



# Maryland Health Benefit Exchange Board of Trustees

February 20, 2024

2 p.m. – 4 p.m.

*Meeting Held via Video Conference*

## **Members Present:**

Laura Herrera Scott, M.D., Chair

Ben Steffen, Vice Chair

Rondall Allen, Pharm.D.

Aika Aluc

Kathleen Birrane

Laura Crandon

Maria Pilar Rodriguez

Dana Weckesser

## **Members Absent:**

K. Singh Taneja

## **Also in Attendance:**

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

Andrew Ratner, Chief of Staff, MHBE

Sharon Merriweather, Assistant Attorney General, MHBE

Anthony (Tony) Armiger, Chief Financial Officer, MHBE

Venkat Koshanam, Chief Information Officer, MHBE

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

Maggie Church, Deputy Director, Marketing, MHBE

Tracey Gamble, Procurement Manager, MHBE

## **Meeting Call to Order and Approval of Minutes**

Vice Chair Steffen opened the meeting and moved to approve the minutes of the January 6, 2024, meeting. Dr. Allen seconded the motion. The motion was approved.

## **Executive Update**

Ms. Eberle began by discussing the ongoing session of the Maryland General Assembly, noting that the MHBE is tracking the progress of many bills. She mentioned legislation related to pediatric dental coverage requirements for carriers, premium payment thresholds to avoid cancellation, and conformity of Maryland statute to federal regulations. A particular focus for the agency is a bill to provide the MHBE the authority to file a 1332 waiver application to allow all residents of Maryland,

regardless of documentation, to purchase a plan on Maryland Health Connection (MHC) without federal subsidies. The final bill would allow the MHBE to carry over unspent Young Adult Subsidy funds from year to year. She noted that the agency's budget hearings are scheduled for March 1 and March 4.

Next, Ms. Eberle turned to federal developments, noting that the MHBE has several upcoming deadlines related to continuation of funding. She expressed the view that the expanded tax credits under the American Rescue Plan Act (ARPA) will continue.

Ms. Eberle then announced that the prior year's MHBE marketing campaign, "The Unexpected," was selected to receive the Anthem award.

Ms. Eberle concluded her remarks by discussing recent enrollment activity, noting that January 2024 was the first January since the founding of the MHBE where enrollment increased. She pointed out that the increase is largely due to the ongoing Medicaid redetermination effort.

Mr. Steffen asked whether the MHBE has received any comments or questions from analysts regarding its budget or any other issues. Ms. Eberle replied in the negative.

#### Finance/Audit Committee Report

*Ben Steffen, Board Liaison*

Mr. Steffen reported on the recent meeting of the Board's Finance/Audit Committee. MHBE Chief Finance Officer Tony Armiger gave the committee a review of the agency's finances. MHBE Director of Compliance and Privacy Scott Brennan discussed the ongoing legislative audit, which is expected to end in the next few months without findings of major concern. Finally, MHBE Privacy Manager Saiqa Atta discussed a privacy incident and how the applicable policy was appropriately implemented.

#### Strategic Plan Update FY 2024

*Andrew Ratner, Chief of Staff, MHBE*

Mr. Ratner, noting that the midway point for the MHBE strategic plan period has passed, provided an update on the agency's progress. He reminded the Board of the tenets of the plan and described the phases of implementation before highlighting a selection of ongoing, completed, and yet to be completed goals in the major focus areas of organizational strength, product growth, and "Telling Our Story."

Mr. Steffen asked for further explanation of the item regarding broker compensation under product growth. Ms. Eberle replied that the MHBE heard concerns from the broker community in the past that their traditional method of compensation—commission from insurance carriers—would end. This has not come to pass, but the MHBE remains vigilant.

Mr. Steffen asked whether the strategic plan's goals are tied to measurable outcomes. Mr. Ratner replied that the MHBE tracks a range of measures, primarily health plan enrollment where all demographics have seen increases in coverage. Ms. Eberle added that the agency enjoys very low staff turnover, at less than 4% vacancy.

## Standing Advisory Committee Member Appointment

*Aika Aluc, Board Liaison*

Ms. Aluc gave the Board an overview of the procedure for identifying and recruiting members of the Standing Advisory Committee (SAC). The MHBE posted the application for membership between December 5, 2023, and January 25, 2024. She explained that, should the Board approve all nine proposed new members, the SAC would number 25 individuals. The SAC recruiting goals were to maintain the diversity of representation while adding valuable expertise.

