



Maryland Health Benefit Exchange Board of Trustees

February 22, 2022

2 p.m. – 4 p.m.

Meeting Held at the Maryland Health Care Commission and via Video Conference

Members Present:

S. Anthony (Tony) McCann, Vice Chair

Ben Steffen, MA

Dana Weckesser

Robert D'Antonio, PhD

Mary Jean Herron

Kathleen A. Birrane

K. Singh Taneja

Dr. Rondall Allen

Members Excused:

Dennis Schrader, Chair

Also in Attendance:

Michele Eberle, Executive Director, MHBE

Andrew Ratner, Chief of Staff, MHBE

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

Venkat Koshanam, Chief Information Officer, MHBE

Sharon Merriweather, Principal Counsel, Office of the Attorney General

Caterina Pañgilinan Chief Compliance Officer, MHBE

Tony Armiger, Chief Financial Officer, MHBE

Welcome and Introductions:

Vice Chair McCann opened the meeting and welcomed all in attendance.

Approval of Meeting Minutes

The Board reviewed the minutes of the January 18, 2022, open meeting. The Board voted unanimously to approve the minutes.

Public Comment

Mr. McCann invited members of the public to offer comment. No comments were offered.

Executive Update

Michele Eberle, Executive Director, MHBE

Ms. Eberle began her remarks by noting that it is the last week of open enrollment. Enrollment has gone well and has already exceeded 180,000. While enrollment has dropped slightly in February, it is expected to pick up during the last week. The young adult subsidy program is also doing well, with 10,000 young adults enrolled so far, which is on track for the goal of enrolling 22,000 individuals over two years.

Ms. Eberle reported that Governor Hogan submitted his green bag appointments with two appointments to the MHBE Board: a renewal of Dr. Allen's four-year term, and Maria Rodriguez, a small business owner located in Frederick and executive director of the Maryland Hispanic Chamber of Commerce. Dr. D'Antonio will not be renewing his four-year term. Ms. Eberle will provide an update when Dr. Allen and Ms. Rodriguez go before the Senate for confirmation.

Ms. Eberle noted that an actuarial services request for proposal (RFP) will be issued in the next three weeks to support reinsurance work and legislatively mandated studies. Since the contract will be a multi-year contract, it will need Board approval and will go before the Board during the May meeting.

Ms. Eberle reported that in response to requests from the Board for more information on Medicaid redeterminations, Medicaid will present on Medicaid redeterminations at a future Board meeting. She noted that, currently, it looks like continuous Medicaid eligibility will end on April 15 and redeterminations will start. In Maryland, there is a single application for Medicaid and commercial health plans, and the data is combined so the MHBE can track churn between Medicaid and commercial insurance. It also means that a 60-day special enrollment period (SEP) automatically opens when an individual loses Medicaid coverage. Medicaid decided to continue to run monthly determinations even though they could not roll anyone off, so they can identify the population that needs to renew coverage. The MHBE is working closely with the Maryland Department of Health to communicate with consumers regarding Medicaid redeterminations.

Ms. Eberle reported that the 2022 legislative session is in full swing. There are two bills the MHBE is following closely. One bill is the small business and non-profit health insurance subsidy program that would provide \$45 million annually in subsidies to small businesses and non-profits for health insurance, but the biggest challenge is determining the source of the funding. If the bill is passed, the MHBE will be responsible for implementing the subsidy program. The other bill is to extend the provider fee for the individual market stabilization program. Governor Hogan put this bill forward to extend the subsidy sunset date from 2023 to 2028; Ms. Eberle noted that the individual market stabilization program has been wildly successful and has resulted in the highest insurance enrollment ever in Maryland. This bill has faced opposition from carriers who have expressed concern about how the funds have been used for other areas outside of the individual marketplace. Carriers have also expressed concern about the amount of the assessment and who should be paying the assessment, as well as whether it should be a one-year waiver or a five-year waiver. There has also been discussion on whether a comprehensive study should be done to evaluate the ongoing need for the program and how it should operate. All of the actuarial analysis performed by Lewis and Ellis and supported by the Maryland Insurance Administration (MIA) has indicated that the one percent assessment will be needed. The MHBE submitted a letter of support and advocated for a continuation of the five-year waiver because the MHBE is concerned that the Centers for Medicare & Medicaid Services (CMS) might not view the commitment of the state to this program if the state only does a

one-year waiver, and the amount of work that needs to be done for the waiver would be too costly for a one-year waiver. If any members of the Board, or the Board as a whole, want to reach out to the Finance Committee or the Health and Government Operations Committee, then the MHBE can help facilitate that.

