



**Maryland Health Benefit Exchange
Standing Advisory Committee**

Thursday May 10, 2018

1:30 – 3:30pm

Maryland Department of Transportation
7201 Corporate Center Drive, Hanover, MD 21076

Members Present

Sheebani Patel
Ken Brannan
Holly Mirabella
Alvin Helfenbein
Jacqueline Roche
Robyn Elliott
Christopher Keene

Vincent DeMarco
Deborah Rivkin
Anna Davis
Virginia Alinsao
Laurence Polsky
Karen Nelson

Leni Preston
Lisa Skipper
Evalyne Ward
David Stewart
Sanford Walters
Shirley Blair

Others Present

John-Pierre Cardenas
Joseph Fitzpatrick

Kimberly Cammarata
Anthony McCann

Michele Eberle
Bill Wehrle

Welcome & Introductions

Alvin Helfenbein called the meeting of the Standing Advisory Committee to order. A vote to approve the minutes for the April 12, 2018, SAC meeting was held and approved. Mr. Helfenbein then introduced Michele Eberle, who provided an Executive Update for MHBE.

MHBE Executive Update

Ms. Eberle began her update by explaining that MHBE was beginning its shift from the 2018 Legislative Session and its requirements, to preparing for open enrollment. Despite this shift, MHBE's top priority at the moment is the completion and submission of the Section 1332 Waiver. Ms. Eberle noted that all materials related to the 1332 Waiver application were posted online at the MHBE website.

Ms. Eberle distributed a chart from the Maryland Insurance Administration detailing proposed rates, which were filed on May 1. These rates did not include consideration of any reinsurance program, and Joseph Fitzpatrick stressed that these numbers were only proposed and

not final. David Stewart asked if there was an opportunity for new issuers to enter the Maryland market. Mr. Fitzpatrick replied that the MIA would accommodate new entrants to the extent afforded by Maryland law. Mr. Fitzpatrick noted that there would be a public hearing at the MIA's office on St. Paul Street on July 9, 2018, at 10:00 pm.

Next, Ms. Eberle discussed the final national statistics for health exchanges. Maryland enjoyed the tenth highest percentage of new enrollees. This achievement was especially notable in the 26-34 age bracket, where Maryland had the second highest percentage of new enrollees (second only to Washington, D.C.). Maryland had the twenty-ninth highest average premium, but the fifteenth highest after tax credits and subsidies were included. Ms. Eberle finished her update by noting that a major release was planned for May 25 involving MCO auto-assignment and third-level processing of escalated cases.

Presentation on 1332 Waiver Application

John-Pierre Cardenas led a presentation on the Section 1332 State Innovation Waiver application. This presentation, which was very similar to presentations offered to the general public on three previous occasions, discussed the enacting legislation, funding for the reinsurance program, MHBE and affiliates' work on the application, an in-depth discussion of the 1332 Waiver application requirements, and possible effects of a State Reinsurance Program.

Mr. Stewart expressed a concern that the presentation may be too complex for members of the general public, and urged MHBE staff to utilize methods of communication that would be easier to understand, especially for individuals not versed in health care terminology. Mr. Cardenas responded that MHBE highlighted the impact on premiums, and noted that MHBE received engaged comments from the public following previous presentations. Mr. Cardenas, in response to another question, explained that while we don't know if the reinsurance program will lead to additional issuers entering the market, these reinsurance efforts demonstrate that the state is actively engaged in the insurance market. Mr. Cardenas noted that the most common concern expressed by the general public was a desire for more choices and lower premiums. Mr. Cardenas also invited members of the SAC to attend the final Section 1332 Public Hearing, which was to be held later that day in Charles County.

Discussion on Potential Incentives for Issuers to Manage High-Risk Enrollees

Mr. Cardenas opened a discussion regarding potential incentives for issuers to better manage high risk enrollees, a common request expressed to MHBE during the public hearing process. To this end, Mr. Cardenas offered a series of questions that could be used to better frame concerns expressed to MHBE. In response to a request for clarification in the presentation regarding "removing market distortions" from Deborah Rivkin, Mr. Cardenas stated that MHBE is awaiting Wakely analysis to see if any such distortions exist, as they have been expressed to MHBE during the public hearing process. Ms. Rivkin explained to the SAC that market reform efforts, including those directed at improving population health, should be addressed outside of this reinsurance process, which should be limited to insurance reform. Dr. Evalyne Ward also supported the position that the Section 1332 Waiver should be focused on insurance reform, instead of addressing market-wide issues. Mr. Helfenbein stated that costs are a driving force of insurance premiums. Bill Wehrle urged the inclusion of an incentive system.

Future Meeting Topics from 2019 Plan Certification Standards

Finally, Mr. Cardenas presented on future meeting topics related to Proposed 2019 Plan Certification Standards. In particular, Mr. Cardenas addressed “Primary Care Above-EHB Benefits.” In response to a question from Ms. Rivkin regarding the inception of this rule change, Mr. Cardenas responded that he believed it was the SAC, but he would confirm after the meeting. Mr. Cardenas stated that MHBE staff would provide information as to what primary care is, and what primary care visits entail.

Public Comments

Ms. Eberle next opened the meeting to allow public comment from SAC members. Mr. Stewart first noted that many enrollees do not visit a primary care physician three times per year. Mr. Stewart also urged the SAC to allow broader concerns inform its decision with regard to market reform efforts. Ken Brannan asked what the thought process was with regard to political considerations as MHBE administers the reinsurance program. Ms. Eberle responded that MHBE worked closely with the Administration and the General Assembly in a very bipartisan, cooperative manner. Lastly, Sanford Walters asked if, even with a 30% impact on rates, CareFirst’s PPO product would still experience an increase in rates. While individuals enrolled in CareFirst’s PPO plans would experience an increase, it was explained that there are only approximately 15,000 individuals enrolled between the two PPO products.

Meeting Adjourned