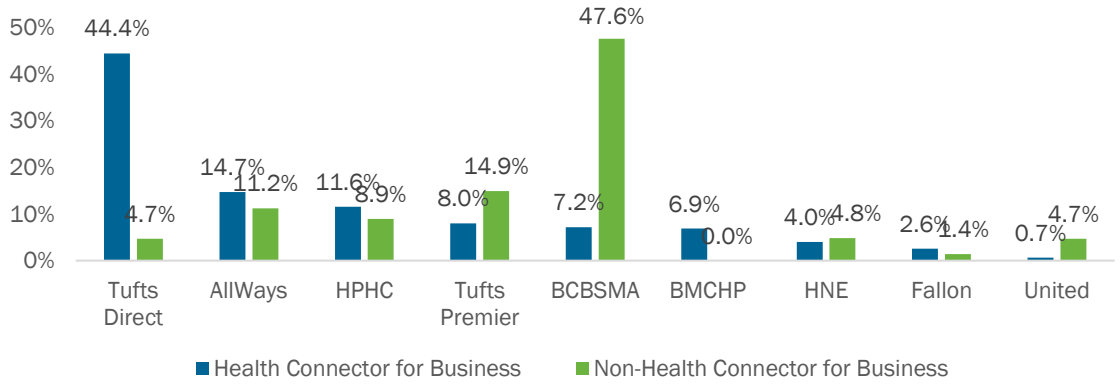


Source: Health Connector Board Summary Report, July 2021. https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2021/07-08-21/Board-Summary-Report-July-2021.pdf.

Like trends seen in the non-group market, HCB small-group enrollees' plan selections differ substantially from those chosen by non-HCB shoppers, indicating that the Health Connector's

comparison-shopping experience increases competition among carriers. Top carriers among on-Exchange small groups include Tufts Direct and AllWays Health Partners compared to BCBSMA and Tufts Premier for off-Exchange small groups.

Figure 18. Small-group Enrollment On- and Off-Exchange by Carrier, March 2021



Source: CHIA Enrollment Trends, September 2021 (data through March 2021). http://www.chiamass.gov/enrollment-in-health-insurance/.

4.3: ConnectWell Wellness Program

HCB administers a streamlined wellness program with the goal of increasing participation among enrolled small groups. The program, called ConnectWell, replaced the former HCB Wellness Track program in 2019. 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.

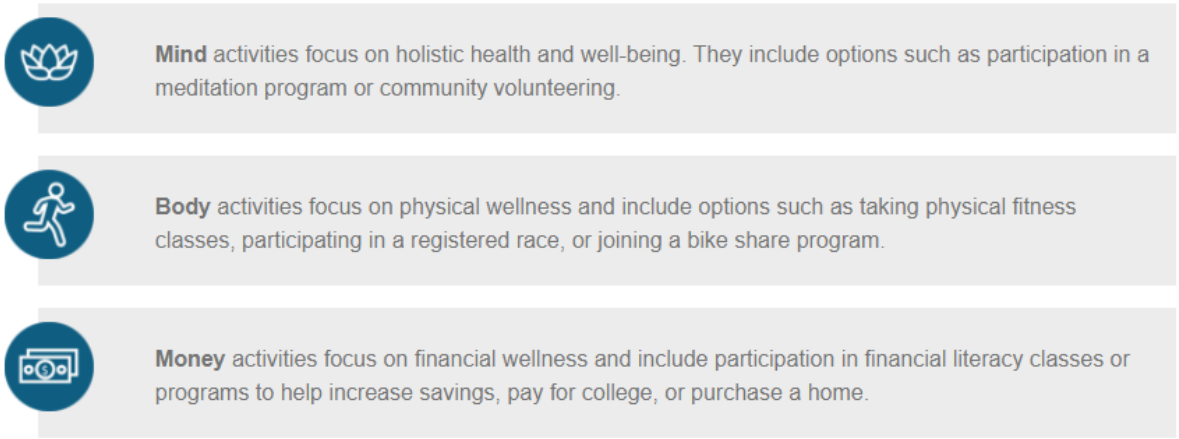
The Health Connector is statutorily required to:[i]

