



# Maryland Health Benefit Exchange Board of Trustees

May 17, 2021

2 p.m. – 4 p.m.

*Meeting Held via Video Conference*

## **Members Present:**

Dennis Schrader, Chair

S. Anthony (Tony) McCann, Vice Chair

Dr. Rondall Allen

Mary Jean Herron

Kathleen A. Birrane

Dana Weckesser

Ben Steffen, MA

K. Singh Taneja

Robert D'Antonio, PhD

## **Also in Attendance:**

Andrew Ratner, Chief of Staff, MHBE

Venkat Koshanam, Chief Information Officer, MHBE

Sharon Merriweather, 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, Eligibility & Business Integration, 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 April 19, 2021 open meeting. The Board voted unanimously to approve the minutes of the April 19, 2021 open meeting.

## **Public Comment**

Mr. McCann invited members of the public to offer comment. No comments were offered.

## **Executive Update**

*Andrew Ratner, Chief of Staff, MHBE*

Mr. Ratner began his remarks by noting that there were 161,000 qualified health plan (QHP) enrollments at the end of April—an increase of approximately 6% from the year prior and 14% from two years ago. He added that QHP enrollments would likely be higher if Medicaid had not paused re-determinations during the pandemic under federal maintenance of effort requirements.

Next, he explained that the MHBE will be working with the state's Department of Labor on an easy enrollment program modeled after the existing partnership with the comptroller's office. He added that the state tax filing deadline is still a couple months away, but approximately 2,000 individuals utilized the program this year.

He stated that the system changes required by the federal rescue plan are operational, and that there has not yet been a surge in enrollment. He explained that most activity has been related to existing enrollees improving their plans. He noted that conversations with other states confirm the lack of an initial surge. He further explained that a potential factor is that the MHBE has run a continuous special enrollment period (SEP) since COVID-19 began.

Mr. Ratner then highlighted the work of the MHBE's standing advisory committee in addressing disparities. He explained that around one-third of enrollees utilizing the COVID-19 SEP last year were Black.

Mr. Steffen asked whether the MHBE has the capability to model whether existing enrollees could do better, given the increases in federal subsidies, with regards to their coverage. Mr. Ratner responded that they have been reaching out to enrollees, noting that the gains could be quite substantial. Ms. Plunkett added that the marketing portal allows staff to segment the audience by type of plan or geography – thus targeting those in lower metal tier plans and encouraging them to select one with more benefits.

Mr. D'Antonio noted a concern that the public seems to believe that the COVID-19 pandemic is over. He asked whether the MHBE is concerned with potential drop-offs in coverage levels moving forward. Mr. Ratner responded that the MHBE is continuing to move forward on multiple fronts, including prioritizing subsidies for the young adult population. Mr. Ratner noted that the uninsured rate in Maryland is still 6% and there remains much work to do. Ms. Plunkett added that the agency noticed trends of individuals putting off needed surgeries over the past year, so there is an incentive for individuals to maintain insurance coverage. Mr. D'Antonio noted the importance of having projections or estimates in place to counter potential concern from the General Assembly in the event of a drop-off in coverage levels.

Commissioner Birrane stressed the importance of consistency in messaging and highlighting the subsidies; she noted that, nationally, 92% of people seeking coverage are now expected to be eligible for some form of assistance as a result of the expanded subsidies. She asked whether the MHBE has a sense of the comparable figure for Maryland in light of the federal recovery act provisions. Mr. Ratner responded that, for years, the MHBE's public messaging has been that nine out of ten people enrolled are eligible for assistance. He also noted that the MHBE is working with carriers to message to individuals off-exchange to inform them of potential savings from switching to an on-exchange plan. He added that, in the context of provider network adequacy, the emergence of telemedicine

could help individuals see greater value in coverage. Commissioner Birrane then asked for clarification that, given the extensive level of existing support, there has not been a large increase in the percentage of individuals eligible for assistance. Mr. Ratner responded that the initial activity has been already enrolled individuals improving their plans. Commissioner Birrane echoed a previous comment that Maryland has essentially been operating an open enrollment period spanning the pandemic crisis. She added that the lack of a sudden surge could be a testament to the policies that have already been in place. Mr. McCann concurred, and noted that the potential for a drop-off in enrollment should be communicated to the legislature.

### Standing Advisory Committee Meeting Report

*Dana Weckesser, Board Liaison to the Standing Advisory Committee*

Ms. Weckesser provided a summary of the items discussed during the last Standing Advisory Committee (SAC) meeting. She noted that areas of focus for the SAC this year include health equity and addressing health disparities.

