MARYLAND HEALTHBENEFIT EXCHANGE

Maryland Health Benefit Exchange Board of Trustees

July 18, 2022
2 p.m. – 4 p.m.
Meeting Held at the Maryland Health Care Commission and via Video Conference

Members Present:
Dennis Schrader, Chair
S. Anthony (Tony) McCann, Vice Chair
Ben Steffen, MA
Dana Weckesser
Maria Pilar Rodriguez
Mary Jean Herron
K. Singh Taneja
Dr. Rondall Allen

Members Excused:
Kathleen A. Birrane

Also in Attendance:
Michele Eberle, Executive Director, Maryland Health Benefit Exchange (MHBE)
Venkat Koshanam, Chief Information Officer, MHBE
Andrew Ratner, Chief of Staff, MHBE
Tony Armiger, Chief Financial Officer, MHBE
Johanna Fabian-Marks, Director, Policy & Plan Management, MHBE
Lourdes R. Padilla, Secretary, Maryland Department of Human Services
Betsy Plunkett, Director, Marketing & Digital Strategies, MHBE
Brad Boban, Chief Actuary, Maryland Insurance Administration

Welcome and Introductions

Mr. McCann called the meeting to order.

Approval of Meeting Minutes

The Board reviewed the minutes from the June 21, 2022, open meeting and the closed session held on June 27, 2022. Ms. Weckesser moved to approve the meeting minutes. Mr. Steffen seconded. The Board voted unanimously to approve both sets of minutes.

Executive Update

Michele Eberle, Executive Director, MHBE

Ms. Eberle expressed appreciation for the staff and leadership team for their support while Ms. Eberle was out of the office. She then moved onto discussing the Language Line. She addressed a question from the June 21, 2022 open meeting regarding the volume of calls related to assistance with different languages: 84% of the calls received are for Spanish assistance, 2.5% are for Mandarin, 1.7% are for French, 1.7% are for Amharic, and just over 1% are for Vietnamese. These are the top 5 languages for which requests are received. Overwhelmingly, Spanish is the most common. Ms. Eberle stated that this year's Request for Proposals (RFP) contained requirements for more bilingual staff.

Ms. Eberle shared that two new members have joined the MHBE staff: Alexia Oliver has joined the Constituent Services team. Ms. Oliver previously worked with Healthcare Access Maryland. Makita Hailegebriel was also hired as the Small Business Program Manager, having worked in the healthcare insurance industry for over 10 years in positions including as an independent insurance producer and a consultant. Ms. Hailegebriel has worked with a variety of carriers and has a master's degree in healthcare administration. Ms. Eberle expressed excitement over both hirings.

Ms. Eberle shared updates on federal news. She stated that the MHBE is still hopeful that the expanded tax credits will be continued in the reconciliation bill. MHBE is hopeful, as they have been told that Senator Manchin is supportive of expanded tax credits. They are hoping for approval before the August recess, which begins August 8. Rates across the nation are increasing, much higher than anticipated, so extra premium relief will be helpful. MHBE has also received the official notification that, as of July 15, the public health emergency (PHE) has been extended for 90 additional days, meaning it will last until October 15, 2022. CMS has committed to giving states 60 days' notice if the PHE is not extended, so MHBE expects to know by August 15 whether the PHE will be extended again. The expectation is that it will be extended again.

Ms. Eberle stated that the Affordability Workgroup continues to meet, and she highlighted the importance of their work evaluating plans and ways to make healthcare more affordable. She also shared that the first meeting of the Small Business Workgroup happened during the week of July 11. She expressed appreciation for those who applied to be a part of the workgroup, stating that there is a good mix of small business and nonprofit owners, Chamber of Commerce representatives, carrier representatives, and brokers, all of whom are invested in small businesses in Maryland. The report to the legislature that will result from the workgroup is due in October, so the meeting schedule will be compressed. Ms. Eberle encouraged anyone interested in the workgroup's makeup or activities to access the minutes and video recordings of the meetings the MHBE website.

750 E. Pratt Street Lease Renewal

Andrew Ratner, *Chief of Staff, MHBE*
Tony Armiger, Chief Financial Officer, MHBE

Mr. Ratner explained that MHBE has been in the sixth-floor office at 750 E. Pratt Street for almost five years. The lease expires in October, and there is an option for an additional five years. Mr. Ratner and Mr. Armiger asked the Board to consider a motion to continue the lease by using the five-year option. Mr. Ratner stated that the location has been excellent: its placement in Baltimore City, its proximity to the bus and metro, its guaranteed parking availability, and its high-quality modern facility have all been positives. The base term of the lease is November 1, 2017 to October 31, 2022, and Mr. Ratner stated that he wanted to bring the issue to the Board with plenty of time before the base term expires. The first 5-year contract period cost $3.477 million, while the renewal would cost $3.935 million, with a federal-state split of $1.731 million and $ 2.203 million, respectively.

