



Maryland Health Benefit Exchange Board of Trustees

May 18, 2020

2 p.m. – 4 p.m.

Meeting Held via Video Conference

Members Present:

Robert R. Neall, Chair

S. Anthony (Tony) McCann, Vice Chair

Kathleen A. Birrane

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

Tony Armiger, Chief Financial Officer, MHBE

Caterina Pañgilinan, Chief Compliance Officer, MHBE

Sharon Stanley Street, Principal Counsel, Office of the Attorney General

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

Raelene Glasgow, Procurement Manager, MHBE

Lourdes Padilla, Secretary, Maryland Department of Human Services (DHS)

Welcome and Introductions:

Vice Chair McCann opened the meeting and welcomed the new Maryland Insurance Commissioner, Kathleen A. Birrane, to the Board.

Approval of Meeting Minutes

The Board reviewed the minutes of the April 20, 2020 open meeting. The Board voted unanimously to approve the minutes of the April 20, 2020 open meeting. Commissioner Birrane abstained.

Executive Update

Michele Eberle, Executive Director, MHBE

Ms. Eberle began by welcoming Commissioner Birrane to the Board.

Next, Ms. Eberle announced that United Healthcare will begin offering plans on the marketplace in 2021. She remarked that, while the MHBE has been working with United and other organizations to expand the number of carriers in Maryland, the agency was pleasantly surprised that the company would be ready so quickly.

Ms. Eberle then discussed the progress of the Maryland Easy Enrollment Health Insurance Program (MEEHP), noting that its special enrollment period (SEP) was extended through July 15, to coincide with the extended tax filing deadline. More than 39,000 households engaged the MEEHP since its inception, leading to over 3,000 enrollments. She added that, of those who enrolled in a commercial qualified health plan (QHP), nearly half were under age 34 years.

Next, Ms. Eberle explained that the COVID-19 SEP has netted over 31,000 enrollments, with 64 percent joining Medicaid and 34 percent purchasing QHPs. She noted that 72 percent of those enrolled under this SEP reside in the five Maryland counties hardest hit by the pandemic: Montgomery County, Prince George's County, Baltimore City, Baltimore County, and Anne Arundel County. She added that, of those who selected a QHP under this SEP, 43 percent are under age 34, and 70 percent received financial assistance.

Ms. Eberle then described efforts by the MHBE to secure COVID-19 emergency funding from the Centers for Medicare & Medicaid Services (CMS). While more details will be forthcoming, the agency has been working together with the Maryland Department of Health (MDH) on an advanced planning document.

Next, Ms. Eberle discussed the MHBE budget for fiscal year (FY) 2020, noting that there was a reduction of \$3 million, or 8.5 percent. She added that, while the agency was able to reduce its budget by \$1.5 million, further reductions will result in a deficiency. Regarding hiring and staffing, she explained that all staff positions at the MHBE are frozen, leaving three vacant positions that will remain vacant for the time being. The agency has stopped discretionary spending.

Ms. Eberle then moved to the FY 2021 budget, explaining that a further ten percent budget reduction, \$3.5 million, is in place. In response, the MHBE has identified cuts it will make in its spending, the largest of which will be the small business efforts, as those are primarily funded by state dollars.

Ms. Eberle concluded her remarks by noting that all MHBE staff continue to work remotely with no plans to return to the office any time soon. She noted that agency operations continue smoothly, and staff are gearing up for the next open enrollment period. She underlined that Connector Entities have transitioned to telephone operations, while the call center is nearly entirely working from home.

[Legislatively Mandated Studies](#)

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

Ms. Fabian-Marks gave the Board an overview of the new mandated studies due to the Maryland General Assembly in 2020, including a report on enrollments resulting from the MEEHP for tax year 2019 filings, a report on 2019 reinsurance payments and forecast of future spending, an evaluation of

the appropriate future level of state funding for the MHBE, and a study of an individual subsidy program. She then provided further details of the individual subsidy study and the questions it is to address.

