



# Maryland Health Benefit Exchange Board of Trustees

July 15, 2024

2 p.m. – 4 p.m.

*Meeting Held via Video Conference*

## **Members Present:**

Laura Herrera Scott, M.D., Chair

Ben Steffen, Vice Chair

Aika Aluc

Laura Crandon

Joy Hatchette

Maria Pilar Rodriguez

K. Singh Taneja

Dana Weckesser

## **Also in Attendance:**

Michele Eberle, Executive Director, MHBE

Sharon Merriweather, Assistant Attorney General, MHBE

Anthony (Tony) Armiger, Chief Financial Officer, MHBE

Venkat Koshanam, Chief Information Officer, MHBE

Tracey Gamble, Procurement Manager, MHBE

Amelia Marcus, Health Policy Analyst, MHBE

## **Meeting Call to Order**

Sec. Herrera Scott called the meeting to order.

## **Approval of Minutes**

Ms. Weckesser moved to approve the minutes of the May 20, 2024, meeting. Mr. Steffen seconded the motion. The motion was approved.

## **2025 Board Meeting Schedule**

Ms. Eberle explained that this meeting is the designated Annual Meeting for the Board, during which the following year's meeting schedule is established. Sec. Herrera Scott shared the proposed meeting dates for 2025: January 21, February 18, April 21, May 19, July 21, September 15, and October 20. Noting the benefit of meeting in-person, she moved to approve the schedule as presented, with mandatory in-person presence on April 21 and July 21 and the July meeting designated as the Annual Meeting for that year. Mr. Steffen seconded the motion. The motion was approved unanimously.

## Executive Update

Ms. Eberle began her remarks by reporting that she had just returned from a meeting of the nation's state-based marketplaces, of which Maryland Health Connection (MHC) is one. She noted that the major topic of discussion and planning was the expanded tax credits that are set to expire at the end of 2025 and how best to express to legislators the importance of continued access to these subsidies for controlling premium increases. While state-based marketplaces like MHC have some policy levers they can use to control the rise in premium costs, she explained, the continued availability of the expanded tax credits will be crucial.

Next, Ms. Eberle announced that Maryland, along with Connecticut, Hawai'i, and Vermont, will be in the first group of states to participate in the States Advancing All-Payer Health Equity Approaches and Development (AHEAD) Model, a new voluntary state total cost of care (TCOC) model developed by the Centers for Medicare & Medicaid Services (CMS). The AHEAD Model aims to curb health care cost growth, improve population health, and advance health equity by reducing disparities in health outcomes. She added that CMS continues to be interested in maintaining seamless transitions between Medicaid, marketplace, and Medicare coverage.

Ms. Eberle then welcomed the Board's newest member, Joy Hatchette, Acting Commissioner of the Maryland Insurance Administration (MIA).

Next, Ms. Eberle noted that the June 2024 enrollment report and dashboard are now available, demonstrating that enrollment is up 22 percent year-over-year. She added that this figure is typically expected to fall and that the recent ending of the public health emergency will likely lead to this percentage declining.

Ms. Eberle then discussed new staff joining the MHBE. Shanterika Maury, formerly staff of the Johns Hopkins University Kerry Business School, is the new Human Resources Manager. Janay Knox joined the MHBE as a Constituent Services Coordinator from the MIA. In addition, Ms. Eberle announced that the agency has been approved to hire seven new full-time employees in the IT department and six new contractual employees in the consumer assistance division.

Mr. Steffen asked whether the recent media coverage of Maximus, the organization contracted to provide call center services to the MHBE, has any ramifications for the agency. Sharon Merriweather, Assistant Attorney General with the MHBE, replied that the media coverage is not about the current contract between Maximus and the MHBE, but that they would continue to monitor developments.

## Proposed Small Business Regulations

*Amelia Marcus, Health Policy Analyst, MHBE*

Ms. Marcus gave the Board a presentation of two proposed amendments to the regulations governing small business health coverage. One proposal would address the minimum participation rate (MPR)—the percentage of a small business' employees who must elect to enroll in coverage for the business to qualify. The second would reduce the maximum waiting period a small employer may impose before offering coverage to qualified employees. She noted that both proposals were discussed in meetings of the MHBE Small Business Programs Advisory Committee (SBPAC).