- Administer a program that provides subsidies and technical assistance to small employer groups to implement a wellness program;
- Provide an annual subsidy of up to 15 percent of employer health care costs for up to no more than three years total;
- Document that 33 percent of employees meet participation requirements in order to provide the employer their subsidy;
- Make the program available to only groups with up to 25 enrolled full-time employees;
- Uniformly apply a standard for determining who is eligible for the rebate as well as a mechanism for providing the rebate; and
- Develop the evidence-based wellness program in consultation with the Department of Public Health.

ConnectWell is managed in-house 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. At the end of the plan year, employers will receive a rebate based on what they contributed to their employees' insurance.

Figure 19. ConnectWell Activities



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

In 2020, 120 HCB employer groups were eligible for wellness rebates and 219 employees received $100 gift cards. On average, employers received rebate checks of $3,075. During plan year 2020-2021, 47 percent employers who were eligible for a rebate were non-brokered compared to 58 percent plan year 2019-2020. Approximately 84 percent of overall HCB employers did not participate in ConnectWell. The Health Connector continues to encourage ConnectWell uptake by not only collaborating with employers and brokers but also by outreach to employees directly. Additionally, the HCB team continues to host live trainings about the program for both employers and brokers.

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 FY20 and FY21, enrollment in non-group dental coverage increased by 8 percent with over 116,000 individuals enrolled at the end of FY21. Among all Health Connector non-group enrollees, 29 percent were enrolled in health and dental plans and 10 percent were enrolled in standalone dental plans.

Figure 20. Non-group Enrollment by Health and Dental Plan, July 2021 (n=302,699)

Source: Health Connector Board Summary Report, July 2021. https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2021/07-08-21/Board-Summary-Report-July-2021.pdf.

Most members chose to enroll in Delta Dental (88 percent) and the low benefit tier (75 percent).

Figure 21. Non-group Dental Enrollment by Carrier, July 2021 (n=116,523)

Source: Health Connector Board Summary Report, July 2021. https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2021/07-08-21/Board-Summary-Report-July-2021.pdf.

Figure 22. Non-group Dental Enrollment by Benefit Tier, July 2021 (n=116,523)

Source: Health Connector Board Summary Report, July 2021. https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2021/07-08-21/Board-Summary-Report-July-2021.pdf.

5.2: Small-group dental enrollment

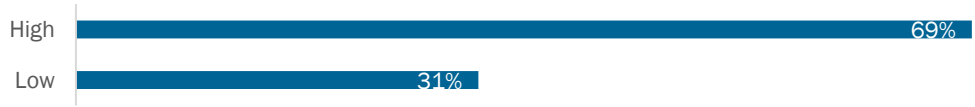
At the end of FY21, there were 635 small groups and 2,926 employees enrolled in dental coverage, a 43 percent and 47 percent increase compared to FY20, respectively. Approximately, 89 percent enrolled in Delta Dental and the remaining 11 percent enrolled in Altus Dental.

Figure 23. HCB Small-group Dental Enrollment by Carrier, July 2021 (n=2,962)

Source: Health Connector Board Summary Report, July 2021. https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2021/07-08-21/Board-Summary-Report-July-2021.pdf.

Approximately 69 percent of small-group members were enrolled in a high tier dental plan.

Figure 24. HCB Small-group Dental Enrollment by Benefit Tier, July 2021 (n=2,962)



Source: Health Connector Board Summary Report, July 2021. https://www.mahealthconnector.org/wp-content/uploads/board_meetings/2021/07-08-21/Board-Summary-Report-July-2021.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.[ii] 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 percentage of enrollee premiums to support administrative costs.

