



Maryland Health Benefit Exchange Board of Trustees

May 20, 2024

2 p.m. – 4 p.m.

Meeting Held via Video Conference

Members Present:

Ben Steffen, Vice Chair

Laura Crandon

Maria Pilar Rodriguez

K. Singh Taneja

Dana Weckesser

Also in Attendance:

Andrew Ratner, Chief of Staff, MHBE

Sharon Merriweather, Assistant Attorney General, MHBE

Anthony (Tony) Armiger, Chief Financial Officer, MHBE

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

Betsy Plunkett, Director, Marketing & Web Strategies, MHBE

Tamara Gunter, Director of Consumer Assistance & Eligibility, MHBE

Tracey Gamble, Procurement Manager, MHBE

Meeting Call to Order

Mr. Steffen explained that Sec. Herrera Scott is unable to join the meeting and asked him to chair the meeting.

Executive Update

Mr. Ratner provided the executive update as Michele Eberle is on leave. He began with federal and state policy updates. The U.S. Department of Health and Human Services (HHS) finalized a rule that will expand access to health care for Deferred Action for Childhood Arrivals (DACA) recipients by allowing them to apply for coverage through the exchanges with financial assistance if qualified for the next plan year. Mr. Ratner then reported that the Governor signed HB 728/SB 705, the Access to Care Act, which directs the MHBE to seek a waiver from federal government to allow all Maryland residents to purchase insurance through the exchange regardless of immigration status starting in plan year 2026, though they would be ineligible for subsidies.

Mr. Ratner noted that the Urban Institute released a report titled "State Variation in Medicaid and CHIP Unwinding for Children and Adults as of November 2023." Maryland ranked as one of the four best states in the country in terms of carrying out the public health emergency (PHE) unwinding.

Specifically, the actual Medicaid and CHIP disenrollments were fourth-closest to the projected disenrollments. This speaks to the professionalism with which the Maryland Department of Health (MDH), the MHBE, managed care organizations, and other partners carried out the unwinding process.

Mr. Ratner provided a staffing update. Trina Middleton, previously with Maximus, has joined as the Connector Entity Program Manager replacing Ginny Seyler, an original MHBE employee who is retiring. The Board retreat originally scheduled for June 17 has been moved to September 16 because the two Board member vacancies may not be filled by June.

Mr. Ratner ended with an enrollment update. As of the end of April 2024, qualified health plan (QHP) enrollment was up by 20% compared to last year at the same time. For the first time in the 10-year history of the MHBE, enrollments in April were higher than at the end of open enrollment in January. He noted that this speaks to the importance people place on health insurance now and the fact some people who lost Medicaid due to ineligibility realized they still wanted insurance and went to the exchange. The MHBE's efforts to lower premiums, the federal government's enhanced tax credits, and the technological and consumer assistance improvements made by the MHBE also may have contributed to the increase in enrollment. At the end of April, there were more than 10,000 new enrollees, an increase of 164% from the prior April, and 29% of all enrollees at that time were new to the exchange, another record. Montgomery County led, with more than 2,000 new enrollees during April, while Prince George's County, Baltimore City, and Baltimore County each had more than 1,000 new enrollees in April. In terms of health equity, enrollments by Hispanic Marylanders grew by 41% in April year over year, and enrollments by Black Marylanders increased by 19%. Lastly, young adult enrollment increased by 68% in April year-over-year to roughly 75,000. Approximately half of the young adults enrolled at the end of April qualified for the state subsidy, averaging \$38 per month, to further lower the premium cost.

Mr. Ratner reported that The National Academy for State Health Policy (NASHP) released data on the state-based exchanges, and Maryland was one of only three state-based exchanges to quadruple enrollment of consumers whose premium is less than one dollar per month. Maryland was one of seven state-based exchanges whose enrollment grew by 25% or more for individuals with household incomes between \$15,000 and \$30,000 per year. Lastly, Maryland was one of only seven state-based exchanges whose enrollment grew by 25% for both children under 18 years and young adults aged 18 to 27 years. Mr. Ratner noted that these data points indicate that the MHBE is effectively addressing affordability, young adult enrollment, and enrollment growth.

