Maryland Health Benefit Exchange Board of Trustees

February 18, 2014
1:00 PM – 4:00 PM
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, MD 21215

Members Present

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

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

Opening and General Updates

Chairman Sharfstein commended the continued work of the MHBE staff and discussed various aspects of the Maryland Senate and House committee hearings. He briefly explained information technology (IT) issues that still exist. Chairman Sharfstein also commended the collaborative work between the MHBE, the Maryland Department of Health and Mental Hygiene (DHMH), and the Maryland Department of Human Resources (DHR).

Approve Meeting Minutes

Commissioner Goldsmith provided three clarifying edits to January 27th meeting minutes. These including edits regarding the reinsurance program, the deadline for carriers to submit rates, and the effective date for coverage offered through the Small Business Health Options Program (SHOP). The Board approved the minutes as amended.

MHBE Board Budget Update

Allan Pack, Chief Financial Officer at the MHBE, provided a review of the fiscal year (FY) 2014 budget. He explained that general fund balances, especially in major IT areas, are relatively low. To increase general fund balances, Mr. Pack explained three strategies: realign call center-related costs to operations; continue to liquidate encumbrances; and continue to seek and justify deficiency appropriation.

Mr. Pack discussed that future projects include reconciling the MHBE's procurement system with its accounting system, establishing a new accounting system to further delineate activities, and establishing the scope of the MHBE finance committee.

IT Update

Kevin Yang, Chief Information Officer at the MHBE, provided an update on key enrollment statistics, IT program management activities, and the consumer experience. Mr. Yang noted that there are 31,000 enrollments into qualified health plans (QHPs), with an estimated 2,000 enrollments each week.

Mr. Yang explained that the integrated project management office (PMO) is managing day-to-day IT operations. He then discussed several changes to the IT management process. The MHBE established formal prioritization sessions with the MHBE, DHR, Medicaid/DHMH, and business owners. The Architectural Review Board (ARB) ensures that new IT fixes are consistent with best practices and align with federal and state requirements. Finally, the vendor management team continues to work with Noridian on determining Noridian's performance against contractual service levels.

Mr. Yang provided a status update on the user experience for the external (consumer) portal. He explained that the consumer experience has improved, but is still inconsistent, with newer users having the least amount of issues within the HIX system. Mr. Yang discussed that the speed of enrollment depends on several factors, including household size, number of income sources, deductions, and user preferences. The most frequent consumer issues are: identity verification through the federal data hub, account disablement, eligibility discrepancies, and lack of clear eligibility and enrollment status.

Mr. Yang noted that the eligibility system developed by IBM Curam continues to be the primary source of overall consumer issues with the HIX system. This includes: missing functionality, numerous outstanding defects, "stuck" and "lost" applications, two separate rule-sets with inconsistent outcomes, basic design issues, and incorrect eligibility. He explained that the MHBE determined there was an advance payment of the premium tax credit (APTC) calculation error that impacted 4,000 subscribers.

Mr. Yang discussed the various IT fixes since the October 1 launch. He explained that the system still has numerous defects and a number of architectural issues that the MHBE will have to address for long-term sustainability. He outlined several options for the MHBE going forward: (1) adopting technology developed by another state, (2) joining a consortium of other states, (3) partnering with the federally facilitated marketplace for back end services, and (4) making major fixes to overhaul the existing system.

- Professor Apfel asked when a timeline for considering the MHBE's options will come to the Board. Chairman Sharfstein discussed that the Board would likely decide around the end of open enrollment or soon thereafter.

- Dr. Gaskin asked for clarification on the APTC calculation error. Mr. Yang noted that the MHBE continues to work with individuals with incorrect calculations.

- Mr. Martinez-Vidal asked for clarification on the number of applications started versus the number of online applications. Mr. Yang noted that the started applications include paper applications. Chairman Sharfstein added that a single household can complete more than one application. Issues remain with tracking applications instead of individuals. Mr. Yang noted that there may be duplicate applications completed by the same individual.

- Mr. Steffen asked for additional information about the integrated PMO. Mr. Yang explained that the integrated PMO is more collaborative and includes state agencies, Optum, and other vendor organizations. He noted that there are multiple stages in quality assurance. Mr. Yang noted that Berry Dunn is a small team that focuses on evaluating one process at a time.

