



MHBE

Small Business Programs Advisory Committee

January 29, 2025

1:00PM – 3:00PM

Online Via Google Meets

Members Present:

Rick Weldon, Co-Chair
Amber Hyde, Co-Chair
Glenn Arrington
Brandon Burbage
Rob Cohen
Ileana Gonzalez
Mark Khatib
Susan McLean
Eugene Poole
Armel Simo
Judith Walker

Jose Cabrera
Rita Dyer
Nicole Edge
Kimberly Edwards
Dawn Fairburn
Makeda (Mimi) Hailegeberel
Betsy Plunkett
Andrew Ratner

Members of the Public

Nikki Blake
Stephen Gamboa
Tobeka Green
Allison Mangiaracino
Warren Laird

Staff

Theresa Battaglia

Welcome and Meeting Minutes

Rick Weldon, Co-Chair, opened the meeting and asked for a motion to approve the minutes of the Committee's October 30 meeting. Eugene Poole moved to approve the minutes as presented, with a second from Glenn Arrington. The Committee voted unanimously to approve the minutes.

Mimi Hailegeberel, Small Business Programs Manager at the Maryland Health Benefit Exchange (MHBE), shared a list of the Committee's members for 2025, noting the new Co-Chairs and that only one member from 2024 has withdrawn participation.

Enrollment Portal Demo

Dawn Fairburn, Requirements Manager at the MHBE, gave a demonstration of the new enrollment portal for small businesses. Cautioning that some functions are unavailable due to the development still being underway, she began by showing the landing page where employers would create their account and set up their business on the portal.

Mr. Poole recommended that the portal include a tool with which the business owner can determine the appropriate Standard Industry Code (SIC) for their business, since many do not know their SIC offhand. Amber Hyde agreed. Ms. Hailegeberel replied that

the MHBE will look to introduce that functionality in a future release after the initial portal launch.

Ms. Fairburn continued the demonstration, showing how employers enter their employee information, browse and select plan setups and benefit packages, and conduct open enrollment.

Ms. Hyde asked whether the portal is set up to accommodate the additional documentation required for setting up Employee Choice plans, noting that such arrangements currently involve additional contracts. Ms. Hailegeberel replied that the portal will remove the need for the additional contracts.

Mr. Poole asked how the portal will ensure the correct relationship is established between the employer, the carrier(s), and the broker. Ms. Hailegeberel replied that the process will match the “Tango” process in the individual market.

Ms. Hyde asked whether the system will support the management of business associate agreements (BAAs) between brokers and employers. In response, Ms. Hailegeberel explained that brokers are welcome to use BAAs as part of their business processes, but that they would not be built into the portal.

Mr. Arrington cautioned that the “Tango” process has technical issues when users have pop-up blockers enabled and encouraged the MHBE to address these issues for both the individual and small business portals. Several other Committee members agreed. Ms. Hailegeberel replied that she would have the MHBE team investigate the problem.

Ms. Hyde asked that the portal be developed in such a way that it avoids the issue of duplicate user accounts that so often complicates the broker “Tango” in the individual market. Ms. Fairburn and Ms. Hailegeberel agreed to evaluate the feasibility of the request.

Ms. Fairburn continued her demonstration, showing how employers select contribution amounts toward employee and dependent coverage, select plans, and select a carrier where appropriate.

Ms. Hyde asked whether the portal will allow contribution arrangements whereby the employer selects a reference plan by which they calculate their percentage contribution, allowing employees to apply that amount to the plan of their choice. Ms. Hailegeberel confirmed that it will.

During an impromptu discussion among Committee members of the mechanics of Employer Choice plans, Mr. Arrington cautioned that the MHBE may be building in a market advantage over small group coverage available on the open market. Typically, he explained, carriers limit small employers to a subset of their suite of plan offerings. If, instead, small employers could access any plan offered by the carrier, but only through the MHBE, that would unfairly advantage the MHBE over the open market. Brandon

Burbage agreed that the removal of these restrictions would potentially advantage MHC-SB but characterized it as a good outcome in support of the organization's goals. Ms. Hailegeberel asked that the Committee table that discussion for the present.

Ms. Fairburn then demonstrated how employees will use the portal to set up their own accounts.

Mr. Arrington expressed concern that the portal will overweight the plan premiums, deductibles, and other cost sharing features, potentially leading users to undervalue other factors such as metal level and provider availability. Ms. Hailegeberel pointed to the plan selection aids available to users that go beyond premium and cost sharing, such as provider search and the value-added benefits feature.

Ms. Fairburn continued her demonstration of employee functions like dependent setup, coverage waivers, and plan selection.

Ms. Hyde asked that the portal allow the employer to change how employee costs are displayed by setting a payroll cycle for the organization. This would then recalculate employee costs from monthly to per pay period (e.g. weekly, bi-weekly). Ms. Hailegeberel agreed to track this feature as a future enhancement.

Next, Ms. Fairburn showed how employees report a change, such as adding a dependent, changing their address, selecting a special enrollment period (SEP), or disenrolling from coverage.

