



Maryland Health Benefit Exchange Board of Trustees

May 15, 2017

1:00 PM – 3:00 PM

Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, MD 21215

Board Members Present

Dennis Schrader, Chair
Tony McCann, Vice Chair
Al Redmer
Michelle Gourdine, M.D.

Linda Sue Comer
Benjamin Steffen
Tom Saquella

Board Members Absent

Sastry Dhara

Also in Attendance

Jonathan Kromm, MHBE Acting Executive Director; Michele Eberle, MHBE Chief Operating Officer; Venkat Koshanam, MHBE Chief Information Officer; Andrew Ratner, MHBE Director of Marketing and Strategic Initiatives; Anthony Armiger, MHBE Director of Finance; Sharon Street, Assistant Attorney General for MHBE; Juliana Bell, Assistant Attorney General for MHBE; Caterina Pañgilitan, MHBE Chief Compliance Office; Michelle Compton, MHBE Procurement Manager; Ann Flagg, Acting Deputy Secretary for Programs, Department of Human Resources

Approval of Meeting Minutes

April 17, 2017 Open Session:

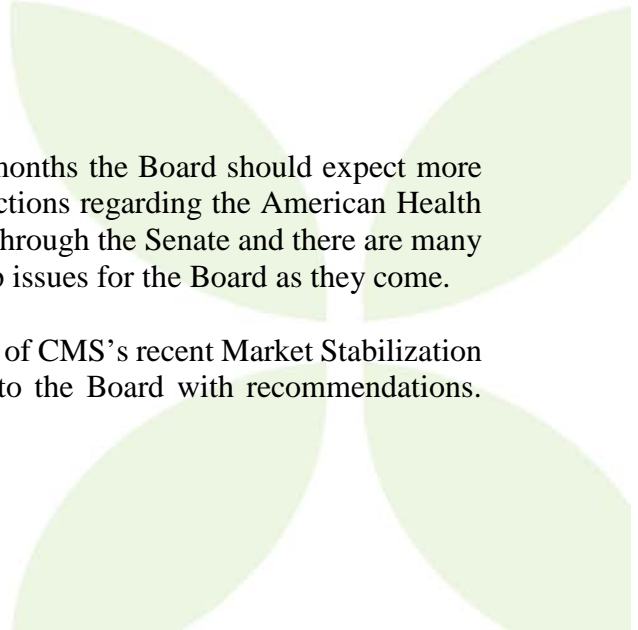
Motion by Mr. Saquella; Second by Dr. Gourdine; None Opposed

Executive Update

Jonathan Kromm, MHBE Acting Executive Director

MHBE has contracts that are set to expire in the coming months the Board should expect more updates from Procurement. MHBE is not engaged in projections regarding the American Health Care Act (AHCA) at this time since the bill has not passed through the Senate and there are many questions left to be resolved. Staff will continue to queue up issues for the Board as they come.

Staff are reaching out to stakeholders to determine the effect of CMS's recent Market Stabilization Rule. Preliminary feedback is mixed. MHBE will return to the Board with recommendations.



Regarding verifications of Special Enrollment Periods (SEPs) as proposed in the Rule, MHBE is level-setting and engaging stakeholders to discuss implementation, although there will likely not be any rollout until after Open Enrollment (OE) 2017.

There is significant activity in ramp-up activities for the Connector Entity (CE) Program. Staff will have documents out to the Board shortly regarding these activities.

Mr. McCann asked Mr. Redmer to discuss updates on rates and if there will be hearings like last year. Mr. Redmer reported that Evergreen applied formally to convert from non-profit to for-profit status and to reenter the individual market and return to the Exchange. Mr. Redmer explained that this will be good for rural areas in particular.

A rate hearing through the Maryland Insurance Administration (MIA) is scheduled in June. Mr. Redmer expects rate setting to be complete by July. The minimum rate request in the individual market is 18%, the maximum is 59%. Some carriers have asked to amend their rate increase requests in response to significant rate increases at the top. The process for rate review will be similar to prior years. MIA staff will begin asking clarifying questions. MIA is asking carriers to submit rates based on the assumption that nothing changes with cost-sharing reductions (CSRs). If anything changes with CSRs, MIA will allow carriers to seek modifications. MIA will also seek the opinion of an actuarial consultant to verify the 59% rate increase.

Chair Schrader shared his recognitions and announcements. Chair Schrader acknowledged Mr. Kromm and announced that he will be departing the Exchange to take a position with CareFirst.

Mr. Kromm expressed his gratitude to Chair Schrader, the Board, MHBE staff, other state agencies that support MHBE's mission, and external partners including carriers, producers, consumer assistance workers, and stakeholder groups. Mr. Kromm stated that this has been the most challenging and rewarding professional experience of his life. He takes tremendous pride in the accomplishments of the agency, and appreciates the incredible guidance, support, and energy of the Board. Mr. Kromm again thanked MHBE staff, stating that they are a uniquely talented, dedicated, and entrepreneurial group of individuals that represent the best that government can be. No matter what the challenge is, the team will find a solution before the day is over and will get to work immediately to implement it.

