



## Maryland Health Benefit Exchange Board of Trustees

April 15, 2019

2:00 p.m. – 4:00 p.m.

Maryland Health Care Commission  
4160 Patterson Avenue  
Baltimore, MD 21215

### **Members Present**

S. Anthony (Tony) McCann, Vice Chair	Ben Steffen, MA
Alfred W. Redmer, Jr.	Dana Weckesser
Mary Jean Herron	K. Singh Taneja

### **Members Absent**

Robert R. Neall Chair	Dr. Rondall Allen
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  
Tony Armiger, Chief Financial Officer, MHBE  
Caterina Pañgilinan, Chief Compliance Officer, MHBE  
Sharon Stanley Street, Principal 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**

Mr. McCann opened the meeting and welcomed all participants.

### **Approval of Meeting Minutes**

The Board reviewed the minutes of the February 19, 2019 open meeting. Commissioner Redmer moved to approve the minutes. Mr. Taneja seconded the motion. The Board voted unanimously to approve the minutes of the February 19, 2019, open meeting.

### **Public Comment**

Mr. McCann invited members of the public to offer comment.

Leni Preston of Consumer Health First expressed thanks to the Board and the MHBE for its stakeholder participation efforts and urged the agency to increase its budget for in-person assistance in order to support efforts at increasing health equity and health literacy in addition to enrollment assistance.

### **Executive Update**

*Michele Eberle, Executive Director, MHBE*

Ms. Eberle began by welcoming Mary Jean Herron to the Board of Trustees. She then noted that the Governor designated May 8 as State Employee Recognition Day, and the MHBE will serve breakfast to its employees. Next, Ms. Eberle informed the Board of a recent sole-source contract for \$18,000. When the agency sought bids to upgrade its front doors to open automatically as required under the Americans with Disabilities Act, no responses

were received. For that reason, a vendor was identified through the MHBE's landlord and given a sole-source contract.

Ms. Eberle then stated that the monthly data reports are available on the MHBE's website. Next, Ms. Eberle explained that the Board's next meeting will include a debriefing on the recent Maryland legislative session. Ms. Eberle then remarked on recent action at the federal level on topics such as surprise billing and reinsurance.

Next, Ms. Eberle gave an update on the status of MHBE regulations. She noted that the regulations on the small group market are proceeding and that both the Affordability and State Benchmark Plan workgroups have been meeting. Ms. Eberle then announced that the Board's Standing Advisory Committee will meet on May 16, 2019 in Crownsville, MD.

Ms. Eberle noted that the MHBE, on the previous Friday, implemented its last big software release before the Maryland Total Human-Services Integration Network (MD THINK) integration. She added that the release went smoothly. Ms. Eberle then stated that applications for Connector Entity grants have been received and that the agency is reviewing them at present. Finally, Ms. Eberle noted that the agency will work over the summer to revamp and renew its training materials.

### **MD THINK Update**

*Venkat Koshanam, Chief Information Officer, MHBE*

Mr. Koshanam, in recognition of the presence of a new Board member, began his presentation with an overview of the MD THINK integration initiative. He explained that the MHBE is migrating all software from its current host vendor, Conduent, onto the MD THINK platform operated by the Maryland Department of Human Services (DHS). He noted that all deliveries in the initiative are on schedule and that each environment will undergo rigorous testing. Mr. Koshanam added that the deadline for integration is June 17, 2019 and that the schedule includes two weeks of contingency time.

Ms. Herron asked whether the Conduent contract ends at the end of July. Mr. Koshanam replied that the contract ends at the end of May. Ms. Herron asked whether the database will remain the same, meaning no modifications are necessary. Mr. Koshanam confirmed that there will be no database migration.

Mr. Taneja asked whether the agency anticipates changes to the budget for this initiative. Mr. Koshanam replied that they expect to stay within budget. Mr. Taneja asked which agency is responsible for the performance of the vendor performing the delivery. Mr. Koshanam, noting that the resources used on this project come from the MHBE's pool of vendors, replied that the MHBE is responsible for ensuring correct delivery.

Mr. Redmer asked how the agency approaches oversight of two or more different vendors who must work together. In response, Mr. Koshanam stated that another vendor may be taking over from Conduent by the end of May and that MHBE vendors are not working with MD THINK vendors. He added that MD THINK and the MHBE are developing an operational agreement at present, with the intention of producing a draft operations memorandum of understanding (MOU) by the end of the month.

