



## Maryland Health Benefit Exchange Board of Trustees

February 19, 2019  
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
Alfred W. Redmer, Jr.	Dr. Rondall Allen
Linda S. (Susie) Comer (by phone)	K. Singh Taneja (by phone)

### **Also in Attendance**

Michele Eberle, Executive Director, Maryland Health Benefit Exchange (MHBE)  
Andrew Ratner, Chief of Staff, MHBE  
Venkat Koshanam, Chief Information Officer, MHBE  
Tony Armiger, Chief Financial Officer, MHBE  
Caterina Pañgilinan, Chief Compliance Officer, MHBE  
Sharon Stanley Street, Principal Counsel, Office of the Attorney General  
Juliana Bell, Counsel, Office of the Attorney General  
John-Pierre Cardenas, Director, Policy & Plan Management, MHBE  
Heather Forsyth, Director, Consumer Assistance, Eligibility & Business Integration, MHBE  
Betsy Plunkett, Director, Marketing & Web Strategies, MHBE  
Raelene Glasgow, Procurement Manager, MHBE  
Lourdes Padilla, Secretary, Maryland Department of Human Services

### **Welcome & Introductions**

Secretary Neall opened the meeting and welcomed all participants.

### **Approval of Meeting Minutes**

The Board reviewed the minutes for the January 22, 2019, open meeting. Commissioner Redmer moved to approve the minutes. Mr. McCann seconded the motion. The Board voted unanimously to approve the minutes of the January 22, 2019, open meeting.

### **Public Comment**

Secretary Neall invited members of the public to offer comment.

Sheebani Patel of Kaiser Permanente gave remarks regarding her organization's stance on the future direction of the MHBE's Small Business Health Options Program (SHOP). She expressed support for moving SHOP operations into a single portal, regardless of whether that portal is built and maintained by the MHBE or by a contractor. She added that Kaiser Permanente feels that the employee choice portion of SHOP is critical and should be sustained going forward.

## **Executive Update**

*Michele Eberle, Executive Director, MHBE*

Ms. Eberle began her update by describing how members of the public may register on the MHBE website for the opportunity to offer comment at Board meetings. She explained that the public may also sign up for comment on paper at the meeting site on the day of the meeting.

Next, Ms. Eberle provided an update on the chatbot functionality requested by Ms. Weckesser at the January 22, 2019 meeting. Ms. Weckesser asked that consumers be given the ability to print and save a transcript of their conversation with the chatbot. Ms. Eberle announced that the requested functionality has been implemented.

Ms. Eberle then described a series of open enrollment follow-up debriefings held between the agency and stakeholders including the Call Center, Connector Entities, and carriers. She described the content of the sessions as discussions of what went well and what must improve, noting that the feedback received was that the MHBE keeps improving year after year.

Next, Ms. Eberle shared a summary of the career experience of a new MHBE employee, Taylor Kasky, who was recently hired on as a Policy Analyst.

Along with all 12 other state-based marketplaces, the MHBE signed a letter to Secretary Azar of the U.S. Department of Health and Human Services (DHHS) in opposition to the proposal to eliminate automatic renewal and to eliminate “silver loading.” She noted that such actions would significantly impact premiums in the marketplace.

Next, Ms. Eberle described the MHBE’s recent efforts to attract additional carriers to Maryland. She explained that the agency has created a carrier prospectus and has been talking with other carriers in order to entice them to enter the market. She noted that some current Medicaid managed care organizations (MCOs) have expressed interest in expanding their operations to the commercial market.

Ms. Eberle then announced that the MHBE’s current data report is available on the agency’s website. She added that the data report is issued monthly and contains information about the insurance market, MCOs, enrollment figures, and other data related to MHBE operations.

Next, Ms. Eberle noted that the Centers for Medicare & Medicaid Services (CMS) has begun auditing exchange issuers, specifically looking into advanced premium tax credits (APTCs) issued in 2015.