Mr. Redmer thanked Mr. Kromm for his dedication and service. Despite all of the challenges of governing, there has never been an unreturned phone call in two and a half years - he has always been responsive to the Board and focused on solutions.

Mr. McCann, Dr. Gourdine, Ms. Comer, Mr. Steffen, and Mr. Saquella shared their thoughts, concurred with the sentiments of the rest of the Board, thanked Mr. Kromm for his service, and wished him the best of luck.

Chair Schrader acknowledged and introduced Dr. Howard Haft as the new Interim Executive Director of MHBE. Dr. Haft is the current Deputy Secretary for Public Health Services, has owned his own medical practices, and is leading Maryland's primary care model development. Recruitment of a permanent Executive Director will be discussed in closed session.

Chair Schrader recognized Mr. Saquella for his final meeting as a Board member. Chair Schrader thanked Mr. Saquella for bringing stability and his small business perspective to the Board.

Mr. Redmer stated that he and Mr. Saquella have worked together a long time, and that his ability to understand and advocate on complex business issues have always been his strong suit. Mr. Kromm thanked Mr. Saquella on behalf of staff for all that he has done. From the start, MHBE has been able to rely on Mr. Saquella to understand the impacts of health care reform on small businesses and consumers. Mr. Kromm opined that Mr. Saquella has been tremendously generous with his time and has been one of the most fun Board members the Exchange has had.

Mr. McCann also thanked Mr. Saquella for his service. Mr. Saquella responded that it has been his honor and privilege to serve with the Trustees and staff. Mr. Saquella stated that, because of the dedication of the staff and Trustees, the people of Maryland are in a better position today than they were 6 years ago, and wished the Board and MHBE the best in the future.

Chair Schrader introduced Ann Flagg, Acting Deputy Secretary for Programs, Department of Human Resources (DHR), who was in attendance on behalf of Lourdes Padilla, Secretary of DHR.

Lastly, Mr. Redmer announced that CareFirst had a large meeting with brokers today and stated that they will not be paying commissions on any plans sold in the individual market as of January 1, 2018. This is expected to have severe implications on the market and on MHBE's brokers and BATphone program. Mr. Redmer recommended that this issue be addressed as an agenda item at the next meeting.

Update on Joint DHMH Projects

Shannon McMahon, DHMH, Deputy Secretary, Health Care Financing
Debbie Ruppert, DHMH, Executive Director, Eligibility Services

Ms. McMahon began by thanking Mr. Kromm and stated that the work done by the Exchange in Maryland under his watch has become a national best practice. Ms. McMahon looks forward to working with Dr. Haft.

Ms. McMahon introduced Ms. Ruppert and explained that they will discuss the development of an enterprise strategy between Medicaid and MHBE on Managed Care Organization (MCO) Shopping, the Consolidated Services Center (CSC), and the Customer Relationship Management (CRM) system. Medicaid and the Exchange have a strong collaboration with enrollment, the CSC, IT infrastructure, and the consumer assistance workforce. The goal of the new MCO shopping initiative is to create further synergies in enrollment processes and consumer experience. The coincidence of MHBE's call center request for proposal (RFP) and Medicaid's enrollment broker contract coming up for rebid, MHBE seeking a new CRM solution, and Medicaid looking to add tools to their Medicaid Management Information System (MMIS) have provided an opportunity to simplify and harmonize processes from an eligibility and payment perspective.

Ms. Ruppert presented benefits of the new MCO shopping system through MHC. Under the current system, MHC only performs eligibility determinations. An enrollment broker accepts the

file and sends out an enrollment packet in the mail. Beneficiaries temporarily receiving fee-for-service (FFS) Medicaid.

Beginning September 1, 2017, individuals under modified adjusted gross income (MAGI) Medicaid may use MHC to enroll into Medicaid, then immediately select an MCO and choose a PCP after obtaining an eligibility determination. This will allow a better plan shopping experience. MHC will be the single point of contact for Medicaid enrollments, which will increase cost-effectiveness for the State and speed of enrollment for consumers, and in turn will lead to better care and benefits not available in basic FFS Medicaid.

MHC and Medicaid will perform file testing from June 5 – August 11, 2017. DHMH is actively working in the Health Benefit Exchange (HBX) system to finalize shopping screens and functionality.

Ms. McMahon provided background on Medicaid's need for an enterprise CRM solution and standard operating procedures, and how those overlap with MHBE's initiatives. Ms. McMahon then explained the key shared objectives of the CRM project. Leveraging shared resources will allow MHBE and DHMH to reduce data entry burden and staff time, improve customer experience and integrate with the CSC, and allow both agencies to identify and resolve data conflicts. Mr. Kromm thanked Ms. McMahon and added that MHBE is seeking to build a technology platform that is flexible for growth.

