

**RESOLUTION OF THE BOARD OF TRUSTEES
APPROVING SCOPES OF ASSISTANCE FOR PROCUREMENT OF STUDIES MANDATED
IN MARYLAND HEALTH BENEFIT EXCHANGE ACT OF 2011**

WHEREAS, the Maryland Health Benefit Exchange Act of 2011 (hereinafter, “the Exchange Act”), creating the Maryland Health Benefit Exchange (hereinafter, “the Exchange”), took effect on June 1, 2011;

WHEREAS, Section 5 of the Exchange Act provides that the Exchange shall conduct studies and make recommendations to the General Assembly on certain defined subjects by December 23, 2011;

WHEREAS, the Board of Trustees of the Exchange (hereinafter, “the Board”) has determined that, to conduct the studies and provide the recommendations described in Section 5 of the Exchange Act within the prescribed time, the Exchange must proceed in an expedited fashion to procure assistance in developing and conducting the studies;

WHEREAS, on June 3, 2011, the Board adopted an interim policy for the procurement of studies mandated in the Exchange Act (hereinafter, “the Interim Procurement Policy”);

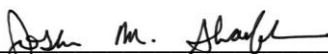
WHEREAS, the Interim Procurement Policy directs the Chair of the Board (hereinafter, the Chair”), by June 27, 2011, (i) to consider the nature of the assistance that the Exchange requires to complete the studies identified in Section 5 of the Exchange Act within the prescribed time, (ii) to identify the criteria that should be used in evaluating proposals from offerors to provide the assistance, and (iii) to submit for Board review and approval, with respect to each mandated study, a document describing the scope of assistance that must be procured and the criteria and process to be used in evaluating proposals from offerors (hereinafter, “the Scopes of Assistance”);

WHEREAS, upon approval of the Scopes of Assistance, the Board expects the Chair to finalize and publish a request for proposals for each mandated study; and

WHEREAS, the Board has reviewed the Scopes of Assistance in substantially the form attached hereto as Exhibit A;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the Scopes of Assistance as reflected in Exhibit A or as modified with such non-substantial changes as deemed necessary by the Chair.

I HEREBY CERTIFY that the foregoing Resolution was adopted on this 27th day of June, 2011, by the Board of Trustees of the Maryland Health Benefit Exchange.



Joshua M. Sharfstein, Chair

Exhibit A – Exchange Procurement of Support for Legislative Studies

1. Operating Model

A. Elements in Scope of Assistance

The Exchange seeks assistance in providing analytic support to support the Exchange study regarding the feasibility and desirability of the Exchange engaging in:

1. selective contracting, either through competitive bidding or a negotiation process similar to that used by large employers, to reduce health care costs and improve quality of care by certifying only those health benefit plans that meet certain requirements such as:
 - promoting patient-centered medical homes,
 - adopting electronic health records,
 - meeting minimum outcome standards,
 - implementing payment reforms to reduce medical errors and preventable hospitalizations,
 - reducing disparities,
 - ensuring adequate reimbursements,
 - enrolling low-risk members and underserved populations,
 - managing chronic conditions and promoting healthy consumer lifestyles,
 - value-based insurance design,
 - and adhering to transparency guidelines and uniform price and quality reporting.
2. multistate or regional contracting.

The **deliverables under the contract potentially could** include:

- Workplan: This work plan must include a timeline for analysis to support Exchange policy development, taking into account the timing of federal guidance.
- Background papers:
 - Prepare a background paper on the current practices in selective contracting, within Maryland and nationally, that utilize the selective contracting criteria specified in the legislation. This analysis will include purchasing by self-funded employers, large carriers, and state-administered purchasing such as state employees, and Medicaid programs; current initiatives among Maryland carriers to improve health care quality and reduce health care costs; Maryland initiatives related to quality improvement, cost reduction, and promotion of consumer choice; and similarities and differences among health plan requirements for networks and quality in the individual, small group and Medicaid markets.
 - Prepare a background paper on the current cross-state and regional insurance markets, including participation by Maryland citizens in regional (within the state) carriers, and in multi-state carriers; and service delivery patterns within the state and across state lines.

- Final analytic report: The study contractor will provide neutral analytic support to the Exchange Board and the relevant advisory committee to support the development of options with pros and cons. This work will provide rigorous and objective analysis to enable the advisory committee and Board to consider the strengths and weaknesses of contracting options.
- At the request of the designated Exchange contract manager, the Contractor will make presentations and engage with the relevant advisory committee and Board meetings, and participate in any necessary conference calls and meetings.
- Anticipated period of performance: September 20, 2011 – April 30, 2012.

