



Maryland Health Benefit Exchange Board of Trustees

October 15, 2018
2:00 p.m. – 4:00 p.m.
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, MD 21215

Members Present

Robert R. Neall, Chair	Ben Steffen, MA
S. Anthony (Tony) McCann, Vice Chair	Dana Weckesser
Rondall E. Allen (by phone)	Alfred W. Redmer, Jr.
	K. Singh Taneja

Members Absent

Linda S. (Susie) Comer

Also in Attendance

Michele Eberle, Executive Director, Maryland Health Benefit Exchange (MHBE)
Andrew Ratner, Chief of Staff, MHBE
Venkat Koshanam, Chief Information Officer, MHBE
Caterina Pañgilinan, Chief Compliance Officer, MHBE
John-Pierre Cardenas, Director, Policy & Plan Management, MHBE
Betsy Plunkett, Director, Marketing & Web Strategies, MHBE
Aaron Jacobs, Director, Organizational Effectiveness and Human Resources, MHBE
Heather Forsyth, Director, Consumer Assistance, Eligibility & Business Integration, MHBE
Sharon Stanley Street, Principal Counsel, Office of the Attorney General
Lourdes Padilla, Secretary, Maryland Department of Human Services

Welcome & Introductions

Secretary Neall welcomed everyone to the Board meeting.

Approval of Meeting Minutes

The Board reviewed the minutes for the September 17, 2018 open meeting. The Board voted unanimously to approve the minutes of the September 17, 2018 open meeting.

Executive Update

Michele Eberle, Executive Director, MHBE

Ms. Eberle thanked the Board for its hard work in the previous month and expressed confidence in the agency's readiness for the next open enrollment period beginning in only 16 days. Next, she announced that an active recruitment effort is underway to fill the vacant seat on the Board. She asked anyone who knew suitable candidates to encourage them to apply. Ms. Eberle then announced that the agency hired a new Privacy Compliance Analyst and shared some highlights of the new staffer's professional background.

Ms. Eberle also described the MHBE's participation in the Governor's initiative for a day of giving, explaining that the agency undertook a canned food drive for the benefit of a local shelter in Baltimore. Ms. Eberle then noted that

the Board can expect to discuss plan certification standards in its November meeting. She explained that the agency intends, to the extent possible, to align the timing of plan certification with that of the federal authorities. By way of a preview of the topics to be discussed in November's discussion of plan certification standards, she laid out four main topic areas including administrative burden reduction, out-of-pocket cost relief, maximizing tax credit purchasing power, and essential community providers. Next, Ms. Eberle spoke about the chapter and reinsurance regulations, noting that comments from the legislature are expected by the end of October, with a public comment period to follow. Ms. Eberle then explained that the public charge rule was published in the Federal Register on October 10 and that comments will be accepted on that rule until December 10. She offered the agency's assistance if the Board wishes to submit a unified comment on the rule.

With regard to agency operations, Ms. Eberle expressed that the MHBE is ready for open enrollment. She said that training has been completed for over 400 producers and 125 navigators. She noted that television and print media advertising will begin after Election Day so as not to compete for attention during a busy media season, adding that the message for the advertising campaign will center on affordability. The Maryland Health Connection (MHC) code base was frozen on October 1, she explained, and will not be open to any changes until after open enrollment ends.

Next, Ms. Eberle discussed the ongoing work to finalize a memorandum of understanding (MOU) with the Department of Information Technology (DOIT) and the Department of Human Services (DHS) regarding the MDTHINK hosting platform. She described a phased approach to the project wherein the first phase will move MHC critical systems to MDTHINK by the middle of May 2019. Since those critical systems will move off of the Conduent platform, the agency will save significant money. Phase two, where less critical functions move to MDTHINK, will be completed by September 2019. Ms. Eberle stated that the Board should expect to review a final MOU at the November 2018 meeting.

Finally, Ms. Eberle described two new partnerships. The MHBE will offer staffing support to the Center for Health Literacy as it applies for a new grant and intends to use what it learns from that partnership to better inform MHC consumers. The agency will also assist the Primary Care Program headed by Dr. Howard Haft through messaging and outreach.

