



# Maryland Health Benefit Exchange Board of Trustees

April 20, 2020

2 p.m. – 4 p.m.

*Meeting Held via Video Conference*

## **Members Present:**

Robert R. Neall, Chair

S. Anthony (Tony) McCann, Vice Chair

Alfred W. Redmer, Jr.

Mary Jean Herron

Ben Steffen, MA

Dana Weckesser

Dr. Rondall Allen

Robert D'Antonio, PhD

K. Singh Taneja

## **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

Johanna Fabian-Marks, Director, Policy & Plan Management, MHBE

Betsy Plunkett, Director, Marketing & Web Strategies, MHBE

Heather Forsyth, Director, Consumer Assistance, MHBE

Raelene Glasgow, Procurement Manager, MHBE

## **Welcome and Introductions:**

Vice Chair McCann opened the meeting and welcomed all in attendance.

## **Approval of Meeting Minutes**

The Board reviewed the minutes of the February 18, 2020 open meeting. The Board voted unanimously to approve the minutes of the February 18, 2020 open meeting.

## **Executive Update**

*Michele Eberle, Executive Director, MHBE*

Ms. Eberle began by thanking first responders, essential workers, leadership at the Maryland Department of Health, Governor Hogan and state agencies for their efforts to work through the COVID-19 crisis. She further thanked MHBE staff for continuing to offer coverage to Marylanders.

Regarding the shortened legislative session, she noted that the proposed bill to create and fund an individual subsidy program was turned instead into a study on the matter, due by December 1. Additionally, similar legislation affecting the small group market failed to advance past committee. She also noted that, given budget constraints, the MHBE will pause planned efforts within the small group market.

She then explained that a consumer protection bill incorporating items from the Affordable Care Act passed through the legislature. Finally, the MHBE is responsible for producing three Joint Chairmen's Reports (JCRs): one regarding Easy Enrollment figures, one reporting reinsurance program costs and plan use, and one outlining future funding needs of the MHBE. She noted that permanent cuts for MHBE's budget had previously been proposed, but the legislature instead paired a one-time cut with an operating costs study.

Regarding the budget, Ms. Eberle stated that they have been asked to look for areas to contain costs and that three vacant positions are currently frozen. She noted that they are holding off on some non-essential spending, such as laptop and cubicle updates. She explained that, for fiscal year (FY) 2021, the MHBE has been instructed to reduce its budget by \$3.5 million, with state funding set at \$31.5 million. She stated that most of the budget cuts will come out of the small business program because it does not draw a federal match. Finally, she noted that their goal is to maintain consumer assistance.

Next, Ms. Eberle highlighted two internal promotions.

She then stated that the MHBE has received federal pass-through reinsurance funding, noting that the \$447 million for FY 2020 included amounts for additional individuals to be covered through the Easy Enrollment program.

She highlighted internal improvements in contract monitoring, stemming from last meeting's discussion around the Lewis & Ellis contract modification. She explained that the MHBE has updated and revised policies and procedures and implemented a redundant check on the contract burn rate. Further, all contract monitors have completed procurement and contract monitoring training.

Ms. Eberle then noted that around 36,000 households to date have checked "yes" on the Easy Enrollment application, with nearly 34,000 eligible. Further, around 8 percent of those eligible have enrolled, with 71 percent enrolling in Medicaid and 35 percent in commercial plans. Of those enrolling in commercial plans, 83 percent received financial assistance.

Ms. Herron began by thanking Governor Hogan, Secretary Neall, MDH staff, and MHBE staff. She then asked whether workers recently laid off will maintain their health benefits through April, meaning the health benefit exchange could see more traffic in early May.

Mr. Taneja asked whether the MHBE has received a budgetary mark for FY 2020. Ms. Eberle responded that they have not as of yet. She added that they have been asked to freeze all open positions and stop discretionary spending, with further instructions upcoming.

Mr. Taneja then asked whether the initial enrollments coming in the wake of the COVID-19 emergency would have an impact on budgetary resources. Ms. Eberle responded in the negative.

