



## Maryland Health Benefit Exchange Board of Trustees

July 17, 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  
Michelle Gourdine, M.D.  
Al Redmer

Ben Steffen  
Sastry Dhara (By Phone)  
Tom Saquella  
Ken Apfel (By Phone)

### **Board Members Absent**

Linda Sue Comer

### **Also in Attendance**

Dr. Howard Haft, MHBE Acting Executive Director; Michele Eberle, MHBE Chief Operating Officer; Venkat Koshanam, MHBE Chief Information Officer; Michelle Compton, MHBE Procurement Manager; Andrew Ratner, MHBE Chief Marketing Officer; Tony Armiger, MHBE Director of Finance; Caterina Pañgilinan, MHBE Chief Compliance Office; Sharon Street, Assistant Attorney General for MHBE; Lourdes Padilla, Secretary, Department of Human Resources

### **Approval of Meeting Minutes**

June 19 and June 30 Open Sessions:  
Motion by Mr. Redmer; Second by Mr. Saquella

Mr. Redmer noted that the June 30 minutes stated that the agency elected to reissue the RFA for the Connector Entity grant, when in fact the agency reissued the Best and Final Offer (BAFO). Mr. Redmer recommended amending the June 30 minutes accordingly.

All voted in favor of approving the minutes with the amendment. None opposed.

### **Executive Update**

*Dr. Howard Haft, MHBE Acting Executive Director*

The Exchange previously proposed regulations. Chapter 7 was published in the Maryland Register last September and formal comments closed in October 2016. In light of significant changes in the

marketplace, the absence of a Director of Policy, and because the State is looking at revising its regulatory processes, Dr. Haft recommended not moving forward to finalize Chapter 7, and instead resetting the process.

The lease at 750 E. Pratt Street ends December 2017. MHBE will need to find a new location. Secretary Padilla inquired whether MHBE will need to vacate its office by the end of the year, meaning during open enrollment. Dr. Haft responded in the affirmative.

MHBE continues to pursue an executive search firm to find an Executive Director. MHBE has received responses and a committee is in the process of doing evaluations. Dr. Haft expects a firm to be identified in August. Chair Schrader inquired whether the Exchange would need authorization from the Board to move forward with the procurement. Dr. Haft responded that if the procurement is less than \$75,000, the Exchange would not need Board approval. If it exceeds that criteria, the Exchange will notify the Board immediately.

The Connector Entity transition from Healthy Howard to HCAM and Seedco has gone smoothly so far and will be completed well before end of July. The MCO shopping and Salesforce projects are also moving ahead quickly.

MHBE continues to monitor the uncertainty in the health insurance marketplace. Federal legislative changes, such as the American Health Care Act and the Better Care Reconciliation Act, could have a significant impact on the Exchange and the market. MHBE is looking at options every day, waiting to see what happens, and putting contingency plans in place.

#### Operations Update

*Michele Eberle, MHBE Chief Operating Officer*

#### **Fulfillment Award Presentation and Vote**

Historically, fulfillment services – inbound and outbound document handling and document production – have been part of the Consolidated Services Center (CSC) contract. MHBE issued a separate procurement for fulfillment services this year. On May 26, the solicitation was posted. Pre-proposal conference was held on June 2 – 5 potential vendors participated. On June 23, the closing date, MHBE received one reasonably susceptible proposal. On July 7, sent out BAFO request, and received a response July 10.

The evaluation committee reviewed the proposal and recommends awarding the contract to Art & Negative Graphics, Inc. MHBE was concerned about having only one susceptible offer and went back to the 4 other firms that did not submit a proposal to ask why. Those firms provided various individual reasons unrelated to the Exchange. Art & Negative's proposal was very strong. They are a subcontractor and the incumbent under Maximus. Art & Negative met or exceeded all specifications and have significant experience. The technical proposal also came in lower than what MHBE is paying for the services today.

MHBE recommends awarding a base 2-year contact with three 1-year extension options. The award includes a fixed fee for some technology work, with all other pricing based on unit pricing cost by price/piece/packet. The Not-To-Exceed (NTE) amount for FY18 is \$3,250,000. The

Maryland Department of Health (MDH) will provide pass-through funding of \$750,000 for MCO enrollment packets and provider directories.

Mr. Redmer asked whether MHBE has evaluated the quality of Art & Negative's work. Ms. Eberle responded in the affirmative, stating that they have been an incredible partner. Mr. Redmer then asked if MHBE has reviewed what documents are being sent as part of the fulfillment contract. Ms. Eberle responded that the Exchange reviews that frequently and are in the midst of reviewing notices now. MHBE is required by law to include certain material in the notices, including language taglines. MHBE is always looking to condense printed material and to send anything possible in black and white rather than color. Secretary Padilla asked if the Exchange sends electronic notices. Ms. Eberle responded that the Exchange sends them by default, but is prohibited from sending electronic notices in certain cases.

**Mr. McCann moved to approve the fulfillment contract NTE in the amount of \$3,250,000 for Art & Negative Graphics, Inc. for FY2018. Mr. Steffen seconded the motion. All voted in favor; none opposed.**

#### **CSC Amendment 12**

Staff are preparing an amendment proposal to bring back to the Board in September that would align the timing of certain grants to work more efficiently moving forward.

