



Maryland Health Benefit Exchange Board of Trustees

June 18, 2019
2 p.m. – 4 p.m.
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, MD 21215

Members Present:

Robert R. Neall, Chair
S. Anthony (Tony) McCann, Vice Chair
Mary Jean Herron
Ben Steffen, MA
Dana Weckesser
Dr. Rondall Allen

Members Excused:

K. Singh Taneja
Alfred W. Redmer, Jr.

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
Sharon Stanley Street, Principal Counsel, Office of the Attorney General
John-Pierre Cardenas, Director, Policy & Plan Management, MHBE
Betsy Plunkett, Director, Marketing & Web Strategies, MHBE
Heather Forsyth, Director, Consumer Assistance, Eligibility & Business Integration, MHBE
Raelene Glasgow, Procurement Manager, MHBE
Lourdes Padilla, Secretary, Maryland Department of Human Services (DHS)
Gregory S. James, Deputy Secretary for Operations, Maryland DHS

Welcome and Introductions:

Secretary Neall opened the meeting and welcomed all participants.

Approval of Meeting Minutes

The Board reviewed the minutes of the May 20, 2019 open meeting. Ms. Herron moved to approve the minutes. The Board voted unanimously to approve the minutes of the May 20, 2019 open meeting.

Public Comment

Secretary Neall invited members of the public to offer comment. No members of the public offered comment.

Executive Update

Michele Eberle, Executive Director, MHBE

Ms. Eberle began by thanking the members for their service and shared the proposed dates for the Board's meetings in 2020.

Ms. Eberle then announced that the agency has only two remaining open positions. Once those positions are filled, the MHBE will be fully staffed.

Next, Ms. Eberle noted that the agency's budget for fiscal year (FY) 2020 was approved by the Maryland legislature. The MHBE budget will be reduced by \$1 million in state funds, leading to a loss of \$1.4 million in federal matching funds. Ms. Eberle explained that the reductions were anticipated and planned for by the agency.

Ms. Eberle then stated that the small group marketplace is the center of a lot of activity and excitement for the agency. She also noted that the final output of the Affordability Workgroup will be available in September and that the MHBE continues to work with the Comptroller's office on the easy enrollment system.

Next, Ms. Eberle explained that the MHBE's series of regional forum events continues in the far west region tomorrow, followed by a Baltimore County event. Secretary Neall asked where the far west regional event will be held. Ms. Eberle replied that the event will be held in Hagerstown. Secretary Neall noted that residents of Cumberland might object to the characterization of Hagerstown as far west.

Ms. Eberle then announced that the settlement of the lawsuit with Noridian is complete, meaning the agency is now decommissioning the servers. She added that the legal bills will soon wind down.

Next, Ms. Eberle noted that the MHBE's systems will receive two more major releases before the code is frozen for the upcoming open enrollment period. Several items, including the integration of Medicaid Family Planning, were pulled from the releases, she explained, due to resource constraints around the Maryland Total Human Services Integration Network (MD THINK) project. Ms. Herron asked whether delaying the MD THINK project would allow the items to go in before open enrollment. Ms. Eberle replied in the affirmative.

Ms. Eberle concluded her remarks by noting that Joe Fitzpatrick is leaving his position at the Maryland Insurance Administration (MIA) and that Leni Preston is departing from her role at Consumer Health First. She thanked both for their efforts in support of the MHBE.

[FY 2019 Agency Accomplishments](#)

Andrew Ratner, Chief of Staff, MHBE

Mr. Ratner gave the Board an overview of the accomplishments of the MHBE during FY 2019. He catalogued achievements, such as the State Reinsurance Program (SRP) and the Ask Flora chatbot. He explained that the agency's performance during the year helped to provide stability to the health insurance marketplace, with an increase in enrollment of 2.2 percent, keeping Maryland's uninsured rate at a historic low of 6.1 percent.

Next, Mr. Ratner discussed the agency's impact on insurance affordability in more depth. The SRP is the largest such program in the country and decreased the average monthly premium during the year by \$77. He noted that nearly 30 percent of enrollees chose plans at the gold or platinum metal levels, and that proposed rates for the 2020 plan year reflect the continued impact of the SRP.

Mr. Ratner then explained how the MHBE made gains in health equity during FY 2019. Enrollment among target groups, including the young adult, African-American, and Hispanic populations, showed growth, as well as among Marylanders in rural counties.