Mr. Taneja asked whether the relationship between the MHBE and its vendors will change between now and July. Mr. Koshanam replied that it is possible that the value of some contracts may be reduced.

Mr. Steffen asked how the MHBE will be impacted by other systems going online at the same time. Mr. Koshanam answered that the agency had already made adjustments to its software delivery schedule to accommodate the go-live date on MD THINK and that further schedule changes may be warranted.

Mr. McCann, noting that the Internal Revenue Service (IRS) and the Centers for Medicare & Medicaid Services (CMS) emphasize privacy and security, asked whether the MHBE has to seek those federal agencies' approval on the software migration. Mr. Koshanam replied in the affirmative, adding that all such approvals are ahead of schedule.

Ms. Eberle thanked Secretary Padilla and the MD THINK team. She explained that the operations MOU will cover the agencies' activities after the system goes live.

### **IT Procurements**

*Venkat Koshanam, Chief Information Officer, MHBE*

*Raelene Glasgow, Procurement Manager, MHBE*

Mr. Koshanam noted that the Board recently asked to be briefed on upcoming IT procurements further in advance.

First, Ms. Glasgow gave an overview of the acquisition of software licenses after the MD THINK integration goes live. She demonstrated which licenses will be the responsibility of MD THINK and which remain with the MHBE, along with their renewal dates.

Ms. Glasgow then discussed the extension of the contract between the MHBE and Conduent, who provides hosting, infrastructure, and related services. She explained that the current contract will end in June 2019 but includes several optional extension years and that the MHBE intends to exercise an extension in order to cover any uncertainty regarding the migration to MD THINK, while reserving the right to cancel the contract with 30 days' notice. Mr. Koshanam added that the agency evaluated several options for the transition, and had originally planned to transition without extending the Conduent contract. Changes to the transition schedule, however, made that impossible.

Mr. McCann asked whether the MHBE would pay a penalty for early termination of the contract. Mr. Koshanam replied in the negative.

Next, Ms. Glasgow requested that the Board approve the extension of the Conduent contract. Ms. Herron asked how long the MHBE will run parallel systems once the migration is complete. Mr. Koshanam answered that the agency will not run parallel systems at all.

Mr. Taneja asked whether the budget for the contract extension is allocated evenly across the year. Mr. Koshanam replied in the affirmative.

Secretary Padilla recommended that the MHBE compare the costs associated with hosting before and after the transition.

Mr. Steffen asked about contingency plans should the transition to MD THINK fail. Mr. Koshanam answered that multiple contingency plans are in place, but that the MHBE remains confident in the migration.

Ms. Eberle noted that ongoing support of MD THINK will transition from DHS to the Maryland Department of Information Technology (DOIT) at the end of 2020 and that the details of that transition will be complex.

Mr. McCann moved to approve a contract modification to extend the Conduent contract by one year from June 1, 2019 to May 31, 2020, with the option to terminate the contract for convenience by providing thirty days of notice, for a not-to-exceed (NTE) amount for the extension period of \$5,044,387. Commissioner Redmer seconded the motion. The motion passed with no opposition.

Next, Ms. Glasgow gave the Board a summary of the background and upcoming procurement of Akamai licenses by the MHBE. The agency uses Akamai products to improve security and performance of its online systems and will request that the Board approve a contract with a supplier in its May 2019 meeting. She explained that the MHBE will issue an invitation for bid (IFB) later in the month of April, with the license period running from July 1, 2019 through June 30, 2020.

Ms. Herron asked whether the agency has left enough time between the IFB and the contract award to adequately evaluate the bids and present them to the Board. Ms. Glasgow replied that staff conducted background research and are comfortable with the timeframe. Commissioner Redmer commented that the complexity makes it even more difficult to accomplish quickly.

Commissioner Redmer asked how the \$456,507.24 estimate for the Akamai renewal compares with the price paid under the current contract. Mr. Koshanam answered that it is a five percent marginal increase.

Mr. McCann asked whether software purchases, like Akamai, are shared with MD THINK. Mr. Koshanam replied that any shared services will be procured by MD THINK with costs shared as specified in an MOU between MD THINK and the MHBE.

### **Operations Procurements**

*Heather Forsyth, Director, Consumer Assistance, Eligibility & Business Integration, MHBE*  
*Raelene Glasgow, Procurement Manager, MHBE*

Ms. Forsyth and Ms. Glasgow gave an overview of upcoming procurements for MHBE operations.