- Commissioner Goldsmith asked for clarification on the enrollment statistics. Mr. Yang discussed that the 31,000 individuals enrolled in a QHP includes those who have failed to pay their initial premium. He emphasized that carriers have been willing to extend deadlines, resulting in very few cancellations.

SHOP Direct Enrollment Update

Michele Eberle, Interim Director of Plan and Partner Management at the MHBE, provided an update on the SHOP direct enrollment process. Beginning April 1, 2014, direct enrollment through carriers will commence for small businesses who want to take advantage of the federal small business tax credits. She discussed that small businesses will apply for coverage through producers, third-party administrators (TPAs), or carriers. The official eligibility determination will be made by the MHBE. Ms. Eberle explained how the minimum participation rules do not apply with regard to direct enrollment.

Ms. Eberle discussed that carriers will be completing enrollment for QHPs and qualified dental plans (QDPs) for qualified employers and will report such enrollment to the MHBE on a monthly basis. The MHBE will complete required reporting to the Centers for Medicare and Medicaid Services (CMS) and the Internal Revenue Service (IRS). She explained that direct enrollment workgroup meetings will be held on

a weekly basis to refine processes, forms, communication, and outreach. Ms. Eberle noted that final procedures will be referred to the Maryland Insurance Administration (MIA) for review.

- Chairman Sharfstein asked whether there were any updated figures for submitted applications for the Maryland Health Insurance Plan (MHIP) option. Ms. Eberle explained that there are two applicants for the bridge program as of today's meeting.

Retro Option Outcomes and MHIP Outreach Campaign

Jonathan Kromm, Deputy Director of the Governor's Office of Health Care Reform, provided an update on retroactive coverage and the MHIP campaign. Dr. Kromm discussed that the retroactive coverage program offers coverage retroactive to January 1, 2014, for individuals who attempted to enroll through the Maryland Health Connection (MHC), but did not receive coverage. The initiative had targeted outreach and a dedicated hotline for consumers to call and register. He described the two-step process by which consumers would register through the hotline, and cases would then be investigated by the operations team. At that point, consumers would be contacted to complete manual enrollment. Dr. Kromm noted that four consumers ineligible for assistance, but interested in an Evergreen plan, were referred directly to the Evergreen Health Cooperative. At the time of this meeting, 1,333 total households registered for retroactive coverage.

- Commissioner Goldsmith asked for clarification on the referrals to the Evergreen Health Cooperative. Chairman Sharfstein described that individuals interested in an Evergreen plan, but not eligible for assistance, are referred directly to Evergreen. This referral policy applies only to individuals who do not want or are ineligible for financial assistance.

Dr. Kromm discussed the MHIP transition campaign. He noted that 5,534 MHIP members, whose coverage ends on March 31, 2014, have not transitioned to other coverage. Most of these individuals are APTC-eligible. Initial outreach to these members included co-branded emails, letters, and robo-calls. Dr. Kromm discussed that MHIP member enrollments will be tracked by operations staff to ensure MHIP members are covered whether they access MHC through the website, connector entities (CEs), consolidated services center (CSC), or caseworkers. He noted that outreach calls will continue through March 1, 2014. Dr. Kromm emphasized that QHP eligible members must be enrolled by March 18 for coverage that is effective on April 1, 2014.

- Chairman Sharfstein asked whether the campaign can reach out to brokers for enrollment into the Exchange, regardless of eligibility for financial assistance. Dr. Kromm acknowledged that brokers would be involved in the outreach.

- Professor Apfel asked for a sense of the MHIP members and whether members have been denied coverage. Dr. Kromm explained that this issue is still being investigated. He discussed how some members will be pursuing coverage options outside of the Exchange.

- The Board discussed the flexibility for outreach with regard to the MHIP transition campaign and the state subsidy program.

- Mr. Steffen asked whether the MHBE would have access to utilization data. Dr. Kromm noted that MHIP has provided some information, but nothing related to medical or utilization data.

Call Center and Application Counselor Program

Leslie Lyles-Smith, Director of Operations at the MHBE, provided an updated on the call center, operations, and application counselor sponsoring entity (ACSE) program. She noted that the MHBE continues to track improvement. Ms. Lyles-Smith explained how this is attributable to increased staff at the call center.

