

# Maryland Health Benefit Exchange Board Meeting Minutes

April 10, 2012  
1:00 p.m. - 4:00 p.m.  
Maryland Health Care Commission  
4160 Patterson Avenue  
Baltimore, MD 21215

The materials presented in the meeting are listed on the Maryland Health Benefit Exchange webpage: <http://dhmh.maryland.gov/exchange/SitePages/meetings.aspx>

## **Members Present**

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

## **Opening Comments and General Updates**

Secretary Sharfstein welcomed the Exchange Board members and participants. He noted the passage of the Maryland Benefit Exchange Act of 2012 (SB238/HB443) by the Maryland General Assembly and thanked those present for their hard work on the bill. Ms. Pearce reminded the Board that several members are scheduled to attend the “HIX Leadership Executive Education Program” at the Center for Health Information and Decision Systems at the University of Maryland’s Robert H. Smith School of Business along with several members of the Exchange staff. The Board approved the March 13<sup>th</sup> meeting minutes with no objections or revisions.

## **Closed Session**<sup>1</sup>

The Board approved a motion to go into closed session.

## **Level 2 Project Plan**

Rebecca Pearce, Executive Director of the Exchange, and Yohance Green, Project Manager with the Exchange, presented to the Board a roadmap of the milestones required in order to submit the Level II grant application by the deadline of June 28, 2012, as well as an outline of the grant submission itself. The Board will have the complete grant submission for review on June 6, 2012, in preparation for a vote during the Board meeting on June 12, 2012. The Board will schedule an additional meeting in May 2012 due to the large number of project milestones occurring in that month. The Reinsurance, Risk Adjustment, and Risk Corridors (3Rs) Strategy

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<sup>1</sup> The meeting was closed pursuant to (1) State Government Article §10-508(a)(1), which provides that a session may be closed to discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom it has jurisdiction, and (2) State Government Article §10-508(a)(14), which provides a session may be closed before a contract is awarded or bids are opened, discuss a matter directly related to a negotiating strategy or the contents of a bid or proposal, if public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process.

will not be complete, so the grant submission will contain a narrative of how the Exchange plans to develop the strategy. The IT project plan will be available to the Board on May 7, 2012.

### **SHOP Policy Discussion**

Kevin Yang, Chief Information Officer for the Exchange, recommended a “hybrid approach” to SHOP technology enablement. Mr. Yang reviewed the three technology models that were first presented at the March Board meeting. Based on responses to the recent Request for Information (RFI), he then presented input from various interested parties, including insurance carriers, third party administrators, and consumer groups, as to which of the technology enablement options they thought best met several key objectives. The RFI did not ask the respondents to choose an overall favorite option. Mr. Yang asked the Board to support the “hybrid approach” of technology enablement.

Under the “hybrid approach,” the Exchange will establish the Financial and Operations Oversight, Online Marketplace, and Back Office Administration functions in-house in order to meet the aggressive timetable for certification by the Centers for Medicare and Medicaid Services (CMS) while also working to create a process by which third party entities may be certified to perform Online Marketplace and Back Office Administration functions.

The Board approved the plan with no objections.

### **Individual Exchange Billing & Payment Strategy**

The Exchange executive team presented their initial findings regarding the various options for handling billing and payment on the Individual Exchange. They noted that the Affordable Care Act does not require the Exchange to handle billing and payment for consumers on the Individual Exchange, and that creating that capability will require a heavy investment of time and effort. They asked the Board to decide whether to continue pursuing this avenue of development.