B. Criteria and process to evaluate proposals

- The Exchange will conduct a competitive solicitation of sealed proposals.
- The Board delegates the Chair to designate an Evaluation Committee which may include Board representation.
- The Evaluation Committee will recommend the proposals that achieve the maximum benefit for the Exchange and the State, considering:
 - o The experience and qualifications of the proposed contractor, including experience with commercial health insurance and Medicaid;
 - o The reasonableness and likely success of the proposed workplan; and
 - o The proposed budget.

2. Insurance Market Rules

A. Elements in Scope of Assistance

The Exchange seeks assistance to provide analytic support to study and make recommendations regarding the rules under which health benefit plans should be offered inside and outside the Exchange in order to mitigate adverse selection and encourage enrollment in the Exchange, including:

1. whether any benefits should be required of qualified health plans beyond those mandated by the federal Patient Protection and Affordable Care Act (Affordable Care Act), and whether any such additional benefits should be required of health benefit plans offered outside the Exchange;
2. whether carriers offering health benefit plans outside the Exchange should be required to offer either all the same health benefit plans inside the Exchange, or alternatively, at least one health benefit plan inside the Exchange; and
3. which provisions applicable to qualified health plans should be made applicable to qualified dental plans.

The **deliverables under the contract potentially could** include:

- Workplan: This work plan must create a timeline for analysis to support Exchange policy development. It must take into account the need for federal guidance on topics such as Essential Health Benefits to fully address study questions.
- Quantitative Analysis and Background Papers: This work must address all of the study questions, including:
 - o Potential rate changes in the individual and small group market and potential strategies that result in attractive premiums for the individual and small group market for the first year of Exchange operations and ways to sustain this overtime;
 - o Potential risk adjustment strategies, assess the need for modeling potential risk selection issues, assess the impact of reinsurance, risk corridors and risk adjustments, and identify and compare current risk adjustment methodologies in use nationally and in Maryland, including Medicaid;
 - o Whether any benefits should be required of qualified health plans beyond those mandated by the ACA and whether any such additional benefits should be required of the health benefit plans offered outside the Exchange;
 - o Whether carriers offering health benefits plans outside the Exchange should be required to offer either all the same health benefit plans insure the Exchange or alternatively, at least one health benefit plan inside the Exchange;
 - o Potential for additional benefits to be offered through riders to qualified health plans; considering the risk selection issues related to the offer of optional benefits inside and outside of the Exchange; and
 - o Potential issues in coordinating the MIA's role as regulator and the Exchange's role in selection and oversight of qualified health plans.

- Analytic Papers: The contractor will produce white papers on the study questions to foster a transparent dialogue about Maryland policy decisions.
- Maryland specific analysis of options: The study contractor will build on the background analysis to provide neutral analysis and Maryland specific quantitative analysis of options to support the Exchange Board and/or advisory committees in the development and consideration of options.
- At the request of the designated Exchange contract manager, the Contractor will make presentations and engage with the relevant advisory committee and Board meetings, and participate in any necessary conference calls and meetings.
- Anticipated period of performance: August 16, 2011 – April 30, 2012.

B. Criteria and process to evaluate proposals

- The Exchange will conduct a competitive solicitation of sealed proposals.
- The Board delegates the Chair to designate an Evaluation Committee which may include Board representation.
- The Evaluation Committee will recommend the proposals that achieve the maximum benefit for the Exchange and the State, considering:
 - o The experience and qualifications of the proposed contractor, including the ability to conduct quantitative analysis and knowledge of risk selection issues;
 - o The reasonableness and likely success of the proposed workplan;
 - o The proposed budget.

3. Navigators and Consumer Assistance

A. Elements in Scope of Assistance

The Exchange seeks assistance for analytic support for the Exchange to study and make recommendations regarding the design and operation of the Exchange's Navigator Program and any other appropriate consumer assistance mechanisms, including:

1. the infrastructure of the existing private sector health insurance distribution system in the State to determine whether private sector resources may be available and suitable for use by the Exchange;
2. the effect the Exchange may have on private sector employment in the health insurance distribution system in the State;
3. what functions, in addition to those required by the Affordable Care Act, should be performed by Navigators;
4. what training and expertise should be required of Navigators, and whether different markets and populations require Navigators with different qualifications;
5. how Navigators should be retained and compensated, and how disparities between Navigator compensation and the compensation of insurance producers outside the Exchange can be minimized or avoided;
6. to ensure that Navigators provide information in a manner culturally, linguistically, and otherwise appropriate to the needs of the diverse populations served by the Exchange, and that Navigators have the capacity to meet these needs; and
7. what other means of consumer assistance may be appropriate and feasible, and how they should be designed and implemented.