The call center recently moved into an expanded space to accommodate the 363 call center staff. Ms. Lyles-Smith discussed that the training program has been reviewed by the MHBE and continues to be used in training staff. She noted that all expansion staff will be trained by the end of February.

Ms. Lyles-Smith provided an update on the ACSE program. She noted that 33 applications were received, which include: hospitals, physician groups, and eligibility and enrollment organizations. Ms. Lyles-Smith noted that a kickoff meeting would be held on Friday, February 28. These organizations will be credentialed and will receive training for their certified application counselors. Currently, there are 11 draft web-based modules, subject to the Commissioner's approval.

Appeals/Notices, 2015 Plan Certification, PIA Policy, and MHBE Standing Advisory Committee

Ms. Quattrocki provided a series of policy and procedure updates on appeals and notices, plan certification, public access to information on the MHBE, and the MHBE standing advisory committee.

Appeals and Notices

Ms. Quattrocki reviewed the consumer's right to appeal a final eligibility determination. To facilitate this right, the MHBE is required to send the consumer a legally sufficient notice of his or her eligibility determination. She discussed that this could be in the form of an approval or denial of eligibility to enroll in a QHP, Medicaid, or the Maryland Children's Health Program (MCHP), and to receive an APTC or cost-sharing reduction (CSR). Ms. Quattrocki explained that a consumer may receive other notices from the MHBE, Medicaid, or carriers with regard to outstanding verifications of income, social security number (SSN), citizenship, or other issues. Due to continued issues with IT functionality, the notices are generated through a manual process. The MHBE continues to send notices for outstanding verifications of income, SSN, and other issues. The MHBE has not sent approval or denial notices with regard to eligibility for enrollment in a QHP, Medicaid, or MCHP, as well as eligibility for an APTC or CSR.
Ms. Quattrocki presented the recommendation that the Board establish a short-term MHBE Notices and Appeals Advisory Group. The purpose of this group would be to provide input on questions presented by MHBE Board and staff related to notices and appeals issues, pending increased system functionality and implementation of automated notices. The group's membership would consist of a Board liaison and volunteers from advocacy and stakeholder community. Ms. Quattrocki discussed that the MHBE may look for potential assistance from the State Health Reform Assistance Network.

- Ms. Goldberg commended the MHBE for moving forward on the issue and volunteered to be the Board liaison for this advisory group.

- Dr. Benjamin asked for clarification on the right to appeal and losing coverage. He explained how eligible individuals may not receive coverage due to the complexity of their circumstances. Chairman Sharfstein discussed the process of the call center and CEs. Individuals with complex eligibility cases would be referred to senior customer service representatives.

- Dr. Gaskin asked for clarification on the short-term goals. Ms. Quattrocki discussed that the duration of the group is contingent on IT functionality being established. The group will look at how applicants are triaged and make policy or process recommendations to address underlying issues of applicants obtaining incorrect coverage or APTC amounts. Ms. Goldberg noted that a group of internal staff has been working diligently on these issues.

2015 Plan Certification

Ms. Quattrocki reviewed the U.S. Department of Health and Human Services (HHS) draft annual letter to issuers. HHS released the draft letter to carriers participating in the federally-facilitated marketplace (FFM) on February 4, 2014. The letter sets forth proposed 2015 standards applicable to plans offered on the FFM. She noted that public comments on the letter are due on February 25.

Ms. Quattrocki provided a summary of HHS' proposed 2015 standards, which included QHP certification process, network adequacy, essential community providers, prescription drugs, provider directory, compliance initiatives, discriminatory benefit design, primary care, meaningful difference, licensure and

good standing, service areas, and meaningful access for individuals with limited English proficiency. Ms. Quattrocki recommended that the Board solicit public comment on new federal proposals in order to consider whether MHC plan certification standards should be amended or augmented for 2015. She explained that the public can submit alternatives to new federal proposals during the comment period.

- Mr. Martinez-Vidal asked about the timeline for submitting 2015 plans to the MIA. Commissioner Goldsmith noted that the filing deadline for 2015 plans is May 1.