Mr. Steffen asked about the average premium for individuals who were disenrolled from Medicaid and are enrolling in private coverage through the exchange. Mr. Ratner responded that he would get back to Mr. Steffen with that information, adding that Maryland has some of the lowest premiums in the country in all health insurance including small and large groups.

Mr. Steffen noted that Kathleen Birrane and Rondall Allen have left the Board and asked if they will be given a proclamation to honor their service. Mr. Ratner responded that he would follow up with Michele Eberle on this issue. Mr. Steffen commented that the Governor has not yet announced the two new Board members.

Approval of Minutes

Mr. Taneja motioned to approve the minutes of the April 15, 2024, meeting. Ms. Weckesser seconded the motion. The motion was approved.

Board Committee Reports

Dana Weckesser, Board Member

Ben Steffen, Board Member

Ms. Weckesser provided an update on the Policy and Governance Committee. She noted that the Committee currently has only one member as the other two Board members left. At the recent meeting, MHBE staff presented their draft agenda for the Board retreat. The MHBE policy team presented small business regulation updates, specifically the minimum participation rate for the employee choice model for the small business marketplace and the waiting period for employee coverage. There was also a discussion of two workgroups planned for the summer. The first, the Value Plan Workgroup, will evaluate 2024 results to inform the design of next year's value plans, focusing on standardized cost sharing, pre-deductible coverage, and cost-sharing for health equity across such conditions as diabetes and other conditions. The second, the Consumer Decision Support Workgroup, will discuss improving consumer decision support during the plan shopping experience when using the Maryland Health Connection (MHC) "Get an Estimate" plan shopping tool or within the MHC application. This workgroup will develop recommendations to better assist consumers in choosing a health plan that best fits their health and financial conditions.

Mr. Steffen provided an update on the recent Finance and Audit Committee meeting. There were three agenda items: a presentation by Tony Armiger, Chief Financial Officer with MHBE, on the Board's finances and IDIQ request for proposals (RFP) approval process; an update from Scott Brennan, Director of Compliance and Privacy with MHBE, on the Office of Legislative Audits (OLA) audit; and an update on privacy issues. Mr. Steffen explained that the bulk of the meeting focused on Mr. Armiger's presentation on the expected \$1.4 million budget deficiency. The deficiency was expected and planned for, and the Department of Budget and Management (DBM) initially provided assurances that the deficiency could be met by transferring money from elsewhere in the state budget. However, with the collapse of the Francis Scott Key Bridge, DBM has backed off from that commitment, and the Board is looking for other options. Mr. Steffen explained that the state has requested less than it is entitled to for work related to the PHE unwinding and that MHBE staff are confident it will be resolved by the end of the fiscal year. Mr. Brennan's presentation focused on the continuing work of the OLA. It is likely there will be several audit findings related to eligibility and inadvertent release of patient data related to enrollment, but Mr. Brennan was confident that the OLA audit will conclude in three to four months. Lastly, regarding the privacy update, Mr. Steffen reported that MHBE staff committed to continuing their efforts to protect consumer information, and there was a presentation on the training MHBE staff receive regarding consumer data. There was also a discussion regarding the ongoing data breach at Change Healthcare and its potential impact on the MHBE, but in subsequent communications it was concluded that the MHBE did not have any exposure as a result of the Change Healthcare data breach.

Mr. Taneja asked about the plan for resolving the \$1.4 million shortfall given that the fiscal year ends in six weeks. Mr. Armiger responded that the MHBE is considering three possible routes for resolving the deficiency, and the main route is fulfillment. He explained that during the PHE unwinding, the

federal government is supposed to reimburse 75% of the cost of fulfillment for printing notices, but the MHBE had been recouping 50% from the federal government on an ongoing basis. The MHBE is going to go back and recoup the remaining 25% which would probably cover the entire shortfall. Mr. Armiger added that he would follow up with MDH to determine how to submit the request to recoup additional funds. He noted that another route is to allocate software on a monthly basis, which would reduce software costs for fiscal year (FY) 2024. The third route is through the call center. Mr. Armiger explained that the MHBE requested 75% reimbursement from the federal government for calls related to the PHE unwinding, but in the past, it was difficult to break those costs out. The MHBE has now found a way to go back and recoup the full 75% of costs instead of the 60% that was initially recouped. Mr. Armiger explained that the MHBE will know within the next two weeks whether the fulfillment route is feasible.