Mr. Redmer inquired where DHR fits into the equation. Mr. Kromm responded that DHR performs a tremendous amount of Medicaid work on the back end, including tasks such as verifications. DHR workers often do not speak directly to the consumer, but will have access initially to certain pieces of the system to aid in their consumer-facing responsibilities. While this initiative is not immediately under the MD THINK umbrella, it is very much in the spirit of the program. Future upgrades to the system will allow DHR to have greater access to MCO shopping and other functionality. Mr. Kromm also assured the Board that data migration issues such as those experienced in 2016 will not be a problem with this system implementation.

Chair Schrader asked what percentage of Exchange enrollments take place at Department of Social Services (DSS) locations with access to the Exchange. Ms. McMahon responded that such information is not readily available for now. Mr. Kromm further responded that such auditability is on the to-do list. Mr. Kromm stated that the implementation so far represents a prioritization of documented and coordinated efforts from a consumer point of view. Ms. Flagg added that DHR sees many customers in their offices during consultations for other social services. DHR looks forward to the improved MCO selection customer service experience and to the analytical tools which will be available through the Salesforce CRM upgrade.

Mr. Steffen asked what the MCO reaction is. Ms. Ruppert responded that they are excited because they will get their enrollees sooner. After enrollment, consumers can begin their MCO shopping 10-28 days earlier. Ms. McMahon added that the new system will get Medicaid closer to their ideal MCO/FFS enrollment. Currently about 83-85% of Medicaid consumers are in MCO's, but the Department would like that range to be consistently at least 85-87%.

Mr. Steffen asked why the Exchange has not seen more than 2% churn in the population between Medicaid and Qualified Health Plans (QHPs). A lot of people commented on the importance of reducing churn in the population. Mr. Kromm responded that the 2% represents switch files showing individuals moving from one program to the other. This probably undercounts certain groups and does not include individuals who are ending coverage then coming back at a later time to get coverage again. Mr. McMahon added that many of the initial studies done were based on income volatility and the unemployment rate was a lot higher back at the beginning of the discussion, so more was expected. Mr. Kromm concluded that the 2% figure is important because experience with both QHPs and Medicaid often creates data issues which need to be addressed.

Software Procurement Update

Venkat Koshanam, MHBE Chief Information Officer
Michelle Compton, MHBE Procurement Manager

In response to recent media reports about a spike in ransomware issues across the country, Mr. Koshanam announced that MHBE's systems are well-protected. MHBE's security patching is current; and MHBE's content recovery and disaster plans are intact.

Mr. Koshanam then presented the IT Dashboard in a simplified format, as requested by the Board. The Dashboard is broken down into: Enhancements, which represent developments with significant benefits (e.g. MCO plan shopping; Salesforce CRM implementation); Maintenance and Operations (M&O), which represent monthly releases, issue fixes, last minute additions, or minor changes; and Special Projects, which do not fall in the other two buckets, and some of which are more long-term. The "Status" column represents what stage the project is in. The "Go-Live" date gives the projected date for completion.

Mr. Koshanam announced that no projects are at risk of not meeting the deadline. MHBE is currently drafting a memorandum of understanding (MOU) for the MD THINK initiative. A meeting is scheduled for Thursday to finalize the scope of Phase 1. MHBE staff will present a draft MOU to the MHBE and DHR leadership teams, and hope to start work as planned on July 1.

Chair Schrader remarked that the Dashboard is in a better format and much easier to understand. He then inquired why the MD THINK project was listed in yellow, meaning a potential delay. Mr. Koshanam responded the complexity of implementation caused the status to be yellow.

Mr. Steffen noted that the Salesforce CRM Phase 2 is also in yellow, and asked what the potential delays might be. Mr. Koshanam responded that a system called the Provider Recipient Ombudsman Management Information System (PROMIS) that DHMH is looking into might require extra time to migrate information. Also, there are fundamental issues in identifying requirements for the implementation – MHBE's current system has been in place a long time, so translating all of the information is difficult. Mr. Koshanam noted that the technology part is relatively simple and that MHBE is on top of it, but we are potentially looking to bring in 37 applications during Stage 3, so the complexities of understanding and merging every one into the system necessitates a yellow designation.

Mr. Kromm added context, stating that when an item is marked as yellow, the team can still make up time somewhere else in the project even if there is a particular aspect that is delayed. Mr. Koshanam will not sugarcoat anything - a yellow designation still shows confidence in the final deadline, otherwise the item will be marked in red.