Mr. McCann asked whether the MHBE expects the number of handoffs from call center representatives to authorized producers to increase from the roughly 7,500 from the previous open enrollment season. Ms. Eberle replied in the affirmative and noted that the number of producers participating in the program has increased. Heather Forsyth, Director, Consumer Assistance, Eligibility & Business Integration at the MHBE, added that the agency expects to see the number of such transfers increase by 20 percent and that nearly all of the producers participating in the Broker Assistance Transfer system (BATPhone) have extensive experience with such calls. Mr. McCann asked whether the 20 percent increase means the agency expects to transfer 9,000 callers to producers. Ms. Eberle replied in the affirmative.

What is New for 2019?

Andrew Ratner, Chief of Staff, MHBE

Mr. Ratner provided the Board an overview of the coming year. He discussed the open enrollment dates and times, the effects of the reinsurance program, and how consumers who do not qualify for tax credits can get the most value from their plan selection. He described the consumer assistance available to help Marylanders in their enrollment, including 1,800 trained Navigators, Application Counselors, Producers, Call Center Representatives, and Case Workers from local health departments and local departments of social services. He underlined the ability of Kaiser Permanente enrollees to follow a new "PayNow" link allowing them to make their first premium payment after plan selection.

Next, Mr. Ratner discussed changes in the marketing plan for 2019, including a doubled media buy, new advertisements on grocery carts, floor decals in rural supermarkets, billboards, movie theater trailer ads, and

enhanced digital advertising. He described changes in the customer service effort from increasing operating hours to integrating call center workers' phones and computer interfaces with the Salesforce Customer Relationship Management (CRM) system. He demonstrated improvements in the appearance and organization of the MHC website, including a new artificial intelligence "chatbot" to help consumers.

Mr. Ratner then described the new data mapping and analysis being performed in-house by MHBE staff. He mentioned a particular example that analyzes hospital uncompensated care. Ms. Eberle added that the analysis helps the agency determine how best to deploy consumer assistance resources. Secretary Neall expressed support for such analysis by pointing out that resources must be targeted carefully since there are so many hospitals.

Dr. Allen asked where the MHBE found the most uncompensated care. Mr. Ratner deferred to Mr. Steffen who explained that the rural hospitals typically are not as heavily impacted by uncompensated care as urban facilities, including the Dimensions and Bon Secours facilities. Mr. Steffen said that his agency, the Maryland Health Care Commission, would prepare a briefing for the Board on this topic and pointed out that the current state of uncompensated care includes many patients who have insurance but who are unable to pay high copayments and deductibles. Mr. McCann asked whether the MHBE contemplates placing agency-funded staff at hospitals. Ms. Eberle replied in the negative, adding that unfunded application counselors would be deployed. Secretary Neall stated that much of the improvement in uncompensated care is attributable to the Medicaid expansion, and that private insurance seems to have a higher uncompensated risk.

Mr. Taneja asked whether the MHBE has been turned to such questions as whether or not Marylanders are healthier than before the exchange began operating based on such metrics as infant mortality and physician appointment wait times. Mr. Ratner replied that they are working to make those connections and that they have seen some positive trends. He added that the MHBE has asked the other state-based exchanges to work together on strategies to connect these measures. Secretary Neall pointed out that the Medicaid expansion resulted in a vast improvement in healthcare utilization by Medicaid enrollees.

Secretary Neall asked how long it takes for an existing MHC enrollee to renew their coverage for the year given if they do not wish to make any changes. Mr. Ratner replied that the renewal in such a case would be essentially instantaneous, but that the MHBE is strongly urging consumers to come back into the system to see if they can get better coverage for less money. Betsy Plunkett, Director of Marketing and Web Strategies at the MHBE, clarified that a consumer fitting Secretary Neall's description would be automatically enrolled for the next year. Secretary Neall asked whether a consumer who undergoes an automatic renewal would be able to make a different selection later. Mr. Ratner replied that they could choose a different plan, provided they complete the new plan selection before December 15.

