Maryland Health Benefit Exchange Board of Trustees

January 20, 2015
1:00PM – 4:00PM
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, MD 21215

Members Present

Darrell Gaskin, Ph.D.

Georges Benjamin, M.D. (by phone)

Jennifer Goldberg, J.D., LL.M.

Therese Goldsmith, J.D., M.S. (by phone)

Enrique Martinez-Vidal, M.P.P.

Thomas Saquella, M.A.

Ben Steffen, M.A.

Members Absent

Kenneth Apfel, M.P.A.

Also in attendance: Carolyn Quattrocki, Executive Director at the Maryland Health Benefit Exchange (MHBE).

Opening and General Updates

Dr. Gaskin, in his capacity as Interim Chairman of the Board, welcomed everyone to the meeting. Ms. Quattrocki announced that this is Commissioner Goldsmith's last Board meeting and introduced the new Insurance Commissioner, Al Redmer, who will participate in the next Board meeting. Ms. Quattrocki then introduced Subramanian Muniasamy, the new Chief Information Officer at the MHBE, who started on January 7.

Approval of Meeting Minutes

The Board reviewed the minutes for the December 16, 2014 Board meeting. Mr. Saquella proposed to amend a sentence at the top of page 4 to read, "The Subcommittee will also be examining criteria for bringing services in-house that are currently contracted out." Commissioner Goldsmith motioned to approve the amended minutes, which was seconded by Mr. Steffen. The Board voted unanimously to approve the December 16, 2014 minutes.

An amendment was made to the November 12, 2014 Board meeting minutes to include the full closed session statement. Ms. Goldberg motioned to approve the amended minutes, which was seconded by Mr. Martinez-Vidal. The Board voted unanimously to approve the November 12, 2014 minutes.

IT Update

Mr. Muniasamy introduced himself and provided an overview of his experience. He has 17 years of state and federal experience, designing and building large-scale IT programs. He successfully delivered the new IT system as the key management leader from Deloitte and led the team to stabilize the legacy IT system as the Director from Optum/QSSI.

Mr. Muniasamy then provided an update on the current IT system. The IT system has been working well, and 180,000 consumers have enrolled in coverage. The current IT team will continue to support the system for 2015 enrollment and ongoing operations. Robust incident response protocols are in place to address any problems, and continuous improvements processes are in place. The IT team continues to ensure compliance with evolving Affordable Care Act (ACA) requirements.

Mr. Muniasamy reported that there are three main IT work streams: system enhancements, system maintenance, and operations and incident management. The system enhancements work stream includes significant development efforts to implement new functions that were either non-critical for 2015 open enrollment or will reduce the operational burden. Examples include the automatic generation of tax form 1095, renewals, and Medicaid redeterminations for the next open enrollment. The system maintenance work stream includes analyzing and developing solutions for system defects as they arise, and periodic maintenance releases at six-week intervals. The operations and incident management work stream includes continuous monitoring of system performance, and processes to rapidly respond to incidents and communicate any system impacts to stakeholders.

Mr. Muniasamy provided an overview of the timeline for the key IT activities. Open enrollment will end on February 15, and system improvements to meet federal requirements will be made from January through September 2015. The IT team is considering releasing system improvements on a quarterly basis, and regular maintenance releases will occur every four to six weeks from December 2014 through September 30, 2015. The legacy IT system will be completely decommissioned by March 31, 2015. The lower environment is being migrated to combine production and non-production windows, which will lower costs. The IT team is working with carriers to prepare plans for uploading to the IT system during the first two weeks of September. Preparation and stabilization for the 2016 open enrollment will be performed from October 1 through October 14, 2015, and the next open enrollment will run from October 15 through December 7, 2015.

- Mr. Steffen asked whether the work for the work streams discussed previously was being conducted in-house or whether it was contracted out. Mr. Muniasamy responded that, currently, all of the work streams are being contracted out, with MHBE oversight. Deloitte is the main contractor for the IT system; the MHBE, along with other agencies, prioritizes the work that Deloitte must complete. Another vendor performs the quality assurance testing.
- Chairman Gaskin asked if Department of Information Technology (DoIT) staff will be working on the IT system moving forward. Mr. Muniasamy responded that, currently, there is limited DoIT staff working on the IT system, but the MHBE is working toward running the exchange as an independent agency.

Small Business Health Options Program (SHOP) Update
Michele Eberle, Executive Director of the Maryland Health Insurance Plan and Interim Director of Plan Management at the MHBE, provided an update on the SHOP. She reported that enrollment began on April 1, 2014, with coverage effective June 1; this allowed the federal tax benefit to be available for qualifying employers. Coverage was provided through the direct enrollment process with only the employer choice model available. The MHBE determined employer eligibility, and brokers worked directly with carriers to sell SHOP plans. Employers could choose one carrier and offer one or more plans from that carrier. Overall, 139 applications were approved, and 228 employees and dependents were enrolled in a SHOP plan. Eighty-six percent of participating employers had less than 10 employees, and 9 percent had 11 to 20 employees.

