



Maryland Health Benefit Exchange Board of Trustees

October 16, 2017

1:00 p.m. – 3:30 p.m.

Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, MD 21215

Members Present

Dennis R. Schrader, Chair
S. Anthony (Tony) McCann, Vice Chair
Linda S. (Susie) Comer (by phone)

Michelle A. Gourdine, M.D.
K. Singh Taneja (by phone)
Ben Steffen, MA
Alfred W. Redmer, Jr.

Members Absent

Sastry Dhara

Also in Attendance

Lourdes Padilla, Secretary, Maryland Department of Human Services (by phone)
Howard Haft, M.D., Interim Executive Director, MHBE
Michele Eberle, Chief Operating Officer, MHBE
Anthony Armiger, Chief Financial Officer, MHBE
Andrew Ratner, Chief Marketing Officer, MHBE
Venkat Koshanam, Chief Information Officer, MHBE
Greg Yackulak, Chief Information Security Officer, MHBE
Caterina Pañgilinan, Chief Compliance Officer, MHBE
Sharon Street, Counsel, MHBE
Michelle Compton, Procurement Specialist, MHBE

Welcome & Introductions

Chairman Schrader welcomed everyone to the Board meeting.

Approval of Meeting Minutes

The Board reviewed the minutes for the September 18, 2017 meeting; no amendments were made. Mr. Taneja moved to approve the minutes; Mr. Steffen seconded the motion. Chairman Schrader asked if the date of the minutes on the agenda was correct. The date was incorrect on the agenda, and Chairman Schrader asked that the agenda be amended to reflect the correct date of the previous meeting minutes. The Board voted unanimously to approve the September 18, 2017 minutes.

Executive Update

Howard Haft, M.D., Interim Executive Director

Dr. Haft provided an update on previous discussions about the continued work with Maryland Medicaid in terms of technological and operational support. Managed care organization (MCO) shopping is progressing, and they are working to enhance the claims processing and management system. The MHBE continues to have weekly leadership meetings with the Maryland Department of Health (MDH) and Medicaid leadership. Dr. Haft also highlighted the strong operational relationship with the Maryland Department of Human Services (DHS) and their work in support of the Marketplace.

Dr. Haft described the state of the MHBE's relocation. The new lease was approved at the last Board meeting. The MHBE is working quickly to finish the move so that it does not interfere with Open Enrollment, and everything

appears to be on track. The move will include two phases, with the business element first and operations next summer.

Dr. Haft provided an update on the Executive Director search. They will be holding interviews and performing evaluations. Dr. Haft noted that the MHBE meetings have open meeting representation with several delegates. (See *Open Meetings Act Changes or Designation of Member(s) and Vote*, below).

Chairman Schrader thanked all of the Board members for their work on the recent recruiting activity, including reviewing candidates and applications. The MHBE has received applications from excellent candidates and hopes to finish the process soon.

Dr. Haft added that it has been an honor and a privilege working with the team at the MHBE.

Prior Board Meeting Minutes Clarification Vote

Michele Eberle, Chief Operating Officer, MHBE

Michelle Compton, Procurement Officer, MHBE

June 2017 Minutes—Software Procurement

Ms. Compton distributed background information on an amendment to a previously adopted motion on June 19, 2017. The MHBE sought to include additional information that was left out of the June minutes to provide clarity to the public on what the Board approved at the meeting. Chairman Schrader asked about the clarifications to the motion. On June 19, 2017, the Board approved four contract items that included two Contract Awards, one intergovernmental cooperative purchasing agreement (ICPA), and one modification. Ms. Compton listed the specific contract items approved:

- The Contract Award to Carahsoft Technology Corporation for the purchase of Corticon Business Rules Engine Software Renewal for \$295,842.11
- The Contract Award to Analytica LLC for the purchase of Tibco Patterns Search Software Renewal for \$293,275.79.
- The award of the intergovernmental cooperative purchasing agreement (ICPA) incorporating a GSA Salesforce Contract to Carahsoft Technology Corporation and the Initial Task Order award with Carahsoft Technology Corporation for a not to exceed amount of \$526,434.57.
- Modification 5 to the production data hosting contract with Conduent State and Local Solutions Inc. to purchase Storage Area Network Disk Space for \$296,634.53.

Chairman Schrader asked if the Board previously voted on all of these items. Ms. Compton confirmed that the Board did previously vote on these items and provided the PowerPoint presentation that was given at the June 19, 2017 meeting. Each item was presented on the final slide at the meeting, and Ms. Compton verbally indicated the awarded vendors for each of the contract actions.

Chairman Schrader asked if this information was verbally communicated and if this action was to put the items in writing. Ms. Compton replied yes, and that it provides specificity to the minutes. Mr. McCann asked if the motion is amending the previous motion and not just the minutes from the June meeting. Ms. Compton responded that the proposed motion amends the previous motion and not just the minutes. Dr. Gourdine asked if the motion must be voted on again if it is being amended. Ms. Compton confirmed that a vote is necessary. Chairman Schrader stated that it is a motion to amend the language in the previous motion. Dr. Haft clarified that this action is intended to provide clarity for the public record because the minutes did not include details pertaining to each approved item.

Mr. McCann moved to amend the motion previously adopted on June 19, 2017 as stated by Michelle Compton the Agency's Procurement Officer. Mr. Steffen seconded the motion.

