



Maryland Health Benefit Exchange Board of Trustees

January 16, 2024

2 p.m. – 4 p.m.

Meeting Held via Video Conference

Members Present:

Ben Steffen, Vice Chair

Dana Weckesser

Maria Pilar Rodriguez

K. Singh Taneja

Laura Crandon

Rondall Allen, Pharm.D.

Aika Aluc

Members Absent:

Laura Herrera Scott, M.D., Chair

Kathleen Birrane

Also in Attendance:

Michele Eberle, Executive Director, Maryland Health Benefit Exchange (MHBE)

Sharon Merriweather, Assistant Attorney General, MHBE

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

Tamara Gunter, Director of Consumer Assistance & Eligibility, MHBE

Betsy Plunkett, Director, Marketing and Web Strategies, MHBE

Anthony (Tony) Armiger, Chief Financial Officer, MHBE

Andrew Ratner, Chief of Staff, MHBE

Venkat Koshanam, Chief Information Officer, MHBE

Tracey Gamble, Procurement Manager, MHBE

Becca Lane, Senior Health Policy Analyst, MHBE

Scott Brennan, Director of Compliance & Privacy, MHBE

Tisha Payne, Director of Human Resources, MHBE

Meeting Call to Order

Mr. Steffen called the meeting to order.

Approval of Minutes

Mr. Steffen asked for a motion to approve the meeting minutes for the October 16, 2023, open meeting, which were distributed prior to this meeting. Ms. Weckesser moved to approve the meeting minutes as presented. Dr. Allen seconded. The Board voted unanimously to approve the minutes.

Executive Update

Michele Eberle, Executive Director, MHBE

Ms. Eberle then gave an executive update, which she began by stating that the open enrollment period (OEP) for the 2024 plan year has now concluded, with amazing results all around. She gave enrollment estimates, although the MHBE is still validating the exact numbers. Total enrollments were at their highest ever at roughly 214,000; the individual market had 239,000 enrollments. Total enrollments were up 17%. New enrollments were up 64%, with over 56,000 new enrollments, a portion of which were from Medicaid. Data suggested that the continuation of enhanced tax credits had a significant impact. Enrollment numbers both with and without financial assistance were up, with increases of 18% and 14% respectively. Enrollment among young adults aged 18 to 34 increased over 56%, which indicates that the young adult health insurance subsidy program (YAHISP) is working. Dental plan enrollments were up 15%, with almost 75,000 Marylanders purchasing through Maryland Health Connection (MHC). Enrollment increases in the double-digit percentages were seen in geographical areas with high uninsurance and/or low income where the MHBE had directed its focus on increasing enrollments. There were over 14,000 Medicaid rollovers. Ms. Eberle thanked MHBE staff, Call Center staff (which saw an unprecedented number of calls and provided service despite staffing challenges), producers, navigators, application counselors, other enrollment assistance staff, the Board governance, and other stakeholders involved in oversight. A press conference on the OEP results will be held on January 17, 2024.

Ms. Eberle continued by noting that the state's legislative session is underway. No departmental bills were submitted this year. The MHBE is supporting a technical bill for the YAHISP. Budget hearings are happening soon on March 1 and March 4. Ms. Eberle indicated that the MHBE may adjust its course of action according to the governor's budget and the legislature's likely action, with continued funding as the major item of interest for the MHBE. However, the MHBE has been given assurances that its operations will not be affected by a possible government shutdown.

Ms. Eberle's staffing updates included that Ms. Payne has been promoted to the MHBE's Director of Human Resources position, while JasCiel Stamp is no longer with the organization.

Mr. Steffen applauded the staff and contractors involved in making the OEP run smoothly. He particularly commended Ms. Gunter for her staff's work offering efficient support to consumers encountering issues. He thanked the MHBE staff on behalf of the Board.

Ms. Crandon asked if year-over-year comparisons of the YAHISP can truly be made given the expansion of eligibility for the program through age 37. Ms. Eberle answered that they measured growth in the enrolled population for ages 18 to 34, indicating that they have data for ages 18 to 37 as well but that only ages 18 to 34 were used since the previous data were for that age range, allowing for an accurate comparison.

Ms. Crandon asked if the Call Center's service level agreements for the population were met, ensuring sufficient capacity for calls. Ms. Eberle replied that, on some days, the service level was not

met, but the Call Center did well over the course of the OEP, with a tier one speed to answer calls of less than three minutes, which is below what was expected. She praised the Call Center's performance given the complicating factors of increased call volume and the public health emergency (PHE) unwinding.

