



# Maryland Health Benefit Exchange

## Board of Trustees

June 15, 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)  
Venkat Koshanam, Chief Information Officer, MHBE  
Tony Armiger, Chief Financial Officer, MHBE  
Heather Forsyth, Director, Consumer Assistance, Eligibility & Business Integration, MHBE  
Sharon Stanley Street, Principal Counsel, Office of the Attorney General  
James Adelman, 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 all in attendance.

### **Approval of Meeting Minutes**

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

### **Executive Update**

*Michele Eberle, Executive Director, MHBE*

Ms. Eberle began by noting that the June Board meeting serves as the annual meeting. As such, the Board is required to approve the fiscal year (FY) 2021 Board meeting dates. The meetings, as proposed, would take place on the third Monday of each month, with no meeting scheduled for August, December, or March. In the event of a holiday, the meeting would take place on Tuesday. Secretary Neall motioned to approve the FY 2021 Board meeting dates as proposed. The motion carried unanimously.

Ms. Eberle continued by acknowledging the difficult circumstances related to both the COVID-19 pandemic and the recent deaths of multiple individuals, including Mr. George Floyd. She explained that the MHBE is undergoing efforts to support staff members and will be bringing in outside resources to provide training.

Next, she stated that the special enrollment period (SEP) associated with COVID-19 will be ending at the end of the day, June 15. She noted that there have been over 41,000 enrollments under the SEP since March, with approximately 65 percent qualifying for Medicaid and 35 percent enrolling in qualified health plans (QHPs). She added that the counties with the largest number of enrollments are also those with the majority of COVID-19 cases. Of those enrolling in QHPs, 43 percent were under the age of 34, and 70 percent qualified for financial assistance. She also explained that anyone who loses employer-sponsored coverage is able to enroll in coverage through the exchange.

Ms. Eberle stated that United Healthcare will be returning to the individual market in calendar year (CY) 2021. She noted that the average proposed rate represents a reduction of 4.8 percent compared to this year. Additionally, the number of counties with only one carrier will drop from 13 to 8. She attributed the progress in part to the success of the reinsurance program.

She then highlighted an internal innovation contest to engage staff during this period of continued teleworking. She noted that four teams will be presenting their ideas at an upcoming all-staff meeting.

Finally, Ms. Eberle introduced the new Assistant Attorney General assigned to the MHBE, James Adelman.

Ms. Weckesser asked whether members of the Board would be able to listen in on any future trainings related to civil rights. Ms. Eberle responded in the affirmative.

Mr. McCann asked if staff can send the Board a comparison of proposed 2021 rates to actual 2017 rates. Ms. Eberle responded in the affirmative.

## FY 2020 Accomplishments

*Michele Eberle, Executive Director, MHBE*

Ms. Eberle stated that FY 2020 was a year of growth and stability. She highlighted that the chatbot, Flora, has been helpful in keeping down the volume at the call center.

She noted that next year is on pace to be the third consecutive year of average rate reductions. She added that this past open enrollment saw the largest number of enrollments in the past four years. She explained that retaining newly enrolled individuals will be a priority moving forward. Additionally, with the reinsurance program in place, average rates have fallen 23 percent since 2018. She

highlighted that Colorado will be the second state to implement a program along the lines of the Maryland Easy Enrollment Health Insurance Program (MEEHP).

Mr. Taneja asked for a more detailed breakdown of the \$820 million passed through by the federal government. Ms. Eberle responded that the pass-through dollars in the reinsurance program represent the amount that the federal government believes it is saving, in the form of reduced outlays for advanced premium tax credits (APTCs). She added that it appears that the state will be able to pay all reinsurance claims out of the federal pass-through funding, without having to use any funds collected by the state assessment. Mr. Taneja sought greater clarity on the mechanism of lowering premiums. Ms. Eberle responded that carriers take into account the reinsurance program when they undergo actuarial analysis and determine rates.

Mr. McCann then asked if a combined total of APTC payments and the reinsurance amount is available. Commissioner Birrane responded that she can determine how much of that data is available.

Mr. McCann asked if the MHBE has plans on determining reasons as to why individuals leave their insurance plans. Ms. Eberle responded that they have surveyed individuals in the past and noted that it may currently be built into communications when individuals leave coverage.