Chairman Schrader asked if there was any further discussion. Dr. Gourdine asked if the June 19, 2017 minutes have been corrected. Ms. Compton replied that the minutes have not been corrected. Dr. Gourdine asked if the purpose of this motion is to provide specificity to what the Board acted on in the June 19, 2017 meeting. Ms. Street replied that the minutes from June 19, 2017 correctly reflect what the motion stated, so the minutes will not be changed. Ms.

Street stated that the motion amends the previous motion, and the minutes from this meeting will correctly reflect the information. Ms. Street added that there is no way to change the June 19, 2017 minutes that were already approved by the Board.

Mr. McCann asked if Ms. Street is stating that the minutes did not accurately reflect the meeting. Sharon Street, MHBE Counsel, replied that she believes that the June 19, 2017 minutes accurately reflected the meeting. Mr. McCann asked why this is being corrected if the minutes accurately reflect the meeting. Chairman Schrader added that this motion is to clarify the actions during the June 19, 2017 meeting. Dr. Gourdine responded that the Board was already told that the June 19, 2017 meeting minutes are correct.

Ms. Street responded that the motion that was stated during the June 19, 2017 meeting was accurately reflected in the minutes, but the motion left out important information that the agency believes should be included for the public record. Ms. Compton stated that the amended motion is intended to memorialize the awarded vendors in the meeting minutes.

Chairman Schrader clarified that the motion in the June 19, 2017 meeting was legal and still stands. However, the staff realized that the motion was not expansive enough with the explanation, and the details will be reflected in the October 16, 2017 meeting minutes. Ms. Compton confirmed this statement.

The motion was approved unanimously with no abstentions.

September 2017 Minutes—5 Year Option for Lease

Ms. Eberle stated that it is not the agency's intent to bring items to the Board that require clarification, and staff will be looking through motions very closely before bring them to the Board in the future in order to make sure the intent is clear.

Ms. Eberle stated that the Board approved two separate items at the September 18, 2017 meeting. She explained that the first was for the five-year lease for the new MHBE office space, and the second was the modification to the procurement policy and procedure that specified the terms for real property leases. The lease will be for one five-year term, with the option of an additional one five-year term. When the MHBE presented the motion for the lease, it was specifically for one five-year term instead of the five-year term with the option of the additional one five-year term.

Ms. Eberle stated that this motion before the Board is a motion to amend the previously adopted motion. Ms. Eberle read the proposed motion:

The Board, hereby, moves to amend the September 17, 2017 motion to read: To award a 5-year base lease rental contract with one 5-year lease option to 750 East Pratt Street, LLC, wholly owned by Hackerman Holdings, LLC in the amount of \$7,411,486 with lease payments commencing January 1, 2018.

Mr. Taneja asked if the Board can decide not to elect the five-year option upon the end of the lease. Ms. Eberle confirmed that this is correct. Mr. Taneja asked if the Board is giving authorization for the optional five-year term if they approve the full amount today. Ms. Eberle replied that the Board would be authorizing the staff to act upon the option at that time. Mr. Taneja asked if the Board should just revisit the option five years from now and approve it at that time.

Chairman Schrader asked if it is correct that the staff wants the optional five-year term approved on record as part of the deal, but that the staff still needs to come back to the Board for approval in five years. Mr. Taneja asked if approving the full amount gives the impression that the Board is authorizing leadership and management to make that decision without coming back to the Board for approval. Mr. McCann asked if it is appropriate to add a proviso that the optional five-year additional term is subject to the approval of the Board. Ms. Street responded that a proviso may not be necessary, but it is appropriate. Ms. Street also noted that the wording of the motion means that the Board is approving the lease with the amounts for the additional five-year option, but Board approval is still needed before the additional five-year option can be enacted.

Chairman Schrader asked if the amounts for the additional five-year option are five one-year options or one five-year option. Ms. Eberle replied that it is one five-year option with a graduated square footage increase over each year. Dr. Gourdine asked if the amount the Board is approving would increase from an estimated \$3.4 million to \$7.4 million and if the new motion changes both the language and the amount. Ms. Eberle responded yes.

Mr. McCann moved to amend the September 17, 2017 previously adopted motion to award a 5-year base lease rental contract with one 5-year lease option, to be approved by the Board of the MHBE, to 750 East Pratt Street, LLC, wholly owned by Hackerman Holdings, LLC in the amount of \$7,411,486 with lease payments commencing January 1, 2018.

Dr. Gourdine amended the motion to read: to amend the September 17, 2017 previously adopted motion to award a 5-year base lease rental contract, with one 5-year lease option, pending Board approval, to 750 East Pratt Street, LLC, wholly owned by Hackerman Holdings, LLC in the amount of \$7,411,486 with lease payments commencing January 1, 2018.

Chairman Schrader amended the motion to read: to amend the September 18, 2017 previously adopted motion to award a 5-year base lease rental contract, with one 5-year lease option, pending Board approval, to 750 East Pratt Street, LLC, wholly owned by Hackerman Holdings, LLC in the amount of \$7,411,486 with lease payments commencing January 1, 2018.