Finance and Audit Committee Report

Ben Steffen, Vice Chair

Mr. Steffen summarized the November 16, 2023, meeting of the Board Finance and Audit Committee. At the meeting, staff gave presentations on Board finances. The Board also heard about an emergency procurement presented for approval for replacement of the air handling unit at the Board facility on Pratt Street. In that procurement, staff are in compliance with the procurement requirements for the state. Three bids were obtained, of which the bid most advantageous to the state was selected. The Committee also heard a report from Mr. Brennan on the routine Office of Legislative Audits (OLA) audit done on the MHBE assessing financial compliance. Mr. Brennan told the Committee that there were no concerns, but Mr. Steffen indicated that the Board will wait for the final report before concluding that there were no significant findings.

Mr. Steffen continued, noting that the Committee also discussed SOC2 reports, a type of security audit. In the meeting, Saiqa Atta, Privacy Manager at the MHBE, reviewed the nature of these reports with the Committee, explaining that the MHBE typically accepts SOC2 reports, but they may not always be relevant. The MHBE considered other comparable certifications and accreditation, particularly FedRAMP authorization, conducted under the federal government. MHBE has deemed this level of authorization acceptable for this vendor. Finally, at the meeting, Ms. Merriweather presented the Board Gifts and Grants Policy to the Committee. The same policy will be presented to the Board by Ms. Fabian-Marks today.

Board Gifts and Grants Policy

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

Ms. Fabian-Marks began her presentation on the Board Gifts and Grants policy. Detailed slides are available in the presentation for this meeting. She began with the background information that the MHBE was approached by a participating carrier in 2023 that was interested in making donation to the MHBE to support marketing efforts. There was no policy in place to accept gifts, so they drafted a policy for accepting and soliciting gifts and grants, which the Board has statutory authority to do from public or private sources following state ethics laws. Accepted funds must be processed through the normal budget process. The policy drafted does not apply to federal grants.

She presented a policy statement indicating that the MHBE would follow normal budget processes and abide by state ethics law in soliciting and accepting grants. Then, she presented the proposed set of procedures for accepting a grant. First, the Executive Director would vet the gift to ensure there is no risk of reputational harm to the MHBE or other concerns. The Board would delegate to the Executive Director authority to accept gifts under \$50,000 without Board consultation except if the gift or grant is offered by a partner of the MHBE, entails an initial or annual cost of at least \$5,000, or is not in the form of currency, such as a gift of property or a vehicle; if any of these exceptions were true, the Executive Director would seek Board approval regardless of the gift's value. The Executive

Director would report any accepted gifts or grants at the next open Board meeting and would ensure the money is used in accordance with any terms attached to the gift or grant.

Ms. Weckesser suggested a provision requiring that the Executive Director include a report of the gift in their weekly emails to the Board to give Board members early notice and prevent confusion if the topic of the gift comes up before the next Board meeting. Ms. Fabian-Marks expressed that this suggestion could be accommodated.

Ms. Fabian-Marks continued, going over the proposed procedures for soliciting a gift or grant. Board approval would be required prior to any solicitations. In accordance with state ethics law, the solicitations must be broad, not targeted at any vendors or entities regulated by the MHBE; they must make clear that donations will not result in special benefits from the MHBE; they must not result in personal benefit to an MHBE employee; and MHBE employees involved in regulatory and/or procurement matters related to the entities being solicited could not be involved. The MHBE would consult legal counsel prior to launching any solicitation to ensure ethical and statutory compliance. The Executive Director would send the donor a written acknowledgement of acceptance and keep a copy for at least three years, which would be shared with the Department of Budget and Management upon request.

Ms. Fabian-Marks then discussed the proposed process for allocation of the funds. The Chief Financial Officer would submit the funds to be processed through the regular budget and budget amendment appropriation process, and no funds would be spent until the appropriation process has been completed.

Ms. Weckesser asked how the funds will be presented in the budget and in financial reports, expressing concerns about funds being hidden within categories with names such as "Miscellaneous." She suggested that each gift or grant be given a transparent line item listing the donor and amount. Mr. Armiger replied that donations may include stipulations such as "to be used for marketing." He agreed that "miscellaneous" categories are inappropriate and indicated that transparent line items will be used in the "Income" section of the budget.

Ms. Fabian-Marks then re-reviewed when Board approval is needed for acceptance of a gift, adding an additional circumstance that qualifies: a situation wherein the gift is under \$50,000 but would result in the total annual amount donated by that donor exceeding \$50,000.

Mr. Steffen read aloud the following:

THE RESOLUTION OF THE MARYLAND HEALTH BENEFIT EXCHANGE BOARD OF TRUSTEES APPROVING GIFTS AND GRANTS TO THE EXCHANGE – SOLICITATION, ACCEPTANCE, AND SPENDING POLICY

WHEREAS, the Board of Trustees of the Maryland Health Benefit Exchange ("MHBE") wishes to establish a policy governing the MHBE's solicitation, acceptance, and spending of gifts and non-federal grants in a manner that is fair, transparent, and in accordance with the applicable state law.

