

Maryland Health Benefit Exchange Board Meeting Minutes

May 18, 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.

Georges Benjamin, M.D.

Jennifer Goldberg, J.D., LL.M.

Therese Goldsmith, J.D., M.S.

Ben Steffen, M.A.

Kenneth Apfel, M.P.A

Thomas Saquella, M.A.

Darrell Gaskin, Ph.D.

Rebecca Pearce, M.B.A

Members Absent

Enrique Martinez-Vidal, M.P.P.

Opening Comments and General Updates

Darrell Gaskin welcomed the Exchange Board members and participants. He noted that Secretary Sharfstein would arrive soon.

Rebecca Pearce, Executive Director of the Exchange, provided the following general updates:

- Exchange staff will be attending a meeting for state grantees hosted by the Center for Consumer Information and Insurance Oversight (CCIIO) May 21 through 23, 2012.
- 28 business days remain until the Level II grant submission is due to CCIIO.
- The Exchange will post vacancies for the Fiscal Administrator and Policy Director positions.
- The Exchange has one more vacancy for an intern.
- There is a sign-in sheet and a business card drop box for those members of the public who wish to join the Exchange's distribution list.

The Board approved the May 8th meeting minutes without revision.

Premium Billing Observations

Patrick Holland of Wakely Consulting Group presented his organization's evaluation of individual premium billing and collections options. After defining the terms of the evaluation, he gave the Board a summary of the system implemented in Massachusetts, wherein a third-party vendor was contracted to perform the billing and collections function for the non-subsidized individual market. He noted that the arrangement required quite a lot of oversight and presented challenges to maintaining the transparency necessary to satisfy external audit standards.

Mr. Holland then presented the expected impacts in various business processes if the Exchange performs billing and collections versus the issuer doing so. He closed by listing the most significant tradeoffs of one scheme versus the other:

Issuer Performs Billing Function	Exchange Performs Billing Function
Multiplies number of reconciliations for exchange, compounding the complexity of reporting	Increases number of cash transactions
Greater intensity of management oversight	Requires procurement of functionality
Creates a greater number of contracts and service level agreements to monitor	Likely increases the number for customer service inquiries – but may be better service
Reduces scale which potentially affects pricing for small group billing and collection function	Ongoing maintenance and updating of systems and process flows
Fragments a process that lends itself to centralization and uniformity	

In response to questions from the Board, Mr. Holland related the following:

- The third-party vendor in Massachusetts is not in any way licensed by the state’s Insurance Commissioner. Mr. Holland will report back to the Board as to whether that vendor is subject to regulation by any authority in Massachusetts.
- There is no consensus that Massachusetts’ system reduced administrative costs.
- Since the billing and payment functionality must be built into the SHOP Exchange from the beginning, there are likely efficiencies to be had by building it into the Individual Exchange at the same time.

State Health Expenditures

Ben Steffen presented an issue brief to the Board, published by the Maryland Health Care Commission (MHCC), which analyzes state health care expenditures in Maryland. He noted that Maryland has now aligned its models more closely to that employed by other states.

Advisory Committees

Thomas Saquella and Jennifer Goldberg presented to the Board their final recommendations regarding Maryland Health Benefit Exchange Advisory Committees.

They recommended that the Board establish three new committees and continue the Finance & Sustainability Advisory Committee through December 2012. The three new advisory committees are: Navigators, Plan Management, and Continuity of Care. The committees’ memberships are representative of Maryland’s diversity and will be subject to open meetings laws. The committees will be non-voting and non-recommending. Their role is to provide input on specific issues as requested by the Board.

Ms. Goldberg and Mr. Saquella then presented a proposed scope of work and a list of members for each of the new committees, along with which Board member will serve as liaison.

Committee	Board Liaison
Navigator Program Advisory Committee	Jennifer Goldberg
Continuity of Care Advisory Committee	Enrique Martinez-Vidal & Georges Benjamin
Plan Management Advisory Committee	Kenneth Apfel
Financial Sustainability Advisory Committee	Ben Steffen

Once committee co-chairs are determined by Secretary Sharfstein, meetings will begin in June 2012.

Brand Recommendations

Danielle Davis, Director of Communications and Outreach at the Exchange, and Kevin O’Keefe, President of Weber Shandwick, gave an update on the branding effort. They presented a review of the objectives, process, and deliverables around the Exchange’s brand, and detailed their research efforts and lessons learned.