Ms. Eberle highlighted successes in customer service, including the MEEHP and the chatbot, Flora.

Next, she noted that the migration to the Maryland Total Human-Services Integrated Network (MD THINK) platform was the largest rebuild of the system since 2014. She also stated that the MHBE is the first Maryland state agency to receive certification from the Capability Maturity Model Integration (CMMI) program.

Regarding marketing and communications, Ms. Eberle noted that Maryland is second best in the nation for enrollments in gold plans. Additionally, Maryland is tied for third in the nation with young adult enrollment.

Next, Ms. Eberle stated that African American enrollments have increased 20 percent since 2015. Likewise, she noted that Hispanic enrollments have tripled since 2015.

She explained that Maryland has offered one of the longest COVID-19 SEPs in the nation, and that the MHBE invested \$70,000 in digital advertising to inform the public. Additionally, the MHBE processed the most May enrollments on record this year.

Ms. Eberle then noted awards and recognitions, including an Award of Excellence for Community Relations received by the marketing team and its outreach partner.

Finally, she highlighted key challenges facing the MHBE in FY 2021, including the continued impact of COVID-19 and, given a 10 percent budget cut, a pause in efforts to improve the small business marketplace.

**FY 2021 Budget Deep Dive**  
*Tony Armiger, Chief Financial Officer, MHBE*

Mr. Armiger explained that funding for the MHBE comes from two sources: state and federal funds. He noted that state special funds are generally set by statute at a floor of \$35 million. Federal dollars generally come from the Medicaid program, while the reinsurance program entails state and federal funding.

He explained that new contract terms for call center services, beginning with FY 2018, have led to actual spending consistently falling below budgeted levels. As a result of the MHBE saving money, it has led to possible future funding reductions for the agency.

Next, Mr. Armiger highlighted a \$2.4 million reduction for call center services passed by the legislature in the 2019 session. He explained that this resulted in the MHBE's state special fund budget falling to \$34 million for FY 2020. He then noted that the governor's budget also reduced the MHBE's budget by \$3 million for FY 2020. Mr. Armiger stated that the legislature has, for FY 2021, further reduced MHBE's budget by \$3.5 million. This brings the agency's state special funds budget to approximately \$31.3 million. Finally, he notified Board members that the MHBE is required to file a report with the legislature on future funding needs by December 1, 2020. He explained that the uncertainty around COVID-19 could lead to additional future funding cuts.

Mr. Armiger then introduced the FY 2021 budget, noting that certain functions come with federal funds attached.

Ms. Herron asked for clarity in the level of the budget cut, and whether significantly more than the state-only portion has been reduced. Mr. Armiger responded in the affirmative.

Mr. Armiger next presented the overall FY 2021 budget in detail. He highlighted the particular services that have been targeted for reductions in order to meet the overall budget target. He explained that some services have been completely eliminated, while others have seen a reduction. In particular, he reiterated that efforts aimed at the small business segment have been cut because they are entirely state funded.

Ms. Herron asked for clarification on past spending and the continued need for funding the OAG's Health Education and Advocacy Unit (HEAU), noting the significant proposed cut. Ms. Eberle responded that this unit addressed consumer issues when the health benefit exchange (HBX) first began, but that the MHBE now has an internal appeals and grievance team of eight to nine individuals that is able to handle cases.

Next, Mr. Armiger highlighted the proposed reduction of approximately \$1.5 million in funding for the call center, but cautioned that uncertainty stemming from COVID-19 could lead to increases in call volume. He also noted that some of the savings the MHBE has experienced with the call center contract is associated with enhancements in the consumer experience. He further stated that some items highlighted as reductions will not be experienced as cuts, but rather as bringing estimates in line with past spending. He also noted that with the MHBE being on the MD THINK platform, they do not have control of the system as in the past.

In sum, Mr. Armiger noted that \$1.9 million in state savings would be attributed to the elimination of certain budget items. Other items would see funding reductions totaling approximately \$3.3 million, representing approximately \$1.7 million in foregone federal funds.

