



Maryland Health Benefit Exchange Board of Trustees

September 20, 2021

2 p.m. – 4 p.m.

Meeting Held at the Maryland Health Care Commission and via Video Conference

Members Present:

Dennis Schrader, Chair

S. Anthony (Tony) McCann, Vice Chair

Mary Jean Herron

Kathleen A. Birrane

Dr. Rondall Allen

Ben Steffen, MA

Dana Weckesser

K. Singh Taneja

Members Excused:

Robert D'Antonio, PhD

Also in Attendance:

Michele Eberle, Executive Director, MHBE

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

Heather Forsyth, Director, Consumer Assistance, Eligibility & Business Integration, MHBE

Raelene Glasgow, Procurement Manager, MHBE

Lourdes Padilla, Secretary, Maryland Department of Human Services

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 July 19, 2021 open meeting. Ms. Herron noted that the Gartner group was incorrectly identified. The Board voted unanimously to approve the minutes as amended.

Public Comment

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

Executive Update

Michele Eberle, Executive Director, MHBE

Ms. Eberle began her remarks by explaining that the Board will continue to meet in a hybrid mode with in-person and video available.

She stated that the MHBE is pursuing a formal policy and procedure governing the selection process for the standing advisory committee, and that it is currently being reviewed by the ethics commission. In particular, she noted that the potential need for advisory committee members to complete a financial disclosure is under review.

Regarding a request for a comparison between the MHBE and other state-based exchanges (SBEs) on key metrics, she explained that data challenges limit comparability. She added that some SBEs are organized as fully government entities, some are private, and that funding streams differ. She noted that an additional challenge will be attempting to make comparisons with private entities.

With regards to the minutes for the previous Board meetings, she confirmed that they have been updated to reflect Mr. Taneja's comments.

Next, she stated that the Centers for Medicare & Medicaid Services (CMS) released its final notice of benefit and payment parameters, noting that the federal open enrollment period will be extended through January 15. She added that the open enrollment period in Maryland will align with this timeline.

She informed the Board that the new Prescription Drug Affordability Board (PDAB), currently working within the budget of the Maryland Health Care Commission (MHCC), will be operating under their own budget beginning in Fiscal Year (FY) 2023. She added that they have asked the MHBE to provide certain administrative support services.

Next, she explained that the MHBE has been awarded a grant through CMS stemming from the American Rescue Plan Act (ARPA). She noted that the MHBE requested \$1.3 million and was awarded \$1.1 million, which will go towards information technology (IT), outreach and marketing, and training.

She then highlighted a recent report from the National Academy for State Health Policy (NASHP) demonstrating the experience of state-based marketplaces in implementing provisions of ARPA, specifically in rolling out the expanded tax credits. She noted that cost remains the number one barrier to enrollment. She added that the availability of special enrollment periods (SEPs) is very helpful in responding to fluctuations in employment and maintaining coverage. Additionally, she explained that the report also sought permanent expansion of the tax credits.

She stated that all SEPs have ended, noting that enrollment of individuals above 400% of the federal poverty level (FPL), a population newly eligible for financial assistance, increased 6% from July 2019 to July 2021.

Finally, she explained that there are currently no open solicitations.

Mr. McCann asked whether, if there were an increase in the unsubsidized enrollment, there would be a corresponding future reduction in premiums. Ms. Eberle responded that it would not necessarily occur, since those earning higher incomes are generally older. She added, for the tax SEP this year, 43% of those enrolled were between 18-34; similar for those enrolled through the COVID-19 SEP, 33% of whom were aged 18-34.

Commissioner Birrane asked, in response to the provisions in ARPA that allow individuals above 400% FPL to receive subsidies, how many additional individuals have enrolled through this mechanism. Ms. Eberle explained that she would follow-up and send that figure out to the Board.