The first proposed regulation sets the MPR for all small businesses at 60%, whereas the current regulation has different rules for the Employee Choice model, with an MPR of 75%, and the Employer Choice model, where carriers have discretion to set MPR, provided it does not exceed 75%. Ms. Marcus explained that SBPAC members provided feedback indicating that the 75% threshold is burdensome for many small employers.

The second proposal is to reduce the maximum waiting period from 90 days to 60 days. Ms. Marcus demonstrated that, under the current 90-day rule, it is possible for an employee to go up to 120 days without coverage.

Ms. Marcus then shared the timeline of implementation for these regulation changes, with various milestones leading to them becoming effective in October of 2024.

Sec. Herrera Scott asked how the MHBE selected 60% as the appropriate MPR. Ms. Marcus replied that the agency polled the carriers who offer coverage through the MHBE and found that all of them either already use the 60% threshold or expressed agreement with the proposal.

Sec. Herrera Scott moved to approve the proposed small business regulations as presented and authorize the MHBE to submit them to the Joint Committee on Administrative, Executive, and Legislative Review for review and to the Division of State Documents for publication in the Maryland Register as presented. Mr. Steffen seconded. The motion was approved unanimously.

Mr. Steffen expressed concern over the 60% MPR and asked the MHBE to conduct a study on its effects.

### Final 2025 Reinsurance Parameters

*Becca Lane, Senior Health Policy Analyst, MHBE*

Ms. Lane presented the final 2025 State Reinsurance Plan (SRP) parameters. She began by reminding the board that regulations require them to determine a number of factors each year: the attachment point, coinsurance rate, reinsurance cap, and whether to ask the Commissioner of the MIA to provide a market-level dampening factor. She then shared figures showing the impact of the SRP, demonstrating that premiums were much lower than they would have been without the program, leading to increased enrollment.

Mr. Taneja asked for the premium impact of the SRP expressed in dollars rather than percent change. Ms. Lane replied that she would prepare and distribute those figures after the meeting. Ms. Eberle added that Maryland maintains the lowest-cost bronze and gold plans in the country.

Next, Ms. Lane presented the staff recommendation: that the Board adopt as final the parameters they previously approved in February, with an attachment point of \$21,000, 80% coinsurance rate, cap of \$250,000; and that the Board ask the Commissioner to set a dampening factor.

Ms. Lane concluded her presentation by sharing both past and projected future costs and funding, demonstrating that, should enhanced federal subsidies end as scheduled in 2025, costs will outstrip funding through 2028, but that the SRP will remain solvent through the end of its current authority due to the availability of unused funds from previous years. Ms. Eberle pointed out that the SRP funding

has been used for other priorities in the past and could be used to supplement tax credits should federal authorities elect not to extend the expanded subsidies past 2025. Sec. Herrera Scott stated that, should the scenario Ms. Eberle described occur, the Board would convene to address the issue.

Ms. Weckesser asked how the MHBE determined by what amount to raise the attachment point. Ms. Lane replied that the MHBE's actuaries calculated the increase to keep the program solvent. Ms. Eberle added that the increase is also partly in response to increasing medical claims costs.

Sec. Herrera Scott moved to approve the recommended final 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. Weckesser seconded. The motion was approved unanimously.

### Final 2025 Young Adult Subsidy Parameters

*Becca Lane, Senior Health Policy Analyst, MHBE*

Ms. Lane presented the recommended final 2025 Young Adult Subsidy parameters. She began by describing the current status of the program, which supports over 67,000 enrollees with an average subsidy of \$38.08 per month and is estimated to end 2024 with a total cost of \$24.6 million. She added that the share of all enrollments that are aged 18 to 34 years increased from 26.4% in March 2023 to 29.4% in March 2024.