Mr. Taneja asked Mr. Armiger whether he was comfortable with the proposed approach balancing the budget. Mr. Armiger responded in the affirmative.

Mr. Taneja asked if the MHBE expects the bridge collapse to impact the FY 2025 budget. Mr. Armiger responded in the negative.

Mr. Taneja noted that, if the OLA audit will take another three to four months, then the audit is taking more than a year longer than originally expected. He asked whether there should be an interim report on the findings so far. Mr. Steffen responded that an interim report would be an unusual request and that the Maryland Health Care Commission (MHCC) audit took considerably longer than previous years which may be related to audit staffing rather than unusual findings. Mr. Brennan added that it is difficult to determine when OLA will be done with the audit and that their pace is slowing down which could indicate that they are coming to a conclusion. Mr. Brennan noted that the 3-4 month timeline is an estimate, and the audit could be complete in as soon as a month and acknowledged that the audit is taking a long time.

[IT Roadmap Update](#)

Venkat Koshanam, Chief Information Officer, MHBE

Mr. Koshanam provided an update on the Information Technology (IT) roadmap. He started with a technology recap. He noted that exchange technology includes the web apps, which include the consumer portal, worker portal, broker portal, marketing portal, presumptive eligibility portal, Small Business Health Options Program (SHOP) platform, and MHBE stakeholder site. The consumer portal is the key gateway for consumers to connect to the exchange to seek coverage, and the worker portal is for MDH, Maryland Department of Human Services (DHS), and call center staff to provide support to consumers. The broker portal connects brokers to the exchange. The BrokerConnect tool was recently implemented, which connects the broker, exchange, and consumers through technology, the mobile app, and texting. The marketing portal is used by the marketing team to perform outreach to consumers. Medicaid requested the presumptive eligibility portal, which was implemented last month to allow for more efficient enrollment of newborns who go through the hospitals for eligibility. It was integrated into the HBX and Medicaid Management Information System (MMIS) systems. Mr. Koshanam then explained that another exchange technology is the mobile app, which has been very successful and allows consumers to enroll in and manage their coverage. The mobile app is available on both the iOS and android platforms. Mr. Koshanam noted that the customer relationship management (CRM) application is very important to the call center, and it logs

a ticket for every incoming call. Eight million consumer inquiries have been logged through the CRM since 2017. A newer addition to the CRM is the enterprise automation, which allows for the automatic verification of more than a 100,000 consumer documents. Mr. Koshanam explained that AI technology is being implemented very cautiously, and the MHBE utilizes an AI chat bot called Flora, which has been a very successful tool in helping consumers and is designed to also protect consumer data. Flora has had 1.2 million users and 4.8 million responses. The IT team manages a variety of functions including project management office (PMO), app development, testing, and security among others.

Mr. Koshanam then provided an overview of the 2024 IT strategy, which consists of four parts: cybersecurity, innovation, collaboration, and operations. In regard to cybersecurity, the IT team's focus is on building disaster recovery and business continuity for the exchange. The MHBE is working closely with the MDTHINK team and is in the process of signing a memorandum of understanding (MOU) to migrate certain lower environments to the exchange and build a disaster recover option for the exchange. Mr. Koshanam explained that the MHBE is providing awareness training to staff regarding AI technology, is drafting an AI policy, and will be circulating the policy for review with the Maryland Department of IT (DoIT). In terms of innovation, the IT team has expanded robotic process automation capabilities to validate other documents that the Medicaid team currently manually verifies for eligibility for certain types of consumers. They are also expanded the consumer engagement channel called securing messaging option where consumers can send secure messages through the consumer portal to the exchange for assistance with technical problems. Mr. Koshanam thanked the Board for approving the Databricks software during a previous meeting and noted that the IT team has started setting up a data analytics platform that will be used to infer more about consumer behavior and policy response regarding enrollment. During the next quarter, the IT team will start working on microservices architecture to dissect the large monolithic application into multiple compartmentalized applications, which is the architecture currently used in many private organizations and will help stabilize exchange technology for several years. He reported that the IT team is working with the MDTHINK team to migrate several lower tier environments to MHBE and thanked the Board for approving four new IT positions to facilitate this project. The IT team continues to implement policy changes and system enhancements.

