



**Maryland Health Benefit Exchange  
Standing Advisory Committee**

Thursday January 14, 2016

2:00pm - 4:00 pm

Office of Health Care Quality at DHMH Spring Grove Hospital Center  
Bland Bryant Building, Ground Floor  
Catonsville, MD 21228

**Members Present**

Adrienne Ellis (Co-Chair)  
Jennifer Broadus (phone)  
Elizabeth Chung (phone)  
Karl Cooper (phone)

Vincent DeMarco  
Robyn Elliot  
Mark Haraway  
Alvin Helfenbein

Leni Preston  
Deborah Rivkin (phone)  
Sanford "Sandy" Walters

**Members Absent**

Salliann Alborn, Lori Buxton, Bonnie Katz, Matthew McClain

**Also in attendance:**

Robert Axelrod, Juliana Bell (phone), Matt Celentano, Michele Eberle, Lena Bloom Hershkovitz, Robbyn Lewis, Dan Mosebach, Larry Polsky (phone), Carolyn Quattrocki, Kim Robinson (phone)

**Welcome & Introductions**

Adrienne Ellis called meeting to order with a quorum present.

**Approval of minutes**

Minutes for December 10, 2015 as amended were unanimously approved.

## MHBE Staff Update

Carolyn Quattrocki, MHBE Executive Director, delivered the MHBE Staff update, including information about Open Enrollment as well as policy matters.

### Open Enrollment

Ms. Quattrocki reported that as of January 13, 2016, 152,000 Marylanders had enrolled, either passively or actively, into Qualified Health Plans (QHP); our “soft” goal was 150,000. Since November 1, 2015 an additional 275,000 Marylanders have also enrolled in Medicaid.

A total of 22,000 people have enrolled in dental plans; of those, approximately 15,000 to 16,000 are QHP plan holders. The remainder have Medicaid plans.

The auto renewal process is improving. The auto renewal success rate is about 63%, which represents an increase of the initial 51% success rate. For the moment, the Exchange’s auto-renewal success rate appears to be higher than that reported by other states. At the same time, the number of passive renewals appears to be declining, possibly due to the fact that consumers are actively returning to shop for plans.

Enrollment outcomes will become clear after this period has ended, at which time conclusions can be drawn.

Ms. Ellis raised concerns about reported difficulties with the passive renewal process; she described some cases in which customers who actively selected plans were also passively renewed, and therefore received bills for two plans. Michele Eberle acknowledged that this phenomenon is indeed an issue, and said that the call center should be the first stop for customers who experience it. Lena Herschkovits stated that HCAM is advising customers to also create their own online account with their carrier, because this is the most reliable way of monitoring their plan status. She added that this approach can work for many people, because even when customers plan shop, they tend to stay with the same carrier and just choose a different plan, and that the most up-to-date information on plan status is generally with the carrier.

### Taxes & 1095 Forms

The Exchange is gearing up to send out 1095A forms, and for the first time 1095B forms as well.

Sanford Walters asked whether MHBE has plans to help customers who risk their subsidies by failing to file income tax. Ms. Quattrocki answered that there is an IRS mechanism called the “FTR flag” that prevents the Exchange from renewing customer’s existing APTC when they have not filed their taxes; this mechanism also prevents the Exchange system from enrolling non-tax filers with an APTC as well. To assist these people, MHBE has sent notices to all customers who were flagged as non-tax filers to remind them to file their taxes. She added that some people who have not filed taxes might have chosen other, non-Exchange insurance plans.

### BAT Phone Pilot Project

Ms. Quattrocki stated that the Broker Assisted Transfer (BAT Phone) pilot project is going well. This project involves a “warm transfer” of a customer from call center representative to authorized producers (brokers), who then complete the enrollment. Nearly 1,500 enrollments were completed via this project as of the week ending January 8<sup>th</sup>. Although this is a small pilot project, in terms of conversion rate and the number of

hours that our participating brokers have been in the queue, it has been a success and we hope to continue it next year.

## Marketing & Outreach

Ms. Quattrocki continued with an update about MHBE's marketing and outreach activities. She explained that at this time the focus is on Super Health Sunday on January 24<sup>th</sup> 2016. Thru a partnership with the Maryland State Conference NAACP, National NAACP and faith-based organizations, this event provides enrollment information to congregants, and places trained navigators on site to assist interested people.

Upcoming advertising and promotion activities include a press conference with Health Care for All, Congressman Elijah Cummings, and possibly Congressman John Sarbanes as well. MHBE will also re-run last year's successful Adam Jones radio ad that was very effective in directing people to the 211 telephone information line.