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees hereby adopts the Maryland Health Benefit Exchange Board of Trustees' Gifts & Grants to the Exchange – Solicitation, Acceptance, and Spending Policy, attached in the packet as Exhibit A.

The Board voted unanimously to adopt the policy.

Ms. Fabian-Marks asked for confirmation that all Board members present voted, representing a quorum. Mr. Steffen and Ms. Eberle responded in the affirmative.

Young Adult Subsidy Program Update

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

Next, Ms. Fabian-Marks provided an update on the YAHISP, stating that it has been a great year for enrollment. She explained that 2024 is the third year of the four-year pilot program, meaning two full years of the pilot remain. The Board is required by statute to establish the eligibility and payment parameters for the program and is authorized to provide \$20 million in funding, which comes from the state reinsurance program (SRP) funding. During open enrollment, MHBE staff work with Lewis & Ellis and the Maryland Insurance Administration (MIA) to monitor enrollment and projected annual cost daily to determine whether they are approaching that \$20 million threshold.

In 2021, when preparing for the program's initial launch, the MHBE discussed with the Board a process for closing the YAHISP if the program was projected to hit the \$20 million limit. The process includes the aforementioned enrollment and projected cost tracking, regular updates from the Executive Director to the Board, and the provision that, once projected cost reaches \$19.5 million, staff would take action to close the program to new enrollees. People who had already enrolled with the program would continue to receive the subsidy for the remainder of the year, but anyone coming to MHC to newly enroll would not see it as an option when plan shopping nor receive it. The system can make the change the evening the decision is made to close the program.

Ms. Fabian-Marks then walked through a table showing enrollment and cost projections for calendar years (CYs) 2022, 2023, and 2024, with 2024 numbers as of January 12, 2024. CY 2022 and CY 2023 actual costs were each below \$14 million and came in below projections, largely due to the suspension of Medicaid redeterminations. There were 50,727 enrollees to date, with an estimated total cost of \$19.4 million. However, incorporating the number of enrollees who will not pay their first month's premium to effectuate their coverage (and therefore never incur subsidy costs) brings the estimated total cost for enrollees during the OEP to \$18.6 million. By the end of January, the MHBE will have complete data on how many people effectuated coverage for January 1, which makes up the vast majority of relevant effectuation data.

Ms. Fabian-Marks explained that, if the program remains open throughout 2024, around 17,600 enrollees are expected to enroll through special enrollment periods (SEPs), for a cost of \$4.3 million; these enrollees have a lower cost because they come in later in the year and are enrolled for a shorter duration. This would make for a total 2024 enrollment of around 66,000 people, for a total cost of \$22.9 million. These enrollment and cost values are larger than the 52,600 people and the \$18 million cost that were projected in the Spring, with the difference attributable to the lack of available Medicaid unwinding data in the Spring: enrollment in the program throughout late CY 2023 and during the OEP was greater than expected and is up 41% year-over-year. Young adult enrollees aged 18 to 34 (i.e., those eligible for the subsidy) make up about 21% of total enrollment, compared with 17.1% in CY 2023. Ms. Fabian-Marks explained that this is great for the market, for the SRP, and for meeting the MHBE's goal of targeting young adults, but it raises the challenge of funding.

Ms. Fabian-Marks then shared additional considerations. The first is the continuation of the Medicaid unwinding through April 2024, in which people are continuing to leave Medicaid for the individual market. Another is that the subsidy program underspent by about \$6.5 million for each of its first two years, for a cumulative underspend of \$13 million. Additionally, because of the way the state fiscal year (FY) works, there are \$12.7 million in subsidy funds available for the first six months of 2024, more than enough to cover the projected cost for that time. However, the issue arises in the second half of 2024, when the funding available resets to a fresh \$20 million.

Ms. Fabian-Marks then opened the presentation up for Board discussion on the topic of a technical change to the young adult subsidy legislation, about which the MHBE has been in contact with the legislature's Senate Finance Committee and House Health and Government Operations Committee as well as the Governor's Office. The technical change would allow the rollover of unspent funds from prior years to future years, making the \$13 million in unspent funds from the program's first two years available for CY 2024 and CY 2025, more than enough to sustain the program through the end of CY 2025 given the anticipated \$23 million cost for CY 2024. The idea has received favorable reception from all parties with whom it has been discussed. It would move forward not as a departmental bill but still under the auspices of the legislature.