Mr. McCann noted that the MHBE has received a one-time contribution into the reinsurance fund and asked whether that balance would be drawn down over the next several years. Ms. Eberle responded that they have received around \$139 million more than expected, adding that Ms. Fabian-Marks will be covering the reinsurance program in depth at next month's Board meeting.

Board Committee Reports

Singh Taneja, Board Finance Committee Chair

Mr. Taneja began by stating that the quarterly finance audit and compliance committee met on September 15. He highlighted discussion at the last Board meeting around a blended IT model for staffing services. He added that the finance and audit committees are seeking to understand what skills and talents are required to meet current and future privacy and cybersecurity needs of the MHBE. He noted that they are seeking to engage outside expertise on the matter over the next few months.

Finally, he explained that they reviewed financial reports through June 30 and discussed the FY 2023 budget process.

IT Procurement

Venkat Koshanam, Chief Information Officer, MHBE

Raelene Glasgow, Procurement Manager, MHBE

Mr. Koshanam began by explaining the first request to increase the indefinite delivery, indefinite quantity (IDIQ) master contract not-to-exceed (NTE) amount, which stems from a CMS corrective action plan. He added that the second request is to renew the software license for Corticon.

He informed the Board that CMS requires a single, streamlined application or "no wrong door" experience for Medicaid applicants. He provided the Board a budget summary delineating the shared responsibility between the Department of Human Services (DHS), the Maryland Department of Health (MDH), and the MHBE. He stated that the timeline for the relevant system changes and enhancements would be approximately ten months. He highlighted security in connecting to the consumer's non-modified adjusted gross income (MAGI) application data across systems as a key step. Mr. McCann asked for a clarification on the difference between MAGI and non-MAGI. Mr. Koshanam explained that the MHBE uses MAGI to make eligibility determinations, while DHS uses

other, non-MAGI, information for its eligibility processes. Additionally, he noted that the goal would be to not have the consumer re-enter basic personal information when being transferred across systems.

Next, he provided an overview of the increase in the IDIQ budget needed to perform the associated tasks, noting that the additional money would be split 90% federal and 10% from the state.

Secretary Schrader also highlighted that this work would help with the elimination of the interim database (IDB) while addressing some of the manual re-work that occurs in Medicaid eligibility determinations. Mr. Koshanam concurred, noting that eliminating the IDB would route consumers directly to the Medicaid Management Information System (MMIS). Secretary Padilla also concurred, noting that the work would bring the state into compliance with CMS requirements.

Mr. McCann asked whether there is common knowledge across states that have to perform this work. Mr. Koshanam responded that each state has varying degrees of integration in their internal structure.

Ms. Glasgow explained that the MHBE requests the Board to approve an increase in the NTE amount for the IT Consulting and Technical Support Services IDIQ contracts by \$4,749,696 to a new total amount of \$32,422,217 for FY 2022, with federal participation of \$23,982,856 and state participation of \$8,439,361.

Mr. McCann moved to approve the increase. The motion carried.

Next, Mr. Koshanam provided an overview of how the MHBE utilizes the Corticon software, noting its role in eligibility determination.

Ms. Glasgow provided the Board an overview of the procurement details. She noted that the license renewal period would be retroactive to August 1, 2021, running two years through July 31, 2023. She explained that the timeline is delayed as MHBE had previously issued a solicitation but received only one bid. That bid was canceled, while the MHBE investigated and sought assistance from the software manufacturer. Subsequently, she noted, the MHBE received six bids, though two were disqualified.

Mr. McCann sought clarification that the series of potential vendors were sought to license the MHBE with the software product, with no additional services. Ms. Glasgow responded in the affirmative. Mr. Steffen asked how many vendors responded in the second solicitation. Ms. Glasgow responded that six vendors submitted bids.

Mr. McCann moved to approve a contract award to vCloud Tech, Inc. for an amount of \$694,115.33 for the license renewal of Corticon Business Rules Engine for the period from August 1, 2021 to July 31, 2023.

