



Maryland Health Benefit Exchange Board of Trustees

October 18, 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

Dr. Rondall Allen

Ben Steffen, MA

Dana Weckesser

Robert D'Antonio, PhD

K. Singh Taneja

Members Excused:

Mary Jean Herron

Kathleen A. Birrane

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 September 20, 2021 open meeting. The Board voted unanimously to approve the minutes.

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 answering a question raised by Commissioner Birrane in the previous meeting regarding the number of people enrolled under the special enrollment period (SEP) triggered by the American Rescue Plan Act (ARPA) whose modified adjusted gross income (MAGI) was over 400% of the federal poverty level (FPL). She explained that 4,005 people received advanced premium tax credits (APTC) under ARPA along with 1,740 enrolled without tax credits under the SEP. She noted that the MHBE found that enrollment in gold and silver level plans quadrupled due to ARPA and that the total number of enrollees over 400% FPL has tripled. Ms. Eberle added that the driving factors for enrollment growth among these populations also include the state reinsurance program (SRP).

Ms. Eberle then addressed a question raised by Ms. Herron during the previous meeting regarding the age at which children lose access to pediatric dental benefits. She explained that such benefits must be offered to enrollees until the end of the month during which they turn 19 years old, but that carriers typically extend the benefits to the end of the plan year during which the enrollee reaches age 19.

Next, Ms. Eberle answered a question raised by Vice Chair McCann during the previous meeting regarding the MHBE call center's standard for live chat answer times. She explained that the call center is required to answer 80% of calls within 360 seconds during open enrollment, and within 180 seconds outside of open enrollment, but that such requirements have not been established for the live chat service since it is a new pilot program.

Ms. Eberle then described the final large software release before the start of the upcoming open enrollment period, noting that two major updates included direct intake of age and unemployment data from the new Beacon system and the introduction of robotic process automation to assist with verification of consumer documents. She expressed the agency's gratitude to the Department of Labor for its efforts on the Beacon system integration.

Next, Ms. Eberle explained that the MHBE's monthly data report for September 2021 is available on its website. She noted a 25% increase in enrollment in private commercial plans since before the pandemic and a 74% increase among those with MAGI above 400% FPL.

Ms. Eberle then discussed renewal of MHBE members' commercial plans for plan year 2022, noting that the renewals of 166,601 consumers were processed at the beginning of October, with 94% of those being eligible for automatic renewal. She announced that "pre-shopping" had begun that day, wherein renewing or prospective consumers can compare and evaluate the plans available for the upcoming open enrollment period.

Next, Ms. Eberle listed a number of conferences the agency attended and announced that the MHBE is working with the Maryland Department of Health (MDH) on providing coverage to Afghan refugees in Maryland. She concluded her remarks by noting that one solicitation is open on the agency's

website, seeking a technical writer for policy and procedure documentation. She invited Dr. D'Antonio to report on the recent meeting of the Board's Policy Committee.

Dr. D'Antonio explained that the Policy Committee had a good meeting that covered potential changes to the Board's retreat and discussed the policy history of the MHBE.

2022 Plan Year Open Enrollment

Andrew Ratner, Chief of Staff, MHBE

Venkat Koshanam, Chief Information Officer, MHBE

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

Betsy Plunkett, Director, Marketing & Digital Strategies, MHBE

Mr. Ratner began the discussion of the upcoming open enrollment period by describing the operational readiness of the agency. Noting that each open enrollment since the introduction of the SRP has seen an increase in enrollment, he expected enrollment growth for the upcoming year to reach 4 to 5%. He noted some potential challenges in areas of the state where United Healthcare's entry into the market may result in some consumers' costs increasing.

Next, Mr. Ratner summarized the new policies and innovations in place for the 2022 open enrollment period, including the ARPA subsidies, the Young Adult Subsidy, the "Pay Now" button expanding to CareFirst, live online chat to augment the chatbot, worker portal improvements, and additional grant funding from the Centers for Medicare and Medicaid Services (CMS) to offset some of the expenses incurred by extending the open enrollment period from 45 to 75 days. He pointed out that the National Academy for State Health Policy placed the MHBE in the top two state-based exchanges in enrolling individuals over age 50 and over 400% FPL.