The names presented to the Board for consideration are:

- Health Plans Maryland
- Maryland Health Marketplace
- Insure Me Maryland
- Maryland Health Connection
- Get Covered Maryland

The Board is expected to select a name at its June 12, 2012 meeting. Once a name is selected, the Exchange will launch a “microsite” at that address.

Level II Grant Policy Review

Exchange senior staff updated the Board on various components of the Level II grant application.

Consumer Assistance Strategy

Leslie Lyles Smith, Director of Operations for the Exchange, presented to the Board the strategy for service center functionality. Using input from a third-party vendor—Health Management Consultants—the Exchange conducted research and analysis of current Maryland government call centers in order to determine whether existing centers could serve for the Exchange. Ms. Lyles Smith presented three options to the Board:

- Option 1: The Exchange operates its own call center independently of any other center in the state.
- Option 2: The Exchange operates a call center in partnership with other centers in the state.
- Option 3: The Exchange contracts with another entity to provide call center service.

Ms. Lyles Smith, speaking for the Exchange, recommended that the Board choose Option 3. Assuming the Board agrees with the recommendation, the Exchange would release a solicitation in November 2012 to be awarded in 2013.

Board members raised several issues for the Exchange to consider in crafting a solicitation:

- Give some thought to United States versus international call centers.
- There are possible conflicts of interest since call centers may have links to medical businesses.
- Consider spending this money in Maryland, thus creating jobs in the state.
- Explicitly connect the call center to local communities.

Fraud, Waste, and Abuse Strategy

Ms. Lyles Smith then presented the plan for fraud, waste, and abuse (FW&A). The Exchange considered three options for how to address FW&A, Corporate Compliance, and Audits functions:

- Option 1: The Exchange develops these functions as an internal program.
- Option 2: The Exchange partners with the Maryland Department of Health and Mental Hygiene (DHMH) Office of the Inspector General (OIG).
- Option 3: The Exchange contracts with an outside entity to deliver these functions.

The Exchange recommends Option 2 and will incorporate a request for an OIG Liaison in its Level II grant application. If the Board chooses Option 2, it must develop a memorandum of understanding with OIG. Ms. Lyles Smith said that Option 2 leaves open the possibility of the Exchange taking over these responsibilities in the future.

Plan Certification Strategy

Tequila Terry, Director of Plan and Partner Management at the Exchange, gave the Board an overview of the proposed process for certifying plans for inclusion on the consumer portal. She laid out a work plan for the development of plan certification requirements, noting that the process now stands in the middle of the pre-work period. A final proposal will be developed in July 2012 and submitted for public comment through mid-August 2012. Ultimately, the requirements will be communicated to the carriers in late September 2012.

Ms. Terry showed the Board a three-step process for plan certification, each step having multiple components:

- Step 1 – the carrier contracts with the Exchange
- Step 2 – the Maryland Insurance Administration (MIA) approves the plan
- Step 3 – the Exchange approves the plan

At this time, the steps are not strictly sequential. For instance, carriers could submit rates and forms to MIA (Step 2) before they have a contract with the Exchange (Step 1). In addition, carriers could submit plans to both MIA and the Exchange at the same time (Steps 2 and 3, respectively) if their contract with the Exchange is in place (Step 1). Dependencies may arise in the detailed design of the certification process that could render the process more sequential, however.

Ms. Terry then presented an overview of two Maryland-specific certification standards not found in the federal legislation: 1) plan quality data and 2) tracking of Race, Ethnicity, Language, Cultural Competence (RELCC) data.

The Exchange plans to work with MHCC to collect quality data on commercial health, dental, and vision plans by employing a customized version of the Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey. Analysis will be based on commercial data until data from within the Exchange becomes available. The Exchange is evaluating the possibility of including costs for upgrading the MHCC data warehouse as part of the Level II grant application.

In recognition of significant disparities in health care and health outcomes among racial and ethnic groups in Maryland, the Exchange proposes to require carriers to track and report RELCC data to the MHCC. Further, it proposes to collaborate with the DHMH Office of Minority Health and with the Maryland Health Disparities Collaborative in integrating their research on health disparities into the plan certification policies.