Commissioner Redmer asked if the lease amount for the five years is the same. Ms. Eberle responded yes. Mr. Taneja seconded the amended motion. Mr. Steffen asked if the Board is approving a one five-year lease option. Ms. Eberle responded that the Board is amending the original motion of five years to include one five-year option. Mr. Steffen asked why the cost is broken out by different options. Chairman Schrader clarified that square footage price is incremental in each year of the option. Ms. Eberle added that the cost was broken down incrementally to clarify to the Board how the total cost is broken down.

The motion was approved unanimously with no abstentions.

MHBE Budget Cost Allocation Presentation

Anthony Armiger, Chief Financial Officer, MHBE

Chairman Schrader reminded Board members that he requested this presentation so that the Board can understand the foundation and financial outlook of the MHBE. Chairman Schrader added that it is important to understand how the MHBE is funded and financed, so that the it can be ready for any changes that occur, and the Board can have a clear understanding of sustainability.

Mr. Armiger began by describing the budget process cycle, and then continued on to discuss the budget by spending area. The budget by spending area shows where the money goes, and the pie chart shows the allocation of the budget. The MHBE is currently in the process of distributing reinsurance funds to carriers for plan year (PY) 2016. Chairman Schrader asked if the MHBE pays the carriers through reinsurance. Mr. Armiger responded that reinsurance payments are part of the Maryland Health Insurance Program (MHIP) funds. Chairman Schrader, noting that MHIP does not exist anymore, asked if the reinsurance part of the budget is going to go away. Mr. Armiger responded that \$61.39 million came from MHIP funds to fund a reinsurance program for PY 2015 and PY 2016.

Chairman Schrader asked if this will create a hole in the budget. Mr. Armiger responded that the MHBE will not have those funds for fiscal year (FY) 2019. Ms. Eberle clarified that through the MHIP and MHBE Boards, \$61.39 million was approved to fund a reinsurance program for PY 2015 and PY 2016. The way the program works, the funds do not get paid to the carriers until fall 2017, and they are in the process of paying carriers. It was a transitional reinsurance program, and it is over. Ms. Eberle stated that the loss of the reinsurance funds is not a hole in the budget because the funds were MHIP funds, and the MHBE was holding them to pay them out. Chairman Schrader asked about the proportion of the MHBE's spending on IT. Mr. Armiger responded that IT is 29 percent of the budget. Mr. Armiger noted that the budget by spending area includes all sources of funding, both state and federal.

Mr. Taneja asked how to compare the budget by spending area slide of the presentation with the one sheet budget document that the Board received. Mr. Armiger responded that the budget for the total year is equal to the sum of total year federal budget and the total year state budget.

Mr. Armiger continued by discussing the budget by fund source. He explained that program one is operations; program two is IT; and program three is reinsurance. Total Medicaid dollars for all programs is 46 percent of the total budget, and the state funds are broken down by program. Chairman Schrader asked Mr. Armiger to clarify how to differentiate between the programs, such as operations and Medicaid. Mr. Armiger replied that the program breakdown is the state funded portion of each program, and there are three programs. Program one is operations, such as the call center, and everything else except for IT and reinsurance. Chairman Schrader asked if the blue section of the chart are federal funds, and Mr. Armiger responded yes. Chairman Schrader asked if 46 percent of the budget comes from federal funds. Mr. Armiger responded yes.

Mr. Armiger explained the budget by fund source without reinsurance funds by showing the breakdown of the budget with just program one and program two as they will be the only programs that the MHBE will have going forward. Programs one and two consist of 42 percent state funds and 58 percent federal funds. Chairman Schrader asked if the percentages of state and federal funds were of the remaining \$80 billion after the reinsurance funds are removed. Mr. Armiger responded yes. Mr. Armiger noted that the state funds are \$34 million, and the Medicaid federal funds are \$47 million.

Mr. Armiger provided a breakdown of the two programs by state and federal funds. Chairman Schrader asked about the total cost to operate the MHBE. Mr. Armiger responded that the total cost is approximately \$83 million. Mr. Armiger added that the MHBE did revert approximately \$2 million in funds back. Chairman Schrader asked if 58 percent of the total budget of \$83 million comes from Medicaid and 42 percent comes from the state. Mr. Armiger replied yes. Chairman Schrader asked if the Medicaid funds are the reimbursements to the beneficiaries, and Mr. Armiger responded no. Mr. Armiger explained the process and coordination involved with program costs and reimbursements with the Centers for Medicare & Medicaid Services (CMS). Chairman Schrader asked how much of the budget is related to Medicaid and how much is related to qualified health plans (QHPs). Mr. Armiger responded that with the inception of the MHBE, The Hilltop Institute estimated that 86 percent of enrollment through the MHBE would be Medicaid and 14 percent would be QHP, and the MHBE allocates funding based on these percentages.

Chairman Schrader, noting that 85 percent of Medicaid enrollment comes through the MHBE, asked if the two percentages are related. Mr. Armiger answered that the estimates have been fairly accurate. Mr. McCann asked if 86 percent are split between QHPs and Medicaid, or if 86 percent of Medicaid enrollees come through the MHBE. Mr. Armiger clarified that 86 percent of people who enroll through the MHBE are Medicaid. Chairman Schrader, noting that of the 1.2 million enrollees in Medicaid, 85 percent come through the MHBE, asked if the two percentages are coincidental. Mr. Armiger responded that the percentages are coincidental. Chairman Schrader asked if it is correct that, no matter what happens with QHPs, the structure of the MHBE will still exist because 86 percent of people enrolling through its system are Medicaid. He also asked what percentage of the \$83 million would the Medicaid funds cover. Mr. Armiger replied that the money would be allocated based on the percentages of the population.