Mr. Taneja asked whether the MHBE can have any influence over the reduction in APTC caused by the entry of United Healthcare into the market, noting that such a price increase would hamper the agency's goal of further expansion into rural areas. Mr. Ratner explained that the APTC calculation is a feature of the Affordable Care Act as enacted and is not an intentional act by United. Mr. McCann asked whether the reduction in APTC occurs because United's plans are priced somewhat lower than existing plans in the market. Mr. Ratner replied in the affirmative.

Mr. Ratner then described risks and challenges the agency faces in the upcoming open enrollment period, including the outreach and assistance efforts still largely being virtual and the economic impact of the pandemic falling most heavily on the individuals most likely to be uninsured such as young adults, rural residents, and Black and Hispanic Marylanders.

Mr. Steffen asked whether the MHBE has considered surveying individuals who drop coverage during the year to find out the reason, noting that the Maryland Health Care Commission (MHCC) has concerns about the lack of a penalty for disenrolling and re-enrolling. Mr. Ratner replied that the MHBE has had stronger retention of enrollees than ever before, based largely on the desirability of the coverage rather than avoidance of the penalty. He noted that the MHBE does ask disenrolling individuals why they are dropping coverage, and that the proportion of those answering that they cannot afford the coverage has been declining over time.

Mr. Koshanam then discussed technology readiness for open enrollment. He began by going over the timeline of open enrollment tasks from the final technology release in October to the first post-open-enrollment technology release in January 2022. He listed readiness accomplishments in nine areas including Virtual/Hybrid Command Center, carrier management, security readiness, operational readiness, development readiness, testing & QA readiness, reporting, and resource readiness. He explained that the Open Enrollment Command Center will continue in a hybrid remote manner with some staff on site during peak periods, and that security readiness has undergone a lot of changes due to the virtual workplace distribution all over the world and recertification of credentials.

Next, Mr. Koshanam described what is new for the upcoming open enrollment period, including functional enhancements to the MHBE's systems as well as improvements to consumer engagement. He described ways in which the agency's operations have been rendered more effective and efficient by revamping both the Worker Portal and the Broker Portal and other efforts at technology modernization.

Mr. McCann asked whether the MHBE's technology improvements could benefit other state exchanges and whether the agency has been in touch with such entities to share best practices. Mr. Koshanam replied that he is in contact with other CIOs but that the MHBE is far ahead of most of those other agencies in terms of technology, with the possible exception of Covered California. Ms. Eberle added that many of the MHBE's counterparts in other states have firm fixed contracts with large entities and lack the MHBE's flexibility on these matters.

Ms. Forsyth then gave the Board an overview of consumer assistance readiness for open enrollment. She gave details regarding the availability of the enrollment website, explaining that those who enroll at the end of the open enrollment period will have their coverage start on February 1, 2022, but that 95% of enrollees in commercial plans are eligible for automatic renewal. She noted a larger-than-usual number of annual income verification documentation requirements this year, largely due to the agency having suspended income verification during the pandemic, but that such verifications do not present a barrier to enrollment.

Next, Ms. Forsyth discussed regional and in-person assistance availability during open enrollment. She noted that the extension of open enrollment through January 15 may result in two peaks of activity—one just before the "old" deadline with the other just before January 15. She noted a decrease in the number of Navigators alongside an increase in the number of producers over previous years.

Ms. Forsyth then described challenges in consumer assistance readiness, including the previously discussed decreases in tax credits for those in the Lower Shore and Far West regions, the impact of unemployment insurance on subsidy eligibility, rapid changes in the legal and policy framework, and the likely resuming of Medicaid monthly redeterminations in January.

Next, Ms. Forsyth discussed call center readiness, noting that that customer service representatives (CSRs) will continue to work remotely until early 2022. She shared performance metrics of the call center and expectations regarding average speed to answer and first call resolution. She noted that a number of efforts toward readiness are underway, including bringing more CSRs on board, extending hours on critical business days, and preparations for the BATPhone program.