Mr. McCann asked whether the agency has any information from hospitals as to the impact of COVID-19. Ms. Fabian-Marks replied that she has not seen any such information except at a nationwide level and will coordinate with the Maryland Health Services Cost Review Commission (HSCRC) to obtain such details.

Mr. McCann recalled cases in the news of COVID-19 patients with inpatient stays of 3 to 4 weeks and asked whether such cases would likely trigger the reinsurance program. Ms. Fabian-Marks replied that it is likely and that the MHBE intends to ask its actuarial services contractor to include that in its analysis.

Mr. Steffen remarked that HSCRC and the Maryland Hospital Association will present information regarding the impact of COVID-19 on Maryland hospitals in early June before the Maryland House of Delegates' Health and Government Operations committee. He explained that the moratorium on elective surgery is a major impact, noting that many hospitals had significant bed availability but could not take in patients..

Actuarial Services Contract – Option Year 1

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

Raelene Glasgow, Procurement Manager, MHBE

Ms. Fabian-Marks and Ms. Glasgow presented a request that the Board approve the exercise of option year 1 on the MHBE's actuarial services contract with Lewis & Ellis. Ms. Fabian-Marks first described the background of the contract, including its inception and recent decisions by the Board to increase the value of the base year. She displayed a budget showing how the increased amount will partially cover additional work performed in the base year alongside work performed in option year 1. She explained the particular questions the contractor will investigate regarding the individual subsidy study.

Ms. Glasgow then asked the Board to approve the exercise of option year 1 of the actuarial services contract and the increase of the value of option year 1 by \$23,750.00 to \$125,000.

Ms. Herron, noting the presence of a Small Business Health Options Program (SHOP) line item in the presented budget, asked why such efforts are included given that the MHBE is drawing down its SHOP efforts. Ms. Fabian-Marks replied that the SHOP portion of the budget covers work already performed in the base year, as considered previously by the Board.

Ms. Herron asked whether the agency anticipates the value of option year 2 increasing, similarly to how option year 1 increased. Ms. Fabian-Marks answered that it is unclear. New legislative requirements could impact that total, she explained.

Mr. McCann asked, given the likelihood of changes in the hospitals' situations and the influx of new enrollees, whether the MHBE is likely to ask the contractor to perform additional new work in option year 2. Ms. Fabian-Marks replied that it is possible and gave an example of a potentially more

involved reinsurance study, but expressed the MHBE's opinion that the amount already designated for option year 2 is sufficient.

Ms. Herron moved to approve the first option year renewal of the Actuarial Services Contract and increase the first option year not-to-exceed amount by \$23,750.00 to \$125,000.00 as presented. The motion was approved unanimously.

Standing Advisory Committee

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

Ms. Fabian-Marks presented proposed additions to the Board's Standing Advisory Committee (SAC). She began by providing the background, underlining the requirement in law that the SAC include members that reflect the gender, racial, ethnic, and geographic diversity of the state and who are knowledgeable about the issues under discussion. SAC members are appointed to terms of no more than three years, she explained, and nearly half of the members' terms ended in 2019.

Next, Ms. Fabian-Marks described the process of replacing the outgoing members. She presented a list of six proposed new SAC members and noted that, should the Board approve the slate of new members, the SAC will still lack representation from the Eastern Shore and will remain below its target of 20 members. She added that the MHBE's recruitment efforts for next year will focus on addressing those deficiencies.

Finally, Ms. Fabian-Marks asked the Board to approve the slate of six proposed members.

Ms. Herron asked whether it would be possible to extend the terms of the outgoing SAC members from the Eastern Shore. Ms. Eberle replied that the Board has wide latitude in this area and would take the idea back to the SAC. Dr. Allen offered to recommend potential SAC candidates from the Eastern Shore.

