



## **Maryland Health Benefits Exchange Board of Trustees**

**May 16, 2016**

**1:00 PM – 2:50 PM**

Maryland Health Care Commission  
4160 Patterson Avenue  
Baltimore, MD 21215

### **Board Members Present**

Van Mitchell  
Kenneth Apfel  
Michelle Gourdine  
Linda Sue Comer

Benjamin Steffen  
Tony McCann  
Al Redmer  
Thomas Saquella

### **Board Members Absent**

Sam Malhotra

### **Also in Attendance**

Sastry Dhara, Future MHBE Board Member (appointment effective June 1, 2016); Carolyn Quattrocki, Maryland Health Benefit Exchange (MHBE) Executive Director; Subramanian Muniyasamy, MHBE Chief Information Officer; Sarah Rice, Counsel to MHBE; Caterina Pangilinan, MHBE Chief Compliance Officer; Jonathan Kromm, MHBE Deputy Executive Director; Michele Eberle, MHBE Chief Operating Officer; Tony Armiger, MHBE Chief Financial Officer; Andrew Ratner, MHBE Director, Marketing and Strategic Initiatives.

### **Opening & General Updates**

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

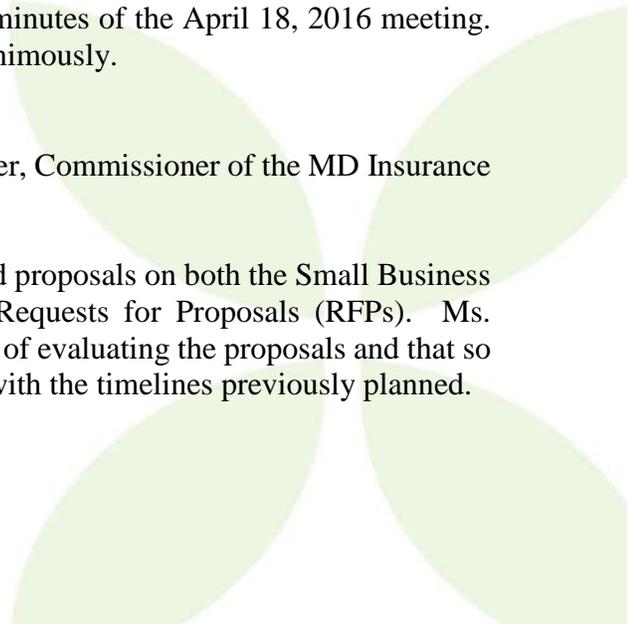
### **Approval of Meeting Minutes**

Commissioner Redmer moved that the Board approve the minutes of the April 18, 2016 meeting. Mr. McCann seconded the motion. The motion passed unanimously.

### **Executive Report**

Carolyn Quattrocki, MHBE Executive Director & Al Redmer, Commissioner of the MD Insurance Administration (MIA)

Ms. Quattrocki informed the Board that MHBE has received proposals on both the Small Business Health Options Program (SHOP) and Connector Entity Requests for Proposals (RFPs). Ms. Quattrocki further stated that MHBE staff are in the process of evaluating the proposals and that so far, it appears that the contract will be awarded in keeping with the timelines previously planned.



Commissioner Redmer discussed the printouts that he distributed to the Board members which summarized the proposed health insurance premium rate increases for 2017. He noted that the proposed increases range from 8% to 29.8%. Commissioner Redmer stated that currently MIA actuaries are in the process of “scrubbing down” the actuarial data submitted by the carriers to MIA as the bases of their proposed rate increases. A public hearing will take place regarding the proposed rate increases on July 6, 2016 at MIA and final 2017 rates will be made known during August 2017.

Commissioner Redmer went on to state that all the efforts of making health insurance available in Maryland would be wasted if the products on the market become prohibitively expensive. He also noted that MHBE adds cost to the system which ultimately is passed on to consumers.

Mr. Saquella asked what percentage of the individual market purchases a plan through MHBE. Commissioner Redmer stated that he did not currently have that figure available.