Arguments for building the billing and payment functionality inside the Exchange included:

- It may be possible to leverage developments on the SHOP Exchange
- The main target population for the Individual Exchange is expected to include a large number of people who lack access to electronic payment technologies or who lack bank accounts, for whom an Exchange-centered billing and payment arrangement may better serve
- Delaying the development of this functionality may guarantee that state money pays for it rather than federal money
- The consumer experience is likely to be smoother if billing and payment is handled by the Exchange, especially in cases where multiple carriers provide coverage to a single household, due to there being just one bill
- With billing and payment functionality inside the Exchange, consumers are much more likely to be able to complete the enrollment process in one step

Arguments against building the billing and payment functionality inside the Exchange included:

- The Exchange is under exceedingly challenging deadlines for certification, and developing this non-required capability will sap resources from the overall effort

- Consumers are likely accustomed to receiving multiple bills
- The Exchange would assume some fiduciary risk

The Board decided that, while a decision on the Individual Exchange billing and payment functionality can wait, more research is necessary, and that the Exchange staff should report back with further information before proceeding to develop this capability.

### **Regulations Update**

Ms. Pearce and Maansi Raswant with The Hilltop Institute presented to the Board a Regulations Development Timeline showing the milestones required to fully implement regulations required for the Exchange. The Board requested several changes to the timeline, and decided to revisit it at the next meeting on May 8, 2012.

### **3Rs Update**

Therese Goldsmith, Maryland Insurance Commissioner, informed the Board that the Steering Committee for 3Rs has convened, and has subdivided into three work streams:

- Data and Audit
- Administration and Finance
- Policy and Parameters

The Steering Committee and its work streams have had to take a step back to reconsider how to proceed, due to the U.S. Department of Health and Human Services having recently created a rule that provides Maryland with a new option. The rule as it was originally proposed said that reinsurance programs were the exclusive domain of the state, whereas risk corridors would be strictly federal. The final rule now gives the state the option of turning over the reinsurance program to the federal government. The Steering Committee and its work streams will look more deeply into whether to turn the program over to the federal government and will present its recommendation to the Board at the next meeting on May 8, 2012.

### **Advisory Committees**

Thomas Saquella and Jennifer Goldberg presented to the Board a draft document announcing the creation of three new Maryland Health Benefit Exchange Advisory Committees:

- Navigator Program Advisory Committee
- Continuity of Care Advisory Committee
- Plan Management Advisory Committee

The document asks those interested in serving on a committee to submit a resume along with the Advisory Committee Interest Form by April 27, 2012. In May, 2012, Mr. Saquella and Ms. Goldberg will bring a resolution to the Board naming the committees, their members, and the Board liaisons. The Board decided that further input is necessary regarding the formulation of the example questions listed for each committee, and that the timeline on the Navigator Program Advisory Committee must be advanced.

### **Exchange Executive Update**

Members of the Maryland Health Benefit Exchange executive staff gave updates on their progress.

*Tequila Terry, Director of Plan and Partner Management*

Ms. Terry informed the Board that the Exchange met with the Maryland Insurance Administration to hash out the details of their collaboration. They identified 41 tasks, and assigned roles, responsibilities, and ownership of each.

*Kevin Yang, Chief Information Officer*

Mr. Yang announced that the Exchange has contracted with a vendor for eligibility and enrollment, and that work proceeds on those functions at a fast pace. He also revealed that the Exchange convened a coordinating committee, meeting weekly, that includes the Maryland Department of Human Resources, the Department of Health and Mental Hygiene, the Maryland Health Benefit Exchange, and various program directors.

*Danielle Davis, Director of Communications and Outreach*

Ms. Davis informed the Board that work is underway to brand the Exchange. The vendor is conducting preliminary work along that line, and preparing a stakeholder website. She mentioned that she is working with the CMS and its Center for Consumer Information and Insurance Oversight (CCIIO) to learn about the Federally Facilitated Exchange effort. She will present a timeline to the Board at the May meeting.

*Leslie Lyles-Smith, Director of Operations*

Ms. Lyles-Smith announced that the Maryland Health Benefit Exchange is now an official legal entity. She also informed the Board that she has narrowed the choices of office location down to three, and will make a selection by the end of April, 2012.

### **Next Steps**

The next Exchange Board meeting will be held on May 8, 2012, at the Department of Budget and Management at 45 Calvert Street, Room 164, Annapolis, MD 21401.