- Mr. Steffen asked about the average number of individuals per application; he calculated it as fewer than two individuals based on the numbers provided. Ms. Eberle responded that the average number of individuals per application was 4.5. Mr. Steffen and Chairman Gaskin noted that this number seemed large given that the total number of enrolled employees and dependents was 228. Ms. Eberle later clarified that the average of 4.5 individuals per application was based on all applications received, not just those that were approved.

Ms. Eberle reported that the direct enrollment process and employer choice model will continue for 2015. Third-party administrators (TPAs) will operate the SHOP in 2015 and will determine an employer's eligibility on the SHOP's behalf. A new feature for 2015 is the employee choice model, which will allow employers to choose one metal level and offer one or more plans from all carriers in that metal level. Similar to the first open enrollment, SHOP will report enrollment information directly to the Centers for Medicare and Medicaid Services (CMS) and the Internal Revenue Service (IRS), and brokers will work

directly with carriers or TPAs to sell SHOP plans. Shopping began January 1, 2015, for coverage effective March 1.

- Commissioner Goldsmith asked about the uptake for the employee choice option. Ms. Eberle responded that this information is not available yet because coverage is not effective until March 1.
- Mr. Saquella asked about promotions or outreach for the SHOP. Ms. Eberle responded that the website will soon have updated information, and the MHBE team is developing a promotion plan.
- Mr. Martinez-Vidal asked whether the technical infrastructure built by the TPAs is fully functional. Ms. Eberle responded that the TPAs worked very hard with the carriers, and the infrastructure was completed on schedule.
- Mr. Steffen asked whether the federal provision that expands the small employer category to cover employers with up to 100 employees becomes effective in 2015 or 2016. Ms. Eberle confirmed that this provision will become effective in 2016.
- Mr. Steffen asked about the number of employers who are eligible for tax credits. Ms. Eberle responded that she currently did not have that number but that she will look into it.

1095 Update
Jonathan Kromm, Deputy Executive Director at the MHBE, provided an update on the tax form 1095-A, which provides information about the amount of advanced premium tax credit (APTC) that was paid during 2014 for each consumer. Next year, the 1095 forms will be automatically generated by the IT system. This year, however, the data to generate the form had to be manually pulled from the old system. The 1095 form is generated for all consumers that had a qualified health plan (QHP) at any point during 2014, and it contains the information consumers need to complete their tax returns. The 1095 form will be generated from the same database used to submit IRS reports. The form includes household data from the application, plan data, and reconciled effectuation data from carriers. The forms will be mailed to enrollees by January 31.

Mr. Kromm reported that the MHBE expects many consumers to have questions about the 1095 form, so several resources will be available. A letter will be sent to enrollees informing them of the 1095 form and its importance a week before the form is sent out. An FAQ document will be available on the Maryland Health Connection (MHC) website explaining common questions about the 1095 form, as well as a table of benchmark plans necessary to complete tax form 8962. A cover letter will be included with the 1095 form, and the call center will train staff to provide basic information about the form. The MHC website will also contain a resource list for tax advice and information. The MHBE is not permitted to assist consumers in preparing their tax return or provide tax advice.

Mr. Kromm explained that a specialized error correction team will work with consumers who believe information on their 1095 form is incorrect. The call center's initial menu will have an interactive voice response (IVR) option to direct consumers to the error correction team. The error correction team will collect the necessary information from the consumer and pass it along to analysts, who will then investigate the reported error. If a consumer does not select the IVR option at the beginning, then a call center representative will direct that consumer to the error correction team. If the information is incorrect, a corrected 1095 form will be generated, and corrected forms will be mailed periodically in batches.

- Ms. Goldberg asked when the 1095 form will be mailed. Mr. Kromm responded that the forms will be sent out between January 26 and January 31.
  - Ms. Goldberg asked if navigators or other consumer assistance workers who may receive questions regarding 1095 forms will be educated. Mr. Kromm responded that the MHBE team is training consumer assistance workers to refer consumers to the call center, which will have trained representatives. The rationale is that the call center representatives will know the distinction between providing basic tax information and tax advice.
- Mr. Martinez-Vidal asked if the MHBE team believes they have accurate information in the MHBE database regarding QHP coverage. Mr. Kromm responded that the data is checked several times and, most importantly, the data is double-checked with carrier data. Therefore, the MHBE team is

confident that they are reporting the correct information, including the amount of the consumer's APTC.