Next, Mr. Ratner discussed the MHBE's efforts to engage with the public through marketing, media, and advertisements. He described how the agency's consumer assistance workers, mobile platform, and other efforts increased accessibility of health insurance. He recalled the MHBE's increases in accountability and transparency throughout the year, including clean audits, richer data reports, and successes in staffing.

Finally, Mr. Ratner pointed out some challenges and opportunities facing the MHBE in the coming year, including increasing enrollment among those previously uninsured, growing the Small Business Health Options Program (SHOP), increasing consumer choice, and linking the agency's work to public health outcomes.

Mr. Steffen asked, among the 29 percent of consumers who chose a gold or platinum plan, what proportion chose platinum over gold. Mr. Ratner replied that, while he did not have the figures with him, they are available online.

Mr. Steffen noted that the Commonwealth Fund's recently-released 2019 report card shows poor performance in Maryland on reductions in health disparities, and stated that the MHBE must put additional focus on that area. Mr. Ratner agreed, adding that one issue standing in the way of such progress is that many residents are not eligible for financial help due to immigration status.

Mr. Steffen asked how many enrollees' claims experience during the year have passed the attachment point of the SRP. Mr. Ratner answered that he would gather the requested information from the carriers.

Reinsurance Program Actuarial Services RFP Approval Request

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

Raelene Glasgow, Procurement Manager, MHBE

Mr. Cardenas and Ms. Glasgow presented a request to approve the winning proposal for actuarial services in support of the SRP and the SHOP 1332 waiver. Mr. Cardenas began by providing background information on the request for proposals (RFP), including the services to be provided. He noted that Minnesota's SRP did not update its underlying assumptions in its second year of operations, and that Maryland will not make the same mistake. Secretary Neall asked what impact Minnesota experienced. Mr. Cardenas replied that the state lost tens of millions of dollars. He then described the RFP process by providing a timeline of milestones culminating in the present request.

Ms. Herron, noting that only one vendor responded to the RFP, asked why none of the large, well-known firms responded. Secretary Neall asked whether the incumbent vendor, Wakely, submitted a proposal. Ms. Glasgow responded that, while the incumbent did submit questions, they did not submit a proposal. Mr. Cardenas pointed out that the previous Wakely contract was for a total of \$144,000, while the budget of the current RFP is lower and includes more specificity as to ongoing future deliverables.

Ms. Herron expressed concern that the MHBE has inadvertently constrained itself against the participation of more prestigious firms. Mr. Cardenas agreed that it was a consideration, adding that the agency dug more deeply into the vendor who submitted a proposal. During the proposal evaluation period, the MHBE found that the bidder currently works with the MIA on rate review and has a history of working with other Maryland agencies.

Ms. Herron noted that the bidder's Baltimore office has only one staffer and wondered whether the firm will make adequate resources available to the MHBE. Ms. Glasgow responded that the proposal included a personnel list to which they will be held.

Mr. Steffen advised that, in the future, such contracts should be offered spanning multiple years, making them more attractive to firms. He added that he is aware of many actuaries starting new firms and cautioned against the MHBE going too far in the other direction by making it possible to select only large established firms.

Mr. McCann wondered whether the state would be interested in setting up an indefinite delivery, indefinite quantity (IDIQ) contracting vehicle for all state agencies' access to actuarial services.

Mr. McCann further noted that single-bid RFPs have happened more than once in recent times at the MHBE. He encouraged the agency to investigate its processes to determine whether it is inadvertently building the RFP in such a way as to make firms not want to bid. Ms. Eberle replied that one tool available to the MHBE is to lengthen the RFP response period.

Ms. Weckesser asked whether the agency would consider doing a request for information (RFI) rather than an RFP. Mr. Cardenas replied that the upcoming SHOP procurement will begin with an RFI. The agency discussed doing an RFI for the actuarial work, but decided against it since actuarial science is so well established.

Secretary Neall expressed disappointment that the incumbent vendor did not bid and noted that the state is introducing a new procurement platform to replace eMaryland Marketplace. He added that the MHBE needs an actuary right away and does not have time to reissue the RFP. Ms. Eberle pointed out that the contract under discussion would include option years. Mr. Cardenas agreed, noting that the agency will reevaluate at the end of the year. Ms. Eberle added that the Board will hear from the agency on procurement policies in the coming months, during which time they will hear recommendations on these issues.