Mr. Koshanam then provided an update on the key implementations during the first quarter of calendar year (CY) 2024 which include Chatbot "Flora," the newborn portal, and BrokerConnect in mobile apps. The IT team enhanced the conversational capabilities of Chatbot Flora to better answer consumer questions. The newborn portal was created for hospitals to apply for Medicaid eligibility for deemed newborns; previously these enrollments required Medicaid to perform manual processes. Mr. Koshanam explained that the IT team built a mobile app for brokers last year, which is an extension of the current mobile app and recently enabled the BrokerConnect tool that connects the broker, the consumer, and the exchange. Other initiatives completed during the first quarter include the 1095-A/B processes, policy enhancements, security updates, and implementation of robotic process automation to automate the social security verification for eligibility.

Mr. Koshanam reported that during the second quarter of 2024, the IT team continues to focus on implementing more Medicaid policy changes geared towards providing continuous Medicaid coverage for children, more security enhancements, and technology enhancements for the "Flora" knowledgebase. The IT team also developed content specific help chat feature for consumers to ask questions about specific data elements, which is based on the workflow points where consumers drop

off the online application, to reduce the number of calls to the call center. If the new feature is successful, then it can be expanded in the future. Mr. Koshanam noted that from June onwards there will be larger technology upgrades, starting with a platform upgrade for the workflow manager, testing of the database and content management systems, and after open enrollment the IT team will further upgrade other technology such as security.

Mr. Steffen asked whether DoIT is approving the AI applications currently being used by MHBE or if there is any review process. He mentioned that other states such as California and Colorado have released AI policies. Mr. Koshanam responded that he believes that it would be in the best interest of the state to develop AI policies and an AI technology review process. He explained that Maryland currently does not have an official AI policy, but DoIT is working on a policy. There is an executive order from the President as well as a similar order from the Maryland Governor. Mr. Koshanam reported that the MHBE is working with DoIT to develop an AI policy and will incorporate best practices from other organizations. The MHBE has also examined this issue internally. Mr. Koshanam expressed that the MHBE will cautiously adopt AI technologies but does not want to miss out on the advantages AI technology could bring. He also noted that the MHBE is not looking at AI technology for consumer data or aggregated data, but is more interested in using AI comprehension of natural language for the chat bot. The MHBE is still looking into the internal use of certain AI tools or bots.

Mr. Steffen asked whether the IT team monitors the percentage of consumers who enroll in or renew coverage without human intervention because it could be a managing-for-results threshold that could be easy to capture. Mr. Koshanam responded that the IT team does not currently have this ability, but now that the IT team has the Databricks software they are working on it. They are in the early stages of collecting this data and hope to have it by the end of the year. Mr. Koshanam noted that the IT team is aware of certain areas: income pages, building household, eligibility, and plan finder where a significant drop of traffic indicates that consumers may be struggling with these areas.

IDIQ Master Contract - 2nd base year

Shirelle Green, Procurement Office, MHBE

Venkat Koshanam, Chief Information Officer, MHBE

Ms. Green provided an overview of the IT Indefinite Delivery, Indefinite Quantity (IDIQ) contract. She explained that IT consulting and technical support services are procured through a streamlined, competitive, and cost-effective procurement process using the IDIQ master contract. In April 2023, 110 master vendors were approved for providing services under the IDIQ master contract for five years from July 1, 2023, to June 30, 2028 under specific functional areas and labor categories. The task orders are awarded for a base period of three years, with two optional one-year extensions. For the first base period (FY 2024) the Board approved the award of 115 task orders (TOs) on April 17, 2023, and 40 TOs on May 15, 2023. The MHBE Finance and Audit Subcommittee approved four TOs on May 3, 2024. The MHBE reduced one contract position in FY 2024. Currently, the MHBE has a total of 158 open TOs across five functional areas. Ms. Green provided an overview of the IT functions of the IDIQ positions.

Ms. Green then provided a comparison of the IT IDIQ budget for FYs 2024 and 2025. The total budget for FY 2025 is \$35,475,000 compared to \$33,969,420 in FY 2024.