Mr. McCann asked how the ability to "PayNow" will interact with the ability to change plan selections during the open enrollment period. Ms. Eberle replied that the "PayNow" link will not appear until after the open enrollment period ends.

Ms. Weckesser, with regard to Mr. Taneja's previous question about the effect of the MHBE's efforts on the health of Marylanders, pointed out that the various agencies involved could pool their resources to issue a request for proposals (RFP) from researchers to tackle the question. She added that she could prepare a draft to share with the Board.

Improving the User Experience on MarylandHealthConnection.gov

Betsy Plunkett, Director, Marketing and Web Strategies, MHBE

Ms. Plunkett provided the Board an overview of recent efforts by the MHBE to improve the user experience of the MHC website. She began by describing the concept of user experience and the challenges faced by the agency in making a complicated system that integrates a program designed by health policy professionals with mature commercial products delivered by government workers to an audience with little experience or knowledge of the

product.

Next, Ms. Plunkett described the user experience research conducted in January 2018, wherein the MHBE observed 10 consumers from various backgrounds and regions of the state access the system to either enroll for the first time or change their plan selection. She explained the top findings from that research and showed how the system was modified in response to those findings. The modifications included unifying the look and feel of both the MHC application and the “landing page,” the introduction of a simplified application progress tracker, the addition of hints and tips to help consumers with reporting their income and household structure, and action-based guidance on all aspects of MHC.

Secretary Neall asked about the financial information that consumers are required to provide. Ms. Plunkett replied that consumers may be asked to provide W2 forms or similar documentation of income. Secretary Neall asked whether consumers type the information from the documents into the system or upload the documents themselves. Ms. Forsyth replied that MHC asks the consumer to enter their income directly into the application. The system then checks the entered information against the federal data hub and the Maryland automated system. If the information entered by the consumer matches the information in the federal and state sources, no further action is required. If, however, the information does not match, the consumer will be required to upload documents to support the information entered on the application. Secretary Neall asked about the percentage of applications that do not require any document upload. Ms. Forsyth replied that 60 to 70 percent of applications go through without requiring documents.

Ms. Weckesser asked whether the MHBE obtained consent from the user experience research subjects. Ms. Plunkett replied that the agency both obtained consent and compensated the research subjects for their participation.

Secretary Neall, noting that the airwaves are quite full with political advertisements, recommended a heavy advertising in the first week after the election, since the MHBE will not have to compete for attention with politicians. Ms. Plunkett replied that the Secretary’s idea is exactly what the agency plans to do. She noted that the digital advertising will begin earlier, but the television campaign will wait until after the election. She added that the agency has scheduled 20 enrollment events during November.

Secretary Padilla noted that some users of the system may not be enrollees, such as a healthcare provider on behalf of a patient. Ms. Plunkett agreed and added that such users do not have a formal role in the system. Rather, such users work side-by-side with the applicant. Ms. Eberle clarified that the user experience testing was specifically designed for consumers and that feedback from other categories of users is gathered through other means. Mr. Ratner added that non-consumer stakeholders have always been involved in user acceptance testing (UAT) by the MHBE and that the user experience testing represents the agency’s latest effort to deepen the testing effort.

Secretary Padilla encouraged the MHBE to look into allowing providers to apply on behalf of consumers. Ms. Plunkett noted that most of the federally-qualified health centers (FQHCs) in Maryland have certified application counselors on hand.

Changes in Premium and Out-of-Pocket Costs from 2018 – 2019

John-Pierre Cardenas, Director, Policy & Plan Management, MHBE

Mr. Cardenas provided the Board with a high-level overview of the changes in consumer costs from 2018 to 2019. He began by describing the various levers with which the consumer’s experience of health care costs can be modified, including both premium and out-of-pocket cost impacts. The levers on premium costs include the State Reinsurance Program (SRP), cost sharing reduction (CSR) payment-related “silver loading,” and advanced premium tax credits (APTCs). The levers on out-of-pocket costs include before-deductible services, the deductible itself, plan generosity or actuarial value (AV), and health savings accounts (HSAs).