6.1: Health Connector programmatic budget

The Health Connector programmatic budget shows actual spending for FY21. 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 FY21, Health Connector programs cost $179 million, net of FFP.[iii]

Table 7. FY21 Health Connector Programmatic Budget

FY21 Net Costs	FY21 as of October 2021		
	July–December 2020	January–June 2021	Total
ConnectorCare Enrollees[iv]	$67,589,000	$66,910,000	$134,499,000
State Premium Wrap	$44,357,000	$29,024,000	$73,381,000
State CSR	$41,372,000	$37,886,000	$79,258,000
Cost Sharing Reconciliation (CY19)	-$18,140,000	$0	-$18,140,000
State Mandated Benefits[v]	$283,000	$179,000	$461,000
Medical Loss Ratio Rebate[vi]	-$1,255,000	$0	-$1,255,000
Wellness program subsidies	$100,000	$195,000	$295,000
CCTF Draw	$22,500,000	$22,500,000	$45,000,000
Total Program Cost (Net of FFP)	**$89,217,000**	**$89,783,000**	**$179,001,000**

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. Through FY20, NTT Data supported non-group shoppers and members. For FY21, at the recommendation of Health Connector management, the Health Connector's Board of Directors voted unanimously to enter into an agreement with Softheon, Inc. for services including enrollment and premium billing services, notice generation and mailing, and member portal implementation, and a separate agreement with Faneuil, Inc. for contact center and eligibility and enrollment support services.

The Health Connector posted a Request for Quotation (RFQ) in July 2020 seeking a vendor to conduct a three-week assessment of Faneuil's capabilities and readiness for OE21. Accenture was awarded the contract and their assessment indicated additional measures for long-term improvement in services would be required for a successful OE21. The RFQ anticipated that the Health Connector may enter a second phase supplementing Faneuil management in key areas to mitigate risk for OE21. A Letter of Intent (LOI) with Accenture was signed on September 21, 2020 to begin to on-board Accenture management staff to supplement Faneuil staff. In October 2020, the Health Connector Board voted unanimously to enter into a statement of work with Accenture for management services to support Faneuil through January 15, 2021 as well as supplemental customer service workers to support Faneuil through January 31, 2021.

In June 2021, the Health Connector Board voted unanimously to approve the execution of a letter agreement with Accenture for contact center services planning and design activities to continue to improve the Health Connector member experience.

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

6.4: Additional member support initiatives

Non-group Call Center and Walk-in Centers

The Health Connector call center supported members and applicants during the OE21 period. The regular OE21 period ended with an overall customer satisfaction score of 82 percent in January 2021 compared to 68 percent at the end of OE19. Beginning in January 2021, the call center created a new Agent Assist Desk (AAD) to handle internal escalations within the call center. In FY22, the Health Connector is working with its new contact center vendor, Accenture, to continue to address drivers of member dissatisfaction 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.

Due to the impacts of COVID-19, the Health Connector closed its walk-in locations (in Boston, Brockton, Springfield, and Worcester) in March 2020. In FY21, the Health Connector issued a Request For Information (RFI) to current Navigator organizations to determine whether they would be able to meet consumer application assistance needs that would otherwise have been serviced through the walk-in centers. Navigator responses indicated they were well-positioned to assist existing Health Connector members and new applicants, providing many of the same services as walk-in centers. In October 2020, the Health Connector awarded ten Navigator organizations additional funding to address the needs left by closed walk-in centers. Other key walk-in center services include payment drop-off and document drop-off. Payments could be made online via the payment portal, by, mail and by phone through the automated self-service menu. Documents could 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. The Health Connector fields monthly surveys to new non-group members as well as new employer groups, eligible but unenrolled employer groups, and terminated employer groups. Additionally, annual non-group and small-group surveys are fielded to establish measures of customer satisfaction and perceptions.

In the Health Connector's FY21 annual non-group member experience survey of 1,200 current and former members, 76 percent reported being satisfied with their Health Connector coverage, representing a 4-percentage point decrease from 2020 when it was 80 percent. Other key findings include:

- Cost continues to be a barrier to care for one in five members, but provider access issues are less common.
- One third of respondents indicated they lost a job or were furloughed due to COVID.
- Confusion about how to navigate the website and about noticing volume and content remain areas of frustration, but other areas have improved.

