



COMMONWEALTH OF MASSACHUSETTS
Office of Consumer Affairs and Business Regulation
DIVISION OF INSURANCE

1000 Washington Street, Suite 810 • Boston, MA 02118-6200
(617) 521-7794 • Toll-free (877) 563-4467
<http://www.mass.gov/doi>

CHARLES D. BAKER
GOVERNOR

KARYN E. POLITO
LIEUTENANT GOVERNOR

MIKE KENNEALY
SECRETARY OF HOUSING AND
ECONOMIC DEVELOPMENT

EDWARD A. PALLESCHI
UNDERSECRETARY OF CONSUMER AFFAIRS
AND BUSINESS REGULATION

GARY D. ANDERSON
COMMISSIONER OF INSURANCE

Minutes of Meeting of the Merged Market Advisory Council (Council) held on Wednesday, January 22, 2020 and Approved by the Council at the Meeting Held on Wednesday, February 5, 2020; Motion of Council Member Michael Caljouw and Seconded by Council Member Jon Hurst. The Motion Passed by a Unanimous Vote of the Council Members Present.

January 22, 2020, Minutes of the Council Meeting
Held at 1000 Washington Street, Boston, Massachusetts.

Members Present:

Gary D. Anderson, Chairman, Commissioner Division of Insurance
Marylou Sudders, Secretary of Health and Human Services
Louis Gutierrez, Executive Director Health Connector
Michael Caljouw, Blue Cross & Blue Shield, Health Insurance Carrier representative
Lora Pellegrini, Executive Director Massachusetts Association of Health Plans,
Health Insurance Carrier representative
Mark Gaunya, Health Insurance Broker representative
Rosemarie Lopes, Insurance Broker representative
Rina Vertes, Health Insurance Industry Actuary
Amy Rosenthal, Small Group/Individual health insurance purchaser representative
Patricia Begrowicz, Small Group/Individual Employer representative
Joshua Archambault, Health Insurance Business Community representative
Jon Hurst, Health Insurance Business Community representative

Participating by Telephone:

Wendy Hudson, Small Group/Individual Employer representative

Attending to the Council:

Michael D. Powers, Counsel to the Commissioner Division of Insurance
Jackie Horgan, Director Consumer Services Section of Division of Insurance

Call to Order:

Chairman Gary Anderson called the meeting to order.

Chairman Anderson welcomed the members of the Merged Market Advisory Council (sometimes referred to hereinafter as the "Council") and thanked them for their willingness to serve at the request of Governor Baker and on such short notice. Chairman Anderson asserted

that he looked forward to hearing the input and expertise that the Members of the Council had to offer, and he was eager to begin the work of the Council and informed the Members that there were several Principles that should guide the deliberations:

- All options should be considered, but not driven by any single entity or point of view
- We consider both the short-term and the long-term impacts of all options
- We base our deliberations on data-driven and actuarial analyses
- We make recommendations that look to improve the vibrancy/stability of the market.

Commissioner Anderson then introduced Kevin Beagan, Deputy Commissioner of the Health Care Access Bureau.

Deputy Commissioner Beagan stated that it would be useful to begin these proceedings for each Council Member to learn about each other and requested the Members introduce themselves starting with Secretary Sudders.

Secretary Sudders introduced herself, informed the Members of the Council that her Secretariat had been engaged in issues covering the Merged Small Group/Individual insurance health market (hereinafter “Merged Market”) for many years, played a very large role in them, and she looked forward to participating in the Council’s deliberations.

Patricia Begrowicz, Small Group/Individual Employer representative, introduced herself and stated that she had about 150 employees and she represented health care consumers because she purchased health insurance for her workforce.

Amy Rosenthal, Small Group/Individual health insurance purchaser representative, introduced herself and informed the Members that she was the Chief Executive Officer for Health Care for All. Her organization receives about 20,000 calls from consumers each year and she hears from consumers about their concerns on issues affecting health care in Massachusetts.

Michael Caljouw, introduced himself by informing the Members that he was with Blue Cross and Blue Shield of Massachusetts and is Vice-President for Public, Government, and Regulatory Affairs and that they insure about 2.8 million lives in the Commonwealth.

Joshua Archambault, Health Insurance Business Community representative, stated that he had been following the discussions surrounding the health care Merged Market for years and he looked forward to the upcoming discussions.

Rosemarie Lopes, Insurance Broker representative, stated that she too was looking forward to the discussions.

Rina Vertes, Health Insurance Industry Actuary, informed the Members of the Council that she was also acting member of the Massachusetts Health Connector, and she has been interested in health insurance issues for many years.

Mark Gaunya, Health Insurance Broker representative, informed the Council that he was the co-owner of an employee benefits firm, an advisor to large employers for health insurance and other employee benefits and was passionate about making health insurance easier and more affordable for everyone.

Lora Pellegrini, Executive Director Massachusetts Association of Health Plans, and is a Health Insurance Carrier representative, informed the Council that she was very engage with how we can make health insurance more affordable for the citizens of Massachusetts.

Jon Hurst, Health Insurance Business Community representative, informed the Members of the Council that his group has 4,000 members 99% are small businesses mostly mom and pop organizations, and restaurants.

