



Maryland Health Benefit Exchange Board of Trustees

February 22, 2016

1:00pm – 2:45pm

Maryland Health Care Commission

4160 Patterson Avenue

Baltimore, MD 21215

Board Members Present

Kenneth Apfel, MPA

Michelle Gourdine, MD

Linda Sue Comer

Benjamin Steffen, MA

Tony McCann

Al Redmer

Thomas Saquella (by phone)

Board Members Absent

Sam Malhotra

Van Mitchell

Also in Attendance

Carolyn Quattrocki, Maryland Health Benefit Exchange (MHBE) Executive Director; Carolyn Ellison, MHBE Chief Financial Officer; Michele Eberle, MHBE Chief Operating Officer; Subramanian Muniasamy, MHBE Chief Information Officer; Andrew Ratner, MHBE Director of Marketing & Strategic Initiatives; Trevor Coe, Assistant Attorney General

Opening & General Updates

Vice Chairman McCann welcomed everyone to the meeting.

Ms. Quattrocki advised that the suggestions made by Commissioner Redmer as to vetting procedures for potential members of the Standing Advisory Committee were accepted and implemented. All of the candidates who had been conditionally approved at the January 2016 MHBE Board meeting were vetted and all passed muster and were accepted as members of the Standing Advisory Committee.

Ms. Quattrocki further advised that although no formal Board meeting would take place in March, a conference would be scheduled for the limited purpose of voting on awarding the systems operation contract.

Approval of Meeting Minutes

The Board reviewed the minutes of the January 25, 2016 MHBE Board meeting. No amendments to the minutes were made. Mr. Apfel motioned to approve the minutes. The motion passed without dissent.

Voting Session

Proposed Board Resolution on Provider Directory Accuracy

Tom Saquella, MHBE Board Member

Mr. Saquella commented that at the January 2016 MHBE Board meeting, when discussing the issue of certification, concerns regarding provider directories and whether the Board was doing enough on this issue were raised. Mr. Saquella reminded everyone that he had told the Board he would propose a resolution on the issue. Although the Exchange has a limited statutory authority, it nonetheless has a compelling interest in making sure that insurers maintain accurate and up-to-date directories.

Commissioner Redmer questioned the Board as to why a Resolution would be adopted on this issue and not on the many other topics where the Board directs the Exchange in a certain manner.

Mr. Saquella explained that in his view, in this particular instance, it seemed more appropriate to adopt a formal resolution stating the Board's position rather than merely recording the Board's position in the meeting Minutes.

Mr. Apfel asked how this resolution compared to the varying pieces of legislation pending in Annapolis regarding provider directories.

Ms. Quattrocki explained that the purpose of the Resolution was not to state the Exchange's position on any piece of pending legislation, but rather to publicly express a sense that the Board sees this as an issue where we want more progress, and to enable MHBE representatives in Annapolis to say that although the MHBE Board does not support any specific bill, it is very supportive of moving forward and making progress on the issue, and MHBE will undertake actions to make that progress.

VOTE:

Mr. Saquella motioned for the Board to adopt the Resolution. Mr. Apfel seconded the motion. The motion passed without dissent.

Contracts/Procurement

1. Andrew Ratner, MHBE Director of Marketing & Strategic Initiatives

Mr. Ratner advised that in 2015 the Board had approved a 1-year contract that included two one-year options, between MHBE and the marketing firm GMMB. The NTE amount for the original contract was \$2,300,000.00. Mr. Ratner asked the Board to approve the first one-year option to extend the contract with an NTE amount of \$2,200,000.00.

Mr. Ratner then went on to present some slides representing some past successes of MHBE's marketing efforts and how additional marketing funding will be used moving forward.

Commissioner Redmer asked if the marketing contract with GMMB contains any specific performance metrics.

Mr. Ratner replied in the negative, but stated that MHBE was in possession of metrics provided by the contractor.

Dr. Gourdine inquired as to why the NTE amount was being reduced by \$100,000.00 for the second year of the contract.

Mr. Ratner advised that the reduction was necessary as a result of the coming Fiscal Year's reduced budget.

VOTE:

Mr. Steffen motioned for the Board to approve the 1-year option contract with an NTE amount of \$2,200,000.00. Mr. Saquella seconded the motion. The motion passed without dissent.