Chairman Schrader commented that the MHBE will be capable of supporting Medicaid regardless of the adjustment and shifting of QHPs and asked if that was a fair assumption to make. Dr. Haft responded that the MHBE is more than capable, and he believes it can continue to support Medicaid. Dr. Haft added that the MHBE is an integral part of health care delivery regardless of changes. Chairman Schrader asked if it is fair to assume that Medicaid is a foundational stone with a critical mass such that regardless of any adjustments at the federal level, the MHBE can still operate. Dr. Haft responded yes. Chairman Schrader asked what the MHBE funds are not allocable to Medicaid. Mr. Armiger responded that originally, payroll was not allocable, but CMS made a revision allowing payroll. Mr. Armiger also added that the MHBE requested that rent be allocable to Medicaid.

Mr. Armiger described the federal fund participation rates. He explained that the MHBE must designate a type for each expense. Mr. Armiger explained that federal fund participation rates determine how much spending is the responsibility of the state versus the federal government. There are three levels of federal fund participation rates. The MHBE has to determine which level the expense falls under. Mr. Armiger also mentioned that the Children's Health Insurance Program (CHIP) rate also factors into the federal fund participation rates. Mr. Armiger made a

distinction between federal fund participation rates for the call center because CMS released revised guidance in reference to the call center—the MHBE must allocate funds based on the types of calls received at the call center. For example, an eligibility determination call is 75 percent cost, and anything other than an eligibility determination call is 50 percent cost.

Mr. McCann asked if the \$2 million reversion of funds came from the general budget or legal settlement proceeds. Mr. Armiger responded that it was from the general budget. Mr. McCann asked if it is correct that the MHBE is running \$1.2 million under budget in state funds. Mr. Armiger responded that the spreadsheet provided to the Board is broken down by quarter, and there are some invoices that were not received when the spreadsheet was prepared. Mr. McCann asked if there is anything mechanical that would cause the MHBE to be running under budget. Mr. Armiger responded that if enrollees seeking QHPs are not required to go through the MHBE, then there would be no reason to designate a percentage of the budget to those enrollees. Mr. McCann asked if the operating budget would be affected if the federal government chose to eliminate expansions and revert back to before the Affordable Care Act (ACA). Mr. Armiger responded that it is a very real possibility.

Chairman Schrader noted that the operating budget of the MHBE is approximately \$83 million, and the \$21 million in reinsurance is pass through funding. He also asked what the carriers are doing with the reinsurance funds. Mr. Armiger responded that the reinsurance funds are paid to the carriers, and the payments are designed to keep premiums down. Chairman Schrader asked if the carriers are expecting reinsurance payments in the future. Mr. Armiger responded that the carriers will adjust premiums to account for not receiving reinsurance payments in the future. Chairman Schrader requested a deeper sensitivity analysis in the future to analyze state funding and federal funding due to the uncertainty of federal government decisions right now.

IT Update and Vote

Venkat Koshanam, Chief Information Officer, MHBE

Greg Yackulak, Chief Information Security Officer, MHBE

Mr. Koshanam provided an update on IT activity since the last meeting, the IT outlook for the next quarter, and IT readiness for open enrollment. At the September 18, 2017 Board meeting, the Board requested a presentation of the MHBE's approach to cyber security and an overview of the Salesforce software licenses. IT has implemented both major and minor releases since the last meeting, including release 19.0. IT has also implemented a Salesforce solution with MDH to replace the MDH legacy PROMIS system, and implementation has been very successful. More than 500 cases have been created in the new Salesforce PROMIS system, and 150 out of 230 users have already started using the system. Release 19.0 created an interface with the fulfillment center to facilitate renting out the provider directory for the Medicaid MCOs and enhanced the provider directory function.

Mr. Koshanam explained that they were required to upgrade the Java software or seek maintenance apart from Oracle, and they decided to upgrade the software in-house. The decision to update in-house saved money. There have not been any issues, and the system is working very well. Release 19.1 included mobile application push notification upgrades and open enrollment fixes that will be implemented by the start of this year's open enrollment. Mr. Koshanam noted that QHP auto renewals have been completed.

Mr. Koshanam provided an update on the final testing for open enrollment. The MHBE set up an artificial open enrollment day and are performing tests. They will be doing testing close to the day of open enrollment, which will include testing the applications and simulating scenarios that are likely to happen. Mr. Koshanam provided further information on open enrollment readiness and explained that the main difference from last year is the IT command center location. The entire team will be in the MHBE Litchfield office. There have been several capacity improvements over the last several months leading up to open enrollment. IT has increased the storage space, thanks to funding approved by the Board, which reduces the threshold and reduces pressure on the database. Mr. Koshanam described other upgrades that have been done, such as for data management and the security stack. They are potentially in line with the MD THINK platform.

Extensive testing has been done, and IT is anticipating a reduction in time spent by consumers in the waiting room. People are put in the waiting room after traffic exceeds a specific threshold. IT continues to improve applications and continues to make changes and performance improvements to the Connecticut system. IT has also made open enrollment-specific enhancements, such as the use of load testing. Mr. Koshanam provided information on the

operational relationships with carriers and how they are working to reduce data reconciliation and renewal process issues. There has been a reduction in the number of issues during the renewal process this year. Mr. Koshanam described that all of the required reports are ready, and they are waiting on CMS to set up the daily and weekly touch-point calls during open enrollment.