Ms. Weckesser asked how the agency distinguishes between a business day and a critical business day. Ms. Forsyth replied that a critical business day is when the agency is open and expecting a high volume of enrollments as well as requests for assistance.

Mr. McCann asked whether the agency can create a mechanism to ease the transition of enrollees who will experience decreased tax credits. Ms. Forsyth replied that she is working to outreach to those affected in order to help them manage the transition. Mr. McCann pointed out that, while the impact to those in commercial coverage is troubling, Medicaid may include a larger number of affected individuals and families. Ms. Forsyth agreed, noting that the MHBE has discussed the issue with MDH who shared that roughly 300,000 people in Medicaid may be affected. She added that Maryland and other states have discussed enrolling such individuals in a benchmark plan automatically.

Mr. Steffen asked whether the MHBE has asked brokers why they are signing on to work with the MHBE, raising concerns about the decline in the small group market incentivizing brokers to work in the individual market. Ms. Forsyth answered in the negative and said she will discuss conducting a survey with her team.

Ms. Plunkett then gave the Board an overview of marketing & outreach readiness. She discussed objectives including increasing enrollment, retaining those customers who initiated coverage under the COVID-19 and Easy Enrollment special enrollment periods (SEPs), addressing racial disparities in health care, and focusing on primary target audiences of the uninsured, Black Marylanders, Hispanic/Latino Marylanders, and rural regions with high uninsured rates. She described efforts at outreach both in person at events like festivals and virtually at events like The Health of Black Men event on Facebook Live.

Next, Ms. Plunkett discussed additional sources of insight available to the MHBE for the upcoming open enrollment period. She demonstrated some of the metrics available through the agency's data dashboard that maps the uninsured population of Maryland with data like industry, financial and income data, languages spoken at home, and broadband internet access. She described the audience, objectives, and scope of the 2021 Strategic Messaging Survey, and provided some analysis of the results of that survey.

Ms. Plunkett then described the MHBE's media buy for open enrollment, including new efforts to reach Hispanic audiences, partnerships with diagnostic labs and youth sports leagues, messaging on Tik Tok, partnering with iHeart Media and Spotify for podcasts and streaming radio, and signage on buses and metro stations in Montgomery and Prince George's counties. She discussed outreach efforts like micro-influencer engagement through Facebook live and partnerships with the hospitality industry, higher education institutions, the creative community, Hispanic community organizations, and other state agencies. She shared examples of social media posts and billboards being deployed for open enrollment. Ms. Plunkett concluded her remarks by playing the new television commercial that will be broadcast during this time.

Mr. Taneja noted that Maryland has 9.4% of people uninsured and asked whether the focus on the four target audiences described earlier will impact that number and whether other target groups may exist. Ms. Plunkett replied that the agency relies on the U.S. Census Bureau's figures of self-reported uninsured. Mr. Ratner added that the latest census showed 6% of Marylanders uninsured, with a

slightly higher rate among black residents, and a rate twice as high among Hispanic Marylanders. Mr. Taneja noted that Salisbury, MD has an uninsured rate of 9.4% and asked whether the agency will focus there. Ms. Plunkett answered in the affirmative, noting that the uninsured rate partly drives the distribution of advertising funding throughout the state.

Ms. Weckesser, noting the stated purpose of the expanded partnership with Hispanic community organizations being to deepen trust in the MHBE among Hispanic Marylanders, asked why the MHBE is mistrusted. Ms. Plunkett replied that it is due to the MHBE being an arm of government.

Dr. Allen, noting the presence of two universities on the eastern shore of Maryland with health professions programs, asked how the institutions can help with the outreach efforts. Ms. Plunkett answered that she will coordinate with Dr. Allen outside the meeting.