2. Michele Eberle, MHBE Chief Operating Officer & Carolyn Ellison, MHBE Chief Financial Officer

Ms. Eberle requested that the Board approve a 'no-cost' extension of MHBE's contract with Scan-Optics, the vendor who provides documents handling, management and storage within the HBX system. Scan-Optics' current contract with MHBE expires on July 14, 2016.

Ms. Eberle noted, and Ms. Quattrocki explained, that the contract with Scan-Optics was a sole-source contract, rather than an RFP, because Scan-Optics was the only vendor working with the Connecticut system when that technology was adopted by MHBE for our change.

Ms. Eberle explained that although an RFP was being developed, it would not be ready in time to have a vendor in place on July 15, 2016 when the Scan-Optics contract expires. She therefore requested that the Board approve an extension to December 31, 2016, especially given that it could be done at no cost.

Commissioner Redmer inquired how MHBE could receive an additional 6 months of service from the contractor at no cost.

Ms. Eberle explained that to date, MHBE was spending money on this service at a rate far slower than was initially anticipated and that therefore there is funding available to acquire an additional 6 months of service.

Commissioner Redmer inquired as to why MHBE staff waited until such a late date to begin creating the RFP required for these services.

Ms. Quattrocki explained that there was some consideration of MHBE/HBX switching away from the Scan-Optics system to a different system used by other agencies of the State of MD. Had that switch occurred, a very different RFP would have been required. Due to the uncertainty about which type of technology to use, it was only recently that the RFP began being developed.

Commissioner Redmer asserted that in the future, if MHBE staff were contemplating the delaying of developing an RFP, and that the delay might cause MHBE to miss a contract's end date and require an extension of the current contractor, the Board should be allowed to decide whether or not to delay the drafting of the RFP.

Mr. Steffen pointed out that switching vendors on January 1, 2017 was highly inadvisable given that said date is in the middle of an already intense Open Enrollment period. He suggested that it would be highly advisable to have a single vendor in place who would provide these services for the entirety of the Open Enrollment period.

Mr. McCann inquired if MHBE staff were confident that the excess funds remaining on the Scan-Optics contract would be sufficient to fund the entire additional 6 month period of service.

Ms. Ellison explained that based on the rate of how the funds allotted to this contract have been spent so far, even during the more active Open Enrollment period, there is every reason to believe the funds already allotted would be more than sufficient.

VOTE:

Mr. Apfel motioned to approve the extension of the Scan-Optics contract, at no extra cost to MHBE, through December 31, 2016. Mr. Saquella seconded the motion. The motion passed without dissent.

3. Michele Eberle, MHBE Chief Operating Officer

Ms. Eberle discussed the Connector Entity RFA's (Requests for Applications). She explained that since these awards are truly grants and not contracts RFA was the appropriate terminology rather than RFP (Request for Proposals).

Ms. Eberle informed the Board of the proposed timeline for this process including an RFA release date of March 7, 2016 with the grant awardees having executed agreements with MHBE before the end of June 2016.

Mr. McCann inquired as to why MHBE was switching from contracts to grants for connector entities.

Ms. Quattrocki explained that in truth the financial awards under discussion always have been grants and that the change is simply a change in language to be more accurate.

Commissioner Redmer inquired as to what the difference is between a grant and a contract.

Ms. Eberle advised that although there are multiple differences, one of the more striking ones is the structure of payments. When contracts are awarded, the vendor submits an invoice to the procuring agency for services previously rendered and is then paid. Grant funding is traditionally provided

before work is completed and after the work is completed the grantee provides a report explaining how the grants funds were used.

Ms. Eberle further informed the Board that changing the label of the awards from contracts to grants should, in her view, have no effect on the competitive nature of how the connector entity funds are applied for and distributed.

Ms. Carolyn Ellison, MHBE's CFO, explained that although the amount of funds budgeted for the Connector Entity grants is fixed, the number of grantees is not, and thus the size of the awards will increase or decrease depending on the number of grantees.

4. Michele Eberle, MHBE Chief Operating Officer

Ms. Eberle informed the Board that the RFP for the SHOP TPA contract/s is still being developed by MHBE staff and will hopefully be released publicly on or before March 21, 2016. The contract/s will be for one year with two one-year options.

Budget Update

Carolyn Ellison, MHBE Chief Financial Officer

Ms. Ellison advised that currently MHBE is underrunning, or under-spending, its budget by about \$2,000,000.00, or approximately 2% of its FY 2016 budget. This estimate does assume approximately \$14.5 million in deficiency funding in the Governor's allowance as discussed at the previous Board meeting. This still needs to be appropriated by the Legislature, but current indications are that the measure will pass.