Ms. Weckesser expressed support for the idea and encouraged colleagues to discuss and consider supporting it. She also asked if they may be able to ask the legislature to provide the program with continued funding for another 5-10 years or in perpetuity, noting the difference it has made for young adults and the cost to taxpayers if the young adults enrolled in the program were instead uninsured. Ms. Fabian-Marks replied that the MHBE is tasked with submitting a report to the legislature on the outcomes of the program by the end of the year and indicated that it will likely be a topic of conversation in the 2025 legislative session given that the program ends in CY 2025.

Ms. Crandon asked what will be done to fill the gap in funding until continued funding is decided on during the next legislative session. Ms. Fabian-Marks responded that the MHBE's hope is that the technical change will go through during this legislative session and will be in place by April at the latest. She explained the Board's choices otherwise: either close the program to new enrollment when costs are projected to hit \$19.5 million, as previously directed by the Board, or allow the program to remain open given that it has sufficient funding through June of 2024. The second option assumes that the legislation will pass and grant the program access to sufficient funding through the remainder of CY 2024; if it were not to pass, the program would remain funded through the end of CY 2024 (the first half of FY 2025), but it would mean having overspent during the first six months of FY 2025, giving the program less than \$20 million to spend in CY 2025, which is not ideal.

Mr. Steffen asked how realistic the exact figure of 17,600 enrollees projected to enroll during SEPs is, noting that it represents about 35% of the OEP total; he identified that figure as the issue without which the program could continue unchanged. Ms. Fabian-Marks answered that the estimate is as solid as can be and is based on last year's SEP numbers, with modest adjustments made to account for the suppression of SEPs in the first half of 2023 due to halted Medicaid redeterminations. She provided the caveat that the Medicaid unwinding has made projections difficult.

Mr. Steffen asked for confirmation that legislative action is needed to free up the \$13 million in unspent funds from previous years and that those funds are not currently spendable. Ms. Fabian-

Marks replied in the affirmative, noting that the money is included in the SRP fund but is not spendable on the YAHISP because the current legislation limits annual spending on the program at \$20 million.

Mr. Steffen asked, were the program to be closed, whether there would be a provision for people who got waitlisted during the interim to join the program if spots were to open later or whether that would be too administratively complex, instead requiring that the program be definitively closed during the interim. Ms. Fabian-Marks replied that it would be administratively complex to retroactively award the subsidy to young adults who enrolled after the program was closed but that it would not be complex to reopen the program after it has been closed, so if many young adults left the market, lowering costs to the point where the subsidy could be awarded to new enrollees, the program could be reopened. However, she acknowledged that this would disadvantage those who enrolled in coverage in the interim before the YAHISP was reopened.

Dr. Allen expressed support for the idea. He asked about the likelihood of the legislature rejecting the technical change. Ms. Fabian-Marks answered that the idea has the support of the leadership of the legislative committees that they have spoken to and that the MHBE has spoken to the Office of the Speaker of the House as well. She expressed optimism about the technical change's chances of being passed.

Mr. Steffen asked if the bill has been drafted. Ms. Fabian-Marks replied in the affirmative, indicating that the bill, just one sentence long, has been submitted by the legislative committees to the General Assembly of Maryland Department of Legislative Services, who are reviewing it.

Mr. Steffen emphasized the importance of the timing of a bill's introduction for its success and indicated that he feels this bill is okay with regards to its timing.

Ms. Weckesser stated that she is glad the legislative leadership is in support and asked whether the MHBE anticipates that the governor would be supportive as well. Ms. Fabian-Marks answered that she cannot speak for the governor himself but that the MHBE has spoken to its legislative contact in his office, who was comfortable with the bill.

Ms. Eberle noted that stakeholders are comfortable with the bill both because it uses existing funds rather than asking for new money and because they understand the impact young adults have on the risk pool in the market.

Mr. Steffen agreed that the MHBE should take all available steps to free up those funds, adding that it would be wise to take advantage of the wide support the bill enjoys in the Governor's Office and the General Assembly.

Ms. Fabian-Marks raised the possibility that the YAHISP may reach the \$19.5 million threshold before a bill is approved, in which case the program would be closed after the threshold is reached; then, when a bill passes, the MHBE would come to the Board again to discuss reopening the program. Mr. Steffen asked the MHBE to investigate whether, given this hypothetical, people who would have qualified during the interim period in which the program was closed could be given the subsidy once funds become available. Ms. Fabian-Marks stated that the MHBE can look into it.

Ms. Crandon asked how the SRP funds would be dispersed since her understanding is that this would change the way they are allocated. Ms. Fabian-Marks replied that the payment parameters would not change from the parameters authorized by the Board: young adults aged 18 to 37 with incomes below 400% of the Federal Poverty Level (FPL) are eligible, with lower subsidy amounts available for older and higher-income individuals. She also explained that the change would not materially affect the SRP because the funds were already set aside for use as part of the YAHISP.