Ms. Eberle noted that they removed the Policy Committee update from the meeting agenda today because there is nothing new to report other than that Dr. D'Antonio will be rolling off that committee as chair.

Mr. McCann thanked Dr. D'Antonio for his assistance over the years on the Board and wished him the best with his future endeavors.

Policy Committee Report

Singh Taneja, Finance Committee Chair

Mr. Taneja provided an overview of the scope of work for an information technology (IT) study to evaluate what the ideal blended model of IT staffing should look like. Currently, the MHBE heavily relies on indefinite delivery/indefinite quantity (IDIQ) contracts for IT staffing, with 13 state employees and 127 contracted staff. This study aims to ensure that the MHBE stays ahead of ever-increasing cybersecurity threats. It would include a comprehensive cost analysis of the variance between state IT employees versus contracted IT staff, considering the loaded costs of employing state staff with the hope of finding cost savings. The Finance Committee would like to engage a consultant to help conduct the study and provide advice on the ideal blended model of IT staffing. They would like the consultant to help the MHBE understand their needs from both a cybersecurity and staffing point of view.

Ms. Herron, a member of the Finance Committee, added that the Committee is proposing the RFP that was prepared in September, which will help the MHBE assess what their IT staffing needs are going forward. This may or may not result in cost savings depending on the study results but will help the MHBE understand what skills and talent they need and how best to access them.

Mr. McCann commented that he thinks the issue is determining the best staffing to carry out the MHBE's needs, and he expressed concern about the focus on cost savings. Ms. Herron agreed with this concern. Mr. McCann noted that the MHBE is running under on the IT budget but went on to say that it is an understatement to say that technology is the mission critical element in what MHBE does. Mr. McCann thinks it would be worthwhile to discuss what the appropriate staffing arrangement should be going forward. Mr. McCann expressed discomfort with being overly focused on savings. Ms. Herron agreed with this statement and reiterated that she the study was intended to determine what the MHBE needs moving forward, rather than focusing on savings.

Mr. McCann asked Mr. Taneja to respond to these comments. Mr. Taneja responded that he agrees that the study should focus on what the MHBE needs moving forward. The question is whether that same talent should be in a blended model and whether the blended model will allow the MHBE to get the needed talent and resources that are currently being contracted out.

Dr. D'Antonio commented that, based on his experience with the navy and other government agencies such as the National Security Agency — which are IT-critical industries — 95% of IT staff

are contractors because contractors are better able to keep up with constantly changing technology and keep up to date on IT practices compared to full-time staff. Dr. D'Antonio noted that cybersecurity is extremely important and that, if more of the IT work is brought in-house, then he is concerned that IT staff will not be able to keep up with advancements in cybersecurity. Therefore, he is very concerned about this study exploring the idea of bringing more IT staff on as full-time employees and does not see the need for it because, so far, the MHBE has done very well.

Ms. Herron commented that the original point of the IT study was to think about what the MHBE's IT needs are in the short-term and long-term. She noted that it is very important to ensure that the MHBE's cybersecurity is strong. Ms. Herron explained that the study started with a focus on planning and being forward-looking and that it should be more focused on having the best work product and talent than saving money or implementing a blended staff model.

Mr. Steffen commented that they need to examine the RFP for the study closely if the two people on the Finance Committee who were involved in developing the RFP disagree about the objective of the study. He also added that the change in administration may impact policy decisions in the future. The MHBE has been one of the most successful state-based exchanges in the past seven to eight years, and they do not want to sacrifice quality for cost-savings.