- Members not eligible for ConnectorCare report lower levels of satisfaction with both their member experience and their specific plan designs.

In FY21, for the first time ever, the Health Connector surveyed 412 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 (86 percent compared to 76 percent among non-group members). Key findings include:

- Finding an affordable plan is the greatest challenge small groups face when trying to obtain insurance. Still, businesses primarily choose HCB given its competitively priced plan offerings and ability to compare multiple plans from different carriers.
- Small groups find the HCB website to be clunky and view it as a barrier to obtaining coverage
- Businesses primarily offer choice models to meet different employee needs. Those who use them overwhelmingly find them valuable (91 percent). Non-users have too few employees or are unaware of the option.
- Only a quarter of small groups felt they had the support they needed to stay enrolled during the COVID-19 pandemic. Some may consider discontinuing health insurance in the future.

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

6.5: 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 FY21, 171 applications were approved. Reasons for dismissal of waiver applications include missing documents, submission by non-members, or other administrative reasons. Under the ACA, all individual eligibility decisions are appealable; prior to 2014, eligibility appeals were limited to Commonwealth Care. In FY21, the Health Connector received a total of 2,299 appeal requests from individuals. Among the 1,889 dismissed appeals, 196 were resolved without the need for a hearing. Fifty-six percent of the 604 hearings scheduled were dismissed for failure to appear. The remainder were approved or denied at hearing, as noted in the table below.

Table 8. FY21 Appeal Requests

Appeal Request Status	Count
Approved	13
Denied	150
Dismissed	1,889
Pending	157
Total	2,299

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 Navigators, providing community-based assistance to help individuals obtain coverage and remain covered. The goals of the Navigator program are three-fold. Navigators are tasked with utilizing evidence-based strategies to reach the uninsured and those at risk of uninsurance, using culturally and linguistically appropriate methods to generate awareness, and assisting with eligibility questions, renewals, application updates, shopping for plans, and payment. The Navigator program is required by the ACA and is supported by state funds.

There are currently 18 Navigator organizations employing a total of 110 certified Navigators across the Commonwealth (see Appendix B). During FY21 the Health Connector conducted a Request for Information to explore interest in having a Navigator Program in Lowell. There was an enthusiastic response from Lowell organizations and the Health Connector conducted a procurement and awarded the Lowell Community Health Center to join as a Navigator for FY22.

The 2020-2021 Navigator organizations performed a wide variety of outreach activities in multiple languages and effectively reached both the uninsured and Health Connector members in need of support.

Table 9. Navigator Activity during Regular and Extended OE21

Navigator Activity	Regular OE21 (November- January 2021)	Extended OE21 (February- July 2021)
Applications submitted	4,269 applications for 6,934 individuals	9,209 applications for 16,380 individuals
New members enrolled	6,388 new members	6,688 new members
Health Connector members supported (encounters)	32,406 renewing members	69,677 ongoing members

Though COVID-19 restrictions and MassHealth protections during the Public Health Emergency led to fewer state residents seeking assistance with new applications when compared to prior years, the numbers of new enrollments and current members supported were slightly higher compared to previous, likely due to the extended OE window as well as increased interest in Health Connector programs due to the ARP subsidy expansion and enhancement.

Navigators support members beyond Open Enrollment, continuing to assist members with post-enrollment needs year-round. Using culturally and linguistically appropriate methods, Navigators help to grow awareness around the availability of low-cost coverage through the Health Connector and the individual mandate. Navigators offer assistance in 23 different languages (see Appendix B).

Open Enrollment 2021 Outreach, Education, and Marketing

In FY21, the Health Connector's communications and outreach strategy evolved due to COVID-19, with online events and social media replacing in-person community activities. While 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, the pandemic required an enhanced focus on new populations, such as newly uninsured state residents who lost their employer coverage and COBRA members who needed a longer-term and lower-cost health insurance option. The Health Connector continued its engagement with ASG, a marketing and communications firm, on media outreach to these populations for the fifth year in a row.