Ms. Crandon asked for confirmation that the \$13 million was not returned to the general SRP pool and instead remains set aside in a restricted pool. She also asked whether the funds would continue to remain there or if there is a risk of them being moved back to the general SRP fund. Ms. Fabian-Marks replied that the money was never pulled out of the general SRP fund. She explained that the bill language would allow \$13 million from the SRP fund to be used for the YAHISP because it was not used in the program's first two years, when the funds had been authorized for use.

Ms. Crandon asked, given the money is part of the SRP fund and there were situations in the past where money for one program was used because it remained in a general fund, how the MHBE can be assured that the funds remain set aside for the YAHISP. Mr. Armiger answered that the funds are non-revertible, meaning they do not revert back to the general fund and are specifically for SRP use; legislative redesignation is the only potential situation where that would change.

Federal Conformity & Policy Final Regulations

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

Ms. Fabian-Marks presented on a set of final regulations that the Board voted to approve in September 2023. Detailed slides are available in the presentation for this meeting. There has been an informal comment period and a formal public comment period, each 30 days long. Only one minor change is being suggested for the regulations previously proposed.

Ms. Fabian-Marks explained that the changes are meant to align the state regulations with the Spring 2023 updates to federal regulations. The first federal update clarifies that dependents stay on their parents' plan until the end of the year, not the month, in which they turn 26. This is already practiced by all carriers, so this is just a clarification. The next change is to give consumers two years to resolve a failure to reconcile advance premium tax credits (APTCs) on their federal taxes, after which point the MHBE is supposed to deny them APTCs until they correct the issue; previously, consumers had just one year to address the issue. Next is an update increasing the number of essential community providers (ECPs)—entities like federally qualified health centers that serve primarily low-income individuals—that carriers must contract with from 30% to 35%; no significant impact is anticipated since most carriers meet the 35% threshold already. Other changes include clarifying that plan variant and marketing names must be correct and not misleading and requiring that notices of payment delinquency from carriers go out within ten days of the delinquent payment. Another change newly introduces plan network as a consideration in the hierarchy determining which plans individuals are auto-renewed into when their original plans are discontinued.

Some of the federal conformity updates are related to SEPs, including giving consumers more flexibility in the start date for their MHC coverage when they lose minimum essential coverage through another source, allowing individuals losing Medicaid or Maryland Children's Health Program

(MCHP) 90 days after their loss of coverage to enroll in an individual market plan, and a change making it simpler for consumers to claim an SEP if MHC incorrectly displayed a plan.

Finally, in addition to the federal conformity updates, MHBE proposed a policy change in the regulations. The 2022 Affordability Workgroup recommended that the MHBE limit the number of plans per carrier per metal level to three starting in plan year 2025 to avoid choice overload, which can lead to an individual not completing the application or choosing a suboptimal plan. The MHBE did not anticipate a significant consumer impact by reducing the limit from four to three; if the plan with the lowest enrollment was removed, it would impact just 2% of consumers. The original proposal was to apply the three-plan limit on the individual and small group market, but the one change to what was previously presented to the Board is to instead apply this only to the individual market. The MHBE received comments recommending that the change not be made on the small group market because small employers are much more likely to be working with a broker, who will guide them through the enrollment process, preventing choice overload. Also, reducing the number of options available through the exchange may incentivize employers and their brokers to look off-exchange instead due to the superior number of options; this would be a major loss given the MHBE's efforts to entice employers and brokers to use the small group exchange platform being developed.

Ms. Fabian-Marks explained that the next few slides go over the public comments that were received. Two relate to the plan limit issue. One comment, from Aetna, argued that the ECP minimum should not be increased to 35% because Maryland has a more extensive list of what is considered an ECP compared to the federal list. Ms. Fabian-Marks noted that the MHBE compared the two lists and determined that they were not substantially different, so the 35% increased minimum is included in the regulations brought to the Board.

Mr. Steffen asked if the MHBE has access to data on ECP utilization by Marylanders who are insured on-exchange, as a potential measure of the impact the increased minimum could have. Ms. Fabian-Marks replied that these data are not available now but that the MHBE recently updated its data use agreement with the Maryland Healthcare Commission (MHCC) to allow use of All Payer Claims Database (APCD) data to examine this issue. Mr. Steffen noted that MHCC staff would likely be interested in examining these data.

Mr. Steffen moved to approve the final regulations as presented and authorize MHBE to submit the final regulations as presented to the Department of Legislative Services for publication in the Maryland Register on January 26, 2024, to go into effect on February 3, 2024. Dr. Allen seconded. The Board voted unanimously to approve the regulations.