Mr. McCann asked whether there are any contracts left over from the initial transition to the Connecticut system that need to be modified, reissued, or re-competed. Mr. Koshanam replied that there is one contract. Mr. McCann asked if the contract is satisfactory. Mr. Koshanam responded that the contract expires in May 2019, and the MHBE intends to go through the procurement process or potentially move the platform to MD THINK.

Chairman Schrader, mentioning the downtown and Linthicum office consolidation in the future, asked if the Linthicum office contains infrastructure or hardware that will need to be moved during the consolidation, or if it is mostly personnel. Mr. Koshanam responded that the hardware and infrastructure at the Linthicum office is very limited. Mr. Yackulak also confirmed that the infrastructure and hardware is limited at the Linthicum office.

Secretary Padilla noted that MD THINK planned for the MHBE to be the first to transition to the new platform, and that the transition needs to be completed during the contract time frame. Secretary Padilla wanted more information on when the MHBE would be ready to transition to the new platform. Mr. Koshanam responded that there is a concern whether or not the platform is ready for the load that the MHBE systems can impart, but he believes that there are opportunities in terms of consolidating. Mr. Koshanam suggested that the MHBE can be moved to the new platform once it is stable, potentially in February or March 2019. Chairman Schrader clarified that this issue came up because the original plan was to shift the MHBE to the new platform next fall, and Secretary Padilla suggested that shifting next fall may not be the right time due to open enrollment.

Chairman Schrader asked if the term “carrier management,” as used by Mr. Koshanam, refers to the MCOs as well as QHP carriers. Mr. Koshanam responded that carrier management in this context only refers to QHP carriers. Mr. Koshanam then added that the MHBE is performing transactions successfully with MCOs. Mr. Steffen asked whether the QHP auto renewal options in the software could be relaxed. Mr. Koshanam responded that the entire QHP auto renewal process was completed weeks ahead of schedule, and any potential changes to the plans would result in the MHBE re-running the auto renewal process. However, the team is confident that this could be done.

Mr. Yackulak provided an overview of the requirements that the agency must go through in order to obtain approval from CMS and the Internal Revenue Services (IRS), pass security audits, operate the MHBE, and maintain a secure platform. The CMS Minimal Acceptable Risk Standards for Exchanges (MARS-E) guidelines that the agency follows replaced an older version that included less security and fewer controls. Mr. Yackulak summarized influential regulations in MARS-E version 2.0 that included using one of the most current revisions of the National Institute of Standards and Technology (NIST) Special Publication (SP), incorporating privacy controls that were added by the privacy officer, current ACA regulations, and new IRS publications to protect federal tax information.

Then, Mr. Yackulak provided an overview of the privacy and security processes that the MHBE conducts on an annual, quarterly, monthly, continuous, or three-year basis. The Plan of Action and Milestones (POA&M), submitted quarterly, is a listing of security vulnerabilities and includes vulnerability scans and audit findings. The annual Privacy Impact Assessment (PIA) is used to ensure that the MHBE is following the rules of data collection and usage. The Information Security Risk Assessment (ISRA) is reported annually and provides the state of security at the MHBE. The Interconnection Security Agreement (ISA) is done every three years and is an agreement with CMS that the MHBE will abide by the rules and regulations of MARS-E. The Safeguard Security Report (SSR) requires an onsite evaluation at least every three years. This year’s evaluation resulted in one critical finding that has been resolved. The Security Compliance Audit (SCA)/Security Assessment Report (SAR) is performed once every three years, when the MHBE contracts with an independent agency to review all of the security controls that govern the MHBE. The Computer Matching Agreement (CMA) is supposed to be performed annually, but this year, the federal government did not require states to sign new CMAs. The MHBE maintains a System Security Plan (SSP), which is a mapping of all security controls that the MHBE keeps updated and provides to CMS for review. The Annual Attestation (AA) is a self-assessment of the security controls and is reported back to CMS. Any findings are also included in the POA&M. The Information Exchange Agreement (IEA) is signed with CMS and states the security responsibilities of both parties. The Authority to Connect (ATC) grants the MHBE the right to connect to the federal

services data hub, which allows the MHBE to operate an exchange. The MHBE is currently under review by CMS for the ATC.

Commissioner Redmer asked if penetration testing is performed. Mr. Yackulak responded that penetration testing is performed once per year, and there are different tests, including both internal and external applications. Mr. Yackulak also stated that the MHBE has a web application firewall that protects the external boundaries. Mr. Steffen asked Mr. Yackulak to expand on the review to which subcontractors are subjected, and he asked if annual penetration testing is adequate. Mr. Yackulak responded that the privacy officer also performs internal assessments with some subcontractors. Mr. Yackulak also responded that annual penetration testing is the requirement, but the MHBE performs other tests nightly tests for system vulnerabilities. Mr. McCann asked if there have been any significant recommendations with respect to the MHBE's vulnerabilities that have not been resolved. Mr. Yackulak responded no. Mr. McCann also asked whether the MHBE is certain that vulnerabilities are not embedded into software purchased from other entities. Mr. Yackulak responded that he will have to get back to the Board on that issue, but he does know that the MHBE performs a security review when buying or using new software. The MHBE also reviews the license agreements.