Information Technology (IT) Gap Analysis

Kevin Yang, Chief Information Officer of the Exchange, gave the Board an overview of the IT portion of the Level II grant application. The gap analysis is intended to demonstrate the Exchange's "state of readiness" to implement the systems required by addressing, in detail, the gaps between the environment as it exists today ("as-is") and as it will be when built ("to-be").

Mr. Yang then laid out the technical architecture that is planned for Phase 1A of the Exchange's operation and showed which components will be sourced from which IT subcontractor. Next, he went into some detail regarding which components in each category were procured under the Level I grant and which will be sought under the Level II grant.

In preparation for completing the narrative for the Level II grant application, Mr. Yang shared with the Board a series of tasks the Exchange will undertake, including making those business decisions that impact the scope and nature of IT investments, finalizing the list of IT contracts and expenditures through 2014, and creating a budget estimate for contracts and expenditures not covered under the Level I grant.

In response to a question from the Board on the degree of coordination between the Exchange and the federal data hub, Mr. Yang expressed confidence in the arrangement due to Maryland's being an "early innovator" state. This status has led to regular meetings with the federal authorities, out of which came a clear picture of what services will be offered and when they will be available.

Staffing Plan

Rebecca Pearce briefed the Board on the Exchange's proposed organization chart, including a discussion of the overarching principles used in crafting it. The chart adds up to 51 people when fully staffed, up from a current total of 7 employees. This compares well with other states, including Massachusetts' 55 employees. Rhode Island and Oregon have roughly the same numbers.

The Board questioned why Navigator staff appeared in two separate units within the Exchange. The Navigator staff reporting to the Director of Operations will be responsible for oversight of the program as well as relations with Navigator Entities, while the Navigator staff under the

Director of Communications and Outreach will be responsible for the Navigator training program and for Individual Navigators.

The Board recommended that the Exchange build into the staffing plan a group focused on using the data generated by its activities for research and planning, reasoning that if such a group is not built into the plan now, it is unlikely to happen in the future. The Exchange agreed that it was a good idea, and that such a group would likely be best placed under the Director of Policy.

The Board encouraged the Exchange to obtain input from the private sector on the staffing plan.

Navigator Contracting Strategy

Ms. Pearce then presented to the Board the model under development by the Exchange for contracting with Navigator entities. She began by showing the Board the options considered in the 2011 study:

- Option 1: The Exchange contracts with one entity that does all Navigator functions
- Option 2: The Exchange contracts with all interested community-based organizations (CBOs)
- Option 3: The Exchange contracts with one entity that meets the requirements, and retains the ability to contract with niche CBOs or other entities to address a specific need
- Option 3a: The Exchange contracts with more than one entity that meets the requirements, and retains the ability to contract with niche CBOs or other entities to address a specific need

Option 1 is illegal under the Affordable Care Act, and thus is out of consideration. Option 2 will likely be too heavy a burden of management for the one person on the proposed Exchange staffing plan devoted to Navigator oversight. Option 3 is the arrangement recommended by the 2011 Navigator Advisory Committee. Option 3a simply expands the number of main contracting entities from one to two or even three.

Under Options 3 and 3a, the role of the CBOs would be to conduct outreach activities to niche communities and to refer their target populations to the contracted entity or entities. These CBOs would not be expected to have their staff members become licensed Navigators.

The decision between Options 3 and 3a does not necessarily have to be made before submitting the Level II grant application. The grant application can contain language describing the process the Exchange will undertake in making the decision, including gathering input from the new Navigator Program Advisory Committee.

The Board is concerned that the staffing plan does not contain enough personnel to adequately oversee the extent of contracting relationships between the Exchange and external entities. The Exchange will keep the Board updated on their oversight capabilities as the project progresses.

The Exchange will employ the Navigator Program Advisory Committee to address how individual Navigators will work with local health departments and departments of social services, among other issues. The final recommendation will be presented to the Board sometime in the summer of 2012.

Next Steps

The next Exchange Board meeting will be held on June 12, 2012, where topics of discussion will include individual billing and payment, the marketing plan, the appeals and grievances process, and the budget.

Another meeting will be held in the morning on June 20, 2012, for a final review of the Level II grant application, which must be submitted to CCHIO by June 29, 2012.