Ms. Eberle then described the contents of the major MHBE software release in January, including enhancements, maintenance items, security features, and mobile application components. She added that the mobile app now uses fingerprint technology.

Next, Ms. Eberle discussed bills currently being considered by the Maryland General Assembly that might impact the MHBE. She noted that the agency had itself submitted two bills and that she would report back to the Board on the progress of potential legislation in future meetings.

Ms. Eberle then noted that cases in federal courts have recently concluded with a judgment that federal authorities must make cost-sharing reduction (CSR) payments. Mr. McCann asked how the case relates to the Texas case. Ms. Eberle replied that the cases are unrelated.

Ms. Weckesser asked whether the carrier prospectus is available online. Ms. Eberle replied in the affirmative.

Secretary Neall asked whether the Office of Legislative Audits provided feedback to the MHBE after the recent hearing before the legislature. Caterina Pañgilinan, Chief Compliance Officer at the MHBE, responded that the auditors did not provide any additional information, adding that Ms. Eberle has worked with CMS to close out the

audit finding. Secretary Neall pointed out that the hearing also covered their most recent visit to the MHBE and asked whether anything had changed. Ms. Pañgilinan replied that there was no change.

### **User Research Findings Report**

*Andrew Ratner, Chief of Staff, MHBE*

*Melissa Morales, GMMB*

*Felicia VanEvery, gotomedia*

Mr. Ratner presented an overview of the MHBE's third annual round of user experience testing. He noted that the Board has instructed the agency to undertake any reasonable effort to make it easier for consumers to use the Maryland Health Connection (MHC) system to enroll in coverage without requiring additional outside help. MHC has received upgrades, fixes, and enhancements based on the results of this research and will continue to do so. He then introduced Ms. Morales and Ms. VanEvery.

Ms. Morales provided the Board with background on her organization's conduct of the testing. She then yielded the floor to Ms. VanEvery. Ms. VanEvery explained her organization's expertise and function to the Board, including user experience strategy and design. She then provided an overview of the research project's goals and methods, including details regarding the participants' demographics and MHC-related experience. Commissioner Redmer asked whether the research involved only five users. Ms. VanEvery clarified that the panel included five new users and five returning users for a total of ten people.

Next, Ms. VanEvery summarized the findings of the research effort. None of the research panel enrolled in a plan during the testing session, due to issues including confusion over plan details, incorrect eligibility determinations, and technical errors. She discussed key findings in major categories including plans, application, accounts, and shopping. Ms. VanEvery then provided further detail on a major finding, namely that estimating future income can be very problematic for those with uncertain income. She then played several videos of users discussing the problem.

Secretary Neall asked whether users are required to estimate future income. Ms. VanEvery pointed out that the MHC system prompts users to estimate their future income once they indicate the need for financial assistance. Secretary Neall suggested that the users have a valid point—that asking someone to predict future income presents a conundrum. Ms. Eberle stated that prediction of future income is built into the Affordable Care Act (ACA), but added that users can modify and update their prediction throughout the year.

Secretary Neall asked whether there are users who begin the application but quit before completing it. Venkat Koshanam, Chief Information Officer of the MHBE, replied in the affirmative. Secretary Neall asked for more details regarding those who quit the system before completing the application. Ms. VanEvery explained that they asked users what they would have done if they were not being observed and to note where they would have stopped. Ms. Eberle added that the recently completed marketing portal shows the MHBE exactly where users stopped their applications. Mr. Ratner pointed out that the data report includes information regarding the number of abandoned applications.