- Mr. Saquella asked if the MHBE team reached out to certified public accountant (CPA) associations. He recommended educating CPA organizations on the 1095 form because many consumers receive assistance in filing their taxes. Mr. Kromm responded that the MHBE can contact CPA organizations and would like to build relationships with CPAs for the future. This year, the MHBE team is becoming familiar with a new system, and it therefore expects to gain useful insight for future years. The MHBE team is also working with the CASH campaign in Baltimore, which provides tax preparation assistance to low-income individuals.
- Mr. Steffen asked if there is a way to crosscheck an enrollee's income reported to the MHBE with other sources because a consumer may face significant tax liability if the income information is incorrect. Mr. Kromm responded that the income verification process last year would catch many discrepancies in income between different sources. He noted that this is expected to be an area of concern for many consumers.
- Mr. Martinez-Vidal commented that studies have shown that many consumers eligible for subsidies use tax preparers, and a number of states are working with tax preparer firms to ensure that people file the 1095 forms correctly.
- Chairman Gaskin asked how long it will take to send corrected 1095 forms. Mr. Kromm responded that the information in the database is complete, so reissuing 1095 forms should not be a large challenge. The issue may be the volume of corrected forms to be sent. Therefore, the MHBE is preparing now and anticipating March to be the peak month to send corrected forms.
- Commissioner Goldsmith asked how many individuals will be on the specialized error correction team and what training they will receive. Mr. Kromm responded that the team will consist of 20 people. The training will focus on how to walk consumers through the process of correcting 1095 forms and the information that must be collected.

Enrollment and Communications Update
Andrew Ratner, Director of Marketing and Outreach at the MHBE, provided an update on enrollment and the outreach campaign. He reported that the MHC website has surpassed one million unique visitors since open enrollment began on November 15. This is an indicator that promotional efforts have been effective and people are aware of MHC. Connector Entities have had 35,000 interactions with consumers, and 20,000 individuals are receiving weekly MHC e-mail updates. Over 1.5 million collateral pieces have been released across the state, in both English and Spanish, and there have been 190 million impressions through television, radio, print, transit, and online advertising.

Mr. Ratner showed an example of a testimonial video produced by Weber Shandwick and available through YouTube. He reported that another testimonial advertisement is being shown in movie theatres in Prince George's County. The MHBE team is also working on sending texts to notify consumers of the February 15 deadline in a "countdown" style in the final weeks. The MHBE increased paid advertising on Google Search, Pandora, YouTube, and Weather.com, and a statewide community college outreach is planned for National Youth Enrollment Day on January 29. During a Twitter "Thunderclap" planned for the final week, people will be asked to tweet about the end of open enrollment. Adam Jones, a Baltimore Orioles player, has recorded a radio commercial, which is intended to reach younger consumers. The MHBE is also planning an event with Adam Jones and navigators on January 30, and there will be an MHBE booth at the Orioles Fanfest on January 31.

Topics for the Standing Advisory Committee (SAC) in 2015
Ms. Quattrocki led a preliminary discussion of topics for the SAC to address in 2015. The SAC is charged with providing input to the Board on various items. She noted that it is a good time for the Board to consider how to shape the agenda of the SAC for the coming year, because during the initial 18 months of the MHBE, the Board took an incremental approach on many topics and deferred decisions until more information was available. Due to technical problems, the Board was unable to focus on policy decisions last year, but now the Board may choose policy issues to focus on and receive input from the SAC.

Ms. Quattrocki noted that one of the most obvious issues for the SAC to address is network adequacy. She noted that the SAC has been examining network adequacy standards and will continue to do so in

2015. She stressed that this is a preliminary discussion of topics; a broader discussion will be conducted after new members join the Board.

- Chairman Gaskin asked whether the SAC agenda is primarily generated by the Board or the SAC. Ms. Quattrocki responded that both the SAC and the Board influence the agenda. The Board has a liaison who works with members of the SAC on selecting issues the SAC would like to discuss, and the Board always has the prerogative to request that the SAC examine certain issues.
- Mr. Martinez-Vidal commented that it would be helpful for the MHBE staff to go through PowerPoint presentations from past Board meetings to identify deferred actions.
  - Ms. Goldberg agreed with this suggestion, and emphasized that performance evaluations and reports may be helpful in determining issues to be discussed.
- Mr. Saquella commented that he remembered that the Board deferred action on combining the individual and SHOP exchanges.
- Ms. Goldberg noted that value-based insurance design (VBID) was raised at a previous Board meeting and would benefit from additional stakeholder input.
- Chairman Gaskin noted that the SAC holds true to the spirit of the MHBE by allowing stakeholders to provide input for Board decisions.
- Ms. Quattrocki responded that the MHBE staff has discussed identifying deferred decisions and plans to bring a list of these decisions before the Board in a future meeting.

Closed Session[1]
Chairman Gaskin announced that the Board would be moving into a closed session. He explained that the purpose of the closed session is to obtain legal advice regarding potential litigation and existing audits.

Mr. Saquella motioned to move into closed session, which was seconded by Mr. Steffen. The Board voted unanimously to move into closed session. For topics discussed and actions taken, please see the Statement for Closing a Meeting dated January 20, 2015.[2]

Adjournment
Chairman Gaskin noted that the Board took one action regarding to the legal advice they received related to potential litigation. Mr. Martinez-Vidal motioned to adjourn the meeting, which was seconded by Mr. Steffen. Chairman Gaskin adjourned the meeting.

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[1] General Provisions Article § 3-305(b)(7) allows a closed session to consult with counsel to obtain legal advice.

[2] Statement for Closing a Meeting, 1/20/2015. *Available at:* http://marylandhbe.com/wp-content/uploads/2015/01/Closed-Meeting-Statement-01.20.151.pdf.