

Maryland Health Benefit Exchange Board Meeting Minutes

November 15, 2011
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/healthreform/exchange/materials/nov15materials.html>

Members Present

Joshua M. Sharfstein, M.D.	Kenneth Apfel, M.P.A
Georges Benjamin, M.D. ¹	Therese Goldsmith, J.D., M.S.
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.	Thomas Saquella, M.A.

Members Absent

None

Opening and General Updates

Secretary Sharfstein welcomed the Board members and participants. He thanked the members of the advisory committees for their work. Becca Pearce, Executive Director of the Maryland Health Benefit Exchange, gave general updates on the work of the Exchange. She introduced Cynthia Guarino as her Executive Assistant. The Board approved the October 18, 2011, meeting minutes.

Closed Session

The Board went into closed session² to discuss hiring additional staff for the Exchange.

Public Testimony: Panel 1

Members of the public were given three minutes each to present testimony to the Board. Ms. Pearce said that those who are unable to speak at the meeting or who want to submit written testimony can send her an e-mail.

¹ Present through teleconference.

² 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.

Vincent DeMarco (Maryland Citizens' Health Initiative/Health Care for All)

Mr. DeMarco asked the Board to have maximum flexibility to use policies that can make health care more affordable. He encouraged the Board to choose value-based designs, use primary care medical homes and the Basic Health Plan (BHP) option, and to get community-based organizations (CBOs) to work as Navigators. Mr. DeMarco said that the written materials he submitted outlined three ways to deal with adverse selection. He said his organization wants to help promote the Exchange to maximize enrollment. As a revenue source, Mr. DeMarco suggested a \$1 increase in the cigarette tax.

Leni Preston (MD Women's Coalition for Health Care Reform)

Ms. Preston said that her organization and others in the state developed a set of principles for the Exchange. It includes a vision statement for the Exchange that says that all Marylanders lead healthy and productive lives that include access to high-quality, comprehensive, and affordable care. The principle supporting this statement is that the Exchange serves a broad, public good and everyone benefits from a successful Exchange. Ms. Preston said that the Exchange should serve consumers first. Also, the Exchange's information technology (IT) infrastructure has to be fully integrated along both the individual and small group Exchanges on a single platform and housed in a single location. When considering the Exchange's IT, Ms. Preston encouraged the Board to focus on the consumer experience, data collection issues, and cost.

Deborah Rivkin (CareFirst BlueCross BlueShield)

Ms. Rivkin said that similar to the Board, CareFirst wants to have affordable, accessible health care inside and outside the Exchange. She outlined five challenges to achieving this goal: the potential price shopping in the individual market; merging the individual and small group markets; mitigating the cost impact of guaranteed issue in the individual market; protecting the Exchange from adverse selection; and maximizing continuity of care for low-income adults. Ms. Rivkin explained that CareFirst believes the individual and small group markets should remain separate to have a viable Exchange and the BHP option should be used. Also, the surplus funds from the Maryland Health Insurance Plan (MHIP) should follow MHIP members for the first 1-2 years to offset the costs of the MHIP population.

Kimberly Robinson (League of Life and Health Insurers of MD/Alliance of MD Dental Plans)

Ms. Robinson shared her organization's concern that selective contracting of health care plans will hurt consumer choice. She said that the Board can take the consumer protections from the Affordable Care Act and from the state and apply them to determine which plans can operate in the Exchange. Her organization is concerned about merging the individual and small group markets due to the cost pressures. Also, they are concerned about moving too quickly to increase the size of the small group market from 50 to 100 workers. Ms. Robinson encouraged the Board to consider the inclusion of stand-alone dental plans and allowing adults to purchase dental products through the Exchange.

Public Testimony: Panel 2

Salliann Alborn (Community Health Integrated Partnership)

Ms. Alborn emphasized the value of using CBOs to perform Navigator functions. She said CBOs are a trusted source and can help people who visit health care centers by providing them with objective information about coverage choices, assisting them with completing applications, and

guiding them to additional enrollment resources. Ms. Alborn said that health plans sold within and outside of the Exchange should be designed and packaged in a streamlined and uncomplicated manner. She urged simplicity in the design and implementation of benefits to help people navigate the system.

Paige Lescure (Drug Policy Clinic, University of Maryland Francis King Carey School of Law)

Ms. Lescure said her organization encourages the Board to move forward with defining a state essential health benefits package instead of waiting for federal guidance. She said that there needs to be consistency between Medicaid and Exchange benefits in order to have a smooth transition between the two programs. Also, her organization is concerned about the suggestion in the Mercer report which lists substance abuse and mental health care as high cost mandates. Her group believes that these mandates should not be reduced, and if they were, it would lead to higher medical care costs and costs to society.