Leni Preston asked whether MHBE is doing targeted outreach to the Latino community. Ms. Quattrocki described several such efforts, including: the Latino Health Insurance Resource Zone Event, HCAM's recent enrollment event for Hispanic families; information distribution at Sportsplex of Rockville, where posters, brochures and navigator lists in English and Spanish were distributed; a partnership with the Education Based Latino Outreach (EBLO), Centro de Ayudar, and Sagrado Corazon de Jesus/Sacred Heart Christ Church for specialized outreach efforts in southeast Baltimore. MHBE's Outreach Coordinator, Jenny Garrison Mancha, who is fluent in Spanish, has promoted enrollment in interviews on local Spanish-language radio and television stations.

Lena Hershkovitz mentioned that HCAM has also implemented other Latino-focused outreach including advertising on Baltimore transit, six billboards in the city, and Spanish-language radio El Sol, among other efforts.

## Medicaid

Ms. Quattrocki reported that while Medicaid redeterminations remain an ongoing challenge, significant efforts are being made to address it. She stated that the state Department of Social Services (DSS) has picked up steam; staff there and at local health departments are making more outbound calls to consumers to encourage them to get folks back in. MHBE has sent 180,000 direct texts messages to folks to get them back in. In addition, there have been almost 400k hits to our website's Medicaid renewal page.

## Call Center & In-Person Assistance

Ms. Quattrocki described call center volume as consistently high. Since November 1<sup>st</sup>, the start of open enrollment, about half a million calls have been received. This is a higher call volume than at the same time last year. Website traffic is about 50% higher than this time last year.

Mark Haraway asked whether carriers able to handle their increased call volume as well. Mrs. Eberle replied that MHBE has not received any reports from consumers, or from the carrier community that there are any problems in that regard. Deborah Rivkin replied that at CareFirst provisions have been made to handle increased call volume, however, some members are saying that some problems are not being resolved, for example, incorrect information being sent, but she stated that she did not have specific

numbers at hand. Sandy Walters stated that from his perspective, CareFirst seems to be doing better than they did last year.

### Policy Matters

Ms. Quattrocki thanked SAC members for submitting comments to the draft plan certification standards. She stated that MHBE staff are currently reviewing the comments, and will summarize them for Board consideration. Plan certification standards, as well as the draft issuer letter will be key agenda items at the January 25<sup>th</sup> 2016 Board meeting.

Ms. Preston asked whether the draft issuer letter will be approved at that Board meeting. Ms. Quattrocki replied that MHBE staff will incorporate recommendations into the draft issuer letter, with the hope that the MHBE Board will review and approve a final version.

Ms. Rivkin asked about the timeline for final issuer letter. Ms. Quattrocki replied that the expectation is that there will be a final Board vote on January 25<sup>th</sup>, however, it depends on the magnitude of changes and the Board's readiness to make decisions on that date. She added that MHBE staff are mindful that carriers need a final letter in view of their own deadlines with the MIA.

### Q&A

Ms. Ellis asked whether the Exchange plans to conduct a post-Open Enrollment assessment or evaluation, to learn what worked well and what didn't, for example, whether text messaging is more effective than mailed paper notices. Ms. Quattrocki stated that an "Open Enrollment 3 post mortem" is built into our marketing contract, and will be carried out. She added that MHBE also draws lessons and best practices from Exchange experience across the country. For example, at national conferences staff have learned that following up with consumers who have unfinished applications by means of email can be very effective. At this time, MHBE is not reaching out to those consumers, but doing so might increase the likelihood that they complete their applications and get enrolled. Ms. Quattrocki stated that MHBE staff are exploring ways to identify and incorporate best practices in order to spend efficiently.

Ms. Quattrocki also stated that the slate of approximately 11 SAC nominees is scheduled to be approved at the January 25<sup>th</sup> board meeting.

### **Policy Topic: SHOP – Follow Up Questions**

Per request of SAC members at the December 10<sup>th</sup> 2015 meeting, Michele Eberle addressed follow up questions on the topic of MHBE's Small Business Health Options (SHOP) Program. She also addressed questions related to the upcoming SHOP RFP.

Ms. Eberle began by reiterating that MHBE staff has requested feedback from SAC members regarding development of the SHOP RFP. She also emphasized that neither MHBE staff nor Board have requested SAC members to consider any statutory change to the way that SHOP is currently functioning in Maryland.