Dr. Haft added that the team is constantly monitoring the level of IT security. It is a continuous process, and he encouraged Mr. Yackulak and the team to keep working to keep the system free of intrusions. Chairman Schrader asked about an engineering technique that can test data for hacking. Mr. Koshanam responded that the MHBE could detect hacks through their logs. Mr. Yackulak responded that the MHBE uses the principal of security in depth and does not focus on just one aspect. Mr. Yackulak added that the MHBE practices both prevention and detection of threats.

Mr. Yackulak provided an overview of the MHBE's Salesforce licenses. The Salesforce Service Cloud Enterprise Edition is for internal users based on logins, which saves the MHBE money. The Partner Community Members license is for external users who are less expensive than internal users. The Salesforce Knowledge license is an elevated license that allows people to publish into the Salesforce Knowledge base. The Sandbox enables the MHBE to do development. The Salesforce Government Cloud offers the MHBE more security and protection. The MHBE also purchases Salesforce Marketing Cloud licenses for email and text messaging. Mr. McCann asked Commissioner Redmer if this situation could result in an issue where people were not happy with the license they received. Commissioner Redmer responded that he believes it would be a different platform. Mr. Koshanam responded that it was a different platform, and the licensing model allows the MHBE to increase licenses as the need arises.

Chairman Schrader asked if the MHBE works with Medicaid's eligibility teams. Mr. Yackulak responded yes. Chairman Schrader also asked if the MHBE works to send emails for Medicaid eligibility determinations. Mr. Koshanam responded that redetermination emails are currently coming from the MHBE, and they are in the process of integrating small applications. The MHBE currently sends redetermination information to MDH as a spreadsheet on a weekly basis. Chairman Schrader expressed interested in knowing how the redetermination process works from an automation perspective. Chairman Schrader also added that, in coordination with MDH's new CIO, an enterprise IT capability will be built within MDH that will focus on project governance. MDH wants to improve overall governance and professionalism of enterprise IT.

Ms. Compton stated that Mr. Koshanam told the Board that MHBE would be soliciting bids for Akamai software. Akamai is currently being used for security and website maintenance. The MHBE issued an invitation for bid on September 20, 2017 that was posted publicly on the eMaryland Marketplace and the MHBE procurement websites. The invitation for bid was closed on October 10, 2017. The MHBE is requesting that the Board approve the award for Akamai to Carahsoft Technology Corporation in the amount of \$333,226.64.

Mr. McCann asked if there were any other bidders. Ms. Compton replied that there were, and they were non-responsive and failed to meet the MHBE's minimum qualifications. Mr. McCann asked how many other bidders there were. Ms. Compton replied there were a total of two bids, and one was non-responsive. Mr. Taneja asked if the motion was included in the documents for the meeting. Ms. Compton replied no, but believed it was on a slide in one of the presentations that were distributed. Mr. Koshanam replied that the motion was not sent until later in the day. Chairman Schrader asked about the purpose of the service. Mr. Yackulak responded that it is for an existing service and supplies the capabilities for the MHBE to have a high-performing Exchange, as well as the waiting

room. He also added that the service has an important security role. Mr. McCann asked if it is an array of software or an array of software plus services. Mr. Yackulak responded that it is a cloud software, and it is an array of services.

Mr. McCann moved to approve the Contract Award for Akamai Software IFB-MDM0031034968 for an eight-month period to Carahsoft Technology Corporation for a total cost of \$333,226.64. Mr. Steffen seconded the motion.

Mr. Taneja asked about the renewal terms and the licensing fee of the software. Ms. Compton responded that the invitation for bid was issued for a period of eight months in order to co-terminate this license with other existing Akamai licenses. Additionally, Ms. Compton stated that all of the MHBE's software licensing agreements have only been for one year. Mr. McCann asked if other products and services will be bundled together. He also asked if the MHBE will issue a contract to an organization that has these capabilities and more at the end of the eight months. Ms. Compton responded that at the end of the eight months, the MHBE will have to issue a new invitation for bid to renew the licenses. Mr. McCann asked if it is likely that other contractors will be able to respond to the invitation for bid. Ms. Compton responded that it is unclear to her at this point, and the MHBE issued the invitation for bid on the eMaryland Marketplace and the MHBE procurement website. She also added that the depth of authorized resellers is something that the MHBE can speak with Akamai about. Mr. Koshanam added that these products are tightly related to Akamai, and the MHBE would like to incrementally procure these products for a few years because these products may be incompatible with MD THINK. It is possible that the MHBE will integrate its security system with MD THINK's security system.

The motion was approved unanimously with no abstentions.

Marketing Plan for 2018 Open Enrollment Presentation

Andrew Ratner, Chief Marketing Officer, MHBE

Mr. Ratner discussed the advances that Maryland has made so far and the goals for 2018. Mr. Ratner explained that in areas of the state where CareFirst is the only carrier, the MHBE is hoping to see coverage gains in rural areas because of the increase in advanced premium tax credits (APTCs) that would lead to some people having lower costs in 2018 than they did in 2017.