Ms. Glasgow began by summarizing the background and upcoming renewal of the contract with Maximus Health Services, Inc. for Consolidated Service Center (call center) services. The contract extension, she explained, would be the first of three option years in the contract and would run from July 1, 2019 through June 30, 2020, with an NTE amount of \$17,340,000.

Next, Ms. Forsyth provided more detail regarding the structure and services of the MHBE call center, including the number and distribution of employees and the types of duties performed under the contract. She shared data showing the call center's performance improvement over the course of six open enrollment periods and explained how the contract is monitored by MHBE staff. Finally, Ms. Forsyth asked the Board to approve the contract renewal with Maximus.

Ms. Weckesser asked about the duties performed by the social media representatives at the call center and why they do not work on the LinkedIn platform. Ms. Forsyth answered that the social media reps monitor the social media channels and respond to consumer comments and requests. Betsy Plunkett, Director, Marketing & Web Strategies at the MHBE, added that the LinkedIn and Instagram platforms are monitored internally by MHBE staff rather than by Maximus representatives at the call center.

Ms. Weckesser advised that the MHBE should look outside of the agency's own social media accounts for search terms that might indicate a consumer needing help. Ms. Plunkett agreed and noted that this is currently being done.

Ms. Herron asked whether the Maximus contract includes performance benchmarks, whether the vendor is meeting or exceeding those benchmarks, and how they compare to other call centers. Ms. Forsyth responded that the contract includes service level agreements (SLAs) and that Maximus meets or exceeds them. She added that the contract includes requirements around quality control and attrition to ensure the availability of the best quality workforce. She said that she would return to the Board with information on how Maximus and the MHBE call center compare with other call centers at its next meeting.

Commissioner Redmer asked how the value of the contract extension compares to the previous year. Ms. Forsyth replied that the current year's budget was \$20 million and that the agency expects to close the year under budget by \$2 million at the call center. She added that the surplus may be absorbed by overage at the fulfillment center. She then described how the MHBE projected the \$17.34 million budget for the extension based on factors that could affect call volume, including modifications to Medicaid certification periods, additional Medicaid coverage groups coming on to the MHBE's systems, and the MD THINK transition.

Ms. Eberle pointed out that, as compared with the previous year, the fixed price attached to the extension was reduced, while the per-call cost was increased.

Commissioner Redmer asked whether the price included in the extension was part of the original contract. Ms. Forsyth replied in the affirmative.

Mr. Steffen asked how the costs and workload of the call center break down on both the federal vs. state funds and

the qualified health plan (QHP) vs. Medicaid participants. Ms. Forsyth answered that, regarding federal vs. state funds, it varies according to the activity type—enrollment and eligibility activities are funded 75 percent by the federal government, while all other calls are evenly split between federal and state funds. She added that call center work is mostly on Medicaid, with the balance skewing even more heavily toward Medicaid outside of open enrollment. Ms. Eberle pointed out that the MHBE serves over one million Medicaid members and 130 to 150 thousand QHP enrollees, meaning the customer base is over 80 percent Medicaid. Mr. Steffen remarked that the value of the contract extension is not surprising given the number of Medicaid enrollees impacted.

Mr. McCann moved to approve the option year contract for Maximus for call center services for the period July 1, 2019 to June 30, 2020 in the NTE amount of \$17,340,000. Ms. Herron seconded the motion. The motion was approved with no opposition.

Ms. Glasgow then presented an upcoming contract renewal with Art & Negative Graphics, who provide fulfillment center services, such as printing and mailing notices, tax documents, and voter registration forms, and intake and processing of consumer verification documents and paper applications.

Next, Ms. Forsyth provided further background information on the fulfillment center, explaining the duties they perform and the volume of documents handled. She asked the Board to approve the first option year renewal of the contract from July 1, 2019 to June 30, 2020 for an amount of \$3 million.

Commissioner Redmer noted that the request did not contain the phrase “not-to-exceed,” and asked for the NTE amount on the current fiscal year’s contract. Ms. Forsyth replied that the current fiscal year’s NTE amount was budgeted for \$1,351,000, adding that the agency expects to go over that amount by \$500,000 to \$600,000, meaning that the contract would end the fiscal year at roughly \$2 million.

Commissioner Redmer asked why the agency was asking to increase that amount to \$3 million for the next year. Ms. Forsyth responded that the increase is based on rising printing and postage costs, as well as an increase in the number of notices that must be sent to enrollees and applicants. Upon conferring with Tony Armiger, Chief Financial Officer of the MHBE, Ms. Forsyth corrected the NTE amount for last year, stating that it was \$3.2 million.

