



MHBE

Small Business and Nonprofit Health Insurance Subsidy Workgroup Session 6

September 27, 2022

1:00PM – 3:00PM

Via Google Meets

Members Present:

Jon Frank, Co-Chair
Amber Hyde
Glenn Arrington
Lane Levine
Neil Bergsman
Bob Morrow
Bruce Fulton
Trina Palmore
Rachel Clark (substituting for David Brock)
Dana Davenport
Henry Nwokoma
Janet Ennis
Stephanie Klapper
Sandy Walters

Allison Mangiaracino

Staff

Johanna Fabian-Marks
Becca Lane
Makeda (Mimi) Hailegeberel
Theresa Battaglia

Members of the Public:

Matthew Celentano
Nic Nemec
Philemon Kendzierski
Jason Kowalski
Missy Davis
Lisa Luckner
Christopher Yeiser

Welcome

Jon Frank, Co-Chair, welcomed attendees, explaining that this is the Workgroup's final meeting. He went over the agenda.

Review of Changes to Final Report

Mimi Hailegeberel, Small Business Programs Manager at the Maryland Health Benefit Exchange (MHBE), explained that, during this final meeting, the Workgroup will recap and address follow-up items regarding the final report from the Workgroup that will be presented to the Legislature.

She noted that MHBE staff are looking into one recent suggestion from Lane Levine. Mr. Levine had suggested that the report recommend the provision of grants for small businesses for the purpose of hosting enrollment events, as well as the creation of branding that employers can use to show the public that they support healthcare for employees. Ms. Hailegeberel explained that staff are currently waiting on a response from the MHBE's legal department and stated that, because this feedback likely will not

arrive in time for changes to the report, sending a follow-up letter to the Legislature that explains the proposed action steps and incorporates that feedback is one of the items on which the Workgroup will be voting.

Next, she reviewed the changes that were made to the report based on feedback from Workgroup members. The first change that she presented was an update to the section on page 26 about the voting structure used to vote on small group subsidy design options in Session 4: the revision clarifies that Workgroup members who abstained from that vote were thus indicating that they were not in favor of any of the options presented.

Ms. Hailegeberel explained that the rest are technical updates, the first of which is a change to Table 7 on page 17, which shows the federal poverty level (FPL) guidelines for 2023. The update indicates more clearly that the numbers displayed are for Plan Year 2023 and shows the exact dollar figures for FPL guidelines rather than the rounded figures that were displayed in previous iterations of the report.

She explained that details on all changes will be sent out after the meeting.

Sandy Walters stated that he has heard about a potential fix for the “family glitch” wherein advance premium tax credit (APTC) eligibility calculations deem employer-sponsored health plans affordable even when an employee can only afford to purchase their own coverage on the plan, not coverage for their family as well.

Johanna Fabian-Marks, Director of Policy and Plan Management at the MHBE, explained that the federal government has proposed a solution to the family glitch, which has been a long-standing issue with APTC calculations. The federal government anticipates finalizing the regulation by the end of the year, making it effective in 2023. MHBE is still waiting on the final regulation, but the Maryland Health Connection system is set up to implement the change when the final regulation is put in place.

Mr. Walters stated that this anticipated change should be noted in the Workgroup’s final report. Glenn Arrington agreed.

Mr. Frank agreed, noting that fixing the glitch will make many consumers eligible for subsidized coverage. He posited that explaining the anticipated change within the introduction or in the summary portion of the report may be effective.

Mr. Walters agreed that the change will result in a large uptick in coverage on the individual market.

Ms. Fabian-Marks suggested that the information could be added to the section on page 17 that explains how APTC eligibility is calculated. Neil Bergsman and Mr. Frank agreed.

Ms. Hailegeberel presented the next change made to the report, a correction to Table 9 that switches columns 2 and 3 to reflect the information accurately.

She then presented the final change, an update to make the affordability threshold percentage consistent (some references to the threshold use the 2022 threshold, not the 2023 threshold).