Next, Ms. Aluc discussed the proposed new members, noting that the applicants include a health care provider, advocate, broker, Navigator, and several insurer representatives. She pointed out that the MHBE intends to recruit an additional applicant from the Capital North or Capital South regions for the Board's approval during its meeting in April 2024. Ms. Aluc explained that insurer representatives make up more than half of the proposed new members due to both the expiration of the terms of prior SAC members from CareFirst, United Healthcare, and Kaiser Permanente, along with the addition of representatives from Aetna, Delta Dental, and Dominion Dental.

Ms. Aluc then listed the nine applicants and asked the Board to approve their applications. The applicants included:

- Yvette Oquendo-Beruz, retired physician
- Andrew Baum, insurance broker
- Mark Romaninsky, Navigator with Seedco
- Stephanie Klapper, advocate with Health Care For All
- Zach Peters of Aetna
- James Mullen of Delta Dental
- Patricia Swanson of CareFirst
- Brooke Souders of United Healthcare
- Allison Mangiaracino of Kaiser Permanente

Ms. Weckesser expressed discomfort with the level of carrier representation on the SAC as proposed but acknowledged that it is only fair for those organizations to have a voice. She cautioned that the MHBE and the SAC should work to ensure carrier voices do not outweigh other perspectives. Ms. Aluc agreed, adding that this is one reason why the SAC intends to present another applicant for approval in April.

Mr. Steffen asked whether the fact that Seedco is a contractor to the MHBE for the Navigator program presents an obstacle to the appointment of Mr. Romaninsky. Ms. Aluc replied that the candidate has critical experience with the MHBE across a wide geography which outweighs any potential negatives. Johanna Fabian-Marks, Director of Policy & Plan Management, added that Navigators, like brokers, are a key voice on the SAC.

Commissioner Birrane moved to approve the appointment of the applicants to the 2024 Standing Advisory Committee as presented. Ms. Aluc seconded. The motion was approved unanimously via roll-call vote.

### 2025 Final Plan Certification Standards

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

Ms. Fabian-Marks presented the final plan certification standards for the 2025 plan year. She began by describing the timeline by which the standards were developed, noting that some minor updates to the standards were made to comply with federal actuarial value (AV) requirements. Only the standards for Value Plans will change for 2025. She described the policy goals of the Value Plan standards, including an emphasis on pre-deductible coverage, copays over coinsurance, promotion of health equity through plan design, and simplifying plan comparison and plan shopping.

Next, Ms. Fabian-Marks discussed AV and how it applies to plan design. Each year, federal authorities develop a calculator that determines the AV of each plan and assigns metal levels ranging from Bronze to Platinum. To meet the limits of each metal level, plans must make trade-offs in cost sharing whereby reducing cost sharing on one service may require an increase of cost sharing for another service.

Ms. Fabian-Marks then detailed the changes to the proposed Value Plan standards required by the AV calculator. In each metal level, some cost sharing options have changed—some have increased while others decreased. She explained that, in response to feedback from carriers, the Value Plan standards for people with a primary diagnosis of diabetes were clarified to require carriers to cover a range of diabetes supplies and medications with no cost sharing. She added that all carriers currently operating on MHC meet the proposed diabetes standards already.

Ms. Weckesser asked whether the diabetes standards should be more flexible about oral medications. Secretary Herrera Scott replied in the negative, noting that the oral medications that are not specifically listed in the standard are very expensive.

Sec. Herrera Scott asked how the MHBE defines what costs to consumers are manageable. Ms. Fabian-Marks replied that affordability is defined through the federal AV calculator.

Sec. Herrera Scott expressed discomfort with the value of Bronze plans and wondered whether Bronze enrollees avoid care. She asked whether the MHBE offers guidance to consumers on comparing overall expense to premium. Ms. Fabian-Marks replied that MHC asks applicants to estimate whether they are a low, medium, or high utilizer and then uses that information to estimate an overall total annual cost by which plans are ranked in the display for shopping.

Sec. Herrera Scott asked about the demographics of plan membership. Ms. Fabian-Marks explained that the MHBE evaluated the utilization of Bronze enrollees a few years previously. That analysis showed that Bronze enrollees have lower utilization, including lower emergency department use, than other populations. This is consistent with nationwide analysis showing that this tends to be a healthy population. She noted that she does not have the racial breakdown of the Bronze enrollees, but that nearly all of those who are eligible to enroll in a richer, cost-sharing-reduction (CSR) silver plan choose that over a Bronze plan.