To maximize OE21 visibility, paid and earned media opportunities were used to highlight the security of coverage and affordable plans and continue to feature access to COVID-related services. The

Health Connector re-calibrated its paid media channels for OE21 by aiming to maintain a strong presence in ethnic media outlets and creating additional presence in streaming television and radio and MBTA buses. Outreach staff conducted more than 60 interviews and stories on digital, print, and TV platforms and worked call-in helplines on Spanish-language television such as Telemundo.

Two additional social media-driven events included new voices and opportunities to generate awareness around the availability of coverage prior to the December 23 payment deadline. First, Get Covered 2021 included participation from 15 states across the country and D.C., celebrities and Massachusetts-based officials encouraging coverage, and a Proclamation from Governor Baker and Lieutenant Governor Polito. Second, two "Days of Coverage" in December and January featured local media personalities and officials, cooking demonstrations, life music, raffles and other virtual activities.

Figure 25. Get Covered 2021 and Day of Coverage OE21

Other outreach and marketing included direct member and unenrolled applicant outreach, continued local Navigator interview opportunities, ongoing signage placement in communities with higher rates of uninsurance, continued public webinars, and public alerts through AlertsMA. Compared to previous years, OE21 outreach leaned heavily on digital and virtual activities, in response to COVID-19.

7.2: Small-group assistance and outreach

Employer Engagement
While Navigators predominantly focus on individual members and shoppers, the Health Connector has sought other channels to help educate employers about available health insurance options. In an effort to increase awareness among small business owners and their brokers about Health Connector for Business, the Health Connector presented at and sponsored many events across the state in FY21. 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., Small Business Administration and Mass Office of Business Development) that support small business across the state.

Small-group Outreach, Education, and Marketing
Through HCB, the Health Connector empowers small businesses across the Commonwealth to access quality, affordable coverage for their employees. HCB is supported by a comprehensive outreach program, which 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 access for brokers to Health Connector for Business staff to help brokers effectively manage clients. The Health Connector also held a series of trainings and policy update sessions for brokers.

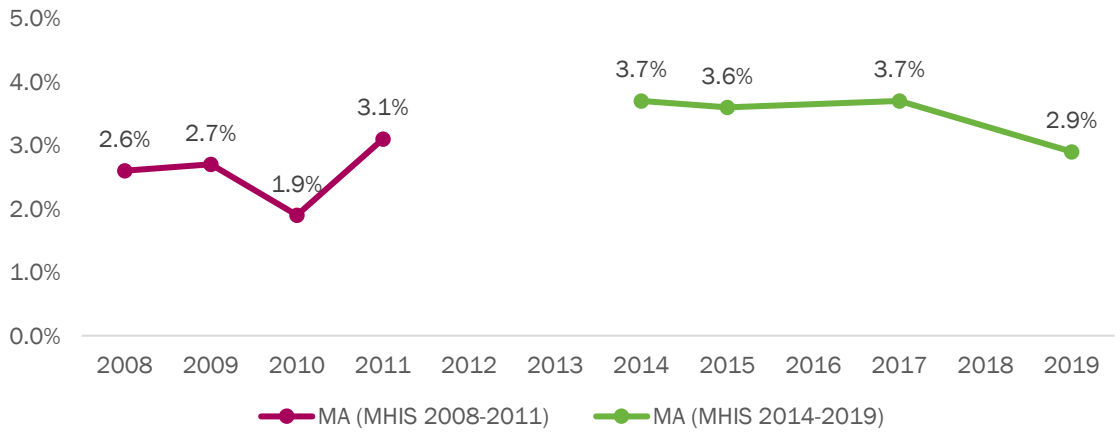
The Health Connector continues to engage with small-business owners and brokers directly, through participation in presentations and visibility opportunities. In response to COVID-19, many of these engagements are now online and virtual. Activities included: participation in annual meetings or high-profile events with a wide range of organizations, including the New England Business Association, MassAHU, the Massachusetts Non-profit Network, the Sustainable Business Network, and other organizations.