Regarding the reasons for recommending renewal of the contract, Mr. Ratner explained that the landlord has been extremely responsive in the face of pandemic uncertainty, implementing COVID-19 protections such as motion sensors, self-sanitizing elevator buttons, hand sanitizers, and face masks. He stated that the staff has been exceptionally happy with the space, explaining that the IT department, previously located in separate offices in Linthicum, relocated smoothly to the Baltimore office. Mr. Ratner acknowledged that the hybrid format has allowed MHBE staff to distance appropriately during the pandemic. He stated that having a location with an attached garage has been helpful for safety while still allowing MHBE to support downtown Baltimore, and the 24/7 security desk has been helpful as well. He also praised the location of the conference rooms. Mr. Armiger compared the price with other prices in downtown Baltimore and found that the price per square foot for the first year of the next 5 years would be $27.16, compared with an average of $26 for downtown Class A office space. Mr. Ratner explained that the cost per square foot is comparable to the average considering the attached garage and 24/7 security.

Ms. Herron asked whether any additional buildup or reconfiguration is necessary, expressing that now would be the time to negotiate these types of changes. Mr. Ratner responded that they have considered more hoteling in the space to accommodate the increased number of contractors and state employees. However, it has been difficult to justify a buildout given the hybrid situation wherein the office is often half-empty. He stated that something will need to be worked out regarding the possibility of hoteling. Overall, he expressed that there have been no pressing concerns with the space. Ms. Herron stated that there is a high volume of vacant Class A office space downtown, and the landlord would most likely want to retain the lease. She stated that perhaps, as part of contract negotiations, something could be built in for the future when more people are working in-person.

Mr. Schrader stated that the Exchange was ahead of its time in 2017 by exiting State Center and moving into the downtown central business district, which has since become the state's policy. The Department of General Services currently has RFPs looking to distribute agencies currently located in State Center to the central business district. He explained that this location is consistent with state policy, and MHBE was ahead of the curve.

Ms. Weckesser asked what it would cost to move offices. Mr. Armiger responded that the last move was 5 years ago, from Linthicum to 750 E. Pratt Street, and was only the IT department. For that move, $47,000 was one bid, and the other was $72,000. Ms. Eberle clarified that this was just for the physical moving with no buildout; the buildout was an additional $0.5 million.

Mr. McCann asked about the contingency plan if there is a permanent situation wherein 40% of the staff won't be in on any given day and MHBE would like to sublease. Mr. Armiger responded that there is an option to cancel. Mr. McCann asked for clarification on whether that option allows for cancellation of the whole lease or just part of it. Mr. Armiger responded that he was not sure but could check on that. Ms. Eberle stated that she thought there is a sublease agreement in the contract as well. McCann expressed that there needs to be a conversation about whether the lease agreement could have allowances for walling part of the office off, subletting, or perhaps offering part of the space to other Maryland agencies for their temporary needs in the future. He stated that they do not want to spend close to $100,000 to move at this point just because they do not need the full space but that they need to make sure that the contract is compatible with a potential future where they find that they do not need the full space.

Mr. Steffen asked for clarification on how the respective proportions of the cost paid by the federal government and by the state government were determined. Mr. Armiger explained that the cost is fractional: the first 12% is for Qualified Health Plans (QHPs) and is not paid by the state, while the remaining 88% is split evenly between the federal and state governments.

Mr. Armiger asked the Board to approve, defer, or reject exercising the 5-year renewal option with 750 E. Pratt Street, LLC in the amount of $3,934,741 as presented.

Mr. McCann moved to approve the proposal. Ms. Herron seconded. The Board voted unanimously to approve the proposal.

2021 Reinsurance Results and 2023 Reinsurance Parameters

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

Ms. Fabian-Marks explained that her team has concluded their analysis of 2021 claims data with Lewis & Ellis and the Maryland Insurance Administration (MIA). Lewis & Ellis had projected that the cost for the State Reinsurance Program (SRP) last year would be about $432 million, but it ended up being $467 million. This was higher than anticipated, likely due to COVID hospitalizations as well as pent-up demand as people sought care that they had delayed during the early pandemic. Federal funding exceeded the cost of the SRP in 2021, but that is not anticipated to continue. Enrollment was similar to what it has been since the start of the SRP: 6% of enrollees had claims exceeding the $20,000 annual claims threshold to qualify for reinsurance payments, while 94% did not. Total paid claims in 2021 were about $1.45 billion, an increase from about $1.2 billion in 2020. The 94% of enrollees who did not qualify accounted for 34% of paid claims; the 6% who qualified accounted for 66% of paid claims. The SRP continues to reimburse about one third of total market claims dollars, while carriers cover another third.