Mr. McCann asked whether the status of COBRA coverage for laid off workers has an impact on the MHBE. Ms. Eberle noted that the MHBE already has a special enrollment period (SEP) for anyone who loses coverage. She added that they communicate with individuals who lose employer-sponsored coverage to come to the exchange and look at available options, as it is often more affordable than COBRA. Additionally, the MHBE is coordinating efforts with the Department of Labor to steer individuals to the exchange.

### COVID-19 Update

*Andrew Ratner, Chief of Staff, MHBE*

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

Mr. Ratner explained that, as a state-based exchange, the MHBE used its authority to create a COVID-related SEP. He noted that over 20,000 individuals have enrolled using the new SEP to date, with nearly 13,000 qualifying for Medicaid coverage. Additionally, 5,400 individuals enrolled in private plans with financial assistance. He then noted that young adult (18-34 years old) enrollments made up about 36 percent of new enrollments, which is higher than typical.

Next, Mr. Ratner showed a breakdown of SEP enrollments last year compared to the current year. He noted that the SEP enrollments for life changes other than COVID-19 or Easy Enrollment were essentially flat. He then stated that Medicaid enrollment is currently at its highest ever level on Maryland Health Connection, in part due to the pausing of required document verification reviews for 90 days. He noted that analyzing Medicaid enrollments by county shows a reversal of last year's across-the-board declines, with nine counties now showing increases in enrollment. He added that, given the timeline of recent job losses, enrollments may increase moving forward.

Mr. Ratner then stated that, year-to-date, qualified health plan (QHP) retention is at its second highest level in the seven years of the exchange.

Finally, he highlighted several unemployment scenarios in Maryland and the resulting impact on Medicaid, the group market, and the individual market. He noted that, even under a less severe unemployment scenario, the cost to the state would be substantial as individuals shift off of employer-sponsored insurance and onto Medicaid. In referencing a separate think tank analysis showing potential employer-provided insurance losses, he explained that the MHBE has not yet seen substantial volume increases in calls for assistance. He noted that traffic may be down in part due to the suspended document verifications, and that they will keep a close watch moving forward.

Ms. Plunkett began by explaining the shift in focus of outreach efforts in response to the COVID-19 crisis, including coordination with state agencies and developing messaging for consumer assisters. Likewise, she noted that the media plan has shifted to prioritize digital advertising in response to the

pandemic. Finally, she highlighted social media posts from elected officials informing constituents of the new SEP.

Commissioner Redmer asked whether the figure for Medicaid enrollment represented individuals or households. Mr. Ratner responded that the figure represents individuals, based on those assessed using modified adjusted gross income (MAGI).

Mr. McCann asked whether the MHBE has plans to communicate with newly enrolled individuals who may otherwise have not sought health insurance absent the crisis and to attempt to keep them enrolled. Ms. Plunkett responded that the marketing portal allows them to target individuals directly.

#### Procurement Items: Actuarial Services Contract

*Johanna Fabian-Marks, Director, Policy and Plan Management, MHBE*

*Raelene Glasgow, Procurement Manager, MHBE*

Ms. Fabian-Marks presented the terms of the actuarial services contract awarded to Lewis & Ellis, with the base year ending on June 30, 2020. She noted that, during February's board meeting, the Board declined to increase the base year not-to-exceed (NTE) amount in response to unexpected spending.

She explained that staff has held ongoing conversations with the contractor, while agreeing that some work completed during the base year could be paid upon completion in the first option year. She stated that a base year increase in the NTE of \$30,000 would be sufficient to cover services for a second reinsurance report in the contract base year, for 2021.

Next, Ms. Fabian-Marks presented three options that were discussed with the Board's Finance Committee on how to proceed. Option one is to increase the base year NTE by \$30,000 to obtain a complete second reinsurance report. She noted that 2019 data would be used to trend forward and update the dampening factor analysis, update ten-year projections for enrollment and costs, as well as update recommended 2021 parameters. Additionally, she noted that the Board has already set the estimated 2021 parameters using modeling based on 2018 data.