She explained that Ms. Fabian-Marks provided a legislative update and gave an overview of actions the MHBE is taking to reduce gaps in coverage, including the easy enrollment program.

Finally, she stated that the Director of the Office of Minority Health and Health Disparities presented to the SAC on ongoing efforts. Ms. Fabian-Marks also presented on work undertaken by other states to address health equity. She noted that the SAC will discuss ways it can address health equity at its next meeting, including a potential working group.

Commissioner Birrane asked how she would like to receive comments or feedback from the Board. Ms. Weckesser responded that there could be public meeting considerations to account for. Sharon Merriweather, Principal Counsel, noted that Board members meeting in a quorum via the SAC would present an issue; however, she noted that feedback could be passed along to Ms. Fabian-Marks.

### Young Adult Subsidy Parameter Approval

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

Ms. Fabian-Marks explained that all public comments were in support of the proposed parameters for the young adult subsidy program. Next, she reviewed the scope of the proposed parameters. Eligibility would be limited to those aged 18-34 years, with incomes between 138 and 400% of the federal poverty level (FPL), and enrolled through Maryland Health Connection (MHC).

She noted that the subsidy design would be based on how advanced premium tax credits are calculated at the federal level—with a percentage of income based on household size determining the contribution. She explained that the proposed subsidy would reduce the maximum expected contribution by 2.5% for those aged 18-30, with subsidy reductions phasing out at age 35.

Mr. McCann sought clarification that a 2.5% reduction would represent a relatively small dollar amount per month. Ms. Fabian-Marks responded that the 2.5% represents a reduction in the amount an individual is required to contribute, not the premium itself, adding that it is a substantial amount.

Mr. McCann motioned to approve the recommended young adult premium subsidy parameters for plan year 2022 as presented. The motion carried.

### Policy Procurement

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

*Raelene Glasgow, Procurement Manager, MHBE*

Ms. Fabian-Marks provided background on the existing actuarial services contract. She explained that the MHBE is requesting an increase in the not-to-exceed (NTE) amount for option year 2 to include modeling for a legislatively mandated report. The NTE increase of \$27,900 would bring the NTE amount for option year 2 to \$129,150.

Next, she gave an overview of the work that would be undertaken in FY 2022, including an analysis of the potential need for a cap in enrollment for the young adult subsidy program to stay within budget. Additionally, she highlighted the legislative study on the costs and feasibility of coverage options for individuals not eligible for existing programs.

Mr. McCann asked, with regards to the budget, for the source of federal funds. Ms. Fabian-Marks responded that federal pass-through dollars in the reinsurance program may be used for program operations. Mr. McCann asked for clarification that this can occur, even though some individuals are not eligible for assistance under the Affordable Care Act (ACA). Ms. Fabian-Marks responded that the federal funding would only be used for the plan year 2023 reinsurance analysis.

Mr. Steffen asked for more detail on the scope of the expansion study. Ms. Fabian-Marks responded that they are in the beginning stages, adding that they have initially placed a high estimated project cost that may eventually drop down. She noted that The Hilltop Institute is performing a review of other state activity related to coverage for undocumented individuals. She stated that three major options exist: using state funds to expand Medicaid coverage; creating a public option; or state subsidies directly to undocumented individuals to potentially enroll on the exchange (which would require a federal 1332 waiver). Mr. Steffen asked, then, whether additional funds would be going to The Hilltop Institute to produce the report for the legislature. Ms. Fabian-Marks responded that The Hilltop Institute would provide support related to policy analysis under existing resources.

Ms. Glasgow stated that the MHBE is requesting Board approval to 1) exercise option year 2 of the contract and 2) increase the NTE amount for option year 2 to \$129,150.

Mr. McCann motioned to approve the second option year renewal of the actuarial services contract with Lewis & Ellis for a NTE amount of \$129,150 as presented. The motion carried.

### IT Procurements

*Venkat Koshanam, Chief Information Officer, MHBE*

*Raelene Glasgow, Procurement Manager, MHBE*

Mr. Koshanam provided the Board an overview of the use cases for the Akamai product suite, including firewall, monitoring traffic, as well as a waiting room option. He summarized the license details, highlighting the importance of system performance to consumers. Beyond the technology itself, he also highlighted key technical advisory and support and staff education.

Next, he gave the Board an assessment of Akamai (and its competitors) from Gartner, a research and advisory firm. He explained that Akamai is considered an industry leader, with a mature product. He added that Akamai is well-suited to the needs of the MHBE, noting that they will continue to assess the viability of other products in the future.