Ms. Weckesser moved to approve the proposed value plan certification standards for plan year 2025 as presented. Dr. Allen seconded. The motion was approved unanimously via roll-call vote.

### 2025 Estimated Reinsurance Parameters

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

Ms. Fabian-Marks presented the proposed estimated 2025 reinsurance parameters. She began by recapping the regulatory requirements and key dates in the timeline of implementation. She then described the MHBE staff recommendation—that the state reinsurance program (SRP) be assigned an attachment point of \$21,000, a coinsurance rate of 80%, and a cap of \$250,000 with a dampening factor to be provided by the Insurance Commissioner. She noted that 2025 is the first year where the SRP will implement the annual increase of \$1,000 to the attachment point to keep up with trends and inflation.

Next, Ms. Fabian-Marks displayed the projected status of SRP funding through 2028, noting that while the current projections show the cost of the program exceeding its funding beginning in 2026, the SRP will remain solvent throughout its currently anticipated lifetime. She added that the solvency will improve should federal authorities choose to extend ARPA funding beyond its current sunset date.

Sec. Herrera Scott asked for a reminder of the rationale for how generous the SRP parameters are to carriers. Ms. Fabian-Marks replied that the rationale is twofold: more generous programs receive more federal funding, and the impact on premium rates are worth the investment, as demonstrated by increases in enrollment.

Mr. Steffen moved to approve the estimated parameters for the 2025 State Reinsurance Program as presented with an attachment point of \$21,000, a coinsurance rate of 80%, a cap at \$250,000, and a dampening factor to be provided by the Insurance Commissioner. Ms. Aluc seconded. The motion was approved unanimously via roll-call vote.

### Marketing Services Procurement Award

*Maggie Church, Deputy Director of Marketing, MHBE*

*Tracey Gamble, Procurement Manager, MHBE*

Ms. Church shared with the Board an overview of what services are delivered through the marketing services contract, including but not limited to strategic support, creative services, media planning, social media, outreach, testing, and web design support. She explained that the evaluation committee recommends that the Board award the contract to GMMB, Inc., adding that the applicant has proposed a minority business enterprise (MBE) participation exceeding requirements.

Next, Ms. Gamble shared the terms of the proposed contract. The contract would include a three-year base term beginning July 1, 2024 with two option years, for a total potential contract length of five years. The contract's value across the entire five-year term would be capped at \$20,300,000, with a not-to-exceed amount for fiscal year (FY) 2025 of \$4,060,000. She noted that, of the FY 2025 total,

\$2,225,367 are state funds while \$1,834,633 are federal funds. Finally, she asked the Board to approve the award.

Ms. Weckesser asked whether GMMB, Inc. is the incumbent contractor. Ms. Gable replied in the affirmative.

Mr. Steffen asked whether the incumbent is meeting MBE commitments under the current contract. Mr. Armiger replied in the affirmative.

Dr. Allen moved to award the MHBE Full-Service Communications and Marketing Services Contract to GMMB, Inc. for a one-year not-to-exceed base amount of \$4,060,000, with two one-year optional renewals for a total not-to-exceed amount of \$20,300,000 as presented. Mr. Steffen seconded. The motion was approved unanimously.

### **Databricks Software Procurement**

*Venkat Koshanam, Chief Information Officer, MHBE*

*Tracey Gamble, Procurement Manager, MHBE*

Mr. Koshanam provided background to the Board regarding the MHBE's data, ranging from operational and transactional data through logs of communications, social channels, and call center statistics. He explained that the agency seeks to implement a "data lakehouse," a digital library for accessing, analyzing, and examining this wide variety of data to support decision making. He explained that this system would allow the MHBE to strengthen its data analysis and reporting capabilities without negatively affecting transaction performance on MHC. He detailed the rationale for selecting Databricks software for this effort, including its market leadership, innovative platform, advanced storage, analytical and artificial intelligence (AI) capabilities, scalability and ecosystem support, and its overall cost effectiveness.