- Dr. Benjamin noted that federally qualified health centers (FQHCs) would be considered essential community providers. The Board discussed HHS' proposal to permit states to require plans to cover non-formulary drugs for the first 30 days of new coverage under a QHP to prevent disruptions in treatment. Dr. Benjamin explained that such allowance may need to be 60 days. The Board discussed that the continuity of care provisions do not go into effect until 2015.

Public Information Act (PIA) Policy

Ms. Quattrocki discussed the new proposed policy for public information requests. She emphasized that the MHBE has received over 65 requests, including information on requests for proposal (RFPs), personnel and financial information, and email correspondence. Currently, the MHBE does not charge for these requests, regardless of the hours spent responding to it. Ms. Quattrocki explained that, because of the increased number of requests, the MHBE needed to establish a new policy based on best practices. She discussed that the MHBE looked at the policies of other state agencies. From this research, Ms. Quattrocki proposed that the MHBE would not charge for first two hours of work for a public information request. After this timeframe, the requestor would be charged for hours spent by MHBE staff on the request. For estimates in excess of $250, the MHBE would require the requestor to make a deposit equal to 25 percent of the estimated cost. She explained that the MHBE will consider a fee waiver on a case-by-case basis. Moreover, requests that have already been made will be grandfathered into the new policy.

- Commissioner Goldsmith asked for clarification on the cost for negotiated rate. Ms. Quattrocki noted that this references the indirect cost rates applied to the MHBE's federal grants. The Board discussed whether the reference implied that the MHBE is grant-funded. Mr. Pack noted that the reference would not apply.

- Mr. Saquella asked whether the deposit should be raised to 50 percent of the estimated cost. Chairman Sharfstein explained that this amount was based on state agency best practices. Chairman Sharfstein stated that grandfathered requests would not be charged retroactively for previous or ongoing research.

- Ms. Goldberg asked for clarification on the fee waiver. Ms. Quattrocki explained that this would involve looking at the capacity of the requestor on a case-by-case basis.

Mr. Steffen motioned to adopt the new PIA policy, which was seconded by Dr. Benjamin. The Board voted unanimously to adopt the new PIA policy.

MHBE Standing Advisory Committee

Ms. Quattrocki reviewed the structure of the MHBE standing advisory committee as outlined in statute. The Committee would cover a broad range of issues going forward. She outlined the proposed process for establishing the Committee. Nominations are due February 28.The Board would delegate responsibility for selection of Committee members to three Board members. Those Board members would determine the size of the Committee, select recommended Committee members, schedule the first meeting on or before April 30, and determine initial issues. Ms. Quattrocki explained that the Board will appoint Committee members at the March meeting.

- Mr. Steffen asked if a restriction on the Committee size is necessary. Ms. Quattrocki emphasized that the three Board members would make the recommendation with regard to size.

Enrollment Fairs

Ms. Quattrocki provided an update on the enrollment fairs that are scheduled for March. These fairs will include on-site consumer and technical support to facilitate enrollment, such as IT support, navigators and assisters, brokers, and insurance carriers. The enrollment fairs are free and open to the public. All enrollment fair locations and dates are listed on www.marylandhealthconnection.gov.

Producer Appointment Interim Procedures Amendment

Maansi Raswant, Senior Regulatory and Policy Advisor at The Hilltop Institute, presented an amendment to the producer appointment interim procedures. The amendment related to whether MIA has the authority to oversee conflicts related to producer appointments. Ms. Raswant explained that this provision, through discussions with MIA, was not under the Commissioner's authority. As a result, she proposed to remove this provision from the interim procedures.

- Commissioner Goldsmith noted that the insurance article does not clearly state that MIA can mediate or oversee conflicts of this kind.

- Mr. Martinez-Vidal asked for clarification on the recourse for organizations with these disputes. The Board discussed how this issue needs to be revisited.

Mr. Martinez-Vidal motioned to adopt the amendment to the producer appointment interim procedures, which was seconded by Dr. Gaskin. Commissioner Goldsmith recused herself from the vote. The Board voted unanimously to adopt the amendment.

Closed Session[1]

Dr. Benjamin motioned to move into closed session, which was seconded by Professor Apfel. The Board voted unanimously to move into closed session.

Adjournment

Chairman Sharfstein adjourned the meeting immediately after the closed session.

[1] State Government Article 10-508(a)(14) – before a contract is awarded or bids are opened, discuss a matter 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 process or proposal process.