### Current Cost & Structure of SHOP Program

SAC members had previously asked for clarification on the cost of operating MHBE's SHOP Program. Mrs. Eberle stated that this program costs \$1.2 million per year. This program currently has three administrators with a flat payment.

### Technical Implications of Changing Current Structure of SHOP Program

SAC members previously requested clarification on the technical implications of changing from a state-based SHOP program to the Federally Facilitated Marketplace (FFM). Ms. Eberle described the implications, which are summarized below. If Maryland were to move its SHOP Program from MHBE to the FFM, the technical implications are that:

- A new Exchange Blueprint would have to be created
- FFM plan certifications are different than Maryland plan certifications, so Maryland would lose ability to do independent plan certifications; MHBE tries to ensure that on-Exchange and off-Exchange plans mirror each other, but this might be affected if SHOP were moved to the FFM
- FFM does not do composite rating, Maryland does
- MHBE would have to monitor and enforce addition/different/new plan certification standards, which would require additional staff and expense
- No auto renewal functionality
- Historical data would not transition to the FFM, information would be lost
- Small businesses would be burdened by having to re-file a new application
- Current producers would have to seek authorization and other requirements under the FFM
- System integration and implementation between MHBE and FFM would entail significant effort, analysis, and cost

### Cost Implications of Changing Current Structure of SHOP Program

SAC members previously requested clarification on the cost implications of changing from a state-based SHOP program to the FFM. Ms. Eberle described these implications, which are summarized below. If Maryland were to move its SHOP Program from MHBE to the FFM, the cost implications are that:

- An additional 3% fee imposed by the FFM
- The additional 3% fee would be passed on to consumers in the form of increased premiums, who are already paying a 3% premium tax
- Moving SHOP from MHBE to FFM would entail significant IT-related costs
- MHBE's current FY16 and FY17 budgets have no funding allocated for integration with the FFM

## Q&A

Ms. Rivkin asked why funding that is currently used to run SHOP cannot be used to move it to the FFM. Ms. Quattrocki answered that those funds would be insufficient to move SHOP; the actual cost of moving would greatly exceed the amount that is currently being spent on this program.

Mrs. Eberle conjectured that it might cost \$1million or more to move SHOP; the expense of system integration, plus ongoing expense for additional staffing and other resources would also be entailed. Ms. Rivkin asked why the move would cost \$1 million. Mrs. Eberle answered that a full analysis would have to be conducted in order to reach a reliable estimate for all costs related to moving SHOP to the FFM, and this analysis itself would be a significant expense as well.

Ms. Preston inquired whether the cost of moving SHOP would be a one-time or an ongoing expense. Mrs. Eberle stated that plan certification and plan management are ongoing expenses.

Alvin Helfenbein stated that there are many variables and risks at stake when considering the idea of moving Maryland's SHOP program, however, it might be worthwhile to explore the cost of this option. He stated that when considering MHBE's sustainability, more detailed understanding of program costs is important to avoid "kicking the can down the road."

Ms. Rivkin stated that there is not enough information for making decision about moving the SHOP to the FFM at this time.

Mark Haraway stated that from the carrier's perspective, moving to FFM would require a big technological hurdle. He added that he "not clamoring for a move to the FFM" because it is essential to first "think about what makes the most sense for our state".

Ms. Preston felt that discussion about moving to the FFM is not productive, adding "At this point late in the game upsetting the apple cart does not seem like the right approach; personally I would like this committee to strongly recommend that the exchange should give plenty of time to look at the cost benefit analysis and impact on consumers for a transfer to FFM".

Ms. Ellis stated that the discussion seems to point to a consensus that it might be worth the exchange's time to do the analysis to see what the FFM benefits could be. She concluded the discussion by summarizing SAC members' consensus: that MHBE should consider conducting a cost benefit analysis of moving Maryland's SHOP to the FFM.

Ms. Quattrocki stated that changes to the SHOP Program would require a decision by the MHBE Board, and would have to happen sometime in the future. She emphasized that the current priority is to finalize the Request for Proposals (RFP) for the SHOP Program within the next 30 days. She stated that after open enrollment has ended, MHBE staff can raise this topic with the Board.

## SHOP RFP

Turning to the matter of the Request for Proposals (RFP) that is currently in development for the SHOP, Ms. Quattrocki asked members for feedback about the program's operational and payment structure. She asked members to specifically consider: 1) how many SHOP administrators there should be, whether one

or more; and 2) whether the payment structure should remain the same, or have a flat fee, or be tied to enrollment.

Mr. Haraway stated that the current arrangement with SHOP seems to be working, and added that he would be in favor of continuing with the current structures. He added that it would be helpful to know whether or not the current administrators are still interested in continuing with the program.