Mr. Poole recommended that the MHBE ensure that employees can keep their portal accounts when they leave employment, describing a hypothetical scenario wherein an employee leaves one Maryland Health Connection for Small Business (MHC-SB) employer for another. Ms. Fairburn replied that employees can keep their existing accounts and would be able to connect with the new employer once they are added to the roster in the employer's account.

Mr. Arrington asked how COBRA will be administered through the portal. Ms. Hailegeberel replied that the portal will accommodate the COBRA enrollment of the employee only and that any dependents' COBRA coverage would be administered at the employer level.

Mr. Poole shared a typical family situation that complicates small business coverage wherein the employee ages into Medicare, but the spouse or other dependents remain on the business plan. Ms. Hailegeberel replied that the system is designed to manage these situations appropriately.

Ms. Hyde suggested that the discussion of the fine details be continued in another setting. Ms. Hailegeberel agreed, adding that Committee members who have detailed feedback of this type should submit it in writing as well.

Ms. Fairburn concluded her demonstration by showing how employers manage the distribution of notices to employees.

Small Group Affordability

Ms. Hailegeberel asked Committee members to discuss strategies to ensure plan affordability to small business employers and employees, including whether to mandate employer contributions to dependent coverage or any other policy changes or incentives that might be effective.

Mr. Poole recommended that the MHBE find a way to distribute the employer tax credit in advance, similarly to how Advance Premium Tax Credits (APTCs) are managed in the individual market. He also suggested that the MHBE undertake an outreach effort to small businesses who work on federal contracts educating them on how to access guaranteed federal reimbursement of costs associated with offering health coverage to employees.

Ms. Hyde suggested that legislation be enacted to allow employees' APTCs from the individual market to be routed through their employers' plans.

Ms. Hyde shared her experience of securing the small business tax credit for her clients, noting that the amount of the credit is vanishingly small. She encouraged the MHBE to find ways to increase the amount of the credit.

Mr. Arrington suggested that the Maryland-funded Young Adult Subsidy (YAS) program be made available to dependents on the small business portal.

Ms. Hailegeberel thanked everyone for their suggestions, noting that solutions requiring a change in legislation are far less likely to occur than those involving only changes to regulation.

There was general agreement among discussants that mandating employer contribution would be inappropriate.

MHBE ICHRA Program

Ms. Hailegeberel began the discussion by explaining that Individual Coverage Health Reimbursement Arrangements (ICHRAs) are plans that reimburse employees for qualified medical expenses like premiums, copays, and deductibles. The MHBE ICHRA program will focus only on premium for the small group market, making it possible for an employer to set an allowance for each employee who then uses that money to purchase individual health coverage, whether on Maryland Health Connection (MHC) or on the open market. Employees using ICHRAs in this way will not have access to any federal subsidies through MHC but will enjoy lower premiums than in the small group market.

Next, Ms. Hailegeberel discussed how Section 125 plans interact with the MHBE ICHRAs. Section 125 plans allow employees to use pre-tax dollars to make the purchase and will likely see increased use as ICHRAs continue to expand. She

explained that the MHBE intends to contract with one or more third party ICHRA administrators to handle set up and management and ensure compliance, system integration, and user support. These organizations operate “private exchanges” under different regulatory schemes than those that govern MHC-SB, allowing more flexibility in offerings to small businesses.

Susan McLean asked for confirmation that employees using ICHRA funds to enroll in an individual plan will be ineligible for subsidies. Ms. Hailegeberel confirmed this is true, noting that sometimes only the employee would be unable to access subsidies, but the rest of the dependents could do so.

Ms. Hailegeberel then laid out three levels of integration with potential ICHRA administrators. The basic level would involve a referral to an approved list of ICHRA vendors with whom the business would work directly, with account management functions hosted either on the vendor’s website or on MHC. The moderate level of integration would have the ICHRA administrator generate a customized shopping link for the employee, who would then see the plans displayed with the employer contribution calculated into the premium. The complex level of integration would involve developing a “mirror exchange,” as was done in Colorado, that would allow employees to have the full MHC shopping experience while also using pre-tax dollars.

Ms. Hyde recommended that the MHBE look to implement the complex level of integration alongside the steps needed to route APTCs through employer plans, acknowledging the high cost of such an effort while cautioning that the cost of implementing this functionality will only increase with time.

Mr. Arrington expressed doubt that small employers will respond well to a profusion of options for plan setups and financing models, noting that his experience teaches that simpler is better.

Allison Mangiaracino cautioned that significant expenditures on integration with ICHRA administrators should not negatively impact the budget and staff available for broader small business outreach and development of the MHC-SB portal.

Ms. Hyde pointed out that ICHRAAs may offer some small incentives to employees around pre-tax dollars but do nothing about coverage affordability for employers nor employees.

Public Comment

None offered.

Adjournment

The meeting adjourned at 1:49 PM.

Chat Log

00:38:27

Brandon B: Dc exchange allows as many plans as they want

01:36:37

Susan McLean CF: Have to drop. Thank you!

01:39:40

Rob Cohen: Susan McLean - Could you please call me (quick call) when you are off this call. 202-309-9822. thx

01:41:31

Rob Cohen: Thank you. I have to hop