Next, Mr. Cardenas showed the Board how the SRP affected 2019 rates for enrollees who do not qualify for APTC.

These consumers will see an average premium reduction from 2018 to 2019 of 13.2 percent, whereas they would have seen an average increase of 30.2 percent without the SRP. Mr. Cardenas then discussed enrollees who do receive APTC. Unlike those without APTC, it is possible for some of these consumers to experience premium increases, depending on their plan selection, income, and family composition.

Next, Mr. Cardenas turned to out-of-pocket costs, stating that some are rising even though premiums are going down. Noting that the carriers were required to file their plans before they knew whether or not the SRP would be approved, he showed the changes in deductible and AV for the top five plans by number of enrollees. The two Kaiser Permanente plans had no change in deductible and modest (less than one percentage point) increases in AV. The three Carefirst plans changed more dramatically, with a silver plan reducing its deductible by \$500 and increasing its AV by 4.4 percentage points, a gold plan increasing its deductible by \$750 and reducing its AV by less than 1 percentage point, and a bronze plan raising its deductible by \$1,350 along with a nearly 2 percentage-point reduction in AV.

Mr. McCann noted that employer-sponsored HSA plans usually include a contribution by the employer to the HSA and asked how individual HSAs get funded. Mr. Cardenas replied that the MHBE has no way of knowing how consumers contribute to their HSAs. Mr. McCann then stated that HSA plans are economical since they reduce unnecessary utilization of health services and that the MHBE should look into funding those accounts. Mr. Cardenas explained that other states have explored such arrangements, including Connecticut which places individual mandate fees into HSAs for consumers who paid the penalties. He added that the terms of the waiver that allows the SRP to operate restricts the use of those funds to reinsurance only.

Ms. Eberle made a few points about the regulatory authority of various agencies with regard to this topic. She explained that the Maryland Insurance Administration (MIA) has no authority to weigh in on the particulars of a carrier's deductible. MIA's authority is simply to determine whether or not the plan proposed by the carrier falls within the AV range for a given metal level. The Board, however, has the authority to approve plan certification standards, including the ability to promulgate a standard benefit design. Such action would give the Board the ability to influence deductibles. Mr. Cardenas stated that the agency heard from many consumers over the summer about affordability at the point of service and that other states have looked at standard benefit design as a way to address this issue.

Secretary Neall pointed out that, absent the SRP, every consumer's premiums would be rising precipitously in 2019, leading to a very different conversation had the SRP not been approved. Noting that stabilizing a complicated market is a process rather than an event, he stressed that there was more work to do.

Mr. Cardenas concluded his presentation by presenting the number of plans offered at each metal level in 2019 along with how many plans offer "first-dollar coverage" and which include HSAs. He presented a similar breakdown of standalone dental plans for 2019.

Mr. Steffen asked how the BlueChoice Silver plan's deductible decreased from \$3,500 to \$3,000 and also has an AV reduction, which seems counterintuitive. Mr. Cardenas explained that, while the deductible did fall, the plan structure also changed such that there are no longer any "first-dollar" covered services in 2019.

Quarterly IT Update

Venkat Koshanam, Chief Information Officer, MHBE

Mr. Koshanam presented an update on the status and progress of information technology (IT) at the MHBE. He began by assuring the Board that IT stands ready for open enrollment, then presented an overview of IT functions, explaining which are performed by employees and which by contractors.

Next, Mr. Koshanam displayed a timeline showing updates to MHC from May 2018 through the end of the upcoming open enrollment. He explained the preparations for open enrollment, including the IT command center,

infrastructure and system operations, applications and testing, carrier management, and reporting. Mr. Koshanam concluded his presentation by describing the IT improvements for the upcoming open enrollment period.

Ms. Weckesser asked whether a shutdown of the federal enrollment site would affect MHBE operations. Mr. Koshanam replied that it would because access to the federal systems is critical to the eligibility system. He added that there is a fallback option whereby MHC allows 60 to 90 days to sort out eligibility through document verification. Despite the availability of the document-based fallback, he cautioned that loss of access to the federal data services hub would cause harm to consumers.