Mr. Saquella asked what was anticipated regarding a FY 2017 budget for MHBE.

Ms. Ellison noted that the Department of Legislative Services (DLS) has recommended a slight reduction of the MHBE budget for FY 2017. Particularly, the DLS recommended reducing 3 MHBE PINs in the upcoming fiscal year. MHBE representatives in Annapolis have noted their opposition to the proposed budget reduction.

Ms. Ellison further explained that the reduction in MHBE's budget from FY 2016 to FY 2017 need not be a cause for alarm. In FY 2016 MHBE has requested deficiency funding for FY 2015 shortfalls. It is anticipated that during FY 2017 MHBE will not be paying off any prior year's shortfall, and so a slightly reduced budget should not cause problems to the operations of MHBE.

Open Enrollment Wrap Up

Subramanian Muniasamy, MHBE Chief Information Officer; Andrew Ratner, MHBE Director of Marketing & Strategic Initiatives; and Michele Eberle, MHBE Chief Operating Officer

Mr. Ratner presented slides to the Board discussing some of the marketing strategies and outreach efforts that were successful prior to and during the recent Open Enrollment period. Additional slides provided data regarding the increased enrollments, in both QHPs and Medicaid, through the

Exchange during Open Enrollment and the increased competitiveness between insurers. Finally, Mr. Ratner presented slides discussing MHBE's marketing objectives for 2017.

Commissioner Redmer asked if it was possible to discern how many of the Medicaid enrollments that took place during Open Enrollment were actually re-enrollments of individuals who lost their Medicaid coverage in the spring of 2015 when they did not successfully complete the redetermination process.

Ms. Quattrocki advised that such data was not presently available but that it could be distilled and presented at a later date.

Dr. Gourdine asked for the Board to identify particular areas of concern regarding Medicaid redetermination and if there is anything more that MHBE could be doing to ease the struggle of individuals desiring to enroll or re-enroll in Medicaid.

Ms. Quattrocki acknowledged that the Medicaid eligibility determination process is an issue on which MHBE is focused. She suggested that the first step is to get more funding for call center, as those representatives are capable of enrolling individuals in Medicaid. Other efforts underway include a pilot partnership with Managed Care Organizations where Navigators from Connector Entities were placed in doctor's offices, and outreach including notices, text messages, and outbound calling to individuals reminding and encouraging them to enroll or re-enroll in Medicaid.

Dr. Gourdine stated that she thought these efforts were a start, but that in order to make significant strides towards resolving the Medicaid determination issue, "out of the box" ideas would be required. She gave the example of training the staff of medical providers to assist with Medicaid enrollments, and stated that she was aware of individuals in such positions who desired to have this ability. Finally, Dr. Gourdine emphasized the importance of utilizing all available human, and not just monetary, resources.

Mr. Muniasamy advised that another website improvement to assist with Medicaid determinations was being developed. Within the next couple of months website users will be able to reset their password without the assistance of a customer service representative.

Ms. Eberle presented slides highlighting some of the main takeaways from the most recent Open Enrollment period including the increased competition among insurers, getting "young invincibles" to enroll in health insurance through the exchange, and the improved productivity of the call center due to increased staffing.

Ms. Eberle also discussed the initial positive feedback from the pilot Broker-Assisted-Transfer (BAT) phone program and that new technology was expected from a contractor to expand the BAT phone program's usage in future Open Enrollment periods.

Commissioner Redmer commented that it seems advisable to invite all the brokers who participated in the pilot BAT phone program to participate in a debriefing to discuss what went well and what did not, and their suggestions to improve the initiative.

Additionally, Commissioner Redmer commented that at least one insurer has ceased to pay commissions on sales of individual health plans. Obviously, he noted, if this pattern continues and expands, that would limit the productivity of the BAT phone program.

Mr. Steffen asked if MHBE was in possession of any information regarding why consumers had moved away from Carefirst plans to other carriers.

Ms. Quattrocki commented that such data was not readily available and that presumably focus groups or other research would be required to gather that information.

Ms. Eberle suggested that although this was not scientific or authoritative, anecdotal evidence suggests that premium costs were the main factor driving plan selection.

Mr. McCann noted that moving forward, it would be useful for MHBE to gather data about the rate of premium cost increases in Maryland as compared with other states.

Adjournment

Vice-Chairman McCann adjourned the meeting.