Ms. Gamble then summarized the procurement, noting that the MHBE received competitive firm fixed price sealed bids for a one-year subscription to Databricks from eight vendors, of whom five were determined to be technically qualified. Of those five, the selected vendor is TECBOMO Limited Liability Company whose bid cost is \$206,700. She explained that the total will be split between federal and state funding, with federal dollars covering 75% of the cost. She asked that the Board approve the award to TECBOMO Limited Liability Company.

Ms. Weckesser asked why the contract is for only one year. Mr. Koshanam replied that the MHBE wishes to remain flexible, since this is a relatively new product in a rapidly evolving environment.

Secretary Herrera Scott noted that AI and data lakehouses are different things and asked why they were commingled in the presentation. Mr. Koshanam clarified that AI and machine learning are potential future uses of the data lakehouse rather than part of the current request.

Dr. Allen moved to award the contract to TECBOMO Limited Liability Company to procure Databricks license subscription for the period from March 1, 2024, to February 28, 2025 in the amount of \$206,700 with a federal participation amount of \$136,422 and state participation amount of \$70,278. Ms. Weckesser seconded. The motion was approved unanimously.

## Fulfillment Services Contract Not-To-Exceed Increase

*Tony Armiger, Chief Financial Officer, MHBE*

Mr. Armiger gave the Board an overview of the services provided under the fulfillment services contract. The vendor prints and mails all consumer notices, tax forms, voter registration forms, Medicaid managed care organization (MCO) enrollment packets, and Medicaid membership cards while also receiving and processing incoming mail for the MHBE. He explained that the Board approved a not-to-exceed (NTE) amount of \$6,632,283 for FY 2024 in May 2023, but that costs are expected to exceed that by \$2,249,900 due to the ongoing Medicaid unwinding effort.

Dr. Allen moved to increase the FY 2024 not-to-exceed amount for Art Negative Fulfillment by \$2,249,100 for a new not-to-exceed amount of \$8,881,383. Ms. Weckesser seconded. The motion was approved with one vote in opposition.

## Consolidated Service Center Contract Review FY 2024

*Tony Armiger, Chief Financial Officer, MHBE*

*Tamara Cannida-Gunter, Director of Consumer Assistance & Eligibility, MHBE*

Mr. Armiger began by providing background on the Consolidate Service Center (CSC) contract, explaining that in May 2023, the Board approved the FY 2024 NTE amount of \$16.1 million. In January 2024, the Board increased the NTE amount by \$3.9 million to offset additional expenses due to the Medicaid unwinding effort. Since that time, the Maryland Department of Health (MDH) has made further requests of the CSC, necessitating a further NTE increase. Ms. Cannida-Gunter explained that MDH requested that the CSC remain open on Saturdays through June 2024 and that robocalls continue through the end of April 2024 to support the Medicaid unwinding effort.

Next, Mr. Armiger laid out the terms of the proposed Modification 9 to the CSC contract, including Saturday operating hours from 8:00 AM to 2:00 PM during the period from March 1, 2024, through June 30, 2024. Also, robocalls will be extended from March 1, 2024, through April 30, 2024. Estimated costs are expected to be \$193,050, with no additional NTE needed as the additional costs will be absorbed into the current NTE.

Secretary Herrera Scott asked whether the MHBE needs the Board to vote on this modification. Ms. Eberle replied in the affirmative, noting that procurement policies governing the MHBE require any contract modification with a value exceeding \$100,000 be voted on by the Board.

Secretary Herrera Scott read out a motion to approve Modification Number 9 for the Consolidated Service Center contract in the amount of \$193,050, noting for the record that the modification does not impact the NTE amount of the contract. Dr. Allen made the motion as stated. Mr. Steffen seconded. The motion was approved unanimously.

## Adjournment & Transition to Closed Session

Secretary Herrera Scott announced that the open meeting is ending. She further stated that the MHBE Board of Trustees will meet in closed session for the purpose of discussing pending procurement protests and appeals. This topic falls in the following closed meeting exceptions: consulting with counsel to obtain legal advice, consulting with counsel about pending or potential

litigation, and discussing the contents of a proposal because public discussion would adversely impact the ability of the public body to participate in the competitive bidding or proposal process pursuant to General Provisions Art., §§ 3-305(b)(7), (8) & (14). In addition, the MHBE Board will perform quasi-judicial and administrative functions during the closed meeting pursuant to General Provisions Art., §§ 3-103.

Dr. Allen moved to officially close the meeting. Ms. Weckesser seconded. In a roll-call vote, the motion was approved unanimously.