Ms. Hailegeberel continued, explaining that the Workgroup would then conduct a three-part vote to approve the final report. She stated that the first vote would be to approve the Workgroup's final proposed recommendations, adding that it would be helpful to have the Workgroup's agreement on these points on record.

Mr. Walters asked to see all three items before voting on any of them.

Ms. Fabian-Marks explained that the second vote would be to approve the report, including the clarifications and technical edits that were discussed today as well as a mention of the family glitch fix. The third vote would be to approve sending a follow-up letter to the Legislature regarding the provision of financial incentives for employers to help their employees enroll and branding that indicates their support for employee health coverage, pending feedback from the MHBE's legal department regarding the administrative and legal considerations involved.

Ms. Hailegeberel asked members in attendance over the phone to indicate their presence. Rachel Clark stated that she was in attendance as a representative of Aetna.

Mr. Frank asked if there were questions before voting.

Mr. Walters stated that he is not fully in support of the \$3 million suggested spending amount for this program. He explained that he approves of the proposed Workgroup recommendations and the rest of the report but expressed uncertainty over whether that amount represents a prudent expenditure for the state.

Mr. Frank responded that the amount spent would be up to the Maryland Senate Finance Committee, noting that the Workgroup's discussions had led them to the amount of \$3 million based on assessments of what it would take to execute the proposed marketing campaign.

Mr. Arrington asked that producers and brokers be included in the marketing activities. He expressed concern over spending \$3 million on top of the existing advertising budget for the individual and small group markets but indicated that he supports it as long as producers and brokers are involved.

Mr. Bergsman noted that the state government will be responsible for approving the expenditure. He expressed the hope that the Workgroup could reach unanimity and asked if Mr. Walters and Mr. Arrington would be satisfied if the language was tweaked so that the \$3 million amount was less concrete.

Mr. Walters agreed and suggested that the report include an approximate cost of \$2 to 3 million.

Mr. Arrington stated that the report's language should encourage the use of whatever state funds are available and would be prudent on top of ongoing advertising expenditures. Mr. Bergsman suggested that the report could say this but also note that MHBE staff has prepared an illustrative budget at 3 million.

Trina Palmore asked whether the Workgroup will have any input on the messaging that is communicated in the marketing. Mr. Frank responded that the messaging is beyond the scope of what the Workgroup can accomplish in their report.

Mr. Frank continued, noting that the Workgroup has produced clear recommendations in line with its charge to consider an employer subsidy program. He stated that the educational approach was always under consideration. He also noted the importance of voting on whether to approve of sending a follow-up letter to the Legislature about how to provide financial incentives to employers. He expressed the importance of including the fix for the family glitch in the report.

Mr. Frank stated that the Workgroup will vote on the proposed final recommendations. He asked whether members have the option of voting to approve of one of the recommendations or the option to abstain. Ms. Hailegeberel replied that the plan was to have members vote yes to both or no to both, with no option for abstaining, but that other options could be introduced if the Workgroup felt strongly about them.

Ms. Palmore expressed the hope that the Workgroup will be allowed to continue providing feedback after the report is submitted. Ms. Fabian-Marks responded that the MHBE will continue to engage stakeholders and will value additional feedback.

In order to contextualize what qualifies as a significant expansion of marketing, as the report proposes, Mr. Walters asked how much is currently spent marketing for the small group market. Ms. Fabian-Marks replied that next to nothing is spent on small group market advertising

Ms. Fabian-Marks continued, clarifying that the proposed final recommendations are included in the executive summary of the report and do not specify a specific dollar amount for spending on the program. The \$3 million is specified in the last paragraph of the report. She encouraged members to give feedback on what language they would be comfortable voting on.

Mr. Arrington asked how much is spent on advertising for the individual market. Ms. Fabian-Marks responded that MHBE has \$7 million budgeted for this.

Mr. Walters stated that he can accept Recommendation 1 if the details are changed to identify \$3 million as a target amount or part of a range of potential amounts. He

expressed hesitance to focus on the \$3 million amount in the report, noting that he does not want the program to be locked into that amount.

