



Maryland Health Benefit Exchange Board of Trustees Meeting Minutes

March 29, 2013
12:30 PM – 1:00 PM
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, MD 21215

The materials presented in the meeting are listed on the Maryland Health Benefit Exchange (MHBE) webpage: <http://marylandhbe.com/exchange-board/board-meetings/>

Members Present

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| Joshua M. Sharfstein, M.D. (by phone) | Kenneth Apfel, M.P.A. (by phone) |
| Darrell Gaskin, Ph.D. (by phone) | Jennifer Goldberg, J.D., LL.M. (by phone) |
| Ben Steffen, M.A. (by phone) | Georges Benjamin, M.D. (by phone) |
| Enrique Martinez-Vidal, M.P.P (by phone) | Rebecca Pearce, M.B.A. (by phone) |
| Therese Goldsmith, J.D., M.S. (by phone) | Thomas Saquella, M.A. (by phone) |

Opening Comments and General Updates

Chairman Sharfstein welcomed everyone and turned the meeting over to Ms. Pearce.

Re-Planning Strategy

Ms. Pearce began by describing the recently completed re-planning efforts undertaken by MHBE. She explained that the Center for Consumer Information and Insurance Oversight (CCIIO) held a meeting for state-based Exchanges in January at which they explained which features and functions must be in place in order to “turn on the lights” on October 1, 2013. One new milestone that MHBE must achieve is 70% completion of the requirements by April 1, 2013. Ms. Pearce explained that MHBE undertook to re-plan its efforts in light of the new requirements. MHBE worked together with its partner agencies, the Department of Health and Mental Hygiene (DHMH) and the Department of Human Resources (DHR), to distinguish between required functions and nice-to-have functions and determine where to focus efforts.

Next, Ms. Pearce explained that the re-planning effort led to the decision to defer the implementation of three functions: the Small Business Health Options Program (SHOP), dental riders, and stand-alone vision coverage.

Ms. Pearce then explained the SHOP delay in further detail. Under the new plan, SHOP would be released on January 1, 2014 (with the first plan effective date of March 1, 2014) rather than October 1, 2013 (with the first plan effective date of January 1, 2014). Each of the three Third-Party Administrator (TPA) Certification Programs would be released on the same date as the SHOP. Ms. Pearce then offered several justifications for this delay. She explained that deferring the SHOP implementation would allow MHBE to first focus on the individual market because over 90% of the target population is in the individual market and to conduct more testing of the TPA integration. Further, Ms. Pearce stated that small businesses would not lose access to tax credits as a result of the delay, and that response to the postponement from carriers and brokers was overwhelmingly favorable.

- Commissioner Goldsmith noted that the postponement of the SHOP will not affect the deadline to file small group plans with the Maryland Insurance Administration (MIA).
- Mr. Martinez-Vidal noted that CCIIO is allowing states to defer implementing the employee choice model in their SHOP exchanges even further and asked whether Maryland will do so. Ms.

Pearce replied that the full SHOP will launch on January 1, 2014, including the employee choice model.

Next, Ms. Pearce discussed the delay of dental riders and stand-alone vision plans. In the case of dental riders, the Maryland Health Connection software system is unable to implement the technology necessary to limit the choice of dental riders presented to consumers to those that are linked to the medical plan. She noted that only two carriers planned to offer dental riders in the individual market, and that one of those carriers is comfortable deferring. Ms. Pearce explained that in the case of stand-alone vision plans, similar technology implementations issues exist, but also CCIO has said that it will release additional guidance on this coverage type that is likely to require some re-work on information technology (IT) systems.