Reinsurance Deep Dive

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

Ms. Fabian-Marks gave the Board an update on the SRP. She began by discussing the renewal of the program, noting that the MHBE must demonstrate state funding for the program in its application for renewal to CMS. With the state assessment to support the program ending in 2023, a new source of state funding must be secured, she explained, noting that the MHBE has been coordinating with the Governor's office and legislators to ensure that legislation to address this issue will be forthcoming during the upcoming legislative session.

Next, Ms. Fabian-Marks shared the results of the 2020 SRP, beginning with a breakdown of paid claims. She noted that only 6% of enrollees in Maryland had claims that triggered the SRP, but that the SRP paid one-third of all the dollars paid for claims during the year, adding that this result is consistent with the SRP in 2019.

Ms. Fabian-Marks then shared the actual and projected expenses and funding from 2019 through 2023, including the breakdown of state vs. federal funding, the removal of funding through state budget transfers in 2020 and 2021, and the funding of the Young Adult Subsidy and health equity efforts using state SRP dollars in 2022 and 2023. She noted that the estimated federal funding amount for 2022 is low due to the reduction in paid APTC due to the entry of United into the market.

Mr. McCann asked whether the state budget transfers away from the SRP will be ongoing. Ms. Fabian-Marks replied that she has no reason to think they will continue, adding that if such transfers to continue to take place, it will be difficult for the agency to demonstrate state funding for the program as required.

Mr. McCann asked whether CMS requires that the MHBE have certain dollar amounts in reserve for the program. Ms. Fabian-Marks answered in the negative, noting that the reserve requirements are more general and do not include specific dollar amounts.

Mr. McCann asked whether the projected additional revenue in 2022 and 2023 as presented represents the worst-case scenario. Ms. Fabian-Marks replied that these projections are very difficult to model.

Ms. Fabian-Marks then provided a detailed breakdown of reinsurance payments as impacted by the dampening factor in 2019 and 2020. She listed the most frequent and the most expensive conditions among those who triggered the SRP, noting that various cancers were the most expensive in both years and that diabetes, one of the state's public health priorities, was in the top 5 in both years for frequency and cost.

Ms. Fabian-Marks concluded her remarks by discussing next steps ranging from updating ten-year projections to incorporate ARPA funding, review of other states' program funding and costs, coordination with the Maryland Insurance Administration, the U.S. Treasury Department, and CMS, and consultation with partners regarding funding legislation.

Secretary Schrader asked whether MDH has population health initiatives that target the conditions listed as the most frequent and the most expensive in the SRP and whether the MHBE can coordinate with the public health authorities on these efforts. Ms. Fabian-Marks answered in the affirmative, adding that the existence of such programs led the MHBE to gather these statistics in order to further promote that alignment. Ms. Eberle added that the MHBE works closely with MDH and the Maryland Health Services Cost Review Commission on such efforts with a focus on diabetes, behavioral health, pregnancy, and cancer. Further, Ms. Eberle described how the design of Value Plans include the elimination of out-of-pocket costs for diabetes care.

Ms. Weckesser noted that HIV/AIDS was not on the list of top 5 most frequent or most expensive conditions in 2019, to being the second most frequent in 2020 and asked for an explanation. Ms. Fabian-Marks replied that the same thing caught their attention and led the MHBE to reach out to the carrier who had those claims to find out more.

Young Adult Subsidy Final Regulations

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

Ms. Fabian-Marks began by giving the Board an overview of the history of this effort, starting with the requirement in law that the MHBE have this program implemented by January 1, 2022, through publication of the regulations in the Maryland Register in September. She noted that the MHBE staff recommend that the Board adopt the proposed regulations as final with no changes.

Mr. McCann, noting the program cost cap of \$20 million, asked how much of a reduction in premium would be experienced by those enrolled in the pilot. Ms. Fabian-Marks answered that the Young Adult subsidy would be roughly 20% on top of the ARPA 40% for a total reduction of 60%.

Mr. Taneja asked for an explanation of the language in the regulation regarding "no economic impact." Ms. Fabian-Marks replied that the agency is not required to perform an economic analysis for this program and that she would share further details on that topic with the Board after the meeting.