Next, Ms. VanEvery discussed another major finding—users do not understand the difference between qualified health plans (QHPs) and Medicaid. Mr. McCann asked whether the issue affected new or returning enrollees. Ms. VanEvery replied that it affected both. She added that more people are qualifying for Medicaid than in the past, many of whom thought they should not be eligible for Medicaid and so were unwilling to move forward. Mr. McCann asked whether the MHC system will allow those who qualify for Medicaid to choose instead to enroll in a QHP. Mr. Ratner replied that it does allow such a selection, but pointed out that those who qualify for Medicaid are ineligible for tax credits to reduce the premium cost of QHPs. Ms. VanEvery emphasized that people did not understand that the insurance affordability programs—tax credits and Medicaid—are not the same as health insurance plans. She played videos of research participants discussing this topic.

The next major finding Ms. VanEvery described was a lack of clarity on the concept of “financial help.” Secretary Neall wondered whether the MHBE can model examples for users showing the premium differences between the

“with” and “without financial help” options. Ms. VanEvery replied that any such help should take the form of real information that impacts the user’s situation, and pointed out that many participants expressed confusion over the impact of financial assistance on their taxes. She then played videos of research participants discussing this topic.

Next, Ms. VanEvery discussed the finding that the variability of “Get Estimate” results undermines the ultimate goal for users. She played videos of users discussing this topic. Ms. VanEvery concluded her presentation with a summary of the results of the testing, including that the system has demonstrated improvements in areas that presented issues in previous years of testing. She underlined that the current round of testing revealed how strongly users’ experience of using MHC can be impacted by fluctuating employment and income. She cautioned that the fact that none of the participants enrolled in a plan during the sessions should not be seen as a negative reflection on the system itself, due to the widely varying circumstances of the users.

Mr. McCann noted that, while MHC has improved, many people still do not take advantage of the programs for which they are eligible and asked how many users fall into that category. Mr. Ratner replied that the agency has performed email surveys on that topic that returned single-digit percentages of users. Ms. VanEvery added that understanding the terminology can be quite challenging for users.

Ms. Eberle expressed that the MHBE is fortunate to be able to observe these issues with such granularity, noting that calls into the call center have decreased year after year. She acknowledged that the effort is painful but necessary in order to provide a focus for development efforts in the coming year and added that the MHBE reaches out to users who get stuck and connects them with assistance. Betsy Plunkett, Director, Marketing & Web Strategies at the MHBE, pointed out that this presentation was a small part of a comprehensive report that details recommended changes to MHC. She characterized the recommended changes as mostly wording rather than structure and design, meaning the changes are easier to implement.

Secretary Neall asked why consumers would refuse Medicaid coverage and whether it was related to a stigma associated with Medicaid. Ms. VanEvery replied that participants expressed that Medicaid is for those with low income or those in hardship—conditions that they felt did not apply to them. Ms. Morales added that students who qualify often feel the same way. Ms. VanEvery continued that participants feel they will not get good plans in Medicaid.

Commissioner Redmer expressed concern that only one mobile user provided feedback as part of the research. Ms. VanEvery pointed out that two participants used the mobile app after being given the choice. Most participants, she said, preferred the additional screen area of the desktop site.

Commissioner Redmer asked how much the research project cost. Ms. Morales replied that it cost \$56,000. Commissioner Redmer asked whether that total includes follow-up work. Ms. Morales responded that the follow-up included in the cost ends with the report and that any further follow-up beyond that would involve additional payment. Commissioner Redmer asked whether the follow-up work referenced by Ms. Plunkett, wherein the agency is putting into place changes recommended by the report, involves the vendor who performed the research. Ms. Plunkett replied that the vendor was involved at first, but has transferred their findings to the agency. She added that, should the MHBE need further assistance from the vendor, they would be brought back in.

### **SHOP Business Plan Presentation**

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

Mr. Cardenas gave the Board an overview of the recently-completed SHOP business plan, a document provided to Board members before the meeting that proposes the creation of an in-house SHOP platform. He noted that the Board requested this information during the September 2018 meeting.