Chairman Mitchell commented that in reviewing the proposed rate increases, it seems possible that although some proposed increases are alarmingly high, a weighted average may yield a figure in the neighborhood of a 14-15% increase. This is because the carrier with the largest market share (Carefirst) is proposing more modest rate increases than some of its smaller competitors.

Commissioner Redmer concurred with the observation.

Mr. Steffen inquired if United was still participating in Maryland’s Exchange. Commissioner Redmer stated that they were not.

Mr. Steffen asked if there were any geographic locations in Maryland where consumers were limited to a single choice for individual health insurance plans. Commissioner Redmer answered no, but did note that MIA was actively approaching carriers in an effort to bring more insurers into the market.

Director Mitchell asked if in the last few years there has been a decrease in individuals insured through the “small group” market. Commissioner Redmer replied that while certainly numerous small groups have disbanded he was unsure if the aggregate number has decreased. Carefirst did report that the rate at which small groups were disbanding, forcing their members to migrate to the individual market, was slowing significantly.

**Closed Session**

At approximately 1:15 PM, Chairman Mitchell announced that the Board deemed it necessary to discuss certain matters in a closed session. Chairman Mitchell read the closed session statement<sup>1</sup>, and stated that the reasons for the closed session were:

1. To obtain legal advice and protect the confidentiality of that legal advice.

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<sup>1</sup> Available at TBD

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 negotiating strategy related to an open procurement, the disclosure of which would adversely impact the ability of the public body to participate in the competitive bidding or proposal process.

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

The closed session lasted until approximately 1:45 PM.

### **Procurement Report**

Michele Eberle, MHBE Chief Operating Officer

Ms. Eberle presented information to the Board pertinent to the Board's upcoming (at a future meeting) decision about allocating MHBE funds for the operation of the Consolidated Service Center (also known as CSC or "call center"). Ms. Eberle's slides<sup>2</sup> and oral presentation highlighted some of the recent improvements and accomplishments of the call center, the goals for the call center moving forward, and some of the assumptions which form the underpinnings of the financial projections for the call center for FY 2017. Currently, MHBE staff projects that to operate the call center at a high level throughout FY 2017, it will cost slightly less than \$27,500,000.

Chairman Mitchell noted that the FY 2017 projections included a staffing cost of about \$22,000,000.00 and that he was expecting, based on previous discussions regarding the cost of the call center, as well as the state legislature's allotment of \$35 million to MHBE for FY 2017, to see a call center staffing expense closer to \$15,000,000.00.

Ms. Eberle noted that the projected staffing cost of roughly 22 million included the expenditure of both state and federal funds.

Ms. Quattrochi reassured the Board that the roughly 22 million staffing cost figure was developed after the Legislature had announced its FY 2017 allotment to MHBE of \$35 million.

Chairman Mitchell requested that moving forward, presentations to the Board about MHBE expenditures state clearly and consistently if amounts are State funds, Federal funds, or both.

Chairman Mitchell then asked if the staffing cost for FY 2016 of nearly \$30 million funded 260 – 280 call center representatives (CSRs).

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<sup>2</sup> Available at [http://www.marylandhbe.com/wp-content/uploads/2016/01/Consolidated-Service-Center-NTE-FY-2017\\_05-16-16.pdf](http://www.marylandhbe.com/wp-content/uploads/2016/01/Consolidated-Service-Center-NTE-FY-2017_05-16-16.pdf)

Ms. Eberle answered that during FY 2016 for multiple months there were nearly 400 CSRs working on any given day. For FY 2017 in order to meet goals of providing fast and high quality customer service MHBE staff projected utilizing anywhere between 176 and 277 CSRs.

Chairman Mitchell asked what effect, if any, the hopefully reduced call volume relating to Medicaid redeterminations would have on the overall anticipated amount of calls to the call center.

Ms. Eberle replied that although MHBE staff had taken that into account it was difficult to project what effect that might have on call volume. In the history of the Exchange and its call center each year has included at least one, if not multiple, unusual or outstanding phenomena that have markedly increased call volumes. There has yet to be a “normal” year. Thus, forecasting call volumes remains a highly inexact science.

