**Minutes of Meeting of the Merged Market Advisory Council (Council) held on September 10, 2020 and Approved by Council at the Meeting Held on September 23, 2020. Motion of Council Member Mark Gaunya and Seconded by Council Member Rosemarie Lopes. The Motion Passed by a Unanimous Vote of the Council Members Present.**

September 10, 2020, Minutes of the Council Meeting

**Held via video conference**

*Members Participating by video conference:*

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

Jon Hurst, Health Insurance Business Community representative

*Members Not Present:*

Wendy Hudson, Small Group/Individual Employer representative

Joshua Archambault, 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 2:02 PM.

Chairman Anderson asked Ms. Horigan to speak to the video conference technology. Ms. Horigan informed Council members that she would be screen sharing so that they could view the discussed documents and reminded all participates to mute themselves when not speaking to avoid extraneous noise. Ms. Horigan then called a roll of the Council Members participating by either video conference or telephone.

Chairman Anderson then offered remarks to welcome back MMAC members to the first full meeting since the beginning of the COVID-19 interruption. He appreciated members’ willingness to conduct the meetings of the group virtually and indicated he would like to structure MMAC work over the next few months to arrange for a final report to be written by the end of the calendar year.

*Membership*

Chairman Anderson then asked Kevin Beagan Deputy Commissioner for the DOI’s Health Care Access Bureau to go over the monthly aggregate membership change for July. Mr. Beagan reminded Council members 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.

For the month of July, Mr. Beagan noted that there is very little difference in reported HMO membership between June 2020 and July 2020.  When looking over the past four months, the overall number of covered lives is 10,510 lower in July 2020 than it was in April 2020 with approximately 40,500 fewer covered under commercial accounts and 30,000 more covered under governmental accounts. He announced that the next membership reports to the DOI will be sent on September 15, 2020, and the Division would likewise share that information with the Council.

Mr. Caljouw asked if it was possible to compare year over year data (*i.e.*, July 2020 vs July 2019). He suggested another column with that comparison would be useful for the Council’s review.

*Minutes*

Mr. Beagan informed the members of the Council that the draft minutes of the meetings held on May 20, 2020 and June 17, 2020 had been provided to all the members of the Council. Chairman Anderson asked the group to review the minutes and vote on approval.

A motion was made to accept the May 20, 2020 minutes by Mr. Caljouw and the motion was seconded by Mr. Gaunya. The minutes were approved with no discussion. A motion was made to accept the June 17, 2020 minutes by Ms. Rosenthal and the motion was seconded by Mr. Gaunya. The minutes were approved with no further discussion.

*Presentation by Gorman Actuarial Inc.:*

Commissioner Anderson next introduced Bela Gorman, principal of Gorman Actuarial, Inc. Ms. Gorman reminded the Council that she had collected information from all the carriers to examine their membership/claims experience from 2017, 2018 and 2019. Although there was some thought to collect new information to identify if things had changed due to COVID-19, there did not appear to be any new information that would inform her review. She intended to complete her review based on MMAC objectives to present throughout the rest of the MMAC scheduled meetings.

Ms. Gorman then gave the Council a refresher lesson on the Massachusetts merged market and that presentation is attached to the minutes.

*Update on Rate Review for 4Q2020 and 1Q2021*

Mr. Beagan next gave the Council members an update on health insurance rates for 4Q2020 and 1Q2021. On August 14, 2020, the Division completed its review of rates for 1Q2021. Mr. Beagan noted that every company is in a different financial position and that the rates vary by company. He shared that the final average rates for 1Q2021 are 7.9% higher than those for 1Q2020. Mr. Beagan said the Division is not happy with these rates and worked to get them lower, but that they are a reflection carriers’ expectation of 2021 expenses. He did note that the Division may call a rate hearing for second quarter rates.

Mr. Hurst stated that he recalled the Division disapproved carrier rate increase in 2010 and that it sent a clear message to the carriers. Mr. Beagan confirmed the Division disapproved rates in 2010 but noted that it is a very disruptive process, especially since the rates need to be available for upcoming 2021 open enrollment process.

*Discussion of One-on-One Meetings and General Options for MMAC Consideration*

Mr. Beagan thanked the Council members for their comments over July and August regarding what they would like to see the Council accomplish. Mr. Beagan stated that it was important that each Council member felt their voice and concerns were heard.

Mr. Beagan then went over the proposed topics for discussion for the upcoming scheduled meetings, which are being driven by the individual conversations with Council members

I. Find New Ways to Lower All Health Costs

II. Equalize How Carriers Offer Products Across Sub-markets

III. Defining Regulation of non-Merged Market Products

IV. Demerge Individual/Small Group Market & Federal Reinsurance

V. Develop State Reinsurance Mechanism for High-Utilizers

VI. Dampen Impact of Federal Risk Adjustment on Rates

The Council members discussed the importance of these topics and the possibility of adding some of the Governor’s recommendations from the health care cost containment bill he filed.

**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, September 23, 2020 at 2 P.M. and that the meeting would be held virtually using the same TEAMs platform. Chairman Anderson called for a motion to adjourn. Ms. Pellegrini made the motion, the motion was then seconded by Mr. Caljouw 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. **Draft minutes of the Council meetings that were held via telephone on May 20, 2020 and June 17, 2020.**
2. **Aggregate membership in Massachusetts health plans as of April 30, 2020.**
3. **Merged Market Refresher Presentation.**
4. **Presentation by Kevin Beagan about 1Q2021 health insurance rates.**
5. **Proposed workflow of future meetings.**