The Health Connector also participated in events and activities with Chambers of Commerce, including the Greater Boston Chamber of Commerce and others.

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. However, in recent years, the state's uninsured rate has flattened with 2.9 percent or roughly 200,000 remaining uninsured residents. Though the uninsured rate in Massachusetts decreased by 0.8 percentage points from 3.7 to 2.9 between 2017 and 2019, this change was not statistically significant. More recent state uninsurance data, reflecting the impact of COVID-19, is not yet available.

Figure 26. Uninsurance at the Time of Survey for Massachusetts, 2008-2019, CHIA 2019 MHIS



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. In FY21, the Health Connector published compilation of state and national data on the uninsured offering a renewed understanding of the remaining uninsured in Massachusetts along with the challenges they face in obtaining coverage.[vii] These barriers include but are not limited to the high coverage costs, frequent transitions between MassHealth and ConnectorCare or loss of eligibility, language and cultural barriers, limited health literacy and numeracy, and the administrative burden of applying for and maintaining coverage.

The Health Connector also coordinates with the Department of Revenue to target potential members through a direct mailing to Massachusetts tax filers who reported on their tax filings that they did not have health insurance during the tax year. In October 2020, the letter was sent to approximately 145,000 full year and part year uninsured individuals. The Health Connector's monthly new member survey indicates that 1-2 percent of new members each month sought coverage through the Health Connector due to the letter. The Health Connector looks forward to updating the Legislature on its efforts to conduct targeted outreach to individuals who request assistance from the Health Connector when filing their taxes, pursuant to new statutory data-sharing capacity passed in the FY22 budget.

8.0: Policy and Regulatory Responsibilities

8.1: Plan certification

The Seal of Approval (SOA), as specified in Massachusetts General Laws Chapter 176Q, 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 can designate a set of high-value plan designs and request proposals from the state's leading health insurers to offer them on the Health Connector's shelf. 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 FY21, the Health Connector certified 59 non-group and 72 small-group Qualified Health Plans from nine medical carriers for calendar year 2021 coverage. On the non-group shelf, this represents a net decrease of three plans than the number certified in FY20. The SOA also certified 12 Qualified Dental Plans from two dental carriers on for consumers to choose from. These plans were sold beginning on January 1, 2021.

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 SHIPs.[viii] This allows students to access affordable insurance while attending institutions of higher education. While not part of its regulatory responsibility, the Health Connector also assists the public colleges and universities with premium renewal negotiations while ensuring SHIP program compliance with federal and state rules.

After the implementation of the ACA in 2014, fewer students were enrolling in SHIPs, a trend most likely attributable to the increased availability of insurance options through MassHealth and the Health Connector. In FY17, the Health Connector partnered with MassHealth to launch the MassHealth SHIP Premium Assistance (SHIP PA) program with the public colleges and universities in the Commonwealth. Under the SHIP PA program, Massachusetts students were able to maintain their Medicaid benefits while enrolling in their schools' SHIPs, with the SHIP becoming the primary payer of services and MassHealth being secondary. In the program's first year (Academic Year 2016-2017), approximately 5,000 public college and university students opted to enroll in coverage.

Public college and university SHIP enrollment in subsequent Academic Years increased significantly due to the program becoming mandatory for MassHealth-eligible students at participating schools, though it began to decrease again in AYs 2018-2019 and 2019-2020. Upon receiving high AY

2020-2021 premium increases for the public college and university SHIP, MassHealth determined that the SHIP PA program should sunset at the end of AY 2019-2020 to prevent students from experiencing an untenable premium increase. These students continued to receive full MassHealth coverage if eligible. In AY 2020-2021, the closure of the SHIP PA program coincided with the Covid-19 pandemic and resulted in significantly decreased public college and university SHIP enrollment, with a decrease of approximately 77 percent between AYs 2019-2020 and 2020-2021. The Health Connector expects enrollment to increase in the coming year, though the impacts of the ongoing pandemic remain difficult to predict.