Next, Ms. Lane provided details of the 2024 Young Adult Subsidy program parameters, showing that subsidies are available in full for those aged 18 to 33 years, with steadily decreasing subsidy amounts for those aged 34 through 37 years. By contrast, the proposed 2025 parameters would offer full subsidies to those aged 18 to 30 years, with decreasing subsidy amounts for those aged 31 through 34 and no subsidies available to those older than age 34. She noted that the proposal for 2025 reverts to the parameters used in 2023, adding that the program can be expected to enroll approximately 46,000 individuals, for a total cost of \$21.5 million, and that the change in subsidy availability is likely to result in roughly 383 fewer enrollments under the program.

Mr. Steffen, citing the current program enrollment of 65,000 and projected 2025 enrollment of 46,000, asked how the MHBE arrived at the figure of 383 fewer enrollees and where the other approximately 20,000 people end up. Ms. Lane replied that the 383 figure represents those who will still be in the appropriate age range for the subsidy but are likely to elect not to enroll in coverage due to the reduction in the subsidy amount and stated that the roughly 20,000 missing people would be those who are no longer in the age range.

Sec. Herrera Scott asked that the Board be provided with the number of people affected in each age group.

Ms. Weckesser asked whether current program participants aged 34 years and older are aware that their eligibility for these subsidies may be removed. Ms. Lane replied in the negative.

Sec. Herrera Scott instructed the MHBE to prepare the requested additional information for the Board's August meeting, at which time the Board will reconsider the proposal.

## Final Re-Enrollment Regulations

*Becca Lane, Senior Health Policy Analyst, MHBE*

Ms. Lane presented the final proposed re-enrollment regulations. She began by explaining that the MHBE's current regulations do not address re-enrollment and that federal regulations were recently updated to allow states using the *healthcare.gov* platform to crosswalk eligible bronze plan enrollees to silver cost-sharing reduction (CSR) plans, provided the silver plan is the same price or less, within the same product, and has the same provider network as the bronze plan. That change in federal regulation was made optional for state-based marketplaces like Maryland's.

Next, Ms. Lane shared details of the proposed state regulation. The existing process for re-enrollment would be codified under the new regulation, along with the requirement that carriers provide re-enrollment templates when they opt to discontinue a plan. One way in which the proposed regulation differs from the federal regulation is that it would establish a process for crosswalking eligible bronze enrollees into a higher-value plan rather than specifically a silver CSR plan. Ms. Lane explained that, in some cases, enrollees' best option is a gold plan rather than a silver CSR plan. She pointed out that enrollees in a plan that is compatible with a health savings account (HSA) would be excluded. Ms. Lane concluded by noting that approximately 4,300 people currently enrolled in a bronze plan would be able to enroll in a higher-value plan at the same or lower premium.

Sec. Herrera Scott moved to approve the final regulations as presented and authorize the MHBE to submit them to the Division of State Documents for publication in the Maryland Register as presented. Mr. Steffen seconded. The motion was approved.

## 1332 Waiver Amendment Application

*Becca Lane, Senior Health Policy Analyst, MHBE*

Ms. Lane gave the Board a presentation on the 1332 Waiver Amendment application. She explained that the Access to Care Act passed by the Maryland General Assembly directs the MHBE to apply for a waiver amendment to allow all Maryland residents to enroll in coverage through MHC regardless of immigration status. The agency intends to launch the new eligibility rules in time for 2026 plan enrollment.

Next, Ms. Lane outlined the required evidence of sufficient authority under state law to implement the waiver amendment and demonstrated that the proposal would meet the statutory 1332 guardrails of comprehensiveness, affordability, coverage, and impact on the federal deficit. She noted that the agency held a 30-day comment period on the proposal, as well as two public hearings, and accepted comments from the public via email. The MHBE received entirely supportive comments including fifteen in writing and five in person during public hearings. Ms. Lane shared the timeline for implementation of the waiver, including a 30-day federal comment period, system design and testing, and final preparations for the start of the open enrollment period for the 2026 plan year on November 1, 2025. She noted that, while CMS' normal schedule for approval of such waiver amendments would extend the final decision out to February 2025, the MHBE has requested that they issue their determination before the end of 2024.