Chairman Mitchell asked if MHBE has reached out to Exchanges in other states to inquire about their statistics from “normal” years.

Ms. Eberle replied that while such information gathering was possible due to differences between how various state exchanges operate it may be hard to obtain a true ‘apples to apples’ comparison. For example, some states have Exchanges whose call centers do not handle Medicaid cases at all, and different states have widely varying levels of overall system integration. Thus, while MHBE staff could try to learn from the experience of other state exchanges, the information gathered may be of limited value.

Ms. Eberle, having by this time been furnished with the relevant data, then stated that of the overall projected call center cost of just under \$27,500,000 for FY 2017, it is projected that about \$17,000,000.00 will be federally funded, and about \$10,000,000.00 will be State funded.

Chairman Mitchell and Mr. McCann sought further clarification of how call center costs were divided between state and federal funds.

Mr. Kromm explained that some federal funds were distributed based on populations served, while other federal monies were calculated based on the activities performed. Although other aspects of the call center’s functions have changed year to year, and are thus less predictable, the fact that the call center has been funded by roughly 40% state funds and 60% federal funds has remained somewhat stable and is thus a valid assumption to use for FY 2017 projections.

Mr. Dahra pointed out that in FY 2016, if roughly \$30 million was allocated for an average of 300 active CSRs per day, it follows that we are spending about \$100,000.00 per year per CSR.

Ms. Eberle explained that the \$30 million staffing figure includes not only active CSRs answering consumer calls but also includes supervisors, management, and other staffing costs that do not directly put a CSR on the phone. In addition, the figure includes the Customer Relationship Management and telephony systems and fulfillments costs.

Mr. Steffen inquired what the process would be for downsizing the staff of CSRs.

Ms. Eberle replied that certain CSRs will be removed from answering calls and assigned to specific temporary projects, but that it was inevitable that as the funding for FY 2016 runs out certain CSRs will simply be let go.

Ms. Eberle further pointed out that the rate of first-call resolution has risen to 90-92%, which should reduce the number of overall calls to the CSC.

Mr. Apfel inquired if it might be advisable for the call center to make its staffing fluctuations even more extreme, making even fewer CSRs available during off-peak months and even more CSRs available during the times of high call volumes, particularly during Open Enrollment.

Ms. Eberle explained that there were multiple times per year when call volumes increase. For example, during the summer months many consumers enrolled in Medicaid must re-apply and thus a higher call volume is expected. Additionally, when more people are let go, high-quality CSRs are lost.

Mr. Saquella asked if Ms. Eberle might inform the Board of the average length-of-service time of the CSRs staffing the phone center.

Ms. Eberle replied in the affirmative and further stated that particular attention is paid to CSR tenure, attrition/turnover, and job satisfaction.

### **Contracts and Modifications**

Subramanian Muniasamy, MHBE Chief Information Officer & Jonathan Kromm, Deputy Executive Director

Mr. Kromm presented slides<sup>3</sup> regarding MHBE's provider directory. The slides contained data regarding the tool's usage, how its data is obtained, and the projected cost for continuing the operation of the provider directory during FY 2017.

Mr. Kromm suggested that it would be in the best interest of MHBE and its consumers to continue operating the directory as it has in the past rather than attempting to acquire or build a new tool.

A more robust provider directory is under development but will not be available for usage for at least another year.

Mr. Saquella asked why it was necessary for MHBE to offer a provider directory when the insurers already have this service available.

Mr. Kromm explained that Medicaid consumers cannot utilize provider directories and thus the MHBE tool is fulfilling their needs. Additionally, consumers have reported difficulty finding and

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<sup>3</sup> Available at [http://www.marylandhbe.com/wp-content/uploads/2016/01/CRISP-Provider-Directory-Board-Presentation-FY-2017\\_05-16-16.pdf](http://www.marylandhbe.com/wp-content/uploads/2016/01/CRISP-Provider-Directory-Board-Presentation-FY-2017_05-16-16.pdf)

utilizing provider directories on carrier websites, while MHBE has received positive feedback from consumers regarding tis provider directory. Finally, the MHBE directory allows the carrier data to be manipulated, compared and contrasted in more ways than the carrier directories, which assists consumers in plan selection.