Ms. Weckesser commented that the people on the committee are not in agreement and expressed concern about moving forward with the study. She suggested taking time to consider the issue more and come back to it in April or during a special meeting.

Commissioner Birrane agreed with Ms. Weckesser that this IT study RFP is not ready for a vote yet.

Mr. Taneja commented that he is fine with whatever the Board decides. He agreed that if the Board needs more time to consider this study, then the Board should take additional time.

Mr. McCann moved to table the proposal for now and asked MHBE staff to consult with Secretary Schrader or Mr. McCann to survey Board members to determine if this study is needed, as well as what the parameters should be if it is necessary, before coming back to the issue in April. Ms. Herron seconded the motion.

Dr. D'Antonio commented that there are two issues for this study. One is the future of IT and the other is the comparison between full-time staff and contractors. He thinks that they do not intersect and that these are two different studies. Mr. McCann agreed.

Mr. Taneja noted that he feels there are two different but related issues. First, what resources does the MHBE need? Second, how does the MHBE acquire those resources? This is when the blended model comes into play. Mr. McCann explained that MHBE staff will include those issues when surveying the Board about the study.

Mr. McCann asked for a vote on tabling the proposal and asking staff to poll the Board for their opinions on the study before coming back to the issue during the April Board meeting. The Board voted unanimously to table the proposal. Mr. McCann thanked Mr. Taneja for his work on this issue.

[Standing Advisory Committee Appointments](#)

Dana Weckesser, Board Liaison to Standing Advisory Committee

Ms. Weckesser reported that the Board should have seen the list of proposed appointments for the Standing Advisory Committee (SAC). Eight individuals applied to the SAC for 2022; applicants included health care providers, brokers, insurers, advocates, and navigators. Ms. Weckesser and the SAC Chair recommended that the Board appoint all of the applicants to the SAC. The Board was requested to appoint the following individuals to the SAC:

- Brian Baker
- Matthew Celentano
- Benjamin Fulgencio-Turner
- Emily Hodson
- Diana-Lynne
- Sophie Keen
- Scott London
- Maria-Therese Oyalowo

Ms. Weckesser moved to approve the applicants as presented to the SAC for 2022 and 2023; seconded by Mr. McCann. The Board voted unanimously to appoint the applicants.

Ms. Eberle noted that the applicants will start in April 2022.

[SalesForce License Renewal Preview](#)

Venkat Koshanam, Chief Information Officer, MHBE

Tony Armiger, Chief Financial Officer, MHBE

Mr. Koshanam gave the Board an overview of the upcoming procurement for licenses on the SalesForce platform. He began by describing how the MHBE uses SalesForce for several business-critical functions and how the agency intends to expand its use in the coming year to develop additional functionality, such as an Asset Management System and a Privacy Incident Management System. He then presented the anticipated costs of the licenses, noting that the price has not changed from 2021 to 2022.

Mr. Armiger then shared a summary of the proposed procurement, including the license renewal period, the procurement method, the reseller, and the cost. The contract was originally awarded for fiscal year (FY) 2021 in the amount of \$1,166,999.00. There is an option to extend the contract for one year for FY 2022 in the amount of \$1,166,999.06.

The MHBE requested the Board's approval of two motions to exercise the Intergovernmental Cooperative Purchasing Agreement (ICPA) First Option Year with Carahsoft Technology Corporation and award the contract to Carahsoft Technology Corporation in the amount of \$1,166,999.06 to renew the Salesforce licenses for the period of March 2, 2022 - March 1, 2023.

The Board voted unanimously to approve the motions as presented.

2023 Reinsurance Parameters

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

Ms. Fabian-Marks explained that each year the Board must set the payment parameters for the reinsurance program. Today the Board will set the proposed reinsurance parameters for 2023 and will set the final parameters during the July Board meeting. The MHBE recommends keeping the parameters the same for 2023. The MHBE projects that the state reinsurance program will remain solvent in 2023 using the current parameters. Federal funding would be fully used during 2023 with no carryover, and state funding would be necessary, with a projected state balance of \$245 to \$553 million depending on the scenario.

