



Maryland Health Benefit Exchange Board of Trustees

December 16, 2014

1:00PM – 4:00PM

Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, MD 21215

Members Present

Joshua M. Sharfstein, M.D.

Kenneth Apfel, M.P.A.

Georges Benjamin, M.D. (by phone)

Darrell Gaskin, Ph.D.

Jennifer Goldberg, J.D., LL.M.

Therese Goldsmith, J.D., M.S.

Enrique Martinez-Vidal, M.P.P.

Thomas Saquella, M.A.

Ben Steffen, M.A.

Also in attendance: Carolyn Quattrocki, Executive Director at the Maryland Health Benefit Exchange (MHBE).

Opening and General Updates

Chairman Sharfstein welcomed everyone to the meeting. He announced that it was his last meeting, and Dr. Gaskin will be interim Chairman of the Board until the new administration selects a Secretary of the Maryland Department of Health and Mental Hygiene (DHMH).

Approval of Meeting Minutes

The Board reviewed the minutes for the November 12, 2014 Board meeting; no amendments were made. Mr. Apfel motioned to approve the minutes, and the Board voted unanimously to approve the November 12, 2014 minutes.

IT Update

Isabel Fitzgerald, Secretary of the Department of Information Technology (DoIT), provided an update on the new IT system. Self-enrollment through the Maryland Health Connection (MHC) website began on November 17, two days earlier than scheduled. There was an increase in volume by 1,300 users. Enrollment for coverage effective on January 1, 2015, ends on December 18, and open enrollment will end on February 15, 2015.

Secretary Fitzgerald reported that all major IT milestones and development were completed on schedule. All testing was also completed on time, with over 3,500 scenarios tested, and 151 performance tests completed. No critical or high defects were found, and training was completed on schedule.

Secretary Fitzgerald reported that reception of the new system has been largely positive; there have been no major system or performance issues. The command center was able to stand down a week earlier than planned, and standard operating procedures were implemented. The IT team is able to generate daily reports to track enrollment. As of December 14, there were 93,908 total enrollments, with 40,214 Medicaid enrollees, 41,774 qualified health plan (QHP) enrollees with tax credits, and 11,920 QHP enrollees without tax credits.

Secretary Fitzgerald then provided an overview of the next steps. The focus will transition from implementation to ongoing operations. The IT team established a work management process to prioritize future system changes and a steady state release schedule that accommodates emergency fixes if needed. The IT team is evaluating and revamping the Project Management Office (PMO) to steady state staffing, and has implemented ongoing monitoring and incident management processes. Secretary

Fitzgerald's last day with the MHBE is December 18, so this is her last Board meeting. She will be available to answer questions and assist with the transition to new IT leadership.

In conclusion, Secretary Fitzgerald noted that the IT team accomplished the impossible by successfully implementing the new IT system in seven months. The success of this project was a result of the Board's and MHBE team's hard work. Secretary Fitzgerald thanked the Board and the MHBE, and named members of the IT team who were instrumental to the success of the launch.

Chairman Sharfstein and members of the Board thanked Secretary Fitzgerald for her leadership and tremendous work in implementing the new IT system in a short time period.

Enrollment and Communications Update

Andrew Ratner, Director of Marketing and Outreach at the MHBE, provided an update on enrollment and the outreach campaign. Mr. Ratner reported that as of December 16, 105,902 people enrolled in insurance coverage through the exchange with 61,031 enrolling in a QHP and 44,871 gaining Medicaid coverage. This year, the outreach campaign focused on enrollment fairs, as they were very successful last year. The Connector Entities and the IT team have made great efforts in setting up and operating the enrollment fairs, which have had high attendance. Navigators and assistors met with each consumer for 45 minutes, and, in some cases, demand was so high that follow-up meetings had to be scheduled. People from all backgrounds are able to gain coverage for the first time. Mr. Ratner reported that the television, radio, and newspaper advertisements effectively informed people about the enrollment fairs. Roughly, 1,000 people have enrolled in coverage through the fairs.

Self-enrollment through the website combined with in-person assistance has been very successful. The social media campaign has been effective in reaching out to consumers and providing individual consumer support. The Weber Shandwick digital advertising campaign is working well and meeting its goal of reaching out to minority communities. The affordability message has registered the highest online, and adjustments continue to be made to develop the most effective outreach methods. The website is operating well, with 7,000 consumers enrolling in coverage per day.

- Mr. Steffen asked for more information regarding the enrollment numbers through the enrollment fairs, specifically whether 1,000 people enrolled in coverage during each event or from all of the events. Mr. Ratner responded that there have been 1,000 total enrollees from the enrollment fairs. On average, a consumer using in-person assistance takes about 45 minutes to an hour to enroll compared to a consumer who self-enrolls through the website in 25 minutes, because the former may have more questions and less health insurance knowledge. Typically, 100 people are enrolled in coverage during an enrollment fair.