Sec. Herrera Scott, noting the feedback received during the in-person hearings, pointed out that the waiver amendment would not extend any incentives or subsidies to those ineligible due to

immigration status. Rather, it would allow such enrollees access to the plan comparison, shopping, and enrollment platform.

Mr. Taneja asked how the MHBE determined that the waiver amendment may help decrease premiums, referring to the federal deficit guardrail. Ms. Lane replied that the agency relied on research indicating that the immigrant population who would be newly eligible to shop for plans are younger and healthier on average than the currently enrolled population.

Mr. Taneja asked whether the population that would be newly eligible to use MHC under the amendment would have access to any state subsidies. Ms. Lane replied in the negative.

Sec. Herrera Scott moved to approve submission of the 1332 Waiver Amendment Application as presented to the Centers for Medicare & Medicaid Services (CMS) in the Department of Health and Human Services, and the Department of the Treasury for an amendment of Maryland's existing 1332 Waiver. Ms. Weckesser seconded. The motion was approved unanimously.

### IT Procurements

*Venkat Koshanam, Chief Information Officer, MHBE*  
*Tracey Gamble, Procurement Manager, MHBE*

Ms. Gamble explained that the MHBE intends to ask for the Board's approval for four software license subscription renewals: Informatica PowerCenter, MongoDB, Red Hat, and EDB Postgres. Mr. Koshanam added that these software subscriptions had been procured on behalf of the MHBE by the Maryland Total Human Services Integrated Network (MD THINK) as part of the agreement between the two agencies. Since the MHBE is the only MD THINK user to need these subscriptions, responsibility for their procurement was transferred to the MHBE as of May 20, 2024. Mr. Koshanam pointed out that these software licenses are critical to the operation of MHC.

Mr. Taneja asked for clarification on the timing of this transfer of responsibility to the MHBE. Mr. Koshanam reiterated that the MHBE first learned of this situation on May 20, 2024, adding that it took some time to sort out the ownership of the licenses with the vendors and cover gaps in licensure. Ms. Gamble explained that the MHBE was forced to secure a short-term license for Red Hat without Board approval, since it had already expired by May 20.

Mr. Taneja asked whether these renewals, under normal circumstances, would have been presented to the Board's Audit and Finance Committee. Mr. Koshanam replied that the responsibility for the licenses being transferred to the MHBE means that such transactions will be much more visible to the Board. Ms. Eberle added that, under the Board's procurement policy, procurements such as this are presented to the entire Board rather than a committee.

Ms. Weckesser asked about the source of funding to pay for the licenses. Mr. Koshanam replied that the same funds that were previously paid to MD THINK for these subscriptions would instead be paid directly to the software vendor.

Sec. Herrera Scott moved to approve a contract award to Carahsoft Technology Corporation in the amount of, \$210,263.79, with a federal participation of \$138,774.10 and state participation of \$71489.69 to procure Informatica Power Center maintenance renewal licenses for the period from

August 1, 2024, through July 31, 2025. Mr. Steffen seconded. In a roll-call vote, Ms. Crandon voted in opposition, Mr. Taneja and Ms. Weckesser voted in favor, and Ms. Aluc abstained. Ms. Pilar Rodriguez did not record a vote. The motion was not approved due to too few affirmative votes.

Sec. Herrera Scott asked what further information Board members need to enter a vote. Ms. Crandon expressed uncertainty as to where the procurements fit in the MHBE's budget and how the procurement rules were applied. Ms. Eberle reiterated that the money for these subscriptions is already budgeted, but that instead of paying to MD THINK, the payment will go to the vendor.

Ms. Gamble explained that this procurement was done through an invitation for bid (IFB) rather than the emergency procurement procedure, and that delays by the manufacturer meant it was not published until June 14. Only one bid was submitted. Ms. Crandon asked whether only having received one bid makes this a sole source procurement. Ms. Gamble replied in the negative, pointing out that single bid and sole source are distinct procurement types. Ms. Merriweather added that the procurement has been undertaken in compliance with policy.

Ms. Crandon expressed puzzlement over which category this procurement fits into under the policy and asked whether the cost is exactly the same as the prior pass-through cost via MD THINK. Mr. Koshanam replied in the affirmative.