Mr. McCann asked that Mr. Koshanam report to the Board during the open enrollment period about the waiting room function of MHC. Mr. Koshanam replied that he would provide this update.

Mr. McCann asked whether the MHBE IT department is responsible for maintaining the old system involved in a court case. Ms. Eberle replied in the negative. Mr. Koshanam clarified that, while the old system hardware is present in the MHBE data center, the agency has no access to the data.

Dr. Allen, noting a threefold increase in privacy incidents, asked how the agency holds vendors accountable. Mr. Koshanam deferred the question to the next presenter, Ms. Pañgilinan.

Compliance Audit Status Report

Caterina Pañgilinan, Chief Compliance Officer, MHBE

Before beginning her presentation, Ms. Pañgilinan responded to Dr. Allen's question. She explained that, in such incidents, the agency requires the contractor to perform an incident review and breach analysis and notification. She added that they have worked with one particular vendor to improve both their training and the intensity of their monitoring.

Ms. Pañgilinan presented to the Board a report on the status of compliance audits. She began by discussing findings from the Office of Legislative Audits (OLA) for the period July 24, 2014 through June 30, 2017. The OLA found that the MHBE must integrate with the Maryland Automated Benefit System (MABS) at the beginning of fiscal year (FY) 2020 and that the MHC eligibility system should obtain unearned income data from the Internal Revenue Service (IRS). Ms. Pañgilinan indicated that the agency will explore the feasibility of using that data in May of 2019.

Secretary Neall asked who provides the MABS service. Ms. Pañgilinan replied that it is maintained by Carahsoft, adding that initial analysis indicates a match rate of roughly 15 percent since the company does not poll very many employers.

Next, Ms. Pañgilinan discussed findings around access control. It was found that the MHBE should split up the functions of the "super user" role in order to allow more granular access to systems. She also discussed new reporting that helps the agency track potential fraud and malfeasance.

Mr. McCann asked how frequently case workers perform overrides and whether such actions require a peer review by another worker. Ms. Pañgilinan replied that overrides are quite frequent, with an average of 600 per month. She pointed out that the total includes those performed by MHBE staff, as well as case workers.

Mr. Steffen asked for clarification regarding the Service Organization Control (SOC) 2 Type 2 reference in the report, whether it refers to someone on staff or a contractor, and whether the agency intends to hold vendors responsible for all five trust principles. Ms. Pañgilinan replied that, for hosting, the agency will look at all five areas and work to include in the contract a requirement to provide the report with ongoing updates. She added that the call center completed a SOC 2 Type 2 resulting in the MHBE requesting increased internal assessments related to

privacy.

Mr. Steffen asked why a SOC 2 audit was not included in the hosting contract. Ms. Pañgilinan replied that it was not in the Conduent contract due to cost constraints coupled with the agency's plan not to renew the contract.

Mr. Taneja suggested that the agency establish a vendor review process and make the results of that review available to the Board as they consider contract renewals. Ms. Pañgilinan agreed and explained that the MHBE is building a vendor dashboard to help document the performance of major vendors. She added that, in some aspects of performance review, the agency must rely on vendor self-reporting but that she is exploring other ways to evaluate.

Ms. Pañgilinan then provided a summary of privacy incidents in the first quarter of FY 2019. She called attention to a 32 percent increase in mis-loaded document incidents and described a mitigation strategy whereby the MHBE provides the Maryland Department of Health with reports to institute accountability in this area.

Mr. McCann asked whether the statistic represents an increase in incidents or an increase in the reporting of incidents. Ms. Pañgilinan replied that it was both. Mr. Steffen asked whether a breach notification is one that goes to the consumer. Ms. Pañgilinan confirmed that it is.

Next, Ms. Pañgilinan provided breakdowns of both which entities reported breaches and which parties caused breaches. She concluded her presentation by summarizing the fraud, waste, and abuse allegations received on the agency's hotline during FY 2016 through FY 2018.

Mr. Steffen asked whether any of the vendors have experienced hacking incidents. Ms. Pañgilinan indicated that there have been attempts, but that none had been successful.

Adjournment

The meeting was adjourned.