She stated that option two is to not increase the NTE and use \$20,000 available in the base year to perform a minimum analysis of 2019 data for finalization of 2021 program parameters. Rather than receiving a comprehensive report, this option would allow for production of several data tables providing the minimum necessary information. It also would not allow for iterative modeling between the MHBE, the contractor, and the Maryland Insurance Administration.

Finally, she explained that option three is to not increase the NTE and not update the dampening factor analysis for 2021 using 2019 data.

She stated that the Finance Committee voted to select option one, which would increase the total contract NTE from \$303,750 to \$333,750. Ms. Fabian-Marks also highlighted that Senate Bill 124 requires the MHBE to submit a study on the potential impact of an individual market subsidy program. She noted that staff will present contract recommendations related to this analysis at the May Board meeting.

Mr. Taneja added that, given the impact of COVID-19, the Finance Committee felt they needed to have more recent data available in selecting option one.

Mr. McCann noted that Board members have received a memo on changes made in procurement. He also asked whether staff will need to come back to ask for more money due to the impact of COVID-19. Ms. Fabian-Marks responded that reinsurance funding has been set for the current year and that 2019 claims will be paid this year. She added that if, at this time next year, the funding does not seem sufficient, the Board has the authority to reduce the amount paid out to insurers across the board. Mr. McCann then asked whether, if the number of claims eligible for reinsurance rise significantly due to COVID-19, the MHBE would receive additional funding from the federal government. Ms. Fabian-Marks responded that the federal government would not provide more funding, but that if combined state and federal funding is insufficient to meet claims demand, authority exists to reduce the amounts paid out to insurers.

Ms. Glasgow stated that the MHBE is requesting Board approval to increase the base year Actuarial Services Contract NTE by \$30,000, to \$131,250. Ms. Herron motioned for approval and Commissioner Redmer seconded. The motion carried unanimously.

#### Procurement Items: IT Services

*Venkat Koshanam, Chief Information Officer, MHBE*

*Raelene Glasgow, Procurement Manager, MHBE*

Mr. Koshanam notified the Board of an upcoming license renewal request for Akamai, which will occur at the May Board meeting. He explained that the product is primarily used for security and performance enhancement. He added that the product stays outside of the MD THINK platform, as an added layer of security. Additionally, during potential spikes in use, the product has a waiting room functionality.

Ms. Glasgow explained that the Akamai license expires on June 30, while the current year cost was \$456,507.24. She noted the license renewal period would be for one year. Finally, she stated that the Invitation for Bid is currently out and will remain open for a minimum of 30 days as per the Board's recommendation.

Ms. Herron asked whether the bid is for a different software platform or for a new entity to provide the Akamai software. Mr. Koshanam responded that they are seeking a vendor to provide the Akamai platform. Ms. Glasgow added that the license renewal goes out each year so that all vendors are invited to submit a bid. She noted that Akamai has added vendors to their roster in recent years.

Mr. McCann asked whether the prior contract was single or multi-year. Ms. Glasgow responded that these contracts are always single year.

Next, Mr. Koshanam explained that Digital Management Inc. (DMI) supports system operations including ensuring system availability, supporting software releases, and providing support for audit and compliance requirements. He stated that, as internal staff have developed skills in these areas, they are proposing a reduction in DMI staff from ten to seven.

Ms. Glasgow explained that DMI's HBX Systems Operations Contract is up for option year 2 renewal, with a cost of \$2,071,351.80. However, the MBHE requests modification of DMI's contract for a net amount of \$1,571,351.80. She noted that the modification is under review by the MHBE's legal department and that DMI has agreed to the reduction.

Ms. Weckesser asked Sharon Stanley Street, Principal Counsel, Office of the Attorney General, whether there are any concerns upon reviewing the modification. Ms. Stanley Street responded that there are no concerns at this time, and that it is a standard legal review.