Mr. McCann asked that Ms. Forsyth return to the Board with further details regarding last year’s contract amount, along with breakdowns by federal and state funds.

Mr. Taneja asked about the target audience reached with these funds. Ms. Forsyth replied that the fulfillment center does not perform any outreach, but rather are responsible for sending out required notices and processing incoming verification documents. Mr. Taneja asked how many people were in that audience. Ms. Forsyth answered that it includes 1.2 million Medicaid enrollees and applicants and 150,000 QHP enrollees and applicants, adding that the fulfillment center sent some 12 million notices during fiscal year 2019.

Mr. McCann moved to approve the option year contract for Art & Negative for fulfillment services for the period July 1, 2019 to June 30, 2020 in the NTE amount of \$3,000,000. Ms. Herron seconded the motion. The motion was approved with no opposition.

### **Marketing/Outreach Procurements**

*Raelene Glasgow, Procurement Manager, MHBE*

*Betsy Plunkett, Director, Marketing & Web Strategies, MHBE*

Ms. Plunkett and Ms. Glasgow presented an overview of upcoming procurements in marketing and outreach. Ms. Glasgow began by describing an upcoming contract renewal for GMMB, who provide full communications and marketing services for the MHBE. The current contract will end on June 30, 2019 and has two optional one-year renewals. Ms. Plunkett then outlined GMMB’s marketing activities during the recent open enrollment period, tying their efforts to increases in enrollment among QHP consumers as well as among targeted demographic groups. She asked the Board’s approval to exercise the first option year renewal of the marketing communications contract with GMMB from July 1, 2019 to June 30, 2020 for an amount of \$3.37 Million.

Ms. Herron asked whether the contract with GMMB includes enrollment targets. Ms. Plunkett replied that, while the contract contains no benchmarks, there are targets established for GMMB, which met or exceeded them.

Commissioner Redmer asked the value of the previous year's contract. Ms. Plunkett answered that the previous contract had the same value, \$3.37 million, as the requested extension.

Mr. Taneja asked how the functions performed by GMMB overlap with those of the call center. Ms. Plunkett replied that there is no overlap between the two. She explained that, while the call center is reactive to requests for help, GMMB proactively seeks out those who may need assistance and directs them to the appropriate channel.

Mr. McCann, noting that each new enrollee is more difficult to reach than the previous one, asked that the agency bring new marketing ideas to the Board in advance of the next open enrollment period. Ms. Plunkett agreed.

Mr. Steffen stated that, while the MHBE's performance during the last year has been impressive given the national climate, reaching the same levels achieved in 2016, the agency should not rest on its laurels. Mr. McCann asked MHBE staff to look into whether it would be possible to set up a process by which QHP enrollees can apply and receive coverage immediately at the hospital, as Medicaid enrollees do at present.

Mr. McCann moved to approve the exercise of an option year contract for GMMB marketing communications services for the period July 1, 2019 to June 30, 2020 in the NTE amount of \$3.37 million. Mr. Taneja seconded the motion. The motion was approved with no opposition.

Ms. Glasgow then gave the Board an overview of an upcoming request for proposals (RFP) for printing services. She laid out the RFP schedule, culminating in the Board's approval of the selected vendor during the July meeting. Next, Ms. Glasgow listed the types of materials to be printed under the new contract, each of which is intended to support outreach and enrollment efforts. Ms. Plunkett added that the contract will not differ greatly from the one currently in place. Ms. Glasgow explained that the contract will take the form of a firm fixed price not to exceed \$120,000, with one option year at the same price for a total potential value of \$240,000.

Commissioner Redmer asked how many bids the MHBE received on the current contract. Ms. Plunkett replied that the agency received two bids.

Mr. McCann asked whether the RFP would have any unique features. Ms. Plunkett answered that, unlike many other contracts, the printing vendor must be located within 50 miles of the MHBE's offices, since she visits the plant personally.

Ms. Herron expressed concern that the RFP schedule does not leave enough time for the Board to adequately evaluate the proposals. Ms. Plunkett assured the Board that they would be given details during the June meeting before being asked to vote in the July meeting.

Mr. Taneja asked whether there will be a transition between the current vendor and whichever vendor secures the new contract. Ms. Plunkett replied that the MHBE is currently printing a lot of material in preparation for a potential vendor change and that they do not anticipate needing additional materials printed before August.