Ms. Green stated the MHBE requests the Board to approve a total Not-to-exceed (NTE) amount of \$35,475,000, with the federal financial participation amount of \$25,687,200 and state participation amount of \$9,787,800 for the IT IDIQ contracts for the FY 2025, subject to the availability of Federal and State funds.

Mr. Taneja commented that the Finance and Audit Subcommittee recently approved four additional TOs, which he understood to be for short-term engagements, and he asked why the Board is being requested to approve a three-year base contract with two option years on a short-term engagement. Second, Mr. Taneja commented that seven managers will be added to the payroll for the FY 2025 budget, which should help the MHBE lower costs. Third, Mr. Taneja noted that the Board was advised that there will be further enhancements that will relieve some of the IDIQ workers. Mr. Taneja expressed that he is not seeing the impact of those three factors in the approval request for this motion.

Mr. Koshanam responded that the IDIQ contract duration is structured as a three-year base period with two one-year optional extensions with the ability to cancel TOs at MHBE's convenience.

Ms. Green asked Mr. Taneja how he defines short-term. Mr. Taneja clarified that he considers temporary or short-term to be a few months, but it was not defined when the approval was requested for the four short-term TOs. Mr. Taneja asked for the Board to be notified when the temporary TO ended or other savings are achieved, but the requested approval for the budget for FY 2025 does not show the temporary nature of the prior approval or what other savings will be achieved through other efforts. Mr. Koshanam responded that the procurement office's process is to approve TOs for the base period of the contract and subsequent option years rather than for only three months, and the four new TOs were needed to perform lower environment migration from MDTHINK to MHBE. He noted that the MOU with DHS took longer than expected but should be signed soon, and the MHBE had to wait to create the new TOs until the MOU with DHS was almost complete. In terms of savings, Mr. Koshanam noted that there are two parts. First, the MHBE believes they are overpaying for professional support services from MDTHINK by 20% to 30% and managing day-to-day releases. Second, the MHBE will be able to consolidate several core functions. Mr. Koshanam also responded to Mr. Taneja's question regarding the seven manager positions which are new, so it is difficult to quantify the resulting cost-savings, but these positions are placed in the key functional areas such as security and system operations. He explained that it is likely that some IDIQ positions will no longer be needed, and he will provide an update to the Board on cost-savings in the future.

Ms. Weckesser asked if there is a backup plan if federal and state funds are greatly reduced. Mr. Koshanam responded that in respect to federal funding, the advanced planning document submitted to CMS every July includes a detailed IT plan with four categories: eligibility and enrollment related policy changes, special projects, integration with other state and federal systems, and technology improvements. The MHBE also provides monthly progress updates to CMS. The MHBE sometimes has to undertake new initiatives not included in the advanced planning document, which is evaluated by CMS, and so far CMS has not expressed any negative critique. Mr. Koshanam explained that if state funding is cut, there is a little room in the budget to reduce resources such as terminating certain contracts or reducing hours for certain staff for lower-priority items.

Mr. Armiger responded that once the lower environments are migrated from MDTHINK to MHBE's AWS platform, the \$120,000 to \$150,000 per month for professional services provided at MDTHINK

should show as savings. Mr. Koshanam added that the migration should be completed by late fall, and some of those lower environments will be retired prior to that. Mr. Armiger noted that the Board should see the savings in the Board report on MDTHINK resources next year, and Mr. Armiger can break out those savings in the report narrative.

Ms. Weckesser asked if the savings were factored into the NTE. Mr. Armiger responded that all the resources will not exhaust their NTEs, and Mr. Koshanam has to stay below the budgeted amount for each TO. Mr. Armiger does not forecast a problem with the federal funding, and the state budget has already been passed. If the state budget is cut, the MHBE will be able to recoup fulfillment costs at a higher percentage from the federal government, but Mr. Armiger does not foresee further cuts to the state budget beyond the three million dollars that were already cut.

