

**RESOLUTION OF BOARD OF TRUSTEES
ADOPTING CONFLICT OF INTEREST POLICY FOR THE PROCUREMENT
OF STUDIES MANDATED IN MARYLAND HEALTH BENEFIT EXCHANGE
ACT OF 2011**

WHEREAS, Section 5 of the Maryland Health Benefit Exchange Act of 2011 (the “Exchange Act”) directs the Maryland Health Benefit Exchange (the “Exchange”) to conduct studies and make recommendations to the General Assembly on certain defined subjects by December 23, 2011; and

WHEREAS, the studies mandated in Section 5 of the Exchange Act serve as the basis upon which the Exchange will make long term decisions about the Exchange’s operations; and

WHEREAS, it is of critical importance that the analysis and recommendations contained in the studies be fully objective and impartial and be perceived as such by members of General Assembly, by those affiliated with the agencies and institutions that will be affected by the work of the Exchange, and by members of the public; and

WHEREAS, the Board deems it in the best interest of the Exchange to establish a policy for addressing potential conflicts of interest on the part of contractors who may participate in conducting the studies;

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees hereby directs that the following steps be taken to ensure the objectivity and impartiality of the studies mandated in Section 5 of the Exchange Act:

1. In connection with each procurement of assistance with the studies mandated in Section 5 of the Exchange Act, the Chair or designated procurement officer shall require each offeror to disclose any potential conflict of interest, as defined in Exhibit A to this Resolution.

2. The Chair or designated procurement officer shall deem any offeror who fails to make the required disclosure as having failed to submit a responsive proposal.

3. In considering whether to recommend that an offeror’s proposal be recommended for award to the Board, the Chair or designated procurement officer may decline to recommend a proposal based on a determination that the offeror has an actual conflict of interest, as defined in Exhibit A to this Resolution, unless such conflict is mitigated in a manner that is acceptable to the Board, as described in Paragraph 4 below.

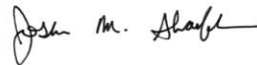
4. In conducting negotiations with any offeror, the Chair or designated procurement officer may request that the offeror modify its proposal to remove any actual conflict of interest or to mitigate any potential conflict of interest.

5. In recommending any offeror's proposal for award, the Chair or designated procurement officer shall (a) explain why any potential conflict of interest does not result in an actual conflict of interest, and (b) identify any other offeror whose proposal was rejected due to the existence of an actual conflict of interest.

6. After award, the Exchange may terminate a contract, in whole or in part, if it considers termination necessary to avoid an actual conflict of interest.

7. If an offeror knew or reasonably should have known of an actual or potential conflict of interest before or after award and did not disclose it or did not disclose accurate information related to the actual or potential conflict, the Exchange may terminate the contract for default, or pursue other remedies as may be permitted by law or the contract.

I HEREBY CERTIFY that the foregoing Resolution was adopted on this sixteenth day of August, 2011, by the Board of Trustees of the Maryland Health Benefit Exchange.



Joshua M. Sharfstein, Chair

EXHIBIT A DEFINITIONS

Actual Conflict of Interest. An offeror has an **actual conflict of interest** if the offeror is unable, or would reasonably be perceived as unable, to render objective and impartial assistance or advice to the Exchange, or if the offeror has an unfair competitive advantage in the procurement process.

Potential Conflict of Interest. An offeror has a **potential conflict of interest** if the offeror, or any person identified as key staff in the proposal submitted by the offeror, (a) has a financial interest, as that term is defined below, in any entity that could reasonably be expected to do business with the Exchange or to be subject to the regulation of the Exchange, or (b) was paid \$5,000 or more in the past 24 months for professional activity in Maryland on the subject of, or directly related to the

1. Health benefit exchanges;
2. Health insurance;
3. Health insurance carriers, brokers, or dealers;
4. Goods, equipment, materials, supplies, or information technology or telecommunication products of the type used by or reasonably likely to be used by the Maryland Health Benefit Exchange;
5. Trade associations of health insurance carriers, health insurance agents or brokers, health care providers, or health care facilities or health clinics; or
6. Personal services used by or reasonably likely to be used by the Maryland Health Benefit Exchange, including, but not limited to, health care and insurance research consulting firms.

Financial Interest. A financial interest is an ownership interest of more than 3% of any entity, an interest that could be converted to ownership of more than 3% of any entity, or an interest in any entity through which the holder of the interest has received \$5,000 or more in the past 24 months or expects to receive \$5,000 or more in the next 24 months.