Mr. Steffen asked what discriminators, other than price, will be used to judge the proposals. Ms. Plunkett answered that the RFP does not contain a price. Rather, the RFP presents a number of scenarios and asks proposers to provide approximate prices appropriate to them.

### **Reinsurance and Rate Setting**

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

*Todd Switzer, Chief Actuary, Maryland Insurance Administration (MIA)*

*Brad Boban, Senior Actuary, MIA*

Mr. Cardenas thanked the staff of the Office of the Chief Actuary (OCA) at MIA for their close collaboration with

the MHBE in its efforts, noting that their work has been critical to the state reinsurance program. Mr. Switzer presented an overview of his office's work in addressing a number of questions submitted by the MHBE regarding reinsurance and rate setting in 2020 and beyond.

First, Mr. Switzer addressed the question of how reinsurance will be incorporated into rate filings by insurers, as well as rate reviews by MIA. He stated that insurers will assume that the reinsurance program's parameters will be set in such a way that rates will be impacted by another 30 percent decrease. He added that the rate decrease will have disparate impact on insurers, with greater decreases accruing to some plans than others in a range of 27 to 45 percent.

Mr. Switzer then discussed the second question submitted—when the analysis upon which the MHBE will base its reinsurance parameter decisions will be available. He said that the latest date on which the analysis will be available is May 31, 2019.

Next, Mr. Switzer laid out the process by which the 2020 and 2021 rates will be set. He described the schedule, culminating in payment of reinsurance funds to carriers in August of 2020, and noted that a similar schedule will apply in 2021.

Mr. Switzer finished his presentation by discussing the context in which the rate setting takes place, including the parameters of the current reinsurance program, the larger-than-expected pool of federal pass-through funds, the distinctions between the transitional federal reinsurance program and the state reinsurance program, and the 2018 financial results' demonstrating improvement.

Mr. McCann asked about the effect on premiums the agency could expect to see if the program is funded. Mr. Switzer replied that rates could maintain a 30 percent decrease for five years in that case.

Ms. Herron asked whether non-MHBE programs, such as provider participation in Medicare incentives or global budgeting, will impact costs. Mr. Switzer answered that it would, adding that OCA supports wellness and cost control programs since some trends show these programs bending the cost curve.

Mr. Cardenas noted that much of the MHBE's work in 2019 is focused on aligning the agency's efforts with the goals of the state's Medicare waiver, including the Board's decision to require greater transparency from carriers regarding the proportion of their enrollees whose care is managed. Mr. McCann requested that the Board be given a briefing on the Medicare waiver and what the agency is doing to support that effort.

Mr. Steffen, noting that the OCA estimates assume that enrollment will decline, asked how an increase in enrollment would affect the outcome of the analysis. Mr. Switzer replied that, since increased enrollment would be accompanied by additional federal pass-through funds, the premium stabilization effects would be maintained.

Mr. Steffen asked whether the OCA's analysis took into account an increase in the payer differential approved by the Health Services Cost Review Commission. Mr. Switzer replied in the affirmative.

### **State Reinsurance Program (SRP) Update – SRP Estimated 2020 Parameters**

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

Mr. Cardenas gave the Board an overview of the 2019 and 2020 SRP. He began by describing the federal assistance that will be used to implement the program, noting that CMS will calculate payments for both the 2019 and 2020. He noted that the program will be funded entirely by federal dollars through 2020, deferring state expenditures to 2021.

Next, Mr. Cardenas announced an upcoming public hearing regarding the state innovation waiver, taking place on May 2, 2019 at the MHBE's offices. Mr. Cardenas then presented the MHBE staff recommendation for SRP parameters for 2020. The staff recommends that the program parameters remain unchanged from those in 2019, including a \$20,000 attachment point, an 80 percent coinsurance rate, and a \$250,000 cap. He added that the agency

will issue an RFP for actuarial firms to analyze the 2020 SRP, including interaction with risk adjustment.

Mr. Cardenas concluded his presentation by describing the public comment period on the 2020 SRP parameters, set for April 15 through May 15, 2019. He added that the final parameters for 2020 must, according to federal regulations, be set by the Board on or before December 31, 2019.

Ms. Herron moved, in accordance with the Code of Maryland Regulations 14.35.17.04 to approve the parameters for the 2020 state reinsurance program presented by MHBE Staff with an estimated attachment point of \$20,000, a coinsurance rate of 80 percent, and a cap at \$250,000. Mr. Taneja seconded the motion. The motion was approved with no opposition. Commissioner Redmer was absent for the vote.

**Adjournment**

The meeting was adjourned.