Mr. Taneja asked whether Carahsoft is the incumbent vendor. Ms. Gamble replied in the affirmative.

Mr. Taneja asked to see a direct comparison of costs for these licenses under the MD THINK arrangement and directly with the vendor. Mr. Koshanam agreed to prepare and distribute those figures.

Sec. Herrera Scott reintroduced the motion to approve the contract award. Mr. Steffen seconded. In a roll-call vote, Ms. Crandon voted in opposition while Mr. Taneja, Ms. Weckesser, and Ms. Aluc voted in favor. Ms. Pilar Rodriguez did not record a vote. The motion was approved.

Next, Ms. Gamble described the procurement for Mongo DB, noting that the duration of the subscription is two years with Carahsoft Technology Corporation, selected through an IFB.

Sec. Herrera Scott asked why the cost for year two of the license is higher than the cost for year one. Ms. Gamble replied that vendors have that right. Sec. Herrera Scott asked how many vendors bid on the Mongo DB contract. Ms. Gamble answered that the IFB received eight qualified bids. Sec. Herrera Scott asked for confirmation that the selected vendor provided the lowest bid even with the price differential between years one and two. Ms. Gamble replied in the affirmative.

Noting the IFB closing date of July 10, Ms. Crandon asked for confirmation that the Board is being asked to decide on this matter with less than one week to consider. Ms. Gamble confirmed.

Mr. Taneja asked how these purchases will reflect in the budget documents available to Board members. Anthony Armiger, Chief Financial Officer at the MHBE, replied that the cost of these licenses will be offset by reductions in the monthly payment to MD THINK and will be reflected there.



Mr. Taneja asked that the Board be provided documentation showing the direct offset of these purchases in the monthly payment described. Mr. Koshanam agreed.

Sec. Herrera Scott moved to award a contract to Carahsoft Technology Corporation in the amount of \$196,288 for Year One and \$206,618.94 for a total cost of \$402,906.94 for two years, with a Federal Participation of \$265,918.58 and State participation of \$136,988.36, to procure MongoDB subscription licenses for the period from July 19, 2024 - July 18, 2026. Ms. Weckesser seconded. The motion was approved.

Next, Ms. Gamble presented details of the procurement for Red Hat software license subscriptions. The IFB was posted on June 10 and closed on July 11 and received 16 qualified bids, from which the MHBE selected Optimoz, Inc.

Ms. Weckesser asked how the qualifications of the vendors were judged. Ms. Gamble replied that, since it is a purchase of software, qualifications do not apply.

Sec. Herrera Scott moved to award a contract to Optimoz, Inc. in the amount of \$104,660.16 per year, for a total cost of \$209,320.32 for two years, with a Federal Participation of \$138,151.41 and State participation of \$71,168.91, to procure Red Hat subscription licenses for the period from July 29, 2024 - July 28, 2026. Mr. Steffen seconded. The motion was approved unanimously.

Finally, Ms. Gamble presented details of the EDB Postgres procurement, noting that the IFB opened on April 3 and closed on June 17, receiving seven qualified bids. Of the qualified bids, the vendor selected is Zones, LLC.

Sec. Herrera Scott moved award a contract to Zones, LLC in the amount of \$263,747.90 for 12 months, with a Federal Participation of \$174,073.61 and State participation of \$89,674.29, to procure EDB Postgres subscription licenses for the period from August 28, 2024 - August 27, 2025. Ms. Weckesser seconded. The motion was approved.

### [Annual Financial Report](#)

*Anthony Armiger, Chief Financial Officer, MHBE*

Mr. Armiger discussed the MHBE's finances, including actual results through May 2024, comparison with the prior year, and projected financials through June 30, 2024. He noted that the agency is closing FY 2024 with enough funding to cover expenses. Despite projections that predicted a shortfall and additional budgetary pressures resulting from the collapse of the Francis Scott Key bridge, the MHBE found some savings in printing costs to offset these factors.

### [Adjournment](#)

Sec. Herrera Scott announced that the Annual Compliance Report would be postponed to the next meeting and adjourned.