



Maryland Health Benefits Exchange Board of Trustees

July 18, 2016

1:00 PM – 1:45 PM

Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, MD 21215

Board Members Present

Van Mitchell, Chair
Kenneth Apfel
Michelle Gourdine
Sastry Dhara

Benjamin Steffen
Tony McCann
Linda Sue Comer
Thomas Saquella (via telephone)

Board Members Absent

Al Redmer

Also in Attendance

Carolyn Quattrocki, Maryland Health Benefit Exchange (MHBE) Executive Director; Sarah Rice, Counsel to MHBE; Jonathan Kromm, MHBE Deputy Executive Director; Michele Eberle, MHBE Chief Operating Officer; Andrew Ratner, MHBE Director, Marketing and Strategic Initiatives, Michelle Wojcicki, Director of Policy.

Opening & General Updates

Chairman Mitchell called the meeting to order and welcomed all present.

Approval of Meeting Minutes

Dr. Gourdine moved that the Board approve the minutes of the June 20, 2016 meeting.¹ Mr. Dhara seconded the motion. The motion passed unanimously.

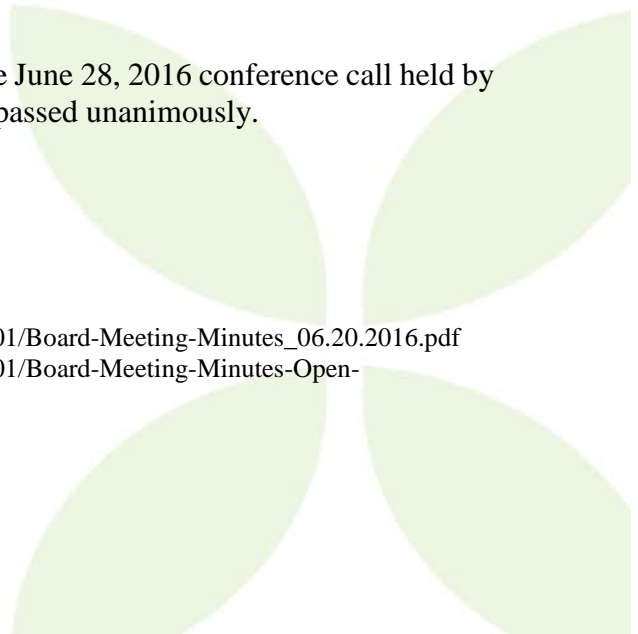
Mr. Steffen moved that the Board approve the minutes of the June 28, 2016 conference call held by the Board.² Ms. Comer seconded the motion. The motion passed unanimously.

Executive Report

Carolyn Quattrocki, MHBE Executive Director

¹ Available at http://www.marylandhbe.com/wp-content/uploads/2016/01/Board-Meeting-Minutes_06.20.2016.pdf

² Available at http://www.marylandhbe.com/wp-content/uploads/2016/01/Board-Meeting-Minutes-Open-Teleconference_06.26.2016.pdf



Ms. Quattrocki stated that in preparation for the next Open Enrollment period, MHBE IT staff were working with carriers on testing renewal functionality.

Other preparation for Open Enrollment includes additional research on how the Agency can best leverage its assets to target Maryland's remaining uninsured population. Surveys have been conducted lately over the phone and online seeking information and feedback from consumers and consumer assistance workers. Valuable information has been gleaned from the user experience testing on how to make the website and application less confusing for consumers.

Finally, the Agency is very excited about the development and upcoming release of its mobile application, which will allow consumers to access the website on various mobile devices.

Procurement Report

Michele Eberle, MHBE Chief Operating Officer and Michelle Compton, MHBE Procurement Manager

Ms. Compton presented slides³ to the Board that briefly summarized the history of important changes to the agency's Procurement staff, and the history of the development of the agency's procurement policies and procedures. Particularly, Ms. Compton discussed the fact that MHBE uses seven (7) different types of procurements, and some of the salient differences between those procurement strategies.

Chairman Mitchell asked how the decision is made as to which type of procurement should be used to acquire given goods or services.

Ms. Compton explained that after receiving a basic form from a programmatic head within the Agency requesting a procurement, she meets with the programmatic head to discuss in greater detail what is needed and by when, and determine what type of procurement method is most appropriate.

Chairman Mitchell inquired if MHBE Procurement staff were endeavoring to avoid 'sole-source' and 'emergency' procurements and instead, whenever possible, utilize competitive sealed proposals and competitive sealed bids procurement types.

Ms. Compton replied that the Agency was making such an effort.

Mr. Dhara asked if there is a dollar limit on sole source contracts.

Ms. Compton explained that the agency could enter into sole-source agreements with vendors for goods and services valued at less than \$50,000.00 without Board approval, and that larger dollar amounts require Board approval.