The **deliverables under the contract potentially could** include:

- **Workplan:** This work plan must create a timeline for analysis to support Exchange policy development, taking into account the timing of federal guidance.
- **Key Informant Interviews:** The study will include key informant interviews to ensure that the study, options development and support for the Exchange Board's recommendations are well informed by the needs of those that the navigator program will serve. A study contractor will be expected to develop a discussion guide to conduct these interviews with the input and advice of the Exchange Board and/or advisory committees. Diverse potential consumers of the Exchange will be interviewed, including small employers and individuals with racial and ethnic disparities. These interviews will result in a well-informed assessment of Maryland consumer needs that should be addressed through a navigator program.
- **Quantitative Analysis and Background Papers:** This work must address all of the study questions, including:

- Whether private sector resources and existing health insurance distribution system may be available and suitable for use by the Exchange as well as the potential organizations that may qualify as navigators;
 - The effect the Exchange may have on private sector employment in the health insurance distribution system in the State and among community assistors and the non-profit sector;
 - What functions, if any, in addition to those required by the ACA, should be performed by Navigators;
 - What training and expertise should be required of Navigators, and whether different markets and populations require Navigators with different qualifications;
 - How Navigators should be retained and compensated, and how disparities between Navigator compensation and the compensation of insurance producers outside the Exchange can be minimized or avoided;
 - How to ensure that Navigators provide information in a manner culturally, linguistically, and otherwise appropriate to the needs of the diverse populations served by the Exchange, and that Navigators have the capacity to meet these needs;
 - What other means of consumer assistance may be appropriate and feasible, and how they should be designed and implemented; and
 - Identify options for solicitation of individuals or employers (identified by the Maryland General Assembly as part of advertising and public relations study).
- Options Papers: The contractor will produce white papers on the study questions to foster a transparent dialogue about Maryland policy decisions.
 - Maryland specific analysis of options: The study contractor will build on the background analysis to provide neutral analysis and Maryland specific analysis of options to support the Exchange Board and/or advisory committees in the development and consideration of options.
 - At the request of the designated Exchange contract manager, the Contractor will make presentations and engage with the relevant advisory committee and Board meetings, and participate in any necessary conference calls and meetings.
 - Anticipated period of performance: August 16, 2011 – April 30, 2012.

B. Criteria and process to evaluate proposals

- The Exchange will conduct a competitive solicitation of sealed proposals.
- The Board delegates the Chair to designate an Evaluation Committee which may include Board representation.
- The Evaluation Committee will recommend the proposals that achieve the maximum benefit for the Exchange and the State, considering:
 - The experience and qualifications of the proposed contractor, including their knowledge of private sector insurance distribution systems and community resources familiar to those most likely served by the Exchange;
 - Reasonableness and likely success of the proposed workplan;
 - The proposed budget.

4. SHOP Exchange

A. Elements in Scope of Assistance

The Exchange seeks assistance to provide analytic support to shall study and make recommendations regarding the design and function of the SHOP Exchange beyond the requirements of the Affordable Care Act, to promote quality, affordability, and portability, including:

1. whether it should be a defined contribution/employee choice model or whether employers should choose the qualified health plan to offer their employees;
2. whether the current individual and small group markets should be merged; and
3. whether the SHOP Exchange should be made available to employers with 50 to 100 employees prior to 2016, as authorized by the Affordable Care Act.

The **deliverables under the contract potentially could** include:

- Workplan: This work plan must create a timeline for analysis to support Exchange policy development, taking into account the timing of federal guidance.
- Technical assessment of private sector capacity: The contractor shall provide an objective technical assessment of current information technology capabilities of private sector organizations to meet the IT requirements of the ACA to support the SHOP exchange. The assessment should provide detailed analysis on current capabilities of private sector (“as is” state) to meet needs of SHOP exchange. The contractor will develop a study design that assesses capabilities of private sector with input from Exchange Board and/or advisory committees. The study design should minimally assess current technical and operational capabilities needed to meet federal requirements for SHOP Exchanges including transparency, accountability, scalability, degree of integration with public and private carriers systems, and flexibility to support changing employee choices and an employee choice model of enrollment with defined contributions. The contractor will develop a strategy to identify private sector organizations willing to participate in the study.
- Background papers: This work must address all of the study questions, including:
 - o Whether it should be a defined contribution/employee choice model or whether employers should choose the qualified health plan to offer their employees;
 - o Whether the current individual and small group markets should be merged; and
 - o Whether the SHOP Exchange should be made available to employers with 50 to 100 employees prior to 2016, as authorized by the ACA.
- Options papers: The contractor will produce white papers to foster a transparent dialogue about Maryland policy decisions.
- Maryland specific analysis of options: The study contractor will provide neutral analytic support to the Exchange Board and/or advisory committees to support the development of options and the consideration of recommendations.