The motion carried.

[Open Enrollment Dates for Plan Year 2022](#)

Heather Forsyth, Director, Consumer Assistance, Eligibility and Business Integration, MHBE

Ms. Forsyth began by explaining that the MHBE had previously planned to hold open enrollment from November 1 through December 15 of this year, consistent with prior years and dates set forth in regulation. She explained that the MHBE is seeking Board approval to extend the open enrollment period from November 1, 2021 to January 15, 2022, to align with recently finalized federal dates.

She noted that extended open enrollment offers advantages such as allowing media buys to occur outside the holiday period and provides the call center with greater staffing flexibility. She explained that the MHBE would return to the Board next year to provide insight as to any impacts stemming from the longer open enrollment period.

Ms. Weckesser sought clarification that the MHBE would retain flexibility to maintain SEPs for potential COVID-19 complications, regardless of the open enrollment period. Ms. Forsyth responded in the affirmative, noting that SEPs would be coordinated with the Governor's office and the Maryland Insurance Administration.

Mr. McCann sought clarification that federal authority is not required in order for MHBE to undertake SEPs. Ms. Forsyth responded that the MHBE can set SEPs on its own.

Mr. McCann then asked whether businesses still wait until the last several weeks of the enrollment period to sign up. Ms. Forsyth responded that many individuals wait until the end. Ms. Eberle noted that many individuals have become accustomed to December 15 being the deadline, so there may be a crunch of enrollment around that time. Additionally, Ms. Forsyth explained that in order for coverage to start January 1, an individual needs to enroll by December 15.

Mr. McCann moved to approve the open enrollment dates of November 1, 2021 through January 15, 2022 for plan year 2022 as presented. The motion carried.

2022 Approved Plans & Rates

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

Brad Boban, Chief Actuary, Maryland Insurance Administration

Ms. Fabian-Marks provided an overview of carrier service areas across the state, highlighting United's expansion statewide for 2022. She noted that there will be four more qualified health plans (QHPs) available for consumers than last year, with a total of 34. She explained that deductibles and actuarial values generally held steady from 2021 to 2022.

She then noted that, due to dynamic market effects related to the subsidy design, the introduction of United into markets that were previously only served by CareFirst will have the effect of increasing premiums for individuals who previously paid little to no premium. She explained that a similar dynamic played out last year in markets that United newly entered. Ms. Eberle asked whether the ARPA enhanced tax credits could offset this phenomenon. Ms. Fabian-Marks responded in the affirmative, noting that it is a complicated picture.

Mr. McCann then asked whether many individuals are expected to see an increase in their portion of the premium payment. Ms. Fabian-Marks responded that it is a difficult question to answer. Mr. Boban added that it is difficult to estimate how many individuals could see an increase in their premium payment, due to factors like age in addition to FPL. He noted that it is likely that more

individuals in these counties would be paying higher rates rather than lower rates, while also adding that these individuals had been receiving subsidies significantly higher than the rest of Maryland.

Next, Mr. Boban provided the Board an overview of MIA-approved 2022 rates across the various markets. In particular, he highlighted an approved 2.1% increase in the individual market compared to the carrier request for 3.5%. Additionally, he explained that, since the start of the reinsurance program in 2019, premiums on aggregate have fallen 31.7%. He further noted that the 2.1% approved increase is around half of the average claims trend of 4.5%, while explaining that this points to morbidity improvements in the risk pool.

Mr. Boban then showed the scope of the reinsurance program, highlighting that generally around 33% of claims are affected by the program. He added that carriers estimate enrollment to be 9% higher than otherwise would be the case without the reinsurance program. Additionally, these enrollees tend to be younger and healthier.

He illustrated an example of how the reinsurance program interacts with carrier fixed and variable expenses, leading to a greater reduction in claims than premium.