Mr. Cardenas began his remarks by describing reasons to support the creation of the platform, including improving the Maryland business environment, increasing individual market stability, and reducing uncompensated care costs. He pointed out that, in general, plans in the small group market offer lower out-of-pocket costs than in the individual market, particularly with deductibles. Next, Mr. Cardenas described the SHOP requirements in statute, as well as

research conducted by The Hilltop Institute for the MHBE showing that nearly 25,000 firms may be leaving federal tax credits unclaimed.

Mr. Cardenas then discussed the stakeholder input gathered by the agency from brokers and carriers. Feedback from these groups included brokers' dissatisfaction with the current direct-enrollment scheme and a split between the two carriers, with one supporting the development of the SHOP platform and the other opposing it.

Next, Mr. Cardenas provided some operational details of the proposal, including that the single portal would be built and maintained by the MHBE, leveraging their core competencies of marketing, plan shopping, assistance, and comparison tools. Back-office services, including billing and invoicing, would continue to be performed by third-party administrators (TPAs) under the plan. He explained that the agency estimates that the system will be up and running by March 2020 at a total cost of \$717,650, with \$517,650 for the IT development costs and \$200,000 for TPA costs.

Mr. Cardenas concluded his presentation by describing opportunities for innovation. He noted an effort by Delegate Kipke to pass legislation allowing the MHBE to apply for a 1332 State Innovation Waiver to advance small business tax credits. He also underlined the possibility of coordinating the SHOP investment with the Governor's initiatives in Economic Opportunity Zones. Commissioner Redmer asked that the Board be provided with copies of the broker surveys used in the stakeholder feedback portion of the project. Mr. Cardenas agreed to provide the documents.

Commissioner Redmer asked how the duties of the TPA under the new plan compare with those of the existing system. Mr. Cardenas explained that employers under the new system would use the same website as all other MHC customers, maintaining a consistent look and feel among all of the MHC shopping experiences. The MHBE would handle the entire transaction through plan selection. Once the plan is selected, the TPA would take over managing the account. Commissioner Redmer asked whether the \$517,650 IT development costs included the TPA's costs for development. Mr. Cardenas replied that the TPA costs are a separate expense.

Commissioner Redmer asked how TPAs would recover their expense in building the systems necessary to interface with the MHBE SHOP. Mr. Cardenas explained that the plan includes operational costs—those non-capitated expenses required to set up online systems—as well as administrative expenses per unit that the MHBE would pay to the TPAs in compensation for administering the group. He estimated the operational cost at \$30,000 and the administration expense at \$20 per contract per month. Commissioner Redmer asked whether the MHBE has shared this proposal with TPAs. Mr. Cardenas replied that TPA input was sought and received on a substantially similar plan, called "Option 2," in previous years.

Commissioner Redmer asked whether the Board was likely to hear a request for marketing funding to support this initiative. Mr. Cardenas replied in the affirmative, adding that the request would be similar to that presented in the previous year. Commissioner Redmer, noting that the Board has evaluated similar proposals before, stated that the plan should be made contingent upon federal approval of the 1332 State Innovation Waiver. He added that no action should be taken on the proposal before the agency holds a public meeting to hear from carriers, brokers, TPAs, and businesses.

Mr. McCann asked what the premium differential would be between two people of similar income, one of whom purchased their plan on the SHOP while the other went onto the individual market. Mr. Cardenas replied that, if both individuals had a \$100 premium in 2014, the person in the SHOP would pay \$130 today while the person in the individual market would pay \$230.

Mr. McCann, noting that employers have the option whether or not to subsidize their employees' premiums, expressed concern that employers might not pass on the tax credit savings to their employees. Mr. Cardenas replied that receipt of the tax credit is contingent upon at least 50 percent assistance with employee premiums.

Mr. McCann asked whether strong uptake by employers of the SHOP plans would result in a less healthy individual market. Mr. Cardenas replied that the MHBE cannot be certain, but that enrollees in the individual market tend to be less healthy than others. He added that anything possible should be done to reduce adverse selection.