- At the request of the designated Exchange contract manager, the Contractor will make presentations and engage with the relevant advisory committee and Board meetings, and participate in any necessary conference calls and meetings.
- Anticipated period of performance: August 16, 2011 – April 30, 2012.

B. Criteria and process to evaluate proposals

- The Exchange will conduct a competitive solicitation of sealed proposals.
- The Board delegates the Chair to designate an Evaluation Committee which may include Board representation.
- The Evaluation Committee will recommend the proposals that achieve the maximum benefit for the Exchange and the State, considering:
 - o The experience and qualifications of the proposed contractor, including experience with the small group market and technical capability to review IT systems;
 - o The reasonableness and likely success of the proposed workplan; and
 - o The proposed budget.

5. Financial Model

A. Elements in Scope of Assistance

The Exchange seeks assistance to provide analytic support to study and make recommendations regarding how the Exchange can be self-sustaining by 2015 in compliance with the Affordable Care Act, including

1. a recommended plan for the budget of the Exchange;
2. the user fees, licensing fees, or other assessments that should be imposed by the Exchange to fund its operations, including what type of user fee cap or other methodology would be appropriate to ensure that the income of the Exchange comports with the expenditures of the Exchange; and
3. a recommended plan for how to prevent fraud, waste, and abuse.

The **deliverables under the contract potentially could** include:

- **Workplan:** This work plan must create a timeline for analysis to support Exchange policy development, taking into account the timing of federal guidance.
- **Options for Internal Controls:** The contractor will identify options for internal management systems to assure efficient use of resources and prevent waste fraud and abuse. The contractor will identify options for the Exchange to consider to be audit ready and compliant with the Maryland Office of Legislative Audits, the Secretary of HHS and the GAO.
- **Assistance with Developing Future Budget for Exchange:** The Contractor will support the Exchange in developing a budget for the Exchange in future years.
- **Option Paper for Exchange Financial Sustainability:** The contractor will produce white papers on options for the Exchange to achieve self-sustainability by 2015 to foster a transparent dialogue about Maryland policy decisions.
- **Maryland specific analysis of options:** The study contractor will build on the background analysis to provide neutral analysis and Maryland specific analysis of options to support the Exchange Board and/or advisory committees in the development and consideration of options.
- **At the request of the designated Exchange contract manager,** the Contractor will make presentations and engage with the relevant advisory committee and Board meetings, and participate in any necessary conference calls and meetings.
- **Anticipated period of performance:** September 20, 2011 – April 30, 2012.

B. Criteria and process to evaluate proposals

- The Exchange will conduct a competitive solicitation of sealed proposals.

- The Board delegates the Chair to designate an Evaluation Committee which may include Board representation.
- The Evaluation Committee will recommend the proposals that achieve the maximum benefit for the Exchange and the State, considering:
 - The experience and qualifications of the proposed contractor, including their knowledge of accounting and audit systems, grant management and ability to project costs and analysis financing options;
 - Reasonableness and likely success of the proposed workplan; and
 - The proposed budget.

6. Communications/Marketing

A. Elements in Scope of Assistance

The Exchange seeks assistance to study and make recommendations regarding how the Exchange should conduct its public relations and advertising campaign, including what type of solicitation, if any, of individual consumers or employers, would be desirable and appropriate.

The **deliverables under the contract potentially could** include:

- **Workplan:** The contractors will develop a work plan and timeline that identifies opportunities for soliciting input, sharing findings, gaining feedback on analysis and recommendations from Maryland stakeholders, Exchange Board and/or advisory committees. The workplan should consider opportunities to work with the Office of Health Reform's public/private coalition when formed, and the Exchange's Director of Communications and Outreach when hired.
- **Environmental Scan:** The contractor will conduct a market analysis and environmental scan to assess communications needs, compile existing Exchange communications materials from federal and other sources.
- **Options Paper:** The contractor will develop options for an outreach and marketing plan for the Exchange.
- **Communications Materials:** The contractor will develop materials to support the Exchange's outreach efforts during the grant period.
- **At the request of the designated Exchange contract manager, the Contractor will make presentations and engage with the relevant advisory committee and Board meetings, and participate in any necessary conference calls and meetings.**
- **Anticipated period of performance:** September 20, 2011 – April 30, 2012.

B. Criteria and process to evaluate proposals

- The Exchange will conduct a competitive solicitation of sealed proposals.
- The Board delegates the Chair to designate an Evaluation Committee which may include Board representation.
- The Evaluation Committee will recommend the proposals that achieve the maximum benefit for the Exchange and the State, considering:
 - o The experience and qualifications of the proposed contractor, including their public relations experience and knowledge of health care and familiarity with populations most likely served by the Exchange.
 - o Reasonableness and likely success of the proposed workplan;
- o The proposed budget.