Mr. McCann moved that the Board adopt a resolution that MHBE to enter into an MOU with the Maryland Health Care Commission (MHCC) for the continued usage of the Chesapeake Regional Information System for our Patients (CRISP) Provider Information Management Solution (Provider Directory) with a Not-To-Exceed (NTE) amount of \$251,526.00. Mr. Apfel seconded the motion.

The Board discussed that although the amount for this service is a modest and reasonable increase from prior years' expenditures for this service, there is a need for MHBE to be cost-conscious moving forward. Following in the footsteps of United Healthcare, it is plausible than another carrier might weigh how much of its business come from plans sold on the Exchange versus how much of its expenses go towards selling plans on the Exchange, and choose to stop doing business with MHBE.

Mr. Steffen reiterated that a new provider selection tool is under development and that MHBE's tool has advantages over the directories provided by insurers, particularly at the time of plan selection.

Ms. Quattrocki stated that when consumers are educated in advance of what exactly they are purchasing it reduces the "churn" of consumers dropping their plan, re-enrolling, etc. which also increases the cost of plans.

The motion passed unanimously.

Mr. Muniasamy presented slides<sup>4</sup> to the Board regarding his suggestion that MHBE expand its current contract with Xerox to include a network enterprise redesign. The slides explained how MHBE's network, and connection to its data hosting centers, is currently structured, as well as the advantages of having Xerox redesign this piece critical IT infrastructure. Finally, the slides spelled out the overall anticipated cost of \$195,000.00 over three years for Xerox to provide this service.

Mr. Apfel moved that the Board modify its contract with Xerox as recommended by Mr. Muniasamy. Dr. Gourdine seconded the motion. The motion passed unanimously.

### **Budget Report**

Tony Armiger, MHBE Chief Financial Officer

Mr. Armiger advised that despite a budget deficiency of approximately \$2,800,000.00 for litigation costs, the agency remains substantially under budget. Regarding the 3<sup>rd</sup> quarter of FY 2016, MHBE

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<sup>4</sup> Available at [http://www.marylandhbe.com/wp-content/uploads/2016/01/MHBE-Xerox-Network-Enterprise-Redesign-NTE-Increase-Request\\_05-16-16.pdf](http://www.marylandhbe.com/wp-content/uploads/2016/01/MHBE-Xerox-Network-Enterprise-Redesign-NTE-Increase-Request_05-16-16.pdf)

is 2.8 million under budget in spending state funds, and about 4.4 million under budget in spending federal funds.

### **Marketing Report – Data Analysis from SHADAC**

Andrew Ratner, MHBE Director, Marketing and Strategic Initiatives

Mr. Ratner presented slides<sup>5</sup> that summarized the findings of the State Health Access Data Assistance Center (SHADAC), based at the University of Minnesota regarding the remaining uninsured population in Maryland.

The slides showed a marked decrease in the size of Maryland’s uninsured population since 2013. Much work remains in rural areas and in Southern Maryland.

The data will be shared with various stakeholders including the agency’s marketing partner and connector entities in an effort to develop strategies that target the remaining groups of uninsured Marylanders.

Mr. Apfel asked why central Montgomery County achieved such a markedly lower level of remaining eligible uninsured than other districts in the State.

Mr. Steffen suggested that it may be that the area only contained a small number of eligible uninsured to begin with.

Mr. Saquella commented on the need for fresh ideas to reach individuals in rural areas.

Mr. Ratner agreed and also complimented the Connector Entities that work in those areas on some of the inventive strategies that they have already developed and utilized.

### **Adjournment**

The meeting was adjourned at approximately 2:50 PM.

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<sup>5</sup> Available at [http://www.marylandhbe.com/wp-content/uploads/2016/01/Board-SHADAC\\_05-16-16.pdf](http://www.marylandhbe.com/wp-content/uploads/2016/01/Board-SHADAC_05-16-16.pdf)