Within the small group, he highlighted the MIA-approved aggregate premium increase of 5.1%. While enrollment has fallen 3% in the small group, he explained that it has not fallen off nearly as much as feared in the wake of the pandemic.

Next, Mr. Boban highlighted a 0.1% aggregate approved increase in the individual dental market. He added that enrollment has increased 22%, and that one-third of enrollees with a medical plan via the individual market also purchased dental plans.

He then provided an overview of changes to value plans, noting that enrollment in value plans now stands at 39% of the total market. Commissioner Birrane noted that the listed dollar figure changes per month presented are calculated before subsidies are taken into account. Mr. Boban concurred, adding that almost 80% of exchange enrollees receive subsidies.

Finally, he highlighted the average cost-sharing and out-of-pocket maximums in the individual market dating back to 2018. He added that, pre-Affordable Care Act, typical deductibles were around \$3,000 and typical out-of-pocket maxes were around \$6,000, noting that the deductible has stabilized. He further explained that past market dynamics stemming from the removal of cost sharing reduction subsidies has helped push individuals into higher metal-level plans.

Ms. Herron asked whether COVID-19 hospitalizations have impacted rates. Mr. Boban responded that, in general, COVID-19 had an impact in 2020 on significantly reducing non-COVID related claims. Moving forward, he noted that most carriers are expecting to see a 1-2% aggregate cost increase. He added that, at the beginning of the pandemic, carriers had to pay for 100% of COVID-related claims; moving forward, most carriers will no longer waive co-pays for COVID-related treatment.

Secretary Schrader noted the overall increase in the cost of claims in the individual market and asked whether it stemmed from having more members. Mr. Boban responded that it is a mix of claims trend and increase in enrollment, noting that enrollment has grown around 17% for projected 2022 figures

versus 2019. Secretary Schrader sought further clarification on the approximately \$400 million increase in claims. Mr. Boban responded that 2020 saw \$400 million in reinsurance claims, with a 2022 projection of \$530 million. He added that the increase in reinsurance claims from 2019 to 2020 was higher than enrollment growth, due in part to COVID-19. Commissioner Birrane added that, while future federal guidance is unclear, carriers currently may not charge for testing or vaccinations related to COVID-19.

Ms. Eberle added that around half of all individual dental enrollment in Maryland is on-exchange.

Mr. McCann suggested informing the legislature of the reasons for and potential scale of increased premiums as a result of United's expansion across the state.

Mr. McCann then asked whether any changes could be made to the reinsurance program such that premiums could be further reduced, thus enticing further enrollment gains. Mr. Boban responded that he does not have a quantifiable impact available, but that the majority of the uninsured population is under 400% of the FPL and that they are not beneficiaries of the reinsurance program the way that the unsubsidized population is. He added that Maryland's reinsurance program is the largest in the country.

Mr. Steffen asked for an estimate of the share of enrollment in existing United plans. Ms. Fabian-Marks responded that it is relatively low; Mr. Boban added that as of June 30, 2021 there were 3,300 United members. He added that they have added plan options and are projecting small enrollment growth.

2023 Proposed Plan Certification Standards

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

Ms. Fabian-Marks began by providing an overview of the timeline for approval of the 2023 plan certification standards, with final approval set for the November Board meeting.

She explained that the sole proposed new plan certification standard for 2023 is to enable dental enrollees to pay their first month premium immediately, thus effectuating coverage upon enrollment. She noted that this functionality is currently available for all medical plans.

Additionally, she highlighted initiatives to add stand alone vision plans (adult benefit) to Maryland Health Connection (MHC) for plan year 2023. She noted that pediatric vision is included in the medical plans. She added that the MHBE would convene another affordability workgroup to review the landscape and refresh recommendations for 2024 plan certification standards.

Ms. Herron asked for the age at which individuals transition from pediatric to adult vision coverage. Ms. Fabian-Marks responded that it is either 18 or 21, but that she would follow-up. Ms. Herron noted that in some cases it can be related to educational status.