Ms. Glasgow then presented the Board with the procurement details, highlighting that the software subscription would be for a two-year period. She stated that the invitation for bid closed on May 4 and that two of the four bids received had to be disqualified for failure to meet requirements. She explained that Carahsoft Technology Corporation came in with the lowest bid.

Mr. McCann motioned to approve the award for the Akamai software contract to Carahsoft Technology Corporation in the amount of \$915,031.68 for the period of July 1, 2021 to June 30, 2023.

Mr. Steffen asked for clarification that, in soliciting bids, the MHBE pre-screened that the software to be procured would be Akamai, thus seeking brokers to offer delivery of Akamai. Mr. Koshanam responded that Akamai was specifically requested this year as it is tightly linked to operations of the health benefits exchange (HBX). He added that, down the line, the process would be longer and would entail consideration of other products.

The motion carried.

Next, Ms. Glasgow provided the Board an overview of how information technology (IT) consulting and technical support services are procured through the Indefinite Delivery, Indefinite Quantity (IDIQ) Master Contract. She explained that the five-year IDIQ contract contains a base period of three years with two optional one-year extensions. She noted that approved vendors are eligible to receive task orders and highlighted the key functional areas in which task orders are awarded. Mr. Koshanam expanded on the IT functions, adding that certain functions such as enhancements entail higher federal funds participation.

Mr. Koshanam then provided the Board a cost comparison of the IT IDIQ budget with large integrated systems such as Deloitte and Accenture. Despite some limitations in comparability, he noted that the cost is higher when using an integrator. He explained that the MHBE has matured to an extent that they are comfortable using internal resources to support the system and operationalize rapid changes.

He then provided the Board a cost comparison with other state-based exchanges, noting differences in functionality.

Mr. Taneja stated that the finance committee has requested to look at a blended model of all contracted staff, noting that currently 90% of staff are contracted. He added that the state generally employs 80 to 85% of its IT staff<sup>1</sup>. In particular, he highlighted the cost comparison with California's exchange, noting their much larger enrollment volume. He added a request to further discuss the

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<sup>1</sup> During its July 19, 2021 meeting, the Board approved a modification of the minutes of the May 7 and June 21, 2021 meetings to clarify that Mr. Taneja specified a cost variance of between 5 and 10 million dollars between the contracting and employment approaches.

matter during the June or July Board meeting. He noted that the \$27 million IDIQ contract could be reduced, adding that if there are avenues to save dollars, the MHBE should pursue them.

Ms. Herron noted a concern with finding staff to come on board at the state rate, noting that state IT openings are often below market rate. She added that the state health information exchange, CRISP, relies on a largely contractor model. Mr. D'Antonio concurred with Ms. Herron, noting that the rapidity of software changes needed require putting the onus on the contractor to bring the best personnel to the need at hand. He added that, although it may appear more costly, the contractor model saves money in the long run. Likewise, Mr. Steffen urged caution with looking at a state employee model, while noting that the current hybrid model places management of the contractor as the purview of MHBE leadership. Commissioner Birrane also echoed the Board members' concerns; she noted a general desire to keep costs down so as to allocate dollars to the small group market, adding the importance of holding contractors accountable with regards to budgeted hours. She stated she would be deeply concerned about moving to a state employee model.

Ms. Weckesser asked whether the state is looking into compensation for IT personnel and raising salaries closer to market rates. Mr. McCann responded that the state has comparably low pay rates and there seems little interest on the part of the legislature to change that. Mr. D'Antonio concurred, adding that consultants generally must be up to date on the latest technology, while employees are focused on the overall mission, with relatively fewer opportunities to upgrade skills. Commissioner Birrane added that the Department of Information Technology has gone to contractor models as well. Mr. McCann stated that, nonetheless, the MHBE is a public institution and should ensure that consultants have adequate benefits.

Ms. Glasgow explained that the MHBE is requesting the Board to approve the NTE amount of \$27,672,521 for the IT consulting and technical support services IDIQ contracts for FY 2022. Additionally, the MHBE is requesting approval of the renewal of task orders under this contract for option year 1 as well as NTE increases for the 39 task orders submitted to the Board.

Mr. McCann motioned to approve the NTE request and other items, as presented. The motion carried.

### **Marketing Procurements**

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

*Raelene Glasgow, Procurement Manager, MHBE*

Ms. Plunkett provided the Board an overview of the services sought via procurement of a full-service marketing firm. She explained that the MHBE received four applications, with GMMB, the incumbent, the clear winner. She noted that GMMB's proposal included a subcontractor to specifically address outreach in Black communities.