Ms. Herron asked for clarification on the elimination of litigation support and training. Mr. Armiger responded that the training item has been in the budget for years and that it was moved so that the resource comes out of the Indefinite Delivery, Indefinite Quantity (IDIQ) budget. Ms. Herron then asked whether litigation support is covered by OAG. Mr. Armiger responded that this particular item references past litigation associated with the old HBX system. He noted that the software was being held in escrow at a cost of around \$2,000 per month for storage. Additionally, he stated that there are large amounts outstanding in purchase orders stemming from a years-old deficiency in legal fees; they likely will be reverted to the state as they are no longer needed.

Mr. McCann asked for clarification on whether litigation expenses are mandatory and, if the MHBE runs over, whether they would need to obtain a deficiency from the Department of Budget and Management (DBM) for the following year. Mr. Armiger responded in the affirmative, noting that this occurred several years ago. He added that purchase orders allow the funds to carry over and not come out of a single year's operating funds. Mr. McCann then asked whether lawsuits would be handled retrospectively in the event one occurs unexpectedly. Mr. Armiger responded that the funds he was referring to are related to the failed HBX system.

Mr. Steffen asked Mr. Armiger to comment on the information technology (IT) budget appearing to grow significantly between FY 2019 and FY 2021. Venkat Koshanam, Chief Information Officer, MHBE responded that the IDIQ total budget for IT has not changed much, but that certain segments were increasing due to SHOP and MD THINK initiatives. He also noted that a number of items have been cut as mentioned by Mr. Armiger. Mr. Armiger reiterated that they have been able to recoup funds from the call center.

Mr. Taneja asked whether the budget contained any staffing cuts, either to contractual or full-time staff. Mr. Armiger responded in the negative.

Mr. McCann sought clarification on a piece of software that the MHBE expected MD THINK to cover, whether it will be an ongoing expenditure, and whether it will be reflected in the current budget. Mr. Armiger responded that it is reflected in the current budget. He added that MD THINK was supposed to purchase software for the MHBE, but did not due to their budget limitations. Finally, Mr. Armiger noted that those software costs are annual.

#### [Language Line Services](#)

*Heather Forsyth, Director, Consumer Assistance, MHBE*

Ms. Forsyth stated that the MHBE does not contract directly for language line translation services, but that they utilize a contract through the Board of Public Works (BPW). She explained that the MHBE is seeking Board approval for expenditures related to the program, as costs have increased in the last few years.

She then informed the Board that the costs in FY 2019 went up significantly, but that the MHBE did not notify the Board as BPW had split the contract into two pieces.

Mr. McCann asked whether costs are increasing due to higher rates or utilization. Ms. Forsyth responded that utilization is increasing. She added that the MHBE has been prioritizing outreach to communities where English is a second language.

Ms. Forsyth stated that FY 2020 costs were expected to be \$200,000, but that the state set a limit on purchase orders at \$168,000. She explained that FY 2020 costs are now expected to be approximately \$218,000 due to a peak in calls during the month of April. She then added that the FY 2020 budget is set to be \$200,000.

She explained that the MHBE has worked with the call center contractor to steer callers to the Spanish assistance queue as necessary. Additionally, the MHBE is working with the contractor to hire more bilingual customer service representatives.

James Adelman, Counsel, OAG, explained that the state language line contract recently expired, was extended, and that there will be a new procurement.

Ms. Forsyth then informed the Board that the MHBE is requesting an increase in the not-to-exceed (NTE) amount for language line services to \$218,000 for FY 2020 and \$200,000 for FY 2021.

Mr. McCann asked whether the relevant contracting officer has approved this request. Ms. Forsyth responded in the affirmative.

Ms. Herron motioned for approval. The motion carried unanimously.

#### **Procurement Items: IT**

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

Mr. Koshanam informed the Board that the MHBE is requesting approval for an NTE increase for an IDIQ contract as a result of COVID-19 related system changes. Additionally, the MHBE is seeking a license renewal for Corticon, software integral to the HBX. He noted that this is the software previously mentioned that was originally set to be procured by MD THINK.