Ms. Palmore stated that allowing producers to be included in crafting the message for individual market advertising could make the messaging more effective. Specifically, she suggested including an explanation of verification checklists in advertising, noting that these checklists cost producers a great deal of time.

Ms. Hailegeberel asked Mr. Walters if adding parentheses that read, “estimated \$2-3 million” to Recommendation 1 would suffice to focus less on the specific \$3 million amount.

Mr. Frank commented that Recommendation 1 is fine the way it stands. To Mr. Arrington and Ms. Palmore’s points, he noted that the marketing plan that was presented at the previous meeting included producers in the contact and referral process.

Ms. Hailegeberel suggested starting the poll.

Mr. Walters asked if the text at the end of the report that specifies the \$3 million amount will be changed, noting that he will vote yes as long as that number is less definitive. Ms. Fabian-Marks presented the text at the end of the report.

Mr. Frank also expressed concern over the funding allocations illustrated in Table 12. He stated that \$3 million is a small amount and suggested removing Table 12 out and making the \$3 million amount less certain.

Ms. Palmore stated that the exact number is not that important, as it is changeable, noting that the important question is whether the Workgroup agrees with earmarking the funds for their intended purpose.

Stephanie Klapper pointed out that the report specifies that Table 12’s funding allocations are “preliminary,” meaning Workgroup members do not have to agree with everything on that table. She expressed support for the \$3 million amount, stating that it may provide the best chance of increasing the number of insured individuals, but indicated that she would support changing the text to “\$2-3 million” if it would make for a unanimous vote. Allison Mangiaracino similarly expressed support for the document as is but indicated that \$2-3 million would also be acceptable.

Ms. Fabian-Marks asked if any Workgroup members have concerns with voting yes if the number was changed to \$2-3 million. Mr. Walters stated that he is fine with that change but that the language around Table 12 should more clearly indicate that it is only a sample of proposed funding allocations.

Mr. Arrington indicated his agreement in principle to the structure of the proposed marketing program, clarifying that his discomfort lies with proposing the specific figure of \$3 million.

Ms. Fabian-Marks proposed changing the dollar figure to a range of \$2-3 million and adding language to indicate the program budget breakdown is illustrative rather than prescriptive.

Ms. Palmore objected to voluntarily reducing the potential dollar amount spent on the marketing campaign.

Mr. Walters proposed that the range be set at \$2-4 million. Mr. Frank agreed, adding that the illustrative campaign breakdown would be at \$3 million. Mr. Walters supported the idea, along with Mr. Arrington, characterizing his caution as concern for taxpayers. Ms. Palmore reiterated her support for the \$3 million figure as having been developed by experts.

Votes to Approve Workgroup Deliverables

Ms. Hailegeberel began the polling on all three items, clarifying that the report will include the range of \$2-4 million in the final section.

Vote 1, on the proposed recommendations, was unanimously supported with 14 votes in favor.

Vote 2, to approve the final report document modified as discussed during the meeting, was unanimously supported with 14 votes in favor.

Vote 3, to recommend that MHBE submit a follow-up letter to the Maryland Legislature, pending MHBE legal counsel review, recommending a financial incentive and branding program to support small businesses who host enrollment events and otherwise support employees' enrollment into coverage, was unanimously supported with 14 votes in favor.

Ms. Palmore asked whether the report will be presented in person during a hearing. Ms. Fabian-Marks replied that the report will be submitted electronically to the relevant legislative committees and to the Department of Legislative Services (DLS), who will make the report public according to their processes.

Ms. Hailegeberel concluded by sharing next steps, noting that the Workgroup's report will be submitted to the Legislature on September 30 and that the minutes of the Workgroup's 4th, 5th, and 6th meetings will be made available during the week of October 3.

Public Comment

No members of the public offered comment.

Closing

Mr. Frank closed the meeting, thanking all members and noting that the Workgroup contains valuable knowledge that should be called upon again.

Chat Log

00:03:00.177,00:03:03.177

Neil Bergsman: Sorry I'm late. I had some trouble with the video connection.