Ms. Weckesser asked, with regards to the mentioned subcontractor, for clarification on the level of resources the head of GreiBo could devote to MHBE given her understanding that the individual has another high-level role. Ms. Plunkett responded that the subcontractor did have at least one other individual working with her, adding that a different subcontractor, Sandy Hillman Communications, had reached out to GreiBo. Ms. Weckesser asked, then, that Sandy Hillman would be coordinating with GreiBo. Ms. Plunkett responded in the affirmative.

Ms. Glasgow gave the Board an overview of the contract terms, noting that it includes a base year beginning July 1, 2021 with two option years.

Mr. McCann motioned to award the MHBE full-service communications and marketing services contract to GMMB, Inc. for a one-year NTE base amount of \$4,060,000, with two one-year optional renewals for a total NTE amount of \$12,180,000. The motion carried.

Next, Ms. Plunkett provided the Board a summary of the scope of printing services being procured. Of the three proposals received, she explained that Art & Negative Graphics had a strong, technical proposal and is recommended for approval by MHBE staff. She noted that the firm is also the current fulfillment contractor.

Mr. McCann asked for clarification that the MHBE has sufficient capability to keep the two Art & Negative contracts separate. Ms. Plunkett responded in the affirmative.

Ms. Glasgow requested the Board's approval to execute the contract and award Art & Negative Graphics, Inc., the contract for one one-year NTE base amount of \$120,000, with two one-year optional renewals, for a total NTE amount of \$360,000.

Mr. McCann motioned to approve the award of the MHBE printing services contract to Art & Negative Graphics, as presented. The motion carried.

### Consumer Assistance Procurements

*Heather Forsyth, Director, Consumer Assistance, Eligibility & Business Integration, MHBE*  
*Raelene Glasgow, Procurement Manager, MHBE*

Ms. Forsyth provided the Board an overview of the existing call center contract with the vendor, Maximus, noting that Board approval would represent the final option year. She noted that the contractor has consistently met service level agreements despite having staff work from home. She stated that the MHBE is seeking Board approval for option year renewal in the NTE amount of \$8,576,256, beginning July 1, 2021.

Mr. McCann motioned to approve the third option year renewal for the contract with Maximus Health Services, for a period July 1, 2021 through June 30, 2022 for a NTE amount of \$8,576,256. The motion carried.

Next, Ms. Forsyth gave the Board an overview of the Maryland state contract that the MHBE utilizes for language line services. She explained that the MHBE is seeking Board approval to generate a purchase order through the Board of Public Work's state contract for language line services in the NTE amount of \$350,000 for FY 2022.

Mr. McCann asked how long the state contract will last. Ms. Forsyth responded that this contract is five years, ending in 2024. Mr. McCann noted that, in the future, the Board could grant multi-year approval on items such as this.

Mr. McCann motioned to approve the language line purchase order, as presented. The motion carried.

Ms. Forsyth then outlined the terms and services associated with the fulfillment center contract with Art & Negative Graphics, adding that they met all service level agreements for FY 2021. She stated that the MHBE recommends exercising the final option year of the contract, commencing July 1, 2021, in the NTE amount of \$3,500,000.

Mr. McCann motioned to approve the third and final renewal contract for Art & Negative Graphics, as presented. The motion carried.

Finally, Ms. Forsyth gave the Board an overview of the Connector Entity grants program, for the purposes of outreach and enrollment assistance. She explained that funding is distributed regionally, based on population, to six organizations. She stated that the MHBE is seeking Board approval to renew the grant awards for FY 2022 in the total amount of \$10 million, to be distributed in the same proportion as in FY 2020 and FY 2021.

Mr. McCann motioned to approve request to renew the grant awards to the Connector Entity program for FY 2022 in the amount of \$10,000,000, as presented.

Mr. McCann asked for clarification that there had been some issues with the program regions in the past. Ms. Forsyth responded that there had been two CE organizations bidding for two regions. Mr. McCann asked whether the MHBE would begin early this year with the new grant application. Ms. Forsyth responded that they would begin work in the fall on a new, three-year grant award. She added that most of the contracts just presented would be coming due for new awards next year. Mr. McCann asked that staff look into whether the Board can approve a three-year grant.

The motion carried.

### Closing

Mr. Ratner presented to the Board two advertisements highlighting the new subsidies.

### Adjournment

The meeting was adjourned.