Ms. Glasgow explained that the MHBE will be reverting several COVID-19 related system changes in the coming months, and that the MHBE has filed an advanced planning document (APD) with the Centers for Medicare & Medicaid Services (CMS). She stated that CMS approved the request for additional funding of \$521,500, with federal funds covering ninety percent of the total.

Mr. Koshanam then explained the anticipated system changes, including the end of the COVID-19 SEP and messaging changes within the chatbot. Additionally, he stated that certain system changes related to disenrollments would be made to comply with federal regulations. Mr. McCann asked for clarification that any COVID-19 related system changes could be performed in the future without any added cost. Mr. Koshanam responded that recent system changes have required minimal code changes.

Mr. Koshanam continued by providing the Board a breakdown of how the funds would be utilized, by IT function. Regarding the increase in the FY 2021 IDIQ budget, Mr. Koshanam explained that the

Board had previously approved an NTE of \$24,210,000. He then explained that the request for additional funds represents the \$521,500 to cover COVID-19 related emergency tasks.

Mr. McCann asked whether the additional state funds needed are reflected in the budget presented by Mr. Armiger. Mr. Armiger responded that the MHBE would have to ask for a deficiency to cover that. However, he noted that if the call center costs end up as projected, they likely would not need to obtain a deficiency. Mr. Armiger then asked whether this is a FY 2021 obligation. Mr. Armiger responded in the affirmative.

Mr. Steffen asked for clarification on whether the MHBE could keep the COVID-19 SEP as an option for Marylanders, as the situation remains uncertain. Ms. Eberle responded that the Board can recommend to extend the SEP and that the MHBE generally speaks with the carriers about such an action. She added that the MHBE felt June 15 was an appropriate cut-off for the SEP due to the continued availability of the MEEHP, as well as the SEP for loss of minimum essential coverage. Likewise, Ms. Eberle added that the COVID-19 SEP came in response to the Governor's emergency declaration and that the state is progressing in phases of re-opening.

Ms. Weckesser asked whether there has been a reduction in individuals enrolling under the COVID-19 SEP. Mr. Koshanam responded that enrollments have been steady. Ms. Weckesser then stated that there may still be a need for the SEP. Mr. Koshanam proceeded to show the Board members figures displaying total enrollments over time. Commissioner Birrane echoed Ms. Weckesser's comments, and noted that it sounds as though uptake has remained fairly constant.

Mr. McCann suggested that Ms. Eberle and Secretary Neall consult with carriers and the Governor's office to determine a course of action. He added that there seems to be a significant feeling among Board members for the need to extend the SEP. Ms. Eberle responded that she will report back to the Board and that they may set up a special Board call if necessary.

Ms. Weckesser sought clarification on approving the current budget as proposed. Mr. McCann noted that it is the item presently before the Board.

Ms. Glasgow stated that the MHBE is requesting Board approval to increase the NTE by \$521,500 to a new NTE amount of \$24,731,500, with federal participation of \$17,825,901 and state participation of \$6,906,409 for the IT Consulting and Technical Support Services IDIQ contracts for FY 2021.

Ms. Weckesser motioned for approval. The motion carried unanimously.

Next, Mr. Koshanam informed the Board that the license renewal for Corticon will be presented at the following Board meeting. He explained that the software is used to define business rules and policies in the HBX. He noted that the original plan was for MD THINK to procure the software license.

Ms. Glasgow explained that the license renewal period will be from August 1, 2020 to July 31, 2021. She stated that the procurement method will be the Invitation for Bid (IFB). Finally, the anticipated cost for license renewal is \$325,448.46.

Mr. McCann asked, if this had been procured by MD THINK, whether it could have been acquired at a lower price. Mr. Koshanam noted that it was the original plan, and that the memorandum of

understanding (MOU) with MD THINK suggested that. However, he stated that they were not seeing savings in the past. Mr. McCann noted that this could be the beginning of a period where MD THINK will find services that they cannot pay for and push them back to the MHBE.

### **Closing**

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

Ms. Eberle acknowledged that staff have found the answer to Mr. Taneja's question regarding APTC amounts, and they will send it to the Board.

Mr. McCann requested that Ms. Eberle communicate with MHBE staff to express appreciation for their hard work during the COVID-19 emergency.

### **Adjournment**

The meeting was adjourned.