Mr. Steffen asked for the racial and ethnic mix of the SAC. Ms. Eberle replied that she could obtain that information and share it with the Board.

Ms. Weckesser moved to approve appointment of Stephanie Klapper, Jon Frank, Cathy Grason, Michelle LaRue, Jeananne Sciabarra, and Allison Mangiaracino to the Standing Advisory Committee as presented. The motion was approved unanimously.

Quarterly IT Update

Venkat Koshanam, Chief Information Officer, MHBE

Mr. Koshanam began his remarks by demonstrating the information technology (IT) roadmap for 2020, including system enhancements, maintenance and operations, and special projects. He described the system modifications made by the MHBE related to COVID-19 and highlighted a few key changes, including drug formulary information, audit enhancements, and plan shopping redesigns, among others. Mr. Koshanam noted that a great deal of effort will be required to integrate the new carrier for the 2021 plan year, but that his team stands ready.

Next, Mr. Koshanam described the Robotic Process Automation effort by the MHBE to automate the process by which application data is verified. The new “bot” now handles nearly 90 percent of identity matching cases with 98 percent accuracy, freeing caseworkers for more valuable effort. He added that the MHBE intends to expand this technology for electronic data interface (EDI) verification with carriers.

Mr. Koshanam concluded his remarks by outlining further ongoing and upcoming efforts including responsive website implementation, password reset through the chatbot, optical character recognition, out-of-pocket expense calculator, and many others.

Mr. McCann asked how the agency can ensure that those working from home do not have the opportunity to insert malicious code into the system. Mr. Koshanam replied by noting that the MHBE gives great importance to security, and that everything they build is scanned, limited to state-issued hardware, and controlled through a virtual private network. He added that Maryland's Total Human-services Integrated Network (MD THINK) has additional controls.

Procurement Items: IT

Venkat Koshanam, Chief Information Officer, MHBE
Raelene Glasgow, Procurement Manager, MHBE

Ms. Glasgow gave the Board an overview of the agency's indefinite delivery, indefinite quantity (IDIQ) contract for IT consulting and technical support services. She described the structure of the IDIQ mechanism, noting that 98 master vendors were approved, of which 36 were awarded task orders in fiscal year (FY) 2020. Each master vendor is approved to offer services in one or more of ten functional areas, and have been used by the MHBE for efforts in system enhancement, support, maintenance, and project management. Mr. Koshanam pointed out that most of the federal matching funds are available in the enhancement and project management categories.

Next, Ms. Glasgow provided a breakdown of the IDIQ budget for FY 2020 and FY 2021 by work category and by federal or state funding.

Ms. Herron asked whether the MHBE must make any payments to MD THINK. Mr. Koshanam answered that the FY 2020 budget includes payment from the MHBE to MD THINK for phase one of the migration and that there will be a future payment associated with phase two of the migration, the amount of which is as yet undetermined. He pointed out that both payments are distinct from the ongoing memorandum of understanding (MOU) between the agencies for ongoing operations, currently set at \$6.2 million and that the MHBE will seek a reduction of \$500,000 to that amount, to be cut from the professional services category.

Ms. Eberle explained that, should the Board approve the NTE adjustment, the approval would carry through to the underlying task orders. Mr. Armiger demonstrated that the total value of all the task orders exceed the NTE of the IDIQ as a whole, adding that most task orders are expected to cost less than the maximum amount stipulated for each one.

Mr. McCann asked for details to be presented in a future Board meeting regarding how the MHBE avoids becoming too dependent on any particular individual or contractor through the IDIQ. Mr. Koshanam replied that he would do so.

Mr. Taneja stated that the MHBE should move, as much as possible, toward hiring permanent staff workers rather than relying on temporary workers.

Ms. Herron moved to approve the total Not-to-Exceed amount of \$24,210,000 for the IT Consulting and Technical Support Services IDIQ (Indefinite Delivery Indefinite Quantity) Contracts for Fiscal Year 2021 as presented. The motion was approved unanimously.