Ms. Weckesser commented that in the past the Board approved increases of NTEs and asked whether the Board will be asked to approve a decrease to the NTE due to state or federal funding cuts. Mr. Ratner responded that the NTE sets the ceiling for funding, but the MHBE can always spend less if warranted by the circumstances and does not need approval from the Board to reduce funding. In the past, the Board was requested to increase the NTE when the MHBE encountered unexpected events, such as COVID and the PHE unwinding, that required IT changes. Mr. Armiger added that the NTE increase in the past for individual TOs was balanced by a reduction in other TOs, so the budget stayed under the approved total NTE. The only times the total NTE was increased were when the federal government required new initiatives, such as no wrong door, that required additional work.

Mr. Taneja commented that his understanding was that the four TOs recently approved were for a short period of time, so he does not feel comfortable committing the MHBE to a period of three years given that there are supposed to be cost savings and reduction of resources due to restructuring. Mr. Steffen pointed out that the temporary four TOs have not been committed to three years. Mr. Koshanam confirmed that the four TOs are temporary positions, and he expects that the project will be complete by the end of the year. Mr. Ratner clarified that while the umbrella IDIQ contract is for three to five years, the individual TOs within the IDIQ may be temporary.

Mr. Taneja disagreed, stating that the IDIQ contracts state that the term is a minimum of three years plus two optional years. Mr. Koshanam responded that the MHBE is able to terminate individual TOs as needed, so a TO may end before three years. Mr. Steffen clarified that any particular resource is not committed to three years if they are not needed, even if the umbrella IDIQ contract is for three to five years. Mr. Koshanam agreed and added that it applies to all 158 contractors not just the recently approved 4 contractors.

Mr. Taneja explained that his understanding is that the IDIQ contracts are based upon budget availability and not need and asked for clarification from MHBE counsel or the procurement manager. Ms. Green responded that the contracts include a clause that allows the state to terminate the contract due to cause or need. Mr. Armiger clarified that the state can terminate the contract for convenience.

Mr. Taneja asked whether the state can terminate the contract due to unavailability of funds. Ms. Green responded that this would be covered by the clause that allows termination for convenience.

Mr. Steffen moved to approve to approve a total Not-to-exceed (NTE) amount of \$35,475,000, with the federal financial participation amount of \$25,687,200 and state participation amount of \$9,787,800 for the IT IDIQ contracts for the Fiscal Year 2025, subject to the availability of Federal and State funds. Ms. Weckesser seconded the motion. The Board approved the motion unanimously.

Actuarial Services Contract Option Year 2

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

Ms. Fabian-Marks explained that the MHBE contracts with Lewis & Ellis for actuarial services, including state reinsurance program modeling, modeling to support the 1332 waiver amendment application, affordability program modeling, and other actuarial support as requested by the MHBE. The contract is currently in the first option year, and the MHBE is asking the Board to approve execution of the second option year which is from July 1, 2024 through June 30, 2025. The contract NTE is \$200,000 a year. Ms. Fabian-Marks noted that FY 2024 highlights for the actuarial contract include extensive modeling to support two legislative reports. The first was the HB 413 report, which provided recommendations on the future of reinsurance program and other potential affordability programs. The second was the SB 806 report on the potential impact cost of allowing all Marylanders to purchase insurance through the exchange regardless of immigration status. Lewis & Ellis is currently working on an actuarial analysis to be included in MHBE's 1332 waiver amendment application. They also performed the actuarial analysis to inform the reinsurance parameters for plan years 2024 and 2025, modeling to support updates to 2025 value plan designs, and projected the young adult subsidy annual cost and modeling to inform plan year 2025 young adult subsidy parameters.

Ms. Crandon asked whether Lewis & Ellis has separation of duties so there is no conflict if the firm also works with insurance carriers. Ms. Fabian-Marks responded that the RFP required vendors to have a separation of duties, and it was a requirement in the contract with Lewis & Ellis.

Mr. Steffen asked if the Lewis & Ellis exhausted the NTE amount in the previous two contract periods. Ms. Fabian-Marks responded that she believes that the NTE amount was not exhausted.

Mr. Steffen motioned to approve exercising the second option year of the Actuarial Services Contract with Lewis & Ellis from July 1, 2024 to June 30, 2025, for a not-to-exceed amount of \$200,000. Mr. Taneja seconded the motion. The motion was approved unanimously.

Adjournment

Mr. Taneja motioned to adjourn seconded by Ms. Weckesser.