Chairman Sharfstein thanked Mr. Ratner for his work and noted that consumers have until December 18 to enroll in coverage that will be effective on January 1, 2015.

Closed Session¹

Chairman Sharfstein announced that the Board would be moving into a closed session. He explained that the purpose of the closed session is to obtain legal advice regarding methods and scope of procurement, potential litigation, and potential contract claims.

Commissioner Goldsmith motioned to move into closed session, which was seconded by Mr. Saquella. The Board voted unanimously to move into closed session. For topics discussed and actions taken, please see the Statement for Closing a Meeting dated December 16, 2014.²

¹ General Provisions Article § 3-305(b)(7)-508(a)(7) allows a closed session to consult with counsel to obtain legal advice.

² Statement for Closing a Meeting, 12/16/2014. Available at: <http://marylandhbe.com/wp-content/uploads/2014/12/MHBE-Statement-for-closing-a-meeting-121614.pdf>.

Connector Entities Third Quarter Grants

Leslie Lyles Smith, Director of Operations at the MHBE, provided an overview of the third quarter payments to the Connector Entities. The recommendation, in accordance with the budget, is to award the six Connector Entities a total amount of \$5,139,142 for January 1, 2015, through March 31, 2015. This amount is the same as the last quarter.

- Mr. Martinez-Vidal asked why the award amount is the same if open enrollment is ending on February 15, 2015. Chairman Sharfstein responded that the MHBE wants to maintain consumer assistance past the end of open enrollment to allow flexibility in determining staffing for the following quarter. Ms. Lyles Smith noted that the award amount includes funding for navigators and assistors who may have fixed costs, such as storefront sites. Chairman Sharfstein added that the fourth quarter amount could be different.
- Mr. Steffen asked whether the Connector Entities have been monitored during the current quarter to ensure that they are meeting expectations. Ms. Lyles Smith responded that the MHBE is able to perform more monitoring because the new IT system collects more data, and hopes to do a full assessment of the Connector Entities in the future.
- Mr. Steffen asked whether the payments are monthly or retrospective. Ms. Lyles Smith responded that the Connector Entity can choose monthly or quarterly payment and that the payments are retrospective.

Dr. Gaskin motioned to adopt the recommendation, which was seconded by Mr. Steffen. The Board voted unanimously to approve the recommendation. Commissioner Goldsmith abstained from voting.

Ms. Quattrocki then introduced Gwendolyn Majette, the new Director of Policy and Government Relations at the MHBE, who most recently was a law school professor teaching federal health policy. Ms. Quattrocki also introduced Robin Lewis, her new special assistant.

Small Business Health Options Program (SHOP) Update

Chairman Sharfstein reported that there have been requests to clarify an aspect of the request for proposals (RFP) for third party administrators (TPAs) regarding whether SHOP will pay additional funds for the TPA's handling of employee choice enrollment. An employer may decide to allow employees to choose between plans at a certain metal level. This is a feature not typically available in the small group market, so it is not a cost covered by insurers. Therefore, the MHBE recommended modifying the contract to allow for a payment of \$15 per person per month enrolled through the SHOP employee choice model to cover this cost. This is not expected to be a significant amount.

- Mr. Apfel asked whether there would be a report on this issue. Chairman Sharfstein responded that a report will be made in three to six months.
- Mr. Steffen asked whether the TPA will be ready to launch SHOP on January 1, 2015. Michele Eberle, Executive Director of the Maryland Health Insurance Plan and Interim Director of Plan Management at the MHBE, responded that that the TPAs and carriers are on schedule for small employers to begin shopping for plans on January 1. The carriers are also on track for the second phase, which is broker-assisted employee choice enrollment.
- Mr. Steffen asked whether brokers have been informed about changes in SHOP. Ms. Eberle responded that they have been communicating with the producer community and are finishing a reference manual that will soon be available for producers.

Mr. Apfel motioned to adopt the recommendation, which was seconded by Mr. Martinez-Vidal. The Board voted unanimously to approve the recommendation. Commissioner Goldsmith abstained from voting.

Finance Subcommittee Update

Mr. Saquella provided an update on the Finance Subcommittee. He reported that the Subcommittee is not ready to present options to the Board regarding contract strategy as originally hoped. Allan Pack, the Chief Financial Officer of the MHBE, has been very busy with open enrollment and was unable to devote staff resources. The Subcommittee met on December 3 to evaluate the first draft of detailed procurement processes and procedures. The next meeting will be in January 2015, and the final report is expected to

be finished by April. The Subcommittee will also be examining criteria for bringing services in-house that are currently contracted out.

