

Jon Kingsdale, Ph.D.  
Executive Director  
Commonwealth Health Insurance Connector Authority  
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Boston, MA 02108

Dear Jon:

We are writing as organizations that, like many others, have worked over the past two years to make health care reform a reality in Massachusetts. We are excited about Chapter 58's potential to dramatically reduce the ranks of the uninsured, and to improve access to health care.

Thank you for everything you, your staff and the Connector Board of Directors have done to make the launch of Chapter 58 so successful. We know that there are many issues still to be resolved, and want to be helpful as you address them in the weeks ahead.

In that spirit, we wanted to share our views on the issue of minimum creditable coverage (MCC). It is important to remember that MCC was meant to be a minimum and not a universal standard of adequacy. The law's specific intent was to introduce more flexible and affordable products so individuals could choose among a range of options. Setting MCC too high undercuts the law's intent, which was to support the individual mandate, give individuals the opportunity to select plans that reflect their particular needs, and build on the state's high level of employer-based coverage.

To us, the biggest MCC challenges include:

1) Avoiding New Burdens on Existing Policyholders

Recent estimates suggest that 200,000 residents currently have health insurance policies which would not meet the MCC standards being considered by the Connector. We recommend against enacting MCC standards which would force existing policyholders to change their coverage. Such standards would raise costs for those individuals, force some of them to drop the coverage they currently have, and raise costs for their employers.

2) Avoiding High Premiums for New Policies

We believe the implementation of the individual mandate—something that has never been tried in the United States before—will be facilitated by MCC standards that result in affordable premiums for people buying health insurance for the first time. We do not have the expertise to suggest a premium level, but we think it is better to err on the side of more affordable rather than less affordable premiums. This approach will minimize fiscal disruption for people buying insurance, and will help maintain public support for Chapter 58.

Some might argue that the MCC standard should include more than a basic number of desirable benefits. We share the interest in extending those benefits to as many people as possible. However, we believe it would be counterproductive to include more than basic benefits in the MCC standard.

We would like to see a variety of health insurance plans, including high-benefit plans, available to people complying with the individual mandate. Those individuals will be buying health insurance under penalty of law. The decision as to whether they enroll in the more expensive high-benefit plans or the lower-cost basic benefit plans should be theirs to make.

We believe this approach will help maximize the number of Massachusetts residents who obtain health insurance in the months ahead, and we are ready to assist you as you work to achieve that goal. Thank you for your consideration.

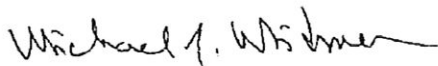
Sincerely,



President & CEO  
Greater Boston Chamber of Commerce



Executive Director  
Massachusetts Business Roundtable



Michael Widmer  
President  
Massachusetts Taxpayers Foundation

CC: Governor Deval Patrick  
Senate President Robert Travaglini  
Speaker Salvatore DiMasi  
Representative Patricia Walrath  
Senator Richard Moore  
Dr. Judy Bigby