#### **Lease RFP**

MHBE presented procurement policies and procedures and seeks Board approval to adopt language allowing staff more flexibility to negotiate a new lease. In procurement policies and procedures Page 9, Section V.(B), term contracts are limited to an initial term of 3 years with renewal options, for a maximum combined total of 5 years. Current Department of General Services (DGS) RFPs for leases are at a minimum for 5 years, usually with one option for an additional 5 years. In order for MHBE to find the most competitive pricing, MHBE must increase the current 3-year limitation. MHBE asks the Board to adopt a modification to policies and procedures to exclude real estate lease contracts from the 3-year limitation.

Mr. McCann asked what the requested term would be. Ms. Eberle responded that the Exchange would likely propose a 5-year term with one 5-year option. Mr. McCann suggested that the Exchange write this language directly into its policies and procedures, rather than stating that leases are excluded from the 3-year limitation. Mr. Redmer requested that any language included in the contract protect the Exchange and Board's liability in the event the Exchange ceases to operate. Dr. Haft responded that standard lease agreements for the State have those protections built into them, subject to the availability of funds. Mr. Saquella asked if the Exchange doing this search through DGS. Ms. Eberle responded that the Exchange is consulting with DGS and reviewing their documents, but is proceeding on its own as an independent State agency. Chair Schrader asked if MHBE has considered collocating with other State agencies. Ms. Eberle responded that MHBE just started looking at locations. The biggest challenge is the timeline, but MHBE is considering collocation and other options. Mr. Redmer asked how many employees MHBE has. Ms. Eberle responded 146 in IT and 69 full time employees. Mr. Redmer suggested that MHBE put the Maryland Insurance Administration's space on the list of possibilities. Staff and Board members discussed the possibility of Montgomery Park as a location. Dr. Haft stated

that MHBE will take all suggestions into consideration and will look for the best value. Mr. Steffen asked if the space at Linthicum would be lost in 2018. Ms. Eberle responded that the Linthicum lease expires October 2018. MHBE's intent is to get both offices into the same site if possible. Mr. McCann requested that staff come back to the Board in September with a policy recommendation specifically for real estate lease procurement.

**Mr. McCann moved to adopt the requested language to amend the Board's Procurement Policies & Procedures to exempt real estate leases from contract term and renewal limitations. Mr. Saquella seconded the motion. All voted in favor; none opposed.**

### **IT Update**

*Venkat Koshanam, MHBE Chief Information Officer*

Mr. Koshanam updated the Board on projects, initiatives, and key tasks for the next 3 months. The Salesforce CRM is up and running well. Phase 1 was deployed on July 1. Phase 2 is in development now. The Go-Live date is in mid-October. A provider directory feature is included in the MCO shopping enhancement – it is in testing now internally and with stakeholders thereafter, with an August 25 deadline for completion.

MHBE is working with CMS and performing data and payment reconciliation with carriers. A new reconciliation initiative called the State-Based Marketplace Interface (SBMI) is in testing and goes live January 1. In addition, as an IRS compliance requirement, MHBE is upgrading its Java fundamental programming language. The number of critical findings for exchanges is usually 7-9, MHBE only had 1. MHBE is also making preparations for open enrollment, including plan and carrier testing and auto-renewals.

Additionally, MHBE is working on some user interface/user experience enhancements. MHBE hopes to implement new quality assurance and test automation strategies as well. MHBE is moving database reports from SQL to Postgres, which will save a lot of time on a daily basis for sending batch notifications. MHBE is also working on push notifications for its mobile app, including open enrollment reminders, incomplete application notifications, and required document notifications, with completion expected before open enrollment starts.

The Office of the Attorney General is reviewing the draft memorandum of understanding (MOU) between MHBE and Department of Human Services (DHS) for the MD Think initiative. MHBE hopes to have the MOU finalized by month-end. Mr. McCann asked Mr. Koshanam to clarify the scope of the MOU. Mr. Koshanam responded that the MOU discussed specifics about the MD Think project, the technology involved, the cost of the initial transition, and the role and responsibilities of each agency when data migrates to the cloud.

Mr. Koshanam reported on key milestones and upcoming important dates, including OE from November 1 – December 15, and that Release 19.0 is scheduled for September 22. Dr. Haft highlighted that MHBE now has more than a million customers and a better tool in the CRM to effectively track consumers' processes in a longitudinal fashion and provide better customer service. MHBE is continually moving from paper to electronic/mobile applications, and away from having to pay the cost of fulfillment.

Mr. Redmer inquired about the short 2-week gap between Salesforce Phase 2 implementation and OE. Mr. Koshanam responded that there is a core freeze in HBX changes during October, unless there is an emergency, and that he is very confident that the two will not interfere with each other. Salesforce looks almost like a standalone system. The PROMIS system is also standalone.

Mr. Steffen asked for clarification about the Java upgrade. Mr. Koshanam responded that MHBE could either procure support from Oracle so that MHBE's current version 1.7.1 would work, or to update the software. Updating Java is only \$150,000, support from oracle would be upwards of \$500,000, so MHBE chose to update Java.

### **FY18 IDIQ NTE increase Presentation and Vote**

*Venkat Koshanam, MHBE Chief Information Officer*

*Tony Armiger, MHBE Director of Finance*

Mr. Koshanam and Mr. Armiger presented a request to reallocate funds from the FY2018 IDIQ budget to account for the MOU with the Maryland Department of Health (MDH). The Board asked clarifying questions and requested that MHBE return in September with a clearer request so that the Board could understand and vote on it. Specifically, Chair Schrader requested a clearer chart, and Dr. Gourdine requested a supporting narrative for the Board to read.

### **Adjournment**

Mr. McCann motioned to adjourn. Mr. Redmer seconded the motion. All voted in favor, none opposed. The meeting was adjourned at 2:10pm.