Mr. Koshanam continued by discussing MHBE's upcoming software license and subscription renewals, including their use, model, and estimated annual cost broken down by federal and state contribution. MHBE's core software licenses began in 2014 and run through the end of the 2017 fiscal. Up for renewal in procurement are 5 software solutions: Corticon Business Rules Engine; Tibco application cache; Adobe Livecycle ES3 for notice generation; Akamai WAF for data warehousing and ETL functions, and Salesforce CRM for customer and case management. MHBE does not expect a significant increase in cost from the projections contained in the presentation.

Ms. Compton discussed the solicitations which will be coming before the Board next month. Corticon, Tibco, Adobe, and Akamai will be proposed under the competitive sealed bidding method. The solicitations for Corticon and Tibco are out already and will be due back May 19 and May 23, respectively. The scopes of work for Adobe and Akamai are in process, and MHBE is hopeful they will be posted soon. Salesforce will be procured under the Intergovernmental Cooperative Purchasing Agreement method, utilizing a GSA schedule contract with Carahsoft Technology Corporation. The structure of the agreement will be similar to MHBE's IDIQ contract.

Updated on Connector Entity Program

Michele Eberle, MHBE Chief Operating Officer

Ms. Eberle announced that a new request for application (RFA) was released for the Connector Entity (CE) which will oversee the Midwest and Southern regions. Two existing CEs responded. The application period closed May 10. A review panel will review the applications by May 25 and will come back to the Board in June with a recommendation. In the other 6 regions, the existing CEs reapplied and are going into year 2 of 3 for their contracts.

Operationally, CEs are still busy after open enrollment with Medicaid and enrolling individuals through special enrollment periods (SEPs). They are working closely with MHBE's Marketing Team on preparing collateral for new open enrollment.

Mr. Redmer inquired whether MHBE has plans to modify the BATphone program next year. Ms. Eberle responded in the affirmative, stating that the first 2 years were a pilot program and that MHBE paid the seed fees for the 30 brokers participating in the program's second year. The participants were very happy, and MHBE has seen a lot of enrollment coming from brokers in the program. Staff are already discussing how to change and expand the program this year, including whether MHBE should use a competitive process to procure future participants.

Mr. Redmer followed up by asking how much MHBE would expect to spend. Ms. Eberle responded that it depends on how the participants are procured, and which pool of funds MHBE uses. One potential issue is how MHBE could compensate brokers through a competitive process when mixed QHP and Medicaid enrollments occur. MHBE is consulting with legal and procurement to determine the best way to move forward.

Budget Update

Anthony Armiger, MHBE Director of Finance

Mr. Armiger presented highlights of a budget report for the third quarter of FY2017. MHBE ran under budget for personnel due to vacancies that have not been filled. CEs are under budget and may end the fiscal year under budget depending on what happens in the fourth quarter. The call center is on budget. Mr. Armiger added a new line to the budget for IT enhancements for MCO shopping and the new CRM – the MOU will cover this. MHBE is under budget so far for licenses, but will make up the difference in the fourth quarter. Everything else on the money.

There is some surplus from the reinsurance program. Carriers have already filed for reinsurance payments, and those have been disbursed.

Mr. McCann remarked that MHBE is running almost 8% under budget, and will possibly continue to be there on personnel and the CEs. Mr. McCann expressed concern that if MHBE does not use those funds, the legislature will not budget them for next year.

Mr. Kromm stated that MHBE is working with the CEs to get them on track with expenditures and to make sure they are putting all of their allotted navigators on street. Mr. McCann then inquired whether that is more of an emphasis in the fall. Mr. Kromm responded in the affirmative, and added that MHBE is analyzing how much of the underrun is true – for items such as staff vacancies – and how much is invoicing lag. It is about 50/50 right now. Mr. Kromm further stated that the agency will work with the Department of Budget and Management (DBM), and that he does not think DBM would consider any of MHBE's vacant positions as not critical. Lastly, Mr. Kromm stated that MHBE is working with financial modeling for expenditures that will more accurately predict where costs such as licensing will wind up in the fourth quarter.

Mr. McCann requested, and Mr. Armiger confirmed, that MHBE will prepare a quarter-by-quarter report for FY2018 for the Board in June.

Closing Remarks

Chair Schrader asked the Board members to consider whether there is a better time for the Board to meet and requested their input. Dr. Haft suggested polling the Board to find a preferred time.

Closed Meeting

Mr. McCann moved to close the meeting for the purpose of: (1) discussing a personnel issue, pursuant to General Provisions Art., § 3-305(b)(1), to discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of an appointee, employee, or official over whom it has jurisdiction; and (2) to discuss a procurement matter directly related to negotiating strategy of a competitive selection process for an executive search firm pursuant to General Provision Art., § 3-305(b)(14). Mr. Redmer seconded the motion. All voted in favor of the motion. Thereafter, the meeting moved into closed session at 2:30 pm.