8.3: The state individual mandate

The Health Connector is responsible for defining several policies related to the Commonwealth's requirement that adult individuals carry insurance if they have access to an affordable plan that meets certain coverage standards, known as the individual mandate. Massachusetts maintains this policy independent of a similar federal 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.[ix] 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. Data from the Department of Revenue show that 99 percent of state residents required to report coverage on their state income tax return do so. 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.[x] An adult is considered able to purchase affordable health insurance if his or her monthly contribution to subsidized insurance or the lowest cost insurance plan available through the Health Connector does not exceed the corresponding maximum monthly premium for his or her income bracket.

The affordability schedule aligns with the ConnectorCare program's lowest cost premium in each plan type, though this alignment is not technically required. It 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

For Calendar Year 2021, the affordability schedule largely remained unchanged from the several years prior. See Appendix C for more information.

Minimum Creditable Coverage
As a part of Massachusetts's health reform effort, the Health Connector's Board of Directors created a "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 2020, deductibles in compliant plans could not exceed $2,550 for individual coverage and $5,100 for family coverage, with separate prescription drug deductibles capped at $310 for individual coverage and $620 for family coverage.[xi] In 2021, these limits rose to $2,700 for individual and $5,400 for a family, with separate prescription drug deductibles capped at $330 and $660, for individual and family coverage respectively.[xii] 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 FY21, 1,782 plans were sent to the Health Connector for consideration as MCC-compliant. Of those, 1,665 were granted certification, 17 were denied, 10 were withdrawn from consideration, and 90 were 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 FY20, the Health Connector made changes to the MCC regulations to align with market dynamics and current Health Connector practice. The Health Connector will continue to review and enhance MCC standards to be responsive to the needs of all state residents.

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.[xiii]

Table 10. Penalty Schedule for Failure to Comply with the Individual Mandate, 2019-2021

		150.1-200 percent FPL	200.1-250 percent FPL	250.1-300 percent FPL	Above 300 percent FPL
2019	Per month	$22	$42	$63	$127
	Per year*	$264	$504	$756	$1,524
2020	Per month	$22	$43	$65	$135
	Per year*	$264	$516	$780	$1,620
2021	Per month	$23	$44	$66	$142
	Per year*	$276	$528	$792	$1,704

*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 built a strong programmatic and policy foundation to provide competitive health insurance options for members at all subsidy levels. Over the years, the Health Connector's 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. In FY21, the Health Connector continued to support members and state residents through the ongoing pandemic and rapidly implemented provisions of the ARP to ensure individuals were able to access enhanced benefits and lower premiums as quickly as possible.

In the next fiscal year, the Health Connector will continue to monitor emerging trends around the pandemic-driven economic and health care environment as well as federal proposals to make temporary ARP benefits permanent. In anticipation of the end of the federal public health emergency, the Health Connector will continue work to stabilize customer service functions and take steps to make the agency more member-focused in product design and member communications. These steps will help prevent state residents from falling into coverage gaps as the state and nation unwind temporary policies implemented during the federal public health emergency.

The Health Connector will use research and qualitative and quantitative data to:

- Improve its understanding of member needs and preferences;
- Explore new pathways to enhance coverage levels; and
- Deliver strategic improvements, operational stability, and increased member satisfaction.

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 care. The Health Connector looks forward to exploring innovative ways of ensuring Massachusetts' 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

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

Massachusetts enacted Chapter 58 of the Laws of 2006 (Chapter 58), comprehensive reforms that aimed to achieve universal health coverage including:

- 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

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

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

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:

- 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.

As of July 2021, the Health Connector had over 273,000 enrollees, including over 197,000 ConnectorCare enrollees and nearly 29,000 APTC-only enrollees.