Mr. McCann asked about the source of federal funding since the America Rescue Plan Act (ARPA) is ending. Ms. Fabian-Marks explained that MHBE has baseline federal passthrough funding as a result of the 1332 waiver which was increased by ARPA and will drop down to baseline when ARPA ends.

MHBE staff requested that the Board approve the estimated parameters for the 2023 State Reinsurance Program as follows:

- Attachment point of \$20,000
- Coinsurance rate of 80%
- Cap at \$250,000
- Dampening factor to be provided by the Insurance Commissioner

Mr. McCann moved to approve the proposed parameters as presented; seconded by Mr. Steffen. The Board voted unanimously to approve the proposed parameters.

Enrollment Regulations

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

Ms. Fabian-Marks reported that the MHBE is updating the enrollment regulations to align with the federal SEP regulation updates at 45 CFR §155.420. The updated regulations will reflect the SEPs for easy enrollment and pregnancy recently established in state statute and align the SEPs with MHBE operations. The Open Enrollment dates will be updated to November 1 through January 15 in alignment with federal regulations, and the Board will be given the authority to change the Open Enrollment dates in the future.

Ms. Fabian-Marks then provided a summary of the updates to the enrollment regulations. Under the updated regulations, individuals with annual incomes below 150% of the federal poverty level (FPL) will be eligible for year-round enrollment as long as Congress continues enhanced tax credits. The MHBE plans to implement this in July 2022 after the regulations are finalized.

Mr. McCann asked what percentage of the population is under 150% of the FPL and not enrolled in Medicaid. Ms. Fabian-Marks responded that the percentage is under 15%.

Ms. Fabian-Marks also provided an overview of the comments they received from stakeholders on the proposed enrollment regulations and MHBE's responses.

Mr. Steffen commented that Maryland Health Care Commission (MHCC) has seen sharp declines in insurance enrollment in the last two months of the year, and the hypothesis is that increased spending and costs pressure individuals to drop coverage. He asked how an individual who dropped coverage and then re-enrolled would be classified. Ms. Fabian-Marks responded that the individual would be considered a new enrollee if they are not currently enrolled. If individuals are currently enrolled, then they cannot switch coverage using the low-income SEP.

Ms. Fabian-Marks explained the timeline for the enrollment regulations. The draft regulations will be published in April 2022 and the final regulations will be published in June.

Mr. McCann moved to approve the Enrollment Period Proposed Regulations as shared with the Board for publication in the Maryland Register. Ms. Weckesser seconded. The Board voted unanimously to approve the regulations.

Silver Value Plan Modification

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

Ms. Fabian-Marks explained that actuarial value is the percentage of total average costs for covered benefits that a plan will cover. The draft 2023 actuarial value calculator puts Maryland Health Connection's (MHC) silver plans out of range, meaning they are too generous. If the silver plan deductible stays at \$2,500, then plans would require significant increases to copays, coinsurance, and out-of-pocket maximums. The MHBE is proposing to increase the silver value plan deductible ceiling from \$2,500 to \$3,000 to allow carriers to minimize other cost sharing increases. She noted that the affordability workgroup being convened this spring could review value plans holistically for 2024.

Mr. Steffen asked about other alternatives the MHBE considered because this is a sharp 20% increase in the deductible. Ms. Fabian-Marks responded that, since the deductible is the only cost-sharing element that the MHBE that can influence under the value plan, it is the only element they looked at. If MHBE holds the deductible steady, then the carrier will make their own cost-sharing changes, which could be significant. Most people never reach their deductible, so the deductible increase is likely to have a smaller impact on consumers.

Mr. McCann asked if any carriers offer silver plans that have a deductible below \$2,500. Ms. Eberle responded that CareFirst has a plan with a \$2,250 deductible.

Mr. McCann commented that the MHBE did silver loading four years ago to address increased cost-sharing and asked how that impacts the current issue. Ms. Fabian-Marks responded that silver loading affected the premium relativity between the silver and gold plans, explaining that she does not believe there is a connection to the current issue. She asked Brad Boban, Chief Actuary of the Maryland Insurance Administration (MIA), to weigh in. Mr. Boban confirmed that the deductible change doesn't affect silver loading.