Commissioner Redmer stated that, in 2015, some 13,000 employers cancelled their benefit plans with Carefirst and sent their employees to the individual market, leading 21,000 enrollees to move to MHC for coverage. He noted that Carefirst has the morbidity information on that population.

Ms. Eberle stated that the MHBE, in seeking to fulfill its mission to reduce the uninsured rate in Maryland, does not focus on one particular market over another. Rather, she said, the agency looks at them all, adding that the small group market is relatively underserved in this regard. She noted that the MHBE predicts a major impact if the waiver is approved, especially among employers with ten or fewer employees. She added that, since much of the development is already in place with MHC, the IT development investment for SHOP is quite modest and represents excellent value.

Ms. Weckesser asked whether the agency will proceed with a waiver application or whether they need Board approval to do so. Ms. Eberle replied that, out of respect for Delegate Kipke's efforts, the MHBE will let the legislative process complete, even though the agency has the authority to proceed with the waiver without a law.

Commissioner Redmer asked for the origin of the tax credit money. Mr. Cardenas replied that the tax credits would be paid with federal dollars.

Mr. Steffen asked how the SHOP proposal would address the two-year limit of eligibility for the tax credit. Mr. Cardenas replied that the limit would be removed as part of the waiver.

Secretary Padilla asked whether the estimate for the cost of IT development is based on the current MHC system. Mr. Cardenas replied in the affirmative.

Commissioner Redmer, noting that nearly all small business health insurance is transacted through brokers, asked how the proposed system will impact broker activities and compensation. Mr. Cardenas replied that the MHBE is prohibited by law from paying brokers directly. Commissioner Redmer asked whether broker compensation would continue to route through the TPAs as it does currently. Mr. Cardenas responded that it would, adding that the only difference would be that the TPAs would receive compensation for back-office services from the MHBE rather than from carriers.

Mr. McCann asked whether the agency has the resources necessary to complete this project given the ongoing integration of MHC into the Maryland Total Human-services Integration Network (MD THINK) and whether the new SHOP system would be housed there. Mr. Cardenas replied that MD THINK would host the SHOP platform and that new resources would be brought to bear on the SHOP project. Ms. Eberle stated that work on the MD THINK integration is a separate matter, with resources already allocated, and that the SHOP project would be new work routed through the agency's Indefinite Delivery Indefinite Quantity (IDIQ) contract vehicle. Mr. McCann clarified that he was not asking about the money, rather about staff and leadership's workload and whether the agency can manage another large project. Ms. Eberle replied that the MHBE is confident that they can get it done.

Mr. McCann expressed support for Commissioner Redmer's proposal regarding making the system contingent upon the approval of the waiver, as well as the stakeholder involvement requirement. Board members further discussed the bill that would authorize the MHBE to apply for a 1332 waiver for the SHOP program. Mr. Cardenas noted that new federal guidance now allows states to apply for 1332 waivers without authorizing legislation in the state. Mr. Cardenas clarified that to move forward without legislation, the Board would have to promulgate regulations regarding applying for the 1332 waiver. Staff will follow up with bill sponsor Delegate Kipke and the Administration on the issue.

#### **Policy on Participation in Advocacy Letters, Joint Statements, and Commentary**

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

Mr. Cardenas presented the MHBE's proposed policy regarding the agency's response to national policy action on the federal level, including advocacy letters, joint statements, commentary on proposed rules, and others. Under the proposed policy, the MHBE would participate in such actions if the agency's participation:

- Meets the statutory purposes and functions of MHBE in accordance with Md. INSURANCE Code Ann. §31-102 & §31-108
- Directly relates to initiatives or strategy areas identified by the Board
- Significantly impacts individuals and employers seeking coverage through the Exchange
- Adds valuable credibility or insight to the issue

Next, Mr. Cardenas outlined the proposed process to approve participation, including a requirement that any proposed action be presented to the Board for discussion, with the Chair holding the authority to approve or deny the agency's participation.