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
Community Health Center of Franklin County	Greenfield
Community Action Committee of Cape Cod & Islands	Hyannis
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
Joint Committee for Children's Health Care	Everett
Manet Community Health Center	Quincy, Taunton
PACE (People Acting in Community Endeavors)	New Bedford
Vineyard Health Care Access	Vineyard Haven
Lynn Community Health Center	Lynn
Community Health Programs	Great Barrington, Pittsfield

Navigator Languages Spoken

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

Appendix C. CY2021 Affordability Schedule

CY2021 Affordability Schedule for Individuals

Percent of FPL	Bottom of Income Range	Top of Income Range	Affordability Standard	Bottom of Affordable Monthly Premium Range	Top of Affordable Monthly Premium Range
0 - 150%	$0	$19,140	0%	$0	$0
150.1 - 200%	$19,141	$25,520	2.90%	$46	$62
200.1 - 250%	$25,521	$31,900	4.20%	$89	$112
250.1 - 300%	$31,901	$38,280	5.00%	$133	$160
300.1 - 350%	$38,281	$44,660	7.45%	$238	$277
350.1 - 400%	$44,661	$51,040	7.60%	$283	$323
Above 400%	$51,041		8.00%	$340	

CY2021 Affordability Schedule for Couples

Percent of FPL	Bottom of Income Range	Top of Income Range	Affordability Standard	Bottom of Affordable Monthly Premium Range	Top of Affordable Monthly Premium Range
0 - 150%	$0	$25,860	0%	$0	$0
150.1 - 200%	$25,861	$34,480	4.30%	$93	$124
200.1 - 250%	$34,481	$43,100	6.20%	$178	$223
250.1 - 300%	$43,101	$51,720	7.40%	$266	$319
300.1 - 350%	$51,721	$60,340	7.45%	$321	$375
350.1 - 400 %	$60,341	$68,960	7.60%	$382	$437
Above 400%	$68,961		8.00%	$460	

CY2021 Affordability Schedule for Families

Percent of FPL	Bottom of Income Range	Top of Income Range	Affordability Standard	Bottom of Affordable Monthly Premium Range	Top of Affordable Monthly Premium Range
0 - 150%	$0	$32,580	0%	$0	$0
150.1 - 200%	$32,581	$43,440	3.40%	$92	$123
200.1 - 250%	$43,441	$54,300	4.95%	$179	$224
250.1 - 300%	$54,301	$65,160	5.90%	$267	$320
300.1 - 350%	$65,161	$76,020	7.45%	$405	$472
350.1 - 400%	$76,021	$86,880	7.60%	$481	$550
Above 400%	$86,881		8.00%	$579	

[i] M.G.L. 176Q §7a
[ii] 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. https://www.mass.gov/service-details/learn-about-the-employer-medical-assistance-contribution-emac
[iii] 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.
[iv] Includes enrollees who receive FFP as well as those who do not.
[v] 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.
[vi] The Medical Loss Ratio (MLR) Rebate represents the state share of MLR rebates paid out through carriers.
[vii] MA Health Connector. January 2021. Getting to 10: What we know about the remaining uninsured in Massachusetts. https://www.mahealthconnector.org/wp-content/uploads/Synthesis-Report-on-the-Uninsured-in-Massachusetts-021821.pdf
[viii] 956 CMR 8.00
[ix] 26 U.S.C. §5000A.
[x] M.G.L. 176Q §3
[xi] 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
[xii] Health Connector Administrative Bulletin 05-20. (2020). Guidance Regarding Minimum Creditable Coverage (MCC) Regulations For Calendar Year 2021. https://www.mahealthconnector.org/wp-content/uploads/rules-and-regulations/AdminBulletin05-20.pdf
[xiii] Massachusetts Department of Revenue. (2018). Technical Information Release 18-2: Individual Mandate Penalties for Tax Year 2018. Available at, https://www.mass.gov/technical-information-release/tir-18-2-individual-mandate-penalties-for-tax-year-2018