- Mr. Saquella asked whether the dental rider deferral would be limited to adult coverage. Ms. Pearce replied that the delay would not affect pediatric coverage. Further, she added that the delay would not apply to stand-alone dental coverage.
- Mr. Steffen asked whether it would be correct to characterize the SHOP delay as strategic in nature whereas the dental and vision delays are due to operational issues. Ms. Pearce replied that he was correct.
- Commissioner Goldsmith asked whether MHBE has confirmed with the two carriers who had planned to offer dental riders that they were not planning to offer pediatric dental coverage through a rider. Tequila Terry, Director of Plan and Partner Management at MHBE, replied that she had spoken with each and confirmed that they will be providing pediatric dental coverage through an embedded plan rather than a rider.
- Commissioner Goldsmith asked for the duration of the dental and vision delays. Ms. Pearce replied that the total period of delay is not known, but that it will last at least as long as the first open enrollment period.

Ms. Pearce then displayed an updated development timeline split into two tracks: one for the October 1 release and the other for the January 1 release. She noted that the October release will contain all items related to the consumer experience, such as shopping for, comparing, and enrolling in Medicaid or qualified health plans (QHPs), eligibility determinations, and initial billing for individuals. The January release will contain any items not required for the October release, including data transfer between CARES and Maryland Health Connection, the SHOP, and premium collection for the Maryland Children's Health Program (MCHP).

Next, Ms. Pearce shared an updated Program Management Organization Chart and described a restructuring of the Program Management Office (PMO). She added that there will be a single overarching Program Manager (Rick Wheeler), who will supervise a Functional Program Manager (Justin Stokes), and a Technical Program Manager (Amir Segev). The major change from the previous arrangement of the PMO is that it will now encompass the entire implementation as a whole rather than just the IT implementation.

- Mr. Martinez-Vidal asked whether Rick Wheeler is MHBE staff or a contractor. Ms. Pearce replied that he is a contractor.
- Mr. Saquella asked whether Mr. Wheeler works independently or as a larger vendor, and whether he has any other clients. Ms. Pearce replied that he works for DK Consulting and that MHBE is his only client.

Ms. Pearce then opened the floor for questions on any topic.

- Ms. Goldberg asked for details about the Medicaid eligibility and data transfer between CARES and Maryland Health Connection. Ms. Pearce replied that, due to the fact that the expanded Medicaid eligibility will not be in effect before January 1, 2014, any consumer who applies before that date will receive information on how to apply for Medicaid coverage separately for that period. Ms. Goldberg objected to the idea of sending a consumer through a separate application

process, noting that there should be a way to transfer the consumer's information to the correct system and to protect the original application date. Chairman Sharfstein noted that this may be a separate discussion to have with Maryland Medicaid, adding that there are many complexities currently being worked through by DHMH and DHR in the transition of eligibility rules between 2013 and 2014.

- Mr. Saquella asked when the Consolidated Service Center (CSC) will begin operating. Ms. Pearce replied that it would open in August 2013. As a follow up, Mr. Saquella asked whether small employers in Maryland will be able to call the CSC in August. Ms. Pearce replied that the CSC will be able to answer general questions for small employers in August. Mr. Saquella then asked whether small employers would be able to work with Connector Entities at the same time. Chairman Sharfstein pointed out that small employers would be talking with SHOP Navigators rather than Connector Entities.
- Mr. Steffen, noting that the current small group market tends to have renewals in January or July, asked whether it would be better to delay SHOP implementation until April 1, 2013, thus possibly avoiding having to announce another delay. Ms. Pearce replied that she could investigate that possibility. Chairman Sharfstein intervened and asked the Board to stick with the plan as presented.
- Mr. Saquella asked how this new plan will be released publicly. Ms. Pearce replied that MHBE will send a memo to carriers right away. Mr. Saquella asked whether there will be a press release. Chairman Sharfstein replied that it wouldn't be necessary due to the widespread knowledge of the plan by interested parties. Mr. Saquella expressed concern that the small business community needs to hear of the delay. Chairman Sharfstein asked Ms. Pearce to coordinate with Mr. Saquella on how to communicate the plan to the small business community in Maryland.

A motion to concur with the Re-Planning Strategy as presented passed unanimously.