Voting Session

Chairman Sharfstein noted that the first motion for the Board to consider is whether to convert a previously approved task order with Xerox into a separate contract. The task order with Xerox was for the construction of an interim database for Medicaid enrollment. The Board was advised that this should be moved from the task order under the existing contract to a separate contract, at no additional cost. This contract was performed on an emergency basis, as Xerox was the only company with detailed experience with the legacy Medicaid system and capable of creating an interim database. Xerox also had an experienced webmaster at a lower rate and was able to provide trainers.

Mr. Steffen motioned to adopt the motion, which was seconded by Ms. Goldberg. The Board voted unanimously to adopt the motion.

Chairman Sharfstein noted that the second motion to consider is whether to extend the system maintenance and operations task order with Deloitte. The previously approved task order was scheduled to end in June 2015. However, handing the work over to a new vendor on such a short turnaround could be risky and would make it difficult to have an effective, competitive procurement process. The task order would be extended until June 2016, which will allow a better transition to a new vendor. The goal moving forward is to start the competitive procurement process this spring. The extension is based on the same rates, at an amount not to exceed \$15,334,000, of which \$6 million is optional for the creation of new system developments or additional enhancements.

Mr. Saquella motioned to adopt the motion, which was seconded by Mr. Steffen. The Board voted unanimously to adopt the motion.

Chairman Sharfstein noted that the third motion to consider is whether to authorize a clarification of a previously approved modification to the contract with J. Cain & Company, a PMO vendor. The scope of the contract with J. Cain & Company was previously expanded, but the not-to-exceed amount was not changed. The scope was expanded to include key people completing reports and work being done with the carriers. The not-to-exceed amount is proposed to increase by \$233,598 for July 1, 2014, through December 31, 2014. The Board had previously miscalculated the not-to-exceed amount by looking at the approved amount for the totality of the contract instead of the relevant six-month period.

Mr. Saquella motioned to adopt the motion, which was seconded by Mr. Martinez-Vidal. The Board voted unanimously to adopt the motion.

Chairman Sharfstein noted that the fourth motion to consider is whether to ratify the intent to have a continuous contract with Eventus Solutions Group, without a gap. The previously approved extension had a gap of six days. There is no change in the amount paid for the contract.

Dr. Gaskin motioned to approve the motion, which was seconded by Mr. Steffen. The Board voted unanimously to adopt the motion.

Chairman Sharfstein noted that the fifth motion to consider is whether to approve a project management procurement awarded by the Executive Director in 2012 to Koryak Consulting, which was originally thought to be under the threshold amount that required Board approval. However, subsequent extensions put the contract over the threshold amount, so it is recommended that the Board approve the award made in 2012.

Dr. Benjamin motioned to adopt the motion, which was seconded by Ms. Goldberg. The Board voted unanimously to adopt the motion.

Chairman Sharfstein noted that the sixth motion to consider is whether to ratify a sole source procurement with Arkenstone, previously approved in May 2013 as an emergency procurement because

there was an urgent need to hire an operations manager to handle operational issues arising before the first open enrollment.

Commissioner Goldsmith motioned to adopt the motion, which was seconded by Mr. Saquella. The Board voted unanimously to adopt the motion.

Chairman Sharfstein noted that the seventh motion to consider is whether to ratify a sole source procurement with DK Consulting as an emergency procurement because DK Consulting was hired quickly as a replacement for a project manager who left. This procurement was for a short period in 2013.

Mr. Martinez-Vidal motioned to adopt the motion, which was seconded by Mr. Steffen. The Board voted unanimously to adopt the motion.

Chairman Sharfstein noted that the eighth motion to consider is whether to ratify a competitive procurement originally awarded to J. Cain & Company in April 2013, which later had to be spilt when the previous project manager left. The Board was advised to ratify the procurement on an emergency basis at no additional cost because there was an urgent need to keep a key person to do critical functions.

Commissioner Goldsmith motioned to adopt the motion, which was seconded by Mr. Saquella. The Board voted unanimously to adopt the motion.

Chairman Sharfstein noted that the last motion to consider is whether to ratify competitive procurements for five companies for PMO resources. The Board may have previously approved these procurements, but an official record cannot be found. The companies are GANTECH, Cambria Solutions, Software Consortium, ALTEK Information Technology, and Cirdan Group. Chairman Sharfstein noted that all of the procurements discussed during this meeting are listed in the procurement section on the MHBE website.

Dr. Gaskin motioned to adopt the motion, which was seconded by Mr. Steffen. The Board voted unanimously to adopt the motion.

Adjournment

Chairman Sharfstein thanked the Board and the MHBE for their dedication and inspiring efforts, which resulted in more Marylanders getting needed health insurance. He stated that it has been a tremendous pleasure to work with the Board, and he is leaving it in good hands. Members of the Board thanked Chairman Sharfstein for his exceptional leadership and tireless work. Chairman Sharfstein adjourned the meeting.