Ms. Weckesser asked what would happen if the Chair holds a different view than the rest of the Board. Secretary Neall replied that the MHBE would seek the approval of the Governor in such a circumstance.

Commissioner Redmer moved to approve adoption, as Board of Trustees Policy, the Exchange Policy on Participation in Advocacy Letters, Joint Statements, and Commentary. Mr. McCann seconded the motion. The motion was approved with no opposition.

### **2020 Plan Year Open Enrollment Dates**

*Heather Forsyth, Director, Consumer Assistance, Eligibility & Business Integration, MHBE*

Ms. Forsyth presented the Board with the open enrollment dates for plan year 2020. The agency will maintain the same open enrollment period as the previous two years— November 1 through December 15. She cited rationale for the dates, including consistency with previous years, avoidance of the majority of the 2020 election period for advertising, and the fact that consumer assistance workers were mostly able to handle the volume of consumers in that period.

Secretary Neall asked whether veteran MHC consumers call less often due to their familiarity with the system. Ms. Forsyth replied that volume is down at the call center, some of which is due to improvements in the IT systems of MHC. Secretary Neall commented that people who wait until the last minute to enroll will continue to do so, regardless of when the period ends. Ms. Forsyth agreed, noting that requests for assistance are always numerous at the end of the period.

### **DMI System Operations Support First Option Year Renewal**

*Raelene Glasgow, Procurement Manager, MHBE*

*Venkat Koshanam, Chief Information Officer, MHBE*

Ms. Glasgow presented the renewal terms for a contract between the MHBE and Digital Management Inc. (DMI) for a range of IT-related services. She described the history of the contract and noted that the first option year would begin on May 18, 2019. She requested that the Board approve the renewal of the contract.

Secretary Neall asked what the cumulative total payment to the firm in question would be with the option year added. Mr. Koshanam replied that the total value of the contract has not increased since the MHBE issued the request for proposals. Secretary Neall asked if that means that there would still be money available after the first option year. Mr. Koshanam replied in the affirmative.

Mr. McCann asked how the services provided by this vendor overlap with MD THINK. Mr. Koshanam replied that the services provided by DMI are distinct from those of MD THINK. He added that another vendor, Conduent, does have significant overlap with MD THINK, meaning that the Board should expect to see payments to them begin to phase out. He cautioned that, since the memorandum of understanding (MOU) between the MHBE and MD THINK is still in development, it is possible that areas of overlap with DMI will be revealed and that the agency would address them as appropriate.

Commissioner Redmer expressed discomfort with the amount of time and information provided to the Board to make this decision and asked that the MHBE set up a yearly meeting for the Board to explore IT contracts more deeply. Secretary Neall agreed that such a meeting would be valuable.

Ms. Weckesser moved to approve the first year option renewal of the Contract with Digital Management Inc. (DMI) from May 19, 2019 to May 18, 2020 for an amount of \$2,033,757.36. Mr. McCann seconded the motion. The motion was approved with no opposition. Mr. Taneja abstained from the vote.

**MD THINK Update**

*Venkat Koshanam, Chief Information Officer, MHBE*

Mr. Koshanam presented an update on the progress of the migration of MHC systems to the MD THINK platform. He noted that the project got started later than expected and encountered greater complexity in the security apparatus than expected. The agency, however, remains confident that the project will be successful based on the mitigation plan. The go-live date for phase 1 of the project has moved from May 17 to June 15, 2019. Mr. Koshanam added that the “drop-dead” date for implementation is July 20, 2019, after which MHC cannot be on MD THINK for the next open enrollment period.

Ms. Eberle expressed gratitude to Secretary Padilla and her staff for their efforts.

Secretary Padilla noted that delays in implementation were largely due to needing to obtain authorization to operate from CMS and expressed that MD THINK is one team that includes staff from several organizations.

**Adjournment**

There being no further business before the Board, the meeting was adjourned.