[SalesForce License Procurement](#)

Tracey Gamble, Procurement Manager, MHBE

Venkat Koshanam, Chief Information Officer, MHBE

Mr. Koshanam began the presentation on the Salesforce license procurement. Detailed slides are available in the presentation for this meeting. He first described the critical functions for which the MHBE uses the platform, primarily the customer relationship management (CRM) solution used by the Call Center. He noted the system expansions MHBE has made to meet its information technology (IT) needs and integrate with MHC through applications such as the producer operations application

and carrier data integration systems. Last year, live chat was integrated, and a portal was built for the appeals team, but the CRM solution remains the primary functionality for the platform.

Ms. Gamble then presented a comparison of the respective 2023 and 2024 costs for the Salesforce license: the estimated 2024 cost is \$1.45 million, compared with the 2023 cost of \$1.15 million. She explained that the \$300,000 cost difference is due to an increase in the Service Cloud Enterprise Edition licenses, increased Data Storage licenses, and the Salesforce Shield functionality that the MHBE are adding this year.

Mr. Koshanam explained that Salesforce Shield is a comprehensive approach that will enhance security on the MHBE's platforms to safeguard data and ensure compliance. Components of the tool include platform encryption, which will ensure consumer data remain unreadable, even in the event of a security breach; event monitoring, which provides comprehensive tracking of who accesses data through the platforms and from where; the field audit trail, which allows for tracking of data history and could be useful for audit and compliance; and transaction security, which enforces security measures based on rules that staff set.

Ms. Gamble requested the Board's approval to enter into the Intergovernmental Cooperative Purchasing Agreement (ICPA) with Carahsoft Technology Corporation for a base period of one year with two one-year renewal options and award a contract to Carahsoft Technology Corporation in the amount of \$1,450,915.90 to procure Salesforce licenses for the period of March 2, 2024 to March 1, 2025.

Mr. Steffen moved that the MHBE enters into the Intergovernmental Cooperative Purchasing Agreement with Carahsoft Technology Corporation for a base year period of one year with two one year renewal options and that a contract award is made to Carahsoft Technology Corporation in the amount \$1,450,915.90 to procure Salesforce licenses for the period of March 2, 2024 to March 1, 2025, as presented. Dr. Allen seconded.

Mr. Steffen asked for an explanation of why charges for cloud services are disaggregated into multiple line items. Mr. Koshanam answered with an explanation of each line item. The first, Service Cloud Enterprise Edition and Government Cloud, is the core high-cost, full-functionality license required for the Call Center team and for the MHBE technology and business teams. The next item, Service Cloud Enterprise Edition Flex Users, is the lower-cost license used during an OEP to staff the Call Center quickly and is limited to a certain number of uses within a certain period of time. Partner/Community Members licenses are cheaper, granting limited access, and would be given to producers; Community Login licenses would be given to entities such as MDH; the Sandbox is the staging ground used while applications are in production; Data Storage has increased cost. Salesforce Shield applies to each type of license, raising the cost and compounding cost increases from the previous year across the industry. He praised the procurement team's success in reducing the cost to the MHBE.

Ms. Crandon asked if this cost falls under the Salesforce line or the Enterprise License line of the budget. Mr. Koshanam replied that the Salesforce line is separate but can be combined with the line for the MHBE's licenses outside of MD THINK. He noted that the Salesforce line receives 75% federal funding, with a 25% state match. Mr. Armiger added that licenses are broken down into three

budget categories: Salesforce, enterprise software (such as Akamai and Corticon), and MD THINK license costs.

The Board voted unanimously to approve Mr. Steffen's motion.

Consolidated Service Center Contract Modification

Tony Armiger, Chief Financial Officer, MHBE

Tamara Gunter, Director, Consumer Assistance, MHBE

Mr. Armiger presented on a modification to the contract with the consolidated service center (CSC). Detailed slides are available in the presentation for this meeting. He explained that the Board approved the not to exceed (NTE) amount of \$16.1 million for the CSC in FY 2024. He noted that, due to the PHE unwinding, the vendor has incurred additional costs outside of the scope of the original contract. These additional costs are incorporated into three contract modifications—Modifications 5, 7, and 8—spanning three different time periods in FY 2024.

The first modification, number 5, revises billing and staffing to support the PHE unwinding during the period of March 2023 through September 2023; covered costs were estimated at a total of \$1,033,352 and include initial scale up training and nesting, personnel for Saturdays, monthly license costs, special project staff, and an associate financial analyst. The time period falls partially in FY 2023 and partially in FY 2024. The MHBE was confident these costs could be covered under the original NTE amount of \$16.1 million, with no need to increase the amount due to this modification.