Mr. McCann moved to approve the State Based Young Adult Health Insurance Subsidies Program Final Regulations for publication in the Maryland Register as presented. The motion passed.

Young Adult Subsidy Funding Cap

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

Ms. Fabian-Marks provided the Board the background of the issue of the Young Adult Subsidy funding cap, noting that the program's total cost cannot exceed \$20 million, but that the Board has flexibility in how to approach the program with that limit in mind. She added that the MHBE will monitor the uptake of the subsidy and projected annual cost daily during open enrollment.

Next, Ms. Fabian-Marks showed that, of the over 40,000 young adults whose coverage automatically renewed for 2022, over 34,000 would be eligible for the subsidy at an average of \$38.20 per member per month.

Ms. Fabian-Marks then proposed a decision-making framework for the Board's consideration of how to implement the funding cap whereby the daily monitoring by MHBE staff will implement the cap when projected costs reach \$19.5 million, leaving a \$500,000 cushion. She explained that the framework would require three key decisions by the Board. The first key decision would be how many enrollees in the program will be assumed to allow their coverage to lapse during the plan year. The second key decision would be the total projected program cost level that would trigger the cap, currently proposed at \$19.5 million. The third key decision is whether the Board prefers to hold an ad hoc session to implement the cap or to rely on the MHBE Executive Director to implement the cap as instructed when the triggering conditions are met without the need for an additional ad hoc meeting.

Next, Ms. Fabian-Marks provided more detail regarding the lapse rate assumption, demonstrating three potential options. The first option is to assume identical lapse rates as in 2019 when the average length of enrollment was 8.77 months. The second option is to assume identical lapse rates as in 2020 when the average length of enrollment was 10.73 months. The third option is to assume all enrollees will remain enrolled for all 12 months. The staff recommendation, she explained, is the second option.

Mr. McCann asked whether the agency assumes that some people would drop coverage during the year. Ms. Fabian-Marks answered in the affirmative.

Mr. McCann asked whether it is possible that the program would not gain the maximum number of enrollees during open enrollment, making it possible to adjust the program after open enrollment ends. Ms. Fabian-Marks replied in the affirmative.

Mr. Steffen asked whether subsidy funds freed up by enrollees dropping coverage could be made available to other enrollees. Ms. Fabian-Marks answered in the affirmative.

Mr. Steffen asked about historical lapse rates. Ms. Fabian-Marks demonstrated the history of lapse rates among 18-34 year old enrollees in 2019 and 2020.

Mr. McCann proposed that the Board delegate authority to implement the program cap to the Executive Director within parameters set by the Board. Dr. D'Antonio disagreed, expressing the view that the Board should vote directly on implementing the cap. After additional discussion among Board members, Mr. McCann stated that the MHBE staff should use its best judgement on the lapse rate, and that the Executive Director should cap enrollment in the program when projected expenditures reach \$19.5 million.

Dr. D'Antonio asked for an explanation of what "freeze existing enrollees" means in the proposed motion language. Ms. Fabian-Marks explained that the program is designed to tie the subsidy amount to the enrollee's income, meaning that if the enrollee reports a decrease in income during the year, the subsidy amount would rise. A freeze would make it such that the subsidy amount would not change during the year, regardless of changes in the enrollee's income.

Dr. D'Antonio expressed concern that the proposed approach to the funding cap on the program carries too many risks of bad outcomes and asked for a different approach. Mr. McCann proposed that the MHBE staff develop a plan for young adult subsidy cap and present it to the Board in November along with additional details regarding uptake of the program and cost projections. Ms. Weckesser and Mr. Steffen expressed support for Mr. McCann's proposal.

Secretary Schrader, noting that the Board has already expressed its will that this program be implemented, agreed that the MHBE staff should implement the program as proposed and return to the Board in November with additional data, prepared to implement a cap at that time.

Mr. McCann instructed the MHBE staff to proceed with Secretary Schrader's plan, noting that the Board will not undertake a motion on this topic at the current meeting.

Adjournment

The meeting was adjourned.