Mr. McCann moved to approve the proposed new plan certification standard for plan year 2023 for public comment. The motion carried.

Mr. McCann asked whether MHBE staff could bring new ideas to enroll the uninsured. Ms. Fabian-Marks highlighted that the young adult subsidy will be implemented beginning in 2023, impacting those aged 18-34. Mr. McCann added that it would be helpful to have a sense of why the uninsured are not participating, also adding the possibility that as the pandemic winds down more individuals could drop coverage.

Live Chat Presentation

LeeAnn Sapp, Program Manager, Consolidated Services Center

Charles Mensah, Director, Project Management Office

Ms. Eberle began by explaining that Mr. Koshanam and his team worked in collaboration with the call center to implement this new feature.

Ms. Sapp stated that the live chat feature was implemented as a pilot on August 2. She added that it provides another option to support consumers without having to use the telephone menu system.

Mr. Mensah highlighted the processes involved and the features of the system, noting that consumers can use chat for general information as well as account specific information. He explained that agents have a variety of potential uses and functions via the chat. Ms. Eberle noted that the agents in this context are the call center representatives.

Mr. Mensah then compared major features for various types of users, while also comparing this tool with tools available in other state-based marketplaces. Ms. Weckesser asked for the support hours during the Monday through Friday period. Ms. Sapp responded that they are the same as the call center, 8am to 6pm.

Next, Mr. Mensah showed snapshots of the consumer and agent experience with the tool. Ms. Sapp added that the dashboard allows for adding more agents as necessary. She stated that 21 agents are trained on the tool, but that they are averaging 5 agents per day during the pilot. Finally, she explained that they are gathering feedback from consumers regarding their satisfaction with the service.

Ms. Weckesser asked for the times of day when chat sessions tend to take place. Ms. Sapp responded that they keep a close eye on trends and that she does not believe there is a particular time of day that chats are more likely to occur.

Secretary Schrader asked whether the feature is available over the weekends. Ms. Sapp responded in the negative, noting it is available Monday through Friday, 8am to 6pm. Secretary Schrader noted that a lot of individuals who work may prefer to take care of personal matters on the weekend. Mr. McCann added that any resulting changes with cost implications could be a conversation for later. Ms. Sapp concurred, noting that during this pilot they will be gathering information and any relevant trends. Secretary Schrader added that it could be worthwhile to test to see if there is engagement on the weekend.

Mr. McCann sought information related to the kinds of standards used internally by Maximus and how they might compare across similar types of companies in other industries. He also asked about plans related to the January period of open enrollment. Ms. Sapp responded that Maximus is ramping up its

hiring. She added that enhancements such as introducing live chat once an individual is logged into their consumer portal would undoubtedly increase volume.

Ms. Eberle noted that the past \$3 million permanent budget reduction came out of the call center, since it has been running under budget. She added that they are monitoring the situation very closely, and that they may need to go to the state Department of Budget and Management (DBM) with a deficiency request for the call center.

Mr. McCann asked whether the MHBE has performance data for the call center that are comparable to similar operations. Ms. Sapp responded in the negative, adding that Maximus likely compares themselves to their operations in other state-based exchanges. She further added that the comparison to a retail environment is not possible, due to the complex nature of the calls. Mr. McCann again asked whether private entities have standards related to wait times. Ms. Eberle responded that the MHBE does have service level metrics on wait times, with associated penalties for Maximus in the event they do not meet the standard. Ms. Sapp noted that the MHBE expects 80% of the calls to be answered within 180 seconds outside open enrollment; during open enrollment, the expectation is 80% of calls answered within 360 seconds.

Mr. Steffen asked whether there are any security concerns associated with placement of the chat feature on the front page. Mr. Koshanam responded that the issue was taken under consideration, and that though it looks like a chatbot appears, it is actually the exchange's interface.

Adjournment

The meeting was adjourned.