Ms. Herron moved to approve to execute the contract for Actuarial Services to support the State Reinsurance Program and award Lewis & Ellis the contract for a one-year base amount of \$101,250 and two one-year optional renewals for a total of \$303,750. The motion passed with no opposition.

SHOP Regulations

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

Taylor Kasky, Senior Policy Analyst, MHBE

Mr. Cardenas introduced Ms. Kasky who gave the Board a summary of proposed SHOP regulations. She described the regulation promulgation process, including the incorporation of feedback from stakeholders.

Ms. Kasky then laid out the sections of the proposed regulations, including scope, definitions, eligibility, enrollment, termination, coverage models, employer contribution, and premium rating. She outlined the next steps in the process from publication in the Maryland Register through the final effective date of the regulations. Finally, Ms. Kasky asked the Board to approve the publication of the proposed regulations in the Maryland Register.

Ms. Weckesser noted some spelling errors in the regulations. Mr. McCann asked for the current employer contribution requirements. Ms. Kasky replied that employers are not required to contribute to employee premiums.

Ms. Weckesser asked whether the regulations include a requirement that employers provide timely notification to employees when the employer elects to discontinue coverage. Mr. Cardenas pointed out that such requirements are included in the Insurance Article in Maryland law.

Mr. Steffen asked how stakeholders responded to the 75 percent participation requirement. Mr. Cardenas replied by pointing out that the 75 percent participation is an upper limit imposed on the carriers. While carriers may set their own participation requirement, it cannot exceed 75 percent.

Ms. Herron asked whether employees who obtain coverage elsewhere, such as through a spouse, will be included in the denominator when determining the participation level. Mr. Cardenas replied that the agency will prepare a written response to the question but that there are rules determining who does and does not count in the denominator. Ms. Kasky added that the federal healthcare.gov website provides a detailed breakdown of who should be included in the denominator and that employees receiving coverage through a spouse would not count.

Ms. Herron moved to approve the staff recommendation to submit the proposed regulations for the Small Business Health Options Program as amended to the relevant legislative committees and then submit them to the Maryland Register for publication. The motion was passed with no opposition.

MD THINK Update

Venkat Koshanam, Chief Information Officer, MHBE

Mr. Koshanam began by addressing questions and concerns raised earlier in the meeting during the Executive Update. First, regarding whether the mobile app introduces additional risk to the MD THINK platform, he explained that the code base is the same between the mobile app and the browser version of Maryland Health Connection (MHC), meaning there is no specific risk from the mobile app. He pointed out, however, that some elements of the mobile app, such as push notifications leading up to 6,000 people to log in at once, require higher performance than is available from MD THINK. This higher performance will be part of the load testing for the staging and production environments.

Ms. Herron asked why the agency uses 6,000 concurrent users as its testing baseline. Mr. Koshanam replied that the system's history shows the maximum peak concurrent users at 2,000 with a maximum of 55,000 during any single day. He noted that if demand on the system passes 3,000, it can dynamically add resources to meet that demand.

Ms. Herron expressed concern that there is not enough time before open enrollment to adequately test the system on the MD THINK platform. Mr. Koshanam replied that he shares many of the same concerns, but wants to allow the team the opportunity to succeed before making the final decision on July 7.

Ms. Herron asked why it is critical for the MHBE to move its software onto the MD THINK platform now rather than later. Secretary Neall asked whether it is because, as a largely federally-funded program, the agency must find a new host at this time. Mr. Koshanam agreed, adding that the current vendor's contract has been extended for another year. Secretary Neall noted that the extension of the contract with the current vendor was executed due to the delays of the MD THINK testing and that the MHBE will have the option to move over to MD THINK before open enrollment or stay with the current host. He added that the success of MD THINK would be a major boon for the entire state. Ms. Herron responded that their responsibility as Board members was to the MHBE rather than the entire state and reiterated her question on the timing. Secretary Neall replied that he believes the MD THINK platform is less expensive than commercially available hosting.

Secretary Padilla noted that the MD THINK team has been working on the platform since 2016 and that the MHBE agreed to the delayed schedule. She added that environments provided by MD THINK that the MHBE elects not to use will still have to be paid for.

Ms. Weckesser commented that the most important outcome is a flawless open enrollment, whether it be on the MD THINK platform or a backup system. Ms. Eberle noted that the costs are already allocated and that the only question is timing as to whether the MD THINK launch happens in July or January. Mr. Steffen agreed, adding that delay is not failure.