Next, Mr. Koshanam discussed the Akamai license renewal procurement request. He explained that the MHBE uses Akamai products for various security, performance, and monitoring functions. Ms. Glasgow described the parameters of the proposed procurement, including the renewal period, cost of renewal, and noted that the agency received three competitive bids, the least expensive being that of Carahsoft Technology Corporation. She added that the most recent invitation for bids (IFB) for this product generated a greater number of bids than in the past and that Akamai is working to expand its roster of wholesalers, likely meaning even greater competitiveness in future renewals.

Mr. Koshanam then provided a breakdown of the individual Akamai products that make up the procurement request. He asked the Board to approve the procurement.

Ms. Herron asked whether the vendor will be the same from FY 2020 to FY 2021. Mr. Koshanam answered in the affirmative.

Mr. McCann asked how much of the procurement is associated with licenses as opposed to personnel. Mr. Koshanam replied that the entire amount is for the products themselves and for priority product support.

Ms. Herron moved to award a contract to Carahsoft Technology Corporation in the amount of \$438,545.40 with a federal participation of \$282,861.78 and state participation of \$155,683.62 to renew Akamai license for the period from July 1, 2020 to June 30, 2021. The motion was approved unanimously.

[FY 2020 Q3 Compliance Update](#)

Caterina Pañgilinan, Chief Compliance Officer, MHBE

Ms. Pañgilinan began her update with privacy, audit, and compliance activities during third quarter (Q3) of FY 2020. She explained that the MHBE has completed its independent finance and programmatic audit. The programmatic audit yielded no findings, whereas the finance audit identified a deficiency that, while technically correct, falls well within best practices and accounting principles.

Referring to more detailed documents not presented, Ms. Herron noted that the deficiency should be completely immaterial due to its low dollar value. Ms. Pañgilinan agreed.

Ms. Pañgilinan continued discussing the activities of Q3, including achieving full compliance with privacy, IT security, and fraud, waste, and abuse training. She explained that the MHBE is implementing the Health Insurance Portability and Accountability Act (HIPAA) IT security requirements and deprecating the SOC 2 Type 2 audit requirement for connections between the agency and insurance carriers.

Next, Ms. Pañgilinan described a series of reviews of MHBE internal controls conducted during the quarter and listed several audits that have been postponed due to the public health crisis.

Mr. McCann asked whether the U.S. Department of Health and Human Services (HHS), when it postponed its audit, notified the Inspector General. Ms. Pañgilinan replied that she was not certain, but that it is her understanding that any enforcement actions are on hold or relaxed during the emergency.

Mr. Steffen asked the source of the SOC 2 Type 2 audit requirement. Ms. Pañgilinan replied that the requirement was from the Office of Legislative Audits (OLA) after the legislature adopted it as a statewide standard. Mr. Steffen asked whether moving away from OLA's preferred standard will cause a problem. Ms. Pañgilinan answered that the MHBE explained to the current OLA auditors the drawbacks of using SOC 2 Type 2 as opposed to the much more specific HIPAA standard and received no pushback. Mr. Steffen suggested that Ms. Pañgilinan obtain something in writing from OLA on this issue.

Ms. Pañgilinan then discussed activity on the Compliance Hotline, as well as the allegations of fraud, waste, and abuse during the quarter. Of the fourteen allegations, half were unfounded, five were referred, one was partially founded, and one remains under investigation. She noted an increase in the rate of privacy incidents and document misloads over the third quarter of FY 2019, but pointed out that the call center's misload rate dropped to zero in January, February, and March of 2020. Due to recent efforts at improvement, she explained, the agency has made great improvements in mitigating those privacy incidents that do occur.

Closing

Mr. McCann opened the floor for any members who wished to speak.

Mr. Steffen announced that the hearing of the House Health and Government Operations Committee meeting referred to earlier will take place on June 9.

Adjournment

The meeting was adjourned.