Mr. Ratner then provided an update on marketing enhancements for 2018. The MHBE is continuing to work on automating emails to help people throughout the enrollment process. The mobile application in Maryland is the most successful version in the country in terms of downloads and enrollments. The MHBE hopes to continue progressing with the mobile application. User experience testing allows the MHBE to see specifically where people have trouble during enrollment. Mr. Ratner emphasized that the MHBE wants to make the website as easy to use as possible to help decrease the need for people to seek higher cost options for enrollment assistance. Advancements such as the mobile application helped to decrease hold and handle times at the call center last open enrollment, which allowed the call center to handle more calls per month. Mr. Ratner also provided information on consumer research being conducted.

Noting the decrease in enrollment by African Americans, Commissioner Redmer asked if the targeted outreach has yielded any results. Mr. Ratner responded that the research was not segmented by race. Commissioner Redmer asked if the 150,000 downloads of the mobile application included last year's statistics, and Mr. Ratner responded yes. Commissioner Redmer asked if the MHBE knows how many people have browsed online for the upcoming open enrollment. Mr. Ratner responded that approximately 800 people are browsing per day. Commissioner Redmer asked for the cumulative number for the year. Mr. Ratner responded that he would supply that figure.

Mr. Ratner continued to provide information regarding the MHBE's market research. He explained that the MHBE has learned that it is a volatile market in terms of coverage, and that understanding insurance is still a major factor in the experience of deciding whether to obtain coverage. Dr. Gourdine asked if there is additional stratification of the "understanding health insurance" category, such as the most difficult part to understand. Mr. Ratner responded that he believes there are two reasons. The first reason is that the information is complex, and APTCs and cost sharing are not simple concepts to understand. The second reason is that people are unclear or unaware that they would qualify for financial help. The population who is eligible may not be aware of the financial help because they may not be used to qualifying for financial help from the government.

Dr. Haft added that health care literacy in general is extremely low, and the team at the MHBE is doing a great job at educating people in a sensitive and appropriate way. Mr. Ratner then discussed the media marketing and emphasized that Maryland has the ability to invest strongly in media outreach, so the MHBE does not expect cutbacks in messaging, unlike other parts of the country. The advertisements are based on research on what would be effective in getting people to the marketplace. People who have health insurance are very happy to talk about it, and people who do not have health insurance do not want to talk about it. The topic of health insurance made people who do not have it anxious. The goal is to remind the people who do not have it of the cost of being without health insurance.

Mr. Ratner played both the television and radio commercials for open enrollment.

Mr. Ratner then provided an overview of the marketing strategy beyond broadcast and open enrollment events that are happening. The navigators, assisters, and brokers are crucial to bridging the gap of understanding for people. Mr. Ratner provided an answer to Commissioner Redmer's question about the cumulative number of people who have browsed for plans online this year, saying that 50,000 people have browsed online this year. Mr. Ratner discussed the impacts on 2018. The MHBE will have to continue to work against the confusing messaging from the federal government to communicate the correct message.

Mr. Taneja, noting that the gains are impressive, asked if the MHBE knows what kind of impact the coverage gains and other improvements have had on the health of Marylanders. For example, are they healthier now than before, or are there more physician office visits? Mr. Taneja was interested in learning whether the health of Maryland residents has improved. Mr. Ratner responded that there is room for improvement both statewide and nationally in terms of linking the data between insurance coverage gains and health impacts. Mr. Ratner acknowledged that it may take years to see those kinds of health results. Commissioner Redmer added that the data and information on the uninsured population is that they are sicker. Dr. Haft also added that people who did not have access to care would be sicker, and it may take more than just four to five years to see health trends. Mr. Ratner added that the previous uninsured rate was extremely high, and now it is down to 6.1 percent, and it may take longer to see health impacts.

Annual Compliance Report Presentation

Caterina Pañgilinan, Chief Compliance Officer, MHBE

Ms. Pañgilinan provided an overview of the compliance plan and activities that were performed during the last fiscal year. She explained the importance of monitoring privacy incidents and incident mitigation. Individuals are notified of breaches based on the risk of harm, which includes an analysis of whether or not there is a risk of ongoing harm to an individual. Ms. Pañgilinan emphasized that the risk of harm analysis does not mean that individuals are inevitably harmed, and the analysis and notification are more for preventive purposes. She also highlighted that the two highest areas for privacy incidents were related to uploading documents to the system and inadvertent exposures of personally identifiable information (PII) due to speaking to someone with the same first and last name but may not be the correct individuals. Ms. Pañgilinan, noting that the rate of privacy incidents increased this year, stated that the rates are calculated per every 10,000 events, and the rate of errors is very low when you consider how many events occurred in total.

Ms. Pañgilinan explained the MHBE's efforts to decrease privacy incidents and how privacy incidents are reviewed. The MHBE formed an incident review team that, looks at any incidents that have occurred on a weekly basis to ensure that they are mitigated. The incident review team also ensures that the incident has been investigated and appropriate actions have been taken. The incident review team reports to the compliance committee. Ms. Pañgilinan provided an overview of system enhancements. The enhancements have allowed the MHBE to perform internal audits of records at a user level and determine who has made an error. System prompts have also been implemented so that caseworkers who are uploading documents are given visual cues to assist them. The MHBE also worked to improve visibility and accountability as it relates to reporting, as well as the appropriate use of privacy controls to mitigate occurrences.