Policy Discussion Regarding Exchange Recommendations

A PowerPoint presentation was used to describe the Board's recommendation process to the Governor and to the Maryland General Assembly. Secretary Sharfstein emphasized that the Board's goal was to synthesize the vendor and advisory committee reports to key policy points without oversimplifying the information. The Board will review a final outline for the report as well as the key decision pathways that will be used to discuss the topics where the Board will need to make a decision. Secretary Sharfstein said that the purpose of these pathways is to present how the Board thought through its recommendation, including the questions that were asked. The Board will discuss these pathways and make modifications, as well as suggest information that would be helpful in making a decision.

Draft Principles

The Board reviewed draft principles for policy decisions. These principles were the overarching themes that arose from the advisory committees' discussions. The Board suggested the following: include text about incrementalism under the stability principle; discuss bending the health care cost curve under the affordability principle; include points about quality of care; add transparency as another principle; discuss working collaboratively with other health care entities under the stability principle; and discuss the value of efficiency under the affordability principle. The Board considered ranking the principles based on importance, but determined that this task would be very difficult. However, the Board agreed that flexibility was the most important principle.

Draft Pathway 1: Operating Model

Therese Goldsmith gave an overview of the discussions from the Operating Model and Insurance Rules Advisory Committee. The Board reviewed the pathway to make recommendations on the operating model, and no major changes were added to the pathway.

Draft Pathway 2: SHOP

Tom Saquella gave an overview of the discussions from the SHOP Advisory Committee. The Board reviewed the pathway and agreed with its approach.

Draft Pathway 3: Financing

Ben Steffen gave a summary of the discussions from the Finance and Sustainability Advisory Committee. The Board reviewed the pathway, and Mr. Martinez-Vidal suggested that the financing piece be discussed last in the report because many other decisions will impact the level of funding needed. Mr. Apfel suggested recommending financing options that are achievable and closely aligned with the ideas of the Governor and elected officials. Secretary Sharfstein recommended including the anticipated budget into one of the pathway boxes and using data from the vendor reports as a source for budget projections.

Draft Pathway 4: Navigators

Jennifer Goldberg gave a summary of the discussions from the Navigator and Enrollment Advisory Committee. The Board reviewed the pathway, and Secretary Sharfstein noted that there are many different parts to consider under the Navigator pathway, such as Navigator compensation, the operational aspects of managing the Navigator program, and integrating Navigators with the Medicaid program.

Chuck Milligan, Deputy Secretary of Health Care Financing at the Maryland Department of Health and Mental Hygiene, stated that individuals will move between Medicaid and the Exchange. The Navigator program should be designed in a way to ensure that Navigators have the knowledge to help accommodate a transition, such as knowledge about the providers and health plans that can best meet the individual's needs. Mr. Milligan also noted that there are different models to consider, ranging from Medicaid purchasing navigation-services through the Exchange or using a mechanism to make referrals between the Medicaid enrollment broker and the Exchange Navigator. Regarding financing, states are trying to determine how Medicaid can help finance Exchange operations through mutually purchased Navigator enrollment activity or the IT piece that can be cost allocated to Medicaid and the Children's Health Insurance Program. Mr. Milligan stated that the Medicaid enrollment broker request for proposal can be synchronized with the recommendations from the Exchange.

Draft Pathway 5: Advertising

Ms. Goldberg gave a summary of Weber Shandwick's report on public relations and advertising for the Exchange. The Board reviewed the pathway, and Prof. Gaskin asked if the advertising costs would be paid by both the Exchange and Medicaid. Secretary Sharfstein said that the Board should decide its marketing plan and then decide if there is a fair cost allocation issue. He also suggested adding a box to the pathway about how an advertising campaign interacts with other parts of the system.

Draft Pathway 6: Market Rules, Essential Benefits, and Risk Mitigation

Ms. Goldsmith gave an overview of the discussions from the Operating Model and Insurance Rules Advisory Committee. The Board reviewed the pathway, and Mr. Martinez-Vidal noted that Robert Wood Johnson will be issuing a report next week that could be helpful with the discussion of this topic. The Board agreed with the approach to this pathway.

Other Areas for Comment – Dental

Ms. Goldsmith said that the Operating Model and Insurance Rules Advisory Committee had a lot of discussion about dental care and felt that access is a major concern. There was consensus that

adult dental plans should be offered through the Exchange, but there was less consensus about the certification of those plans. If a dental pathway was added, the questions would be: 1) Is there additional value in offering dental coverage for children and adults in the Exchange? and 2) If yes, what is the best way to offer this coverage (e.g., stand-alone dental plans or consolidated medical/dental plans). Secretary Sharfstein noted that if these dental plans were optional, the state might not have to pay for them if they are not a part of the essential health benefits package.

Other Areas for Comment – Continuity/BHP

The Board decided to add a continuity/BHP pathway. Mr. Milligan noted that continuity should include continuity of treatment for individuals moving between Medicaid and the Exchange who have established providers and treatment programs within Medicaid. This could be accomplished through selective contracting criteria or new insurance rules.

Next Steps

Ms. Pearce will propose new Board meeting locations around the state. The principles and pathways will be revised for the next Board meeting based on the Board's suggestions.