Ms. Eberle noted that this as an excellent example of working to contain costs by identifying an area where the entire contract spending total was not necessary to carry out operations.

Mr. McCann asked, given this movement to bring work in house, where staff sees this contract going in upcoming years. Mr. Koshanam responded that the goal has been to move operational functions in house and remove critical dependencies from external vendors. He added that there may be another cost reduction next year. Mr. McCann then asked for clarification that there is no final decision on a future contract. Mr. Koshanam responded in the affirmative, while noting that in the future the MHBE would not need this type of contract to run its operations.

Ms. Herron moved to approve the MHBE to exercise the second year option renewal of the contract with DMI from May 19, 2020 to May 18, 2021 reducing the option year 2 of the contract amount from \$2,071,351.80 to \$1,571,351.80. Ms. Weckesser seconded the motion. The motion passed, with none opposed and Mr. Taneja abstaining.

#### **Procurement Items: Connector Entity Grants**

*Heather Forsyth, Director, Consumer Assistance, MHBE*  
*Raelene Glasgow, Procurement Manager, MHBE*

Ms. Forsyth explained that the connector entity grants are up for renewal for FY 2021. She stated that the MHBE makes eight grants to six organizations to provide regional navigator program services to assist consumers in applying for coverage options.

She noted that during this past open enrollment quarter, the entities had about 60,000 encounters, 70 percent of which were for application assistance. She then highlighted the distribution of grant funds across the eight regions for FY 2020 and noted that there is no proposed change to the distribution for FY 2021.

She also explained that, as a result of the COVID-19 emergency, navigators have quickly adapted to providing assistance by phone.

Ms. Glasgow stated that the grant awards for FY 2021 are up for renewal in the amount of \$10 million, to be distributed in the same proportion as in FY 2020. Of this amount, \$4,470,673 would be state funds.

Ms. Herron moved to renew the grant awards to the Connector Entity Program in the amount of \$10 million for FY 2021. Mr. Taneja seconded the motion. The motion carried unanimously.

## Procurement Items: Call Center and Fulfillment Center

*Heather Forsyth, Director, Consumer Assistance, MHBE*

*Raelene Glasgow, Procurement Manager, MHBE*

Ms. Forsyth explained that the MHBE contracts with Maximus Health Services, Inc. for the Maryland Health Connection Consolidated Services Center (“the call center”), which serves to enroll consumers over the phone.

She noted that the call center operates three sites across the country, and stated that the number of available customer service representatives ranges from 150 to 200, depending on demand. In response to the COVID-19 emergency, she noted that the contractor has successfully transitioned 90 percent of its staff to work from home. Finally, she highlighted that many representatives are bilingual in English and Spanish.

In addition to handling call volume, Ms. Forsyth explained that the contractor serves as the first tier of escalation in response to issues. They also have staff to handle social media responses and provide support to producers, as well as the broker-assisted transfer phone (BATPhone).

Next, she showed data from the seven open enrollment periods related to handling time and other service metrics. She noted that performance appears to dip down in year seven, but was comparable or better than the first five years. She also explained the difficulties inherent in forecasting demand and highlighted overstaffing that occurred in year six as a result of an expected surge.

Mr. McCann asked, in the scenario where unemployment increases significantly, if there is an understanding of what will happen to call center volume and if staff would need to request an increase in the contract amount. Ms. Forsyth responded that the call center is currently running below projections and that they are hoping to not come back to the Board for an increase. She estimated that volume could increase around 10 to 15 percent without significantly affecting customer service.

Mr. Steffen asked for the turnover rate among call center staff and how it compares with previous years. Ms. Forsyth responded that they have done well with retention this year, and that there is a natural attrition post-open enrollment. She added that they do track the attrition rate and that she could send him the figures. Ms. Eberle asked for clarification that the retention levels are in the service level agreement with the contractor. Ms. Forsyth responded in the affirmative.

Ms. Glasgow stated that the option year 2 is up for renewal, with the period commencing July 1, 2020.