Ms. Ellis asked for clarification about how each administrator is paid, and whether that would change. Mrs. Eberle replied that each administrator now receives it's a flat payment for operations, but this arrangement could be redesigned.

Mr. Walters presented a number of considerations. He asked whether there are groups or clients having problems with the SHOP that could be addressed by changes to the SHOP contract. He also described concerns about the SHOP model, stating that since most brokers have already chosen a prime administrator that they work with exclusively, brokers who are not working with one of the SHOP administrators may elect to stay off of the Exchange entirely. This could affect both small businesses and brokers. He also raised questions about the impact of limiting employee choice to one metal level, and asked whether changing this might increase the number of small employers who participate in SHOP.

Mr. Haraway stated that the opportunity to offer different metal levels would require a policy change. Ms. Rivkin added that such changes would involve significant complexity.

There was extensive, detailed discussion about the technical aspects of the SHOP, including cost implications, adverse selection risk, actuarial analysis, and other concepts.

Ms. Rivkin observed that the challenges of the SHOP model are not exclusive to Maryland, but are happening across the country. She added that it might be advisable to "pare down" the size of the SHOP to perhaps a single TPA so that the modest number of participating still have a seamless process, and then direct the savings from a smaller SHOP program to other better uses within the Exchange. Ms. Ellis and Mr. Helfenbein both agreed. Ms. Ellis added that those funds might be better uses for consumer assistance, where the bulk of issues are.

Ms. Hershkovitz asked whether there could be cost savings if payment were per member by month, rather than a flat fee. She agreed that there might be more efficient uses for money now devoted to SHOP, such as the call center.

Mr. Haraway stated that it would be more fair to administrators to inform them about expectations, because it would affect what they might propose in their RFP regarding pricing and other factors. He stated that it would be better to make these expectations explicit, rather than leaving it open as it was last year. He also added that the RFP provides an opportunity to test capabilities, such as the ability to do a "multiple matrix employee choice model".

## **Discuss Policy Topics for 2016**

Ms. Quattrocki informed the group that the MHBE Board has specifically requested input about Value Based Insurance Design (VBID). She stated that Selective Contracting legislation is enabled in Maryland as of January 1<sup>st</sup>, however, we would not want to move forward on either of these areas without lots of expert

analysis and stakeholder input. She also suggested that dedicated workgroups are the most efficient way to address these types of complex topics.

Ms. Preston stated that there is value in convening a workgroup, however, she was concerned that it could be difficult to run multiple, concurrent groups. She asked for clarification on the Board's timeline for receiving feedback from the SAC. She also asked whether the Board has other priority topics, such as health literacy.

Ms. Quattrocki stated that, keeping an eye to make the best use of SAC members' time, and the limitations on staff resources, a workgroup could begin sometime in the late spring with the goal of delivering an interim report by the end of this calendar year. This report would not be actionable for the next plan year. We would then have the 2017 session to get review, and then hone an action plan, which means that VBID would be considered for 2018 plans, at the earliest.

Ms. Quattrocki added that, in addition to health literacy, the Board might also appreciate SAC input on vision plans, broker engagement, and research on other funding sources for consumer assistance groups. Continuity of care and CHUM are other topics worth exploring.

Karl Cooper stated that plan transparency is an important part of health literacy, and should be included in any discussion of health literacy.

Ms. Ellis requested more direction from the Board regarding topics and timing. She also stated that in order to have an effective workgroup process, and broad participation, it is important to inform and engage the community of stakeholders well in advance.

Ms. Preston asked whether performance metrics for the Exchange are being completed. She also raised the topics of health equity and affordability.

Ms. Rivkin stated that it might be worth exploring to learn where people are going to get their needs met, because this could help decide how to make things better for the consumer. For example, if analysis shows that more people go to navigators instead of calling the call center, then why not invest in the thing that helps the consumer experience. Ms. Preston stated that many analyses like this are being done in states like California, where there are private foundations paying for it.

Elizabeth Chung stated that there are community based agencies that need to be supported as well.

### **Public Comment**

Kim Robinson echoed the group's concerns about the implications of shifting to a full-blown employee choice model, adding that there would be significant challenges for carriers. She stated that even without adverse selection concerns there are other issues as well. She added that this topic merits careful consideration. She also emphasized that the implications of shifting SHOP to FFM are significant, and that a significant amount of time would be required to make such a change.

### **Next Steps**

The next meeting of the Stakeholder Advisory Committee will be on Thursday 14 April 2016.