The second modification, number 7, covers the timeframe from September 1, 2023, to October 10, 2023, and includes initial scale up training and nesting, additional staffing for the New York Project, personnel for Saturdays, and monthly license costs, with a total estimated cost of \$1,273,506. The MHBE is requesting that this modification be added to the CSC's NTE amount.

The third modification is modification number 8 and covers the timeframe from October 1, 2023, to February 29, 2024. It includes additional staffing due to attrition training and nesting, personnel for January 14 and 15, monthly license costs, special project staff, an associate financial analyst, quality assurance analyst staff, and computers and related items, for a total estimated cost of \$2,581,912. The MHBE is requesting that this mod also be added to the CSC's NTE amount.

Mr. Armiger then showed a summary of the amounts: the NTE amount presented at the May 2023 Board meeting was \$16.1 million, and this amount was deemed sufficient to cover modification 5. After adding modifications 7 and 8, the new and revised NTE amount comes to \$20 million. As with Salesforce licenses, these costs will be split between the federal and state governments, with the federal government covering 60.2% of the costs and the state covering the other 39.8%.

Mr. Steffen moved to approve Modification Numbers 5, 7, and 8 for the Consolidated Service Center Contract and to increase the NTE amount for the Consolidated Service Center to \$19,951,665 for FY 2024, as presented.

Ms. Weckesser asked about the "New York Project" that was included in the costs for Modification 7. Ms. Gunter replied that the staff for the project came from New York and were needed to maintain the

necessary staffing levels. Ms. Weckesser suggested using a more descriptive term for these costs in future materials.

Mr. Taneja noted that they are being asked to approve a significant increase and asked if the funds are available in the budget. Mr. Armiger answered that the MHBE submitted a federal “as needed” Advance Planning Document and will have to file a deficiency for the state funds after its approval.

Mr. Taneja asked if there is a possibility the state may not be able to provide the MHBE with the funds, noting the governor’s mentions of a budget deficit for the next year. Mr. Armiger replied that it is highly unlikely given the PHE unwinding, although it is a remote possibility.

Mr. Taneja inquired about the consequences if the funds were not to be approved or were not available. Mr. Armiger responded that the Call Center’s usage is much higher than in previous years.

Mr. Steffen asked for confirmation that this increased usage is what has brought about the additional costs. Ms. Gunter answered in the affirmative. She also agreed that it is unlikely the state would not approve the additional funds given the national scale of the PHE unwinding.

Mr. Steffen asked for confirmation that the funds have already been spent in some cases, noting that the Board has not met since October 2023. Mr. Armiger responded that the MHBE received invoices for part of Modification 7 but that the money has not officially been spent.

Mr. Steffen called for a vote on his motion. Five Board members voted to approve the motion, and Ms. Crandon voted to reject it.

2024 IT Roadmap

Venkat Koshanam, Chief Information Officer, MHBE

Mr. Koshanam began his presentation on the MHBE’s IT roadmap for 2024. Detailed slides are available in the presentation for this meeting. He started with an overview of the technologies that the MHBE works with, including a host of web and mobile applications and other web services. During this OEP, there were large traffic increases on the website and the mobile app. A secure messaging channel was also added and resolved over 4,000 consumer cases. 400,000 tickets were handled through the CRM solution this OEP. Mr. Koshanam highlighted the numbers of user accounts, applications, and notices and documents; the latter exceeded 55 million. He noted that all IT functions are run in-house through the Indefinite Delivery, Indefinite Quantity (IDIQ) contract, with the exception of MD THINK support that the MHBE receives for certain applications, and stated that the organization’s IT operations have been expanding with more automation and integration.

Then, Mr. Koshanam moved onto describing the way the MHBE formulates its strategy for the year: the primary factor is the MHBE Strategic Plan, and other factors include the annual Medicaid Implementation Advance Planning Document (IAPD) that the MHBE submits to the Centers for Medicare and Medicaid Services (CMS) for funding, several MHBE teams, a Work Management forum in which the MHBE works closely with MD THINK, assessments from user experience testing initiatives, input from Gartner Research and other industry trends, and internal reviews.

Mr. Koshanam then described the components of the MHBE's 2024 IT strategy. Priority one remains cybersecurity: last year, the MHBE implemented the Zero Trust security framework, and this year the initiative will continue, with the implementation of artificial intelligence- (AI)-powered security monitoring and a focus on business continuity. Priority two is innovation, which includes AI integration, the use and expansion of a variety of consumer engagement channels, and expansion of the MHBE's data analytics platform. Priority three, collaboration, will remain a focus, both in terms of systems integration with agencies and enrollment integration with carriers. Priority four, operations, covers the initiatives to build disaster recovery capabilities for the MHBE in collaboration with MD THINK and to focus on site reliability engineering (SRE), which consists of developing scalable, reliable software systems while improving efficiency.

