

Minutes of Meeting of the Merged Market Advisory Council (Council) held on Wednesday, May 20, 2020 and Approved by Council at the Meeting Held on Thursday, September 10, 2020; Motion of Council Member Michael Caljouw and Seconded by Council Member Mark Gaunya. The Motion Passed by a Unanimous Vote of the Council Members Present.

May 20, 2020, Minutes of the Council Meeting
Held Telephonically

Members Participating by Telephone:

Gary D. Anderson, Chairman, Commissioner Division of Insurance
Louis Gutierrez, Executive Director, Massachusetts Health Connector
Lauren Peters, designee of Marylou Sudders, Secretary of Health and Human Services
Michael Caljouw, Blue Cross & Blue Shield, Health Insurance Carrier representative
Lora Pellegrini, 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
Wendy Hudson, Small Group/Individual Employer representative
Joshua Archambault, Health Insurance Business Community representative
Jon Hurst, Health Insurance Business Community representative

Attending to the Council:

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

Call to Order:

Chairman Gary D. Anderson called the meeting to order at 1:08PM.
Chairman Anderson called a roll of the Council Members participating by teleconference and the members identified themselves, including Secretary Sudders' designee Lauren Peters.

Chairman Anderson informed the members of the Council that the draft minutes of the meeting held on March 11, 2020 had been provided to all the members of the Council. Chairman Anderson asked the group to review the draft minutes for approval at the next meeting.

Update on DOI Actions relating to COVID-19:

Chairman Anderson informed the members of the Council that the Division of Insurance (DOI) has issued 16 bulletins since March to provide guidance to carriers and consumers and that, of those, roughly ten (10) are health-related. Chairman Anderson explained that the guiding principle of these bulletins has been removal of barriers for testing and treatment for COVID-19 and ensuring access to healthcare for all Massachusetts residents. Bulletins issued by the DOI are all posted to the DOI's public website.

Chairman Anderson turned over the next segment of the meeting to Kevin Beagan, Deputy Commissioner for the DOI's Health Care Access Bureau. Mr. Beagan stated that it is an understatement to say that COVID-19 has had an impact on the insurance market. Changes are happening quickly.

Mr. Beagan explained that the DOI is collecting monthly membership information, from health carriers to understand the changes to the market as they happen. This information will be collected on the 15th of each month for the preceding month, starting with reporting in May for February, March and April. Mr. Beagan noted that changes so far are relatively flat, which indicates that many of the Division's bulletins, including Bulletin 2020-05, probably have helped enable April membership to stay similar to that of March. Mr. Beagan stated that we could expect May and June to change as certain short-term solutions may turn into longer term problems. The Division needs to collect this information to understand the general health of companies in the market and give policyholders and policymakers information.

Presentation by Gorman Actuarial Inc.:

Commissioner Anderson next introduced Bela Gorman, principal of Gorman Actuarial, Inc. to give an update to the Council. Ms. Gorman explained that her group did a data call in the fall of 2019 for CY2018, and with all the changes to the market that she thinks it important to collect 2019 data and other information that help in understanding the evolving composition of the market. Ms. Gorman noted that her team has developed models looking into a number of scenarios, including changes to the market if the Merged Market were separated; and what would happen with the development of a reinsurance model, but all the modeled information will change with the evolving market. She indicated that the Merged Market is going to look very different, and it would make sense to understand the size and composition of market post-COVID-19 and incorporate these learnings into the modeling we have done.

Mr. Beagan stated that the members of the Council would be kept aware of dynamic changes to the market.

Chairman Anderson asked if any members of the Council had questions.

Mr. Caljouw suggested letting market dynamics settle out, but not for too long, and then selecting the best period of time for a snapshot of membership.

Mr. Beagan acknowledged this concern, reminding the group that it is part of the reason why the Chairman would like the Council to meet regularly and go over this information as it becomes available.

Mr. Hurst noted that telemedicine is up and utilization is way down and asked that attention be paid to any profits that the hospitals are making while small businesses continue to pay premiums for coverage they are not using.

Mr. Gaunya observed that he has heard that there has been 25-65% reduction in medical claim utilization, that Massachusetts residents are not having elective procedures, and telehealth is booming. He indicated that with all these changes, we need to understand how it affects the

market. The fully insured market is going to be a challenging environment because of pressure on health plans to reimburse providers for lost revenue.

Mr. Archambault asked, with regard to aggregate membership data, if the data could include historical membership numbers and break apart Medicare and Medicaid numbers.

Update from Massachusetts Health Connector:

Mr. Gutierrez informed the Council that the Health Connector submitted a letter to federal CMS requesting an extension of the cooperative and small group rating factors currently in use to still be available for use in 2021. Mr. Gutierrez stated that he should have an update for the Council in June.

Consideration of a Recommendation regarding 211 CMR 40.00- Marketing of Insured Health Plans

Chairman Anderson suggested that the Council consider supporting the DOI revising 211 CMR 40.00 to update requirements concerning marketing and disclosure of health plans to address illegal health plans, confusion about coverage for limited benefit plans, and confusion about Sharing Ministry Plans.

The Chairman called for a motion to approve the Council recommending that the DOI draft revisions to 211 CMR 40.00. Council Member Rosenthal made a motion, the motion was seconded by Council Member Gaunya, and the motion passed by an unanimous vote of the Council, with Chairman Anderson abstaining and with Council Members Caljouwⁱ, Lopes and Hudson not voting. Mr. Caljouw later emailed and reported he had gotten disconnected from the call and asked that his “yes” vote be recorded.

Adjournment:

Commissioner Anderson thanked the Council Members and the presenters for their participation, and stated that the next meeting of the Council will be on Wednesday, June 17, 2020 and would be held by teleconference. Chairman Anderson called for a motion to adjourn. Council Member Gaunya made the motion, the motion was seconded by Council Member Archambault, and the motion passed by a unanimous vote of the Council Members, with Chairman Anderson abstaining.

Whereupon, the Council’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 Council meeting:

- 1. List of DOI Actions taken since the start of COVID-19 public health crisis.**
- 2. Aggregate membership in Massachusetts health plans as of April 30, 2020.**
- 3. Draft minutes of the Council meeting held via telephone on March 11, 2020.**

ⁱ Mr. Caljouw lost his video connection prior to the actual vote and was therefore not present for the vote. He did concurrently send an e-mail that indicated that he voted for the motion.