Ms. Herron moved to exercise the second option year renewal of the contract with Maximus Health Services, Inc. in an NTE amount of \$16,905,633. Ms. Weckesser seconded the motion.

Mr. Taneja sought clarification that, given the magnitude of this contract with the renewal period beginning July 1, that if things are not going well the Board would be notified in a timely manner in case of a need to change vendors. Ms. Eberle responded that the finance audit committee meets periodically, and that any contract performance issues would be brought there first.

The motion carried unanimously.



Ms. Forsyth then explained that the MHBE contracts with Art & Negative Graphics for Fulfillment Center Services, including print, mail, and processing incoming consumer documents. She noted that they have met all service levels except for one during the current FY.

Ms. Glasgow explained that option year 2 is up for renewal in the NTE amount of \$3,100,000, beginning July 1, 2020. She requested Board approval to exercise the second option year.

The Board unanimously approved renewal.

Mr. McCann asked whether there would be a new contract coming forward in the next year. Ms. Glasgow responded that the contract ends in 2021, and that there is a third option year after that.

### Procurement Items: Marketing

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

*Raelene Glasgow, Procurement Manager, MHBE*

Ms. Plunkett explained that the MHBE contracts with GMMB for full-service marketing and communications, including creative development, media buying, and public relations. She then highlighted new efforts undertaken during the seventh open enrollment, including a Spanish language television partnership and gas station ads.

She noted that the digital campaign led to over 180,000 conversions, meaning individuals clicking through the ad to sign in, create an account, or browse for plans. She then stated that Maryland tied for third nationwide in enrollments of individuals aged 18-34 years.

Finally, Ms. Plunkett highlighted GMMB's efforts to shift focus in response to the COVID-19 crisis, including earned media outreach and outreach to small business owners.

Ms. Glasgow stated that the MHBE recommends renewal of option year 2 for the period commencing July 1, 2020.

Ms. Weckesser stated that she has been impressed with GMMB's work alongside the MHBE's marketing team, especially during the COVID-19 crisis.

Ms. Herron moved to exercise the second option-year renewal of the marketing communications contract with GMMB from July 1, 2020 to June 30, 2021, for an amount of \$3,370,000. Mr. Taneja seconded the motion. The motion carried unanimously.

Next, Ms. Plunkett explained that the MHBE contracts with Uptown Press for printing services. She noted that the contractor has handled several complex projects, including 18 different open enrollment brochures with customized information. Additionally, the contractor is sending out weekly batches of Easy Enrollment postcards to stay in touch with consumers who checked the box on their tax returns.

Ms. Glasgow requested that the Board approve the one option-year renewal of the printing contract to Uptown Press, Inc. for one year from July 1, 2020 to June 30, 2021, for a NTE amount of \$120,000.



The Board unanimously approved renewal.

### Closing

Mr. Taneja referenced earlier discussions of bringing outsourced services in-house, and noted that there are many individuals working at the MHBE in information technology under an annual contract renewal basis. He noted his concern, which has been addressed by leadership, of any potential ramifications regarding the Internal Revenue Service (IRS). Mr. McCann thanked Mr. Taneja for raising the issue and highlighted his concern that individuals under contract have a full set of benefits.

In referencing the current set of task orders, Ms. Weckesser noted her appreciation that staff are listing the hourly rates. She then asked Mr. Koshanam whether his push to bring more capability in house is also related to the task orders. Mr. Koshanam responded in the affirmative. Ms. Weckesser also noted a potential concern with the IRS regarding contractors and asked whether staff have analyzed the issue. Mr. McCann noted that the general counsel's office reviewed the matter and that the MHBE is in good shape. He also highlighted the difficulty of getting new permanent positions. Additionally, he stated the importance of keeping staff up to date with the latest technology and having access to needed contractors.

Ms. Eberle explained that, given this concern with contractors, they are going to develop a policy on the matter.

### Adjournment

The meeting was adjourned.