Mr. Koshanam then described the MHBE's movements based on factors in the technology landscape. In the realm of infrastructure and technology, he highlighted moves toward AI-integrated security and infrastructure migration to the MHBE Amazon Web Services (AWS) Cloud. Consumer engagement innovations include AI tools. In the realm of scalable, quick solutions, the MHBE will focus on improving DevOps and DataOps operations and automation. Another area of focus is providing a unified digital experience across channels, for which user experience test results will be used.

Mr. Koshanam then discussed AI, noting the governor's executive order ensuring the AI is used in state government in a way that is responsible and beneficial. He stated that the MHBE leadership has had conversations and a retreat on the use of AI, focusing on possible use cases and ethical implementation. The MHBE has also established an internal leadership team tasked with drafting an AI policy that would align with that of the state. Like the state, the MHBE's pursuit of AI implementation emphasizes equity, safety, reliability, and transparency. The MHBE will pursue AI innovations but will approach the technology with caution, implementing a vetting process for any use cases and following a robust AI policy.

Mr. Koshanam showed a graphic depicting the 2024 IT roadmap across four streams: special projects, enhancements, maintenance and operations, and Salesforce. A release will occur across these streams each month, with something new implemented almost every week. He then closed with a discussion of the outcomes the MHBE would like to see by the end of 2024 in the realms of its IT priority areas. These outcomes include enhanced consumer access through a chatbot inside of a consumer portal that uses ChatGPT integration to respond in natural language; use of AI-assisted tools for cybersecurity monitoring and alerting; implementation of disaster recovery capability and migration of lower environments to the MHBE AWS Cloud; and AI integration for carefully vetted technical and non-technical use cases.

Mr. Steffen asked for an estimate on what AI utilization will cost in 2024. Mr. Koshanam replied that there is currently no additional cost because the MHBE is currently using existing resources; he gave the example of the "Flora" Large Language Model-powered chatbot, which was developed using the MHBE's existing licenses. He indicated, however, that more robust future AI implementation will likely have a cost attached and stated that the MHBE will keep the Board up to date on cost projections.

Mr. Steffen asked whether Ms. Eberle would prefer to cover the MHBE Strategic Plan update this meeting, as scheduled, or to defer the presentation until the February Board meeting. Ms. Eberle replied that the Board is free to decide, noting that the presentation is merely an update, with no Board action needed as part of the agenda item.

Mr. Steffen noted the scheduled closed session following this meeting. Ms. Eberle clarified that the closed session has been removed.

Mr. Steffen asked the Board for their preference as to whether to defer the presentation until the following meeting. Ms. Crandon recommended that the strategic plan presentation be delayed until the February Board meeting to allow sufficient time for the presentation. Board members Allen, Taneja, and Weckesser agreed.

Mr. Steffen stated that the presentation giving an update on the MHBE Strategic Plan will be postponed until the Board's February 2024 meeting.

Summary of December 20, 2023, Closed Session

Mr. Steffen closed by giving a summary of the Board's December 20, 2023, closed session. The Board met at 1:42 p.m. that day via conference call to receive a litigation update from legal counsel and to discuss and decide on steps forward in a pending legal matter. The members who voted to meet in closed session were Dana Weckesser, Kathleen Birrane, Dr. Rondall Allen, Aika Aluc, Laura Crandon, K. Singh Taneja, and Ben Steffen. The individuals in attendance at the closed session were Dr. Laura Herrera Scott; Dana Weckesser; Kathleen Birrane; Dr. Rondall Allen; Aika Aluc; Laura Crandon; K. Singh Taneja; Maria Pilar Rodriguez; Ben Steffen; the MHBE's legal counsel, Sharon Merriweather; and Cynthia Wilson. The authority for the closed session came from General Provisions §3-305(b)(7), *to consult with counsel to obtain legal advice*. The Board discussed pending legal matters and how to proceed with the pending legal matter before the Board. During the meeting, the Board voted to approve the closed meeting minutes dated July 18, 2022; September 19, 2022; January 17, 2023; and September 11, 2023. Maria Pilar Rodriguez was not present for the votes to approve the minutes. Dr. Laura Herrera Scott, Laura Crandon, and Aika Aluc abstained from voting on the approval of the minutes dated July 18, 2022; September 19, 2022; and January 17, 2023, because they were not on the Board for those meetings. The Board also voted on how to proceed administratively on a legal matter pending before the Board. The meeting was adjourned by general consent at 2:30 p.m.

Adjournment

Ms. Weckesser moved to adjourn. Mr. Taneja seconded.

Mr. Steffen asked the Board to review the MHBE Strategic Plan update for the next meeting on February 20, 2024, and thanked the staff for a well-organized, thorough agenda.

The meeting was adjourned.