Chairman Schrader asked if there is a particular reason for the spike in privacy incidents in FY 2016. Ms. Pañgilinan responded that the spike occurred because the MHBE corrected an error that had to do with the 1095 tax forms. Ms. Pañgilinan also explained that a spike is expected every year. Then, Ms. Pañgilinan addressed the status of open findings. Ms. Pañgilinan made the point that these results are the actual findings from previous onsite audits. The MHBE used to present areas that they were working on and combine them with open recommendations. Ms.

Pañgilinan clarified that she will continue to present the recommendations from auditors, as well as keep the Board informed of areas that they are working on. The MHBE had a triennial survey with the Office of Legislative Audits (OLA) in 2014. The MHBE is currently undergoing the survey and still has not been cleared of the ten findings of the finance and performance review. The MHBE has made the necessary changes for six of the ten findings and mitigated the negative impact.

Ms. Pañgilinan discussed the four findings that are open. She believes that the MHBE is doing the best it can to ensure that federal fund reimbursement requests are timely. In terms of role-based access controls, the MHBE has implemented different software and revised access controls to ensure that access is limited to those who are supposed to have access. Ms. Pañgilinan stated that the MHBE is beginning to work with MDH and DHS to explore how to prevent any potential misuse of access from the perspective of mitigation of abuse and fraud. The Service Organization Control (SOC) audit finding is open because there was a specific finding in requiring the first hosting company to undergo a SOC 2, Type 2 audit. Instead, the MHBE undergoes continuous IT security reviews, the MARS-E review, and independent reviews and believes these fulfill the requirement. However, the SOC-2, Type-2 audit is implemented for the future. The intrusion detection prevention system and worker portal access finding is open because it is a constant, ongoing process. Mr. McCann asked if the intrusion detection finding is open for preventive reasons or for a specific reason, and Ms. Pañgilinan responded that it is for prevention.

Ms. Pañgilinan provided an overview of SMART Plan Year 2015 and stated that the MHBE is awaiting the official approval from the Center for Consumer Information and Insurance Oversight (CCIIO). Ms. Pañgilinan discussed the Independent and External Audit for Plan Year 16 and that appropriate action has been taken in response to the findings. The internal audit process for QHP enrollments will be continuously developed. Ms. Pañgilinan presented the fraud, waste, and abuse allegations for FY 2017. In response to the allegations, the MHBE updated the compliance plan, revised the code of conduct, and requires attestations as part of the code of conduct. The MHBE has an anonymous reporting hotline and has investigated nine complaints that came through that channel. The MHBE collaborates with CCIIO to see what CCIIO believes needs to be examined from a fraud, waste, and abuse perspective. The MHBE also has begun coordinating with MDH its review priorities.

Ms. Pañgilinan stated that the MHBE has gone through quite a few audits this year and performed fairly well. The Government Accountability Office (GAO) report was released and found minimal ability to perform fraud and waste reviews with exchanges. Dr. Gourdine asked if attestations are required for the code of conduct. Ms. Pañgilinan responded that the code of conduct is for the employees, and attestation is required for privacy and IT security. It states that they understand and abide by the requirements. Dr. Gourdine asked if it is just for IT employees or for all employees. Ms. Pañgilinan responded that it is required for all employees and consultants. Chairman Schrader thanked the team for their attention to detail.

Open Meetings Act Changes and Designation of Member(s)

Sharon Street, Principal Counsel, MHBE

Ms. Street provided background information on the changes to the Open Meetings Act. The legislature changed the training requirements for public bodies that are subject to the Open Meetings Act, which requires one member of the public body to be designated to receive training. The training is available online. With the designation and training, the Board may hold closed meetings under the Open Meetings Act. Chairman Schrader stated that Mr. McCann has offered to be the designee. Mr. Taneja and Chairman Schrader plan to complete the training, and Dr. Gourdine has already completed the training. Ms. Street recommended that more than one member be designated in case that member is not available. Chairman Schrader asked Mr. Taneja to be the other designated member, and Mr. Taneja responded yes. Mr. McCann will be the primary member; Mr. Taneja will be the secondary; and Dr. Gourdine is already trained.

Ms. Street stated that a closed meeting occurred on September 18, 2017, and she asked that the Chairman read the summary of the meeting into the record.

Closed Session Summary for September 18, 2017

Chairman Schrader stated that at the closed session on September 18, 2017, the following Board members were present: Chairman Schrader, Mr. McCann, Mr. Steffen, and Mr. Taneja, and the following Board members were on

the phone: Mr. Dhara and Ms. Comer. Also in attendance were Dr. Haft (by phone), Ms. Street, and Cynthia Wilson. The Board approved the closed meeting minutes of June 19, 2017, and after hearing from counsel, the Board requested that the MHBE staff begin on the process to promulgate grant award regulations. The Board meeting was adjourned in closed session at 10:59 A.M.

Closed Session

Mr. McCann moved that the meeting be closed in accordance with General Provisions Article § 3-305(b)(7) to consult with counsel to obtain legal advice and to discuss a litigation report.¹ It is closed to protect attorney client privilege for advice of counsel regarding legal opinion. Dr. Gourdine seconded the motion. The Board voted unanimously to move into closed session. For topics discussed and actions taken, please see the meeting minutes for the next open meeting.

¹ General Provisions Article § 3-305(b)(7) allows a closed session to consult with counsel to obtain legal advice.