Mr. McCann moved to set the 2023 Silver value plan medical deductible ceiling at \$3,000; Ms. Herron seconded the motion. The Board voted unanimously to approve the motion.

Upcoming RFP Solicitations

Heather Forsyth, Director Consumer Assistance, Eligibility and Business Integration, MHBE

Ms. Forsyth provided an overview of upcoming RFPs and noted that more detail will be provided at the May Board meeting. She started with the RFP for consolidated service center, also known as the call center. The current contract ends in June 2022. Maximus is the vendor for the current and prior contract; the contract value has decreased each year and is currently \$10 to \$12 million. The next contract will have a three-year base with one two-year option. This is scheduled to be issued by the end of February and will return for Board approval at the May meeting.

Mr. McCann asked about the expectation for the number of potential bidders. Ms. Forsyth responded that they always hope for more rather than less bidders because competition is good, and they hope to have at least five bidders.

Ms. Forsyth then moved onto the fulfillment center, which became a standalone contract in 2017. This is a \$3 million contract for printing and inbound mail services, and the current vendor is Art & Negative. The contract will have a two-year base with one two-year option so that the fulfillment center contract will not be up for renewal at the same time as the call center.

Ms. Forsyth then provided an overview of the navigator program grants, which are not a procurement but are coming soon. The navigator program grants operate on a three-year cycle, with a new request for application (RFA) to be released in March for fiscal year 2023 with two one-year options. The MHBE expects to distribute \$10 million per year with amounts highest where the percentage of the uninsured is greatest. Based on stakeholder input, the Connector Program will refocus on hyper-local outreach, along with enrollment assistance for new enrollees through localized services centers, so there will be fewer navigators balanced by more outreach workers. There will also be new enrollment and outreach goals and requirements for bilingual navigators.

Mr. McCann asked if the MHBE is issuing grants to fewer organizations than in the past. Ms. Forsyth responded that there will be one less organization but not necessarily less Connector Entity programmers. There will be fewer navigators and more outreach workers.

Mr. McCann commented that, in the past, there was a protest against a grant award that came to the Board because they were consolidating areas. He asked if there was any reason to believe it would occur again. Ms. Forsyth responded that she does not think it will happen again and that they added language in the RFA to limit this potential problem.

Ms. Forsyth explained that currently the MHBE utilizes the Maryland Board of Public Works contract with Language Line Services to provide third party translation services at the call center for consumers who are not fluent in English. However, Language Line costs have steadily increased over the last three years, and service has been inconsistent. Increased use of the language line indicates that outreach to non-English speakers has been successful. The current not-to-exceed (NTE) amount for Language Line Services for FY22 is \$350,000, but at the current rate of spend the MHBE expects an increase in the NTE is needed to cover the last two months of FY 2022. To better control costs and level of service, the MHBE will issue a request for information later in 2022 to consider all available options for providing language line services, with the goal of implementing an alternative as

soon as possible. In the meantime, the MHBE is asking the Board to approve an increase in the NTE amount for the language line.

Ms. Herron asked whether MHBE needs the same level of HIPAA security and other things that medical providers need which can drive up costs. Ms. Forsyth responded that the medical provider restriction does not apply to this contract.

Ms. Weckesser commented that she volunteers for Baltimore City's translation service, which the MHBE could potentially use. Ms. Eberle will follow up with Ms. Weckesser to learn more about this.

Mr. McCann moved to approve the request for an increase in the NTE amount from \$350,000 to \$450,000 to cover costs through the remainder of FY 2022. Ms. Herron seconded. The Board voted unanimously to approve the motion.