Mr. Koshanam then provided the status of testing on each environment, wherein 2 out of 11 environments have been certified. He noted that the MHBE's carrier partners must provide signoff of their testing before the switchover can take place.

Secretary Neall remarked that the Board will get a recommendation on the go/no-go decision from staff, and they will discuss it, then decide. He added that he will not vote to proceed with the July date if he is not completely comfortable with the decision.

Mr. McCann asked that the Board be informed of any change in the testing standards, along with the justification for the change, especially if the change is toward loosening requirements. Mr. Koshanam replied that they would, adding that the MD THINK team has instituted a change control process that serves to provide the level of transparency the MBHE needs to make a sound decision.

Mr. Steffen asked for a breakdown of staff effort toward the MD THINK migration by agency, level of effort, and vendor status. Mr. Koshanam replied that 50 staff members are on the project, but not all at 100 percent commitment. He pointed out that, during the phase of environment building, the agency's infrastructure team was heavily involved. Now that the testing phase is underway, the testing staff are over 100 percent committed. He noted that the entire project was budgeted for 35,000 person-hours, with 11,000 person-hours dedicated to testing. Ms. Eberle noted that the MHBE's capacity is currently stressed.

Secretary Padilla noted that the load testing passed at 500 users, but failed at 2,000 and asked what time frame that load is intended to simulate. Mr. Koshanam replied that it is intended to simulate a peak load of about 15 minutes. Secretary Padilla noted that there is no reason the resources on board cannot fix the issue. Mr. Koshanam agreed, adding that the team has been making changes to the system in response to that testing failure, and that it would not fail a second time.

MD THINK Agreements

Andrew Ratner, Chief of Staff, MHBE

Venkat Koshanam, Chief Information Officer, MHBE

Mr. Ratner gave the Board each a copy of the draft Memorandum of Understanding (MOU) between the MHBE and MD THINK, outlining the operations services to be provided. He began by stating that the Board will be asked to grant Ms. Eberle the authority to enter into the MOU and that this decision is independent of the go/no-go decision on the migration.

Ms. Herron asked whether the MOU includes uptime and response requirements. Mr. Koshanam replied in the affirmative, adding that the service level agreements (SLAs) are the same as those with the current vendor. Ms. Herron asked whether the SLAs also include weekends and holidays. Mr. Ratner replied in the affirmative.

Mr. McCann asked whether the billing process outlined in the MOU has been approved by the Maryland Department of Budget and Management (DBM) or if some other audit mechanism has been developed to ensure the costs are correct. Mr. Ratner replied that a cost allocation model has been included in the MOU that will be subject to a later "true-up," and that, in the future, DBM will have a model to determine actual usage.

Mr. McCann asked who would decide how to respond to requests for records under transparency laws—whether it would be the MHBE or DHS. Sharon Stanley-Street, Principal Counsel to the MHBE from the Office of the Attorney General, replied that, if the MHBE is the custodian of the records being requested, the MHBE would make the decision. If the records requested are not in the MHBE’s custody, it might be DHS or whoever is the custodian of those records.

Ms. Herron asked how the MOU will be impacted by MD THINK’s migrating from DHS to the Maryland Department of Information Technology (DOIT). Mr. Ratner replied that the term of the MOU is two years, and that lessons learned in that time will inform the agreement with DOIT in the future. Gregory James, Deputy Secretary for Operations at DHS, pointed out that DOIT is a signatory of the MOU, adding that DOIT has agreed to adopt the MOU as a whole if it should come to pass that the migration takes place before the MOU expires.

Mr. Steffen asked how SLAs are enforced in the MOU. Mr. Ratner replied that, since there is no profit motive between state agencies, the enforcement mechanism will rely on avoidance of negative publicity.

Ms. Weckesser moved to approve the staff recommendation to authorize the Executive Director to sign a Memorandum of Understanding between the Maryland Department of Health, Department of Human Services, and Department of Information Technology for operation of the Health Benefit Exchange system (HBX) on the Maryland Total Health Integrated Network (MD THINK) hosting platform. Mr. Steffen asked whether they are voting on the MOU in its final form as presented to the Board. Mr. Ratner replied that the Board is voting on whether to authorize the Executive Director to enter into an agreement that is the same or nearly the same as the one in the document provided, adding that if the MOU changes substantially, the MHBE will return to the Board for its input. The motion was adopted with no opposition.

Adjournment:

The meeting was adjourned.