Wendy Hudson, Small Group/Individual Employer representative, introduced herself over the telephone and informed the Council she was on Nantucket, was unable to postpone her business meeting, and, therefore, had to do the meeting by telephone conference. She informed the Council that she was the owner of two small businesses-- a craft brewery and book stores. She looked forward to participating in the Council's deliberations, learning in depth about the issues, and was looking to have affordable health insurance coverage for her employees.

Commissioner Anderson informed the Council that he too was looking toward the upcoming meetings as a learning experience about the health care insurance issues affecting the consumers of Massachusetts and requested Jackie Horigan, Director of Consumer Services Section of the Division of Insurance who was handling the communication system for the meeting, to post the proposed schedule for upcoming Council meetings and public listening sessions.

Lora Pellegrini queried whether she could have a stand-in or substitute attend meetings on her behalf when she was unavailable because of a conflict in her schedule. Deputy Commissioner Beagan indicated that such an arrangement could be allowed, but asserted that any such substitute would not be allowed to vote. Mr. Beagan noted that remote participation was allowed by conferencing by telephone as Wendy Hudson was doing during the meeting.

Mr. Beagan noted that the proposed schedule provided dates for both Council meetings and for public sessions as the Commissioner thought it would be productive to have optional meetings for public sessions, meaning Council Members were not required to attend but could attend at their discretion, to allow interested members of the general public an opportunity to express their opinions about health care issues in the Commonwealth. The first such sessions was scheduled for Lowell on January 29, 2020.

Secretary Sudders suggested that it would be better to look at the merged market by segmenting the small business entities into different groups such as individuals to 25 persons and 25-50 persons.

Chairman Anderson agreed.

Lora Pellegrini pointed out that we need to address "Risk Reduction" in the merged market.

Deputy Commissioner Beagan responded that the Division has looked at Risk Reduction with our actuaries and they will provide a presentation on the issue.

Jon Hurst asked if the Council Members would be sworn-in as indicated in the letters that the Members received from Governor Baker.

Secretary Sudders volunteered that she had someone working in her office that periodically swore-in various members of different committees that come under the Office of the Secretariat

of Health and Human Services and said that she could make the person available for the next meeting of the Council.

Deputy Commissioner Beagan informed the Council that Gorman Actuarial, Inc. was retained and Bela Gorman was in attendance to provide an overview of their services.

Bela Gorman introduced herself and said she came to discuss the scope of the project. She informed the Council that she has been analyzing the merged health care insurance market for many years and is very interested in the outcome of the Council's work. The work was already in progress, she has been collecting some baseline public data from Massachusetts agencies, and noted that Massachusetts is number one in the United States for collecting data for the merged market. When she was notified that her company was selected as the actuary for the Council she began collecting data from the health insurance industry to put together with the public data.

Ms. Gorman informed the Council that she was creating algorithms to look at risk profile of the Merged Market, also reviewing Network differences, Plan Design differences, different group subsidizing, PPOs, how new products impact the Merged Market, and the impacts of small groups leaving the Merged Market. She also will look at other states such as New York, develop models to present policy questions, and she projected that these studies would take from three to six months to complete.

Deputy Commissioner Beagan asked Ms. Gorman to elaborate on her data collection.

Ms. Gorman replied that she began collecting the data on November 23, 2019, and would finish collecting the data next week with a follow-up to check the data that was collected.

Mr. Caljouw asked whether the manner in which the meetings were scheduled would begin by discussing the data first?

Chairman Anderson responded yes.

Mr. Archambault asked Ms. Gorman whether the goal to be reached at the end of the process would be to establish certain models for emerging trends in the Merged Market.

Ms. Gorman replied that at this time she was not able to answer the question, she needed to review the data and the models that would be created.

Mr. Gaunya suggested the Council consider any policy changes through the lens of the ACA, ERISA and Massachusetts state law and only focus attention on policies we can legally consider.

Ms. Gorman responded that there were several major changes in Federal laws restricting the states' ability to make policies, beginning in 2006 and through 2014, and thereafter, big changes came from the Federal government.

Deputy Commissioner Beagan informed the Council Members that he and the staff at the Division of Insurance would be meeting with Ms. Gorman and going over the issues and then provided a presentation of a 33 page of slides entitled "Massachusetts Health Coverage & Market Share" which is posted on the Merged Market Council's website which can be found at the following link: [Open PDF file, 691.14 KB, for Merged Market Introduction Presentation](#)

At the conclusion of the presentation, Deputy Commissioner Beagan stated that if any Council Member was associated with a person interested in offering assistance such assistance would be greatly appreciated and the Council Member should provide the contact information to Mr. Beagan.

Adjournment of Meeting:

Commissioner Anderson closed the meeting by thanking everyone for participating and the meeting was adjourned by a consensus of the Council Members.

Whereupon, the Board's business was concluded.

These minutes are exempt from the requirements of M.G.L. c. 30A, § 22(a) based on the definition of a "public body" as defined under c. 30A, § 18.

List of Documents provided at the Board meeting:

- 1. Slide presentation "Massachusetts Health Coverage & Market Share."**
- 2. Slide presentation "History of Massachusetts' Merged Small Group/Individual Insured Health Market."**