FY22 Q2 Compliance Report

Caterina Pañgilinan, Chief Compliance Officer, MHBE

Ms. Pañgilinan reported that today she will focus on compliance activities during the second quarter of FY 2022. She has been working with the legal and IT teams to ensure that they have a solid procurement and non-exchange entity agreement process, and she explained that the MHBE follows MARS-E requirements and is not HIPAA bound. Many IT software providers with access to personally identifiable information of consumers are not familiar with non-exchange entity agreements, and that can slow down the negotiation process. The MHBE has been working to streamline and make the negotiation process more efficient to shorten the amount of time it takes to execute an agreement. The MHBE had 11 policy and procedures revised and approved during the first two quarters of this year and awarded an RFP to Neil Hoosier & Associates for technical writers to improve the quality of policy and procedures. Ms. Pañgilinan shared a draft of the Compliance Program Assessment with Ms. Eberle and noted that the final revised version follows Department of Justice's requirements. The MHBE continues to work towards 508 compliance on an ongoing basis. In October 2021, they implemented a new process called a plug-in for the MHBE websites, which allows individuals with different levels of ability to utilize the website and brings MHBE into compliance with 508 requirements. The plug-in was put in place in December for the MHBE website, and it will be implemented for the Small Business Health Options Program (SHOP) website in March and for the MHC website in May. The MHBE is now expanding 508 compliance to other areas. Ms. Pañgilinan reported that she has been charged with choosing an enterprise risk management best practice module that they will be implementing in 2023.

Ms. Pañgilinan next provided an overview of the privacy program. There has been a 1% increase in the rate of incidents and a 9% decrease in the rate of misloads. She explained that they expect to see a significant spike in incidents as soon as the Medicaid redeterminations begin in April due to an increase in volume. She noted that there have been three reports of potential fraud or abuse this year—one determined to be unfounded, one referred to the Maryland Department of Health; and one being a procurement policy issue. There have not been any civil right complaints this year so far.

Ms. Pañgilinan then provided an overview of the external audit timeline for FY 2022. She highlighted the "authority to connect" audit, which consists of several components. There are currently IT and financial audits in progress.

Mr. McCann asked about the “authority to connect” audit, as well as asking how much rests with MHBE and how much with MDTHINK. Ms. Pañgilinan responded that the MHBE has some inherited controls with MDTHINK. She explained that they meet daily and weekly with MDTHINK security staff, so they know where the weaknesses are.

Ms. Pañgilinan next provided an overview of the audit status report. She noted that, regarding open audit findings, there was an U.S. Department of Health and Human Services (HHS) Office of the Inspector General (OIG) report from 2015 indicating that the MHBE had to pay back \$28.4 million due to not using the correct federal medical assistance percentage levels. Ms. Eberle will be discussing this issue with the Finance and Audit Subcommittee in the next few weeks.

Ms. Pañgilinan reported that, of the 18 internal review recommendations from FY 2021, 6 still need to be implemented. There are seven findings from internal reviews so far during FY 2022.

Mr. McCann asked about the six outstanding recommendations from FY 2021 and their current status. Ms. Pañgilinan responded that these outstanding recommendations are in progress and moving forward.

Ms. Herron commented that she has implemented many internal controls at various organizations and found that sometimes internal controls can be a barrier to getting things done. Ms. Pañgilinan responded that sometimes they want to do something but cannot because of a regulation, and compliance acts as a control. The MHBE is looking forward to putting an enterprise risk management system in place to find a middle ground between compliance and completing work.

Ms. Herron asked when the MHBE anticipates putting an enterprise risk management system in place because she knows it takes a lot of work and can have huge benefits but can be difficult with limited resources. Ms. Pañgilinan responded that they will try to make a recommendation by the end of the year and then put a plan together. Compliance will lead the effort, but all of the departments will have to assist, so the MHBE needs to develop a plan first. Ms. Eberle added that the MHBE now has Garten Services to help, and she has asked Ms. Pañgilinan to do a literature review on best practice risk management training topics and incorporate it into future staff trainings. Ms. Herron recommended contacting Martina Martin with UnitedWay, who implemented an enterprise risk management system at a non-profit with limited resources for guidance.

Mr. McCann thanked Ms. Pañgilinan for her hard work and acknowledged the importance of her work. He also thanked Dr. D’Antonio for his support and help during his time on the Board.

Closing

Mr. McCann noted that there will not be a meeting in March and the next Board meeting in April will be in-person.

Adjournment

The meeting was adjourned.