00:08:00.732,00:08:03.732

Glenn Arrington: Good point

00:08:01.860,00:08:04.860

Neil Bergsman: I agree to add a description of the potential family member glitch on p. 17.

00:13:13.560,00:13:16.560

Janet Ennis -MDH-: I believe Henry Nwokoma is with the Maryland Insurance Administration. You have Maryland Health Care Commission in the report.

00:13:53.576,00:13:56.576

Becca Lane -MHBE-: That's correct, sorry for the typo. We will make that change, Janet.

00:14:52.687,00:14:55.687

Janet Ennis -MDH-: Note that Theresa B. has had her hand raised for a while now.

00:15:06.886,00:15:09.886

Neil Bergsman: What if the report says "estimate at \$3 million?" I would hate to lose Sandy's vote.

00:15:11.414,00:15:14.414

Theresa Battaglia -MHBE-: NO need to ask a question.

00:15:20.280,00:15:23.280

Theresa Battaglia -MHBE-: Thank you Janet.

00:15:59.302,00:16:02.302

Amber Hyde: and Theresa

00:16:16.758,00:16:19.758

Theresa Battaglia -MHBE-: I have no questions pertaining to this report.

00:25:08.612,00:25:11.612

Neil Bergsman: I note that the wording of the recommendation does NOT state a specific dollar amount.

00:25:50.091,00:25:53.091

Neil Bergsman: So that should be OK with everyone, right?

00:30:47.419,00:30:50.419

Neil Bergsman: I would second Sandy's suggestion. On p. 31 delete "\$3 million per year" and substitute "annual funding"

00:31:28.593,00:31:31.593

Stephanie Klapper: I'm ok with saying \$2-\$3 million

00:32:11.136,00:32:14.136

Johanna Fabian-Marks -MHBE-: The workgroup recommends allocating \$3 million per year to MHBE to invest in training, marketing, and outreach to educate small employers and their employees on their health insurance options on- and off-Exchange for a minimum of three years. This would enable MHBE to engage directly with small businesses, nonprofit organizations, and authorized producers to develop key partnerships and relay important information through trusted messengers with existing communications channels that reach our ta

00:32:11.286,00:32:14.286

Johanna Fabian-Marks -MHBE-: k;

00:32:23.261,00:32:26.261

Johanna Fabian-Marks -MHBE-: please ignore above - keyboard was malfunctioning

00:32:43.491,00:32:46.491

Stephanie Klapper: Prefer \$3 million, but could be ok with \$2-\$3 million

00:32:47.726,00:32:50.726

Allison Mangiaracino: I'm comfortable with the current wording as well and understand that the \$3M is based on what would be an effective campaign.

00:37:42.957,00:37:45.957

Neil Bergsman: The report could simply state the fact that MHBE presented a proposal to the workgroup for a program totaling \$3 million per year.

00:37:46.550,00:37:49.550

Glenn Arrington: How about up to or as legislation sees willing to add additional funding to this proposal

00:38:26.045,00:38:29.045

Anonymous Person: Yes, I am good with wording as is.

00:38:26.216,00:38:29.216

Glenn Arrington: or what is available reasonably

00:38:54.844,00:38:57.844

Neil Bergsman: "Illustriative"

00:40:53.935,00:40:56.935

Glenn Arrington: my concern is the state tax stakeholders

00:42:04.386,00:42:07.386

Glenn Arrington: It is still state taxes paid by working people to pay for marketing of a program to help

00:47:51.388,00:47:54.388

Glenn Arrington: my vote said I voted so I assume you received it

00:51:55.652,00:51:58.652

Glenn Arrington: Yes - that was a challenging bill and we appreciate your help!

00:52:47.197,00:52:50.197

Stephanie Klapper: Thank you so much to MHBE and our wonderful co-chairs!!

00:53:51.202,00:53:54.202

Neil Bergsman: What Stephanjie said!

00:54:18.189,00:54:21.189

Amber Hyde: Thank you everyone!

00:55:20.751,00:55:23.751

Makeda Hailegeberel -MHBE-: Thank you all!

00:55:29.248,00:55:32.248

Glenn Arrington: thanks for all your help!