³ Available at <http://www.marylandhbe.com/wp-content/uploads/2016/01/Procurement-Policy-and-Procedures-Presentation-07.18.2016.pdf>

Mr. Apfel suggested that it may be useful to create a document showing what percentage of MHBE's procurements are sole-source or emergency procurements versus competitively bid, and how that ratio looks now compared to what that ratio was in previous years.

Chairman Mitchell proposed that if such a document is created, it would be valuable to post it to the website so that the data is publicly available.

Chairman Mitchell asked for Ms. Compton to elaborate on how MHBE's procurement processes are more flexible than those of a typical state agency.

Ms. Compton explained that the biggest difference is the lack of a 'control agency' and the fact that MHBE's procurements do not require approval from the state's Board of Public Works (BPW). This allows MHBE to finalize acquisitions in a far timelier manner. Also, BPW is chaired by 3 individuals, who may or may not be experts in the programmatic area where a given procurement is being sought, whereas all of MHBE's Board members have expertise in some area of public health or the insurance industry.

Ms. Quattrocki added that MHBE's legal team has been working on a more granular analysis of the difference between BPW processes and what MHBE has developed, and will present this to the Board at a later date. Additionally, some policy choices will need to be made such as whether MHBE should voluntarily incorporate certain practices into its procurement policies such as the Veterans program and living wage guidelines.

Mr. Steffen asked if MHBE procurement staff voluntarily involve personnel from the usual control agencies – DoIT and DBM?

Ms. Compton replied that while MHBE does have points of contact with those agencies, and will occasionally seek guidance on a narrow issue, as a general rule the agency does not "have its hand held" by the usual control agencies throughout an entire procurement process.

It was noted however, that MHBE's assistant attorneys general (AAGs) often contact other agency's AAGs in an effort to ensure that shared procurement requirements are being interpreted and applied consistently across state agencies.

Mr. McCann asked if, in addition to its own Indefinite Delivery Indefinite Quantity (IDIQ) contract, the agency also utilizes other, statewide, external Task-Order based contracts. If so, what is the process for MHBE obtaining services through these contracts? What are ethics rules around communications with offerors who have already won a Master Contract and are in this sub-competition for Task Order awards?

Ms. Compton answered that yes, from time to time MHBE will utilize other statewide IDIQ contracts to obtain goods or services. For example, MHBE recently used a DBM contract to procure auditing services. Generally, the external agencies post specific instructions for other agencies to follow to go through the procurement process. In terms of communications to Master Contractors

off of MHBE's IDIQ contract, Ms. Compton indicated that once a specific RFR is closed, vendors are allowed to request debriefs on their candidates which the MHBE has generally provided.

Next, Ms. Eberle discussed the agency's need for inbound document processing. As mentioned at prior meetings, this service is currently provided by Scan-Optics, whose contract will expire on December 31, 2016. Thereafter, the agency has arranged to incorporate these services into the scope of work handled by Maximus, the vendor that operates the call center. Due to the anticipated value of the modification required to the existing Maximus contract, Board approval is not required. The agency's inbound document processing will be handled by Art & Negative, a subcontractor of Maximus, upon completion of the contract modification.

Contracts and Modifications

Michele Eberle, MHBE Chief Operating Officer

Ms. Eberle explained that she was before the Board to request a modification to MHBE's contract with Oracle America, Inc. who provides with agency with customer relationship management (CRM) software. The proposed modification is the purchase of an additional 6,378 seat-month licenses at a total cost of \$725,497.50. If approved, the proposed modification will increase the total not-to-exceed (NTE) amount of the contract to \$3,088,517.50. MHBE staff have considered the available options and believe that executing this modification is in the best interest of the agency.

Mr. Apfel moved that the Board approve the proposed modification to the Oracle America, Inc. contract. Mr. Dhara seconded the motion. The motion passed unanimously.

Closed Session

At approximately 1:40 PM, Chairman Mitchell announced that the Board deemed it necessary to discuss certain matters in a closed session. Chairman Mitchell read the closed session statement⁴ which stated that the reasons for the closed session were:

1. To obtain legal advice about potential litigation, certain risk items and procurement strategies, and protect the confidentiality of that legal advice.
2. To obtain advice from staff about pending or potential litigation and protect the confidentiality of that advice.
3. To discuss a matter directly related to a future contemplated procurement, the disclosure of which would adversely impact the ability of the public body to participate in the competitive bidding or proposal process.

Mr. McCann moved that the Board meeting adjourn to a closed session. Dr. Gourdine seconded the motion. The motion passed unanimously.

⁴ Available at <http://www.marylandhbe.com/wp-content/uploads/2016/01/Closed-Session-Statement-07.18.16.pdf>