Ms. Fabian-Marks stated that premiums continue to be down over 30% since the SRP launched in 2018. 2022 was the first year of premium increases after 3 years of double-digit premium declines. This indicates that the SRP has met its goal of reducing premiums by roughly 30%, and this increase in rates is an anticipated evolution of the market after the baseline was reset. There has been an increase of approximately 10% in total individual market enrollment between March 2021 and March 2022, following a 9% increase between 2020 and 2021. Ms. Fabian-Marks expressed that this represents strong growth, and although the enhanced federal subsidies from the American Rescue Plan Act (ARPA) also likely play a role, the SRP is also an important factor.

Mr. McCann asked for clarification on how two metrics that were discussed regarding premium reductions—13% and 30%—relate to one another. Ms. Fabian-Marks explained that 13% was the one-year reduction between 2018 and 2019, while 30% represents the cumulative reduction in premiums between 2018 and 2022.

Ms. Fabian-Marks then moved onto discussing the regulatory requirements for the SRP. The Board is required to set payment parameters, including the attachment point, the coinsurance rate, and the reinsurance cap. They also authorize the Commissioner to set a market-level dampening factor, which is meant to reduce double-paying carriers for both the Federal Risk Adjustment Program and the SRP because the programs interact with one another.

Ms. Fabian-Marks shared the primary factors that were identified as influencing payments and federal pass-through funding for 2023. These included the Young Adult subsidy program, for which 2023 will be the second year of its pilot: over 13,000 new young adults joined the market as of June 2022 because of the program (although some of the enrollment increase attributed to the program may be due to enhanced federal subsidies), and this enrollment increase is projected to persist into 2023 if ARPA subsidies continue. If the subsidies are discontinued, enrollment will not be as high. COVID-19 claims are also anticipated to decline substantially compared to 2021 in light of increased immunity and the fact that, even with increasing case rates, hospitalizations have not increased to the same extent seen in 2021.

Ms. Fabian-Marks explained that the federal government is also expected to finalize their fix to the “family glitch,” making dependents eligible for federal premium subsidies who were previously ineligible, meaning enrollment will increase. Medicaid redeterminations will also resume with the end of the PHE (which has an anticipated end date sometime in 2023), causing some members to move from Medicaid into qualified health plans (QHPs). Additionally, the continuation or expiration of ARPA subsidies will have a significant impact on enrollment and pass-through funding.

Ms. Fabian-Marks went into greater detail about the impact of ARPA’s continuation or expiration: she explained that if it ends after 2022 and is not in existence in 2023, enrollment is expected to be lower and less healthy on average because of more expensive premiums. The impact of having less enrollment is that the program will cost around $33 million less, for a total reinsurance payment of $518 million. Federal funding is expected to decrease by around $123 million if ARPA ends, resulting in a total federal pass-through funding value of $271 without ARPA compared with $394 million with ARPA. Regardless of whether ARPA continues, the program cost is expected to exceed federal and state funding. In 2023, this will require MHBE to draw on the reserves that have accumulated since the program started but was reduced when legislature pulled from it for various programs last year.

Ms. Fabian-Marks stated that, using current parameters as recommended to the board in February, the SRP will remain solvent in 2023 regardless of the outcome regarding ARPA. Depending on whether ARPA is continued, MHBE anticipates ending 2023 with between $200,000 and $300,000 remaining in the state balance. However, starting in 2022, the program cost will exceed federal and state funding, meaning that it will be necessary to draw down on the state balance in 2022 and 2023.

Ms. Fabian-Marks explained that MHBE staff recommend keeping the attachment point, coinsurance rate, and cap established for the 2019-2022 program. The recommendation is to continue with an attachment point of $20,000, a coinsurance rate of 80%, and a cap of $250,000. They recommend that the Board ask the Insurance Commissioner to set a dampening factor.

Ms. Fabian-Marks then discussed the updated 10-year projections for solvency and health of the program, which Lewis & Ellis handle each year. She offered a reminder that the current 1332 waiver that authorizes the SRP and its federal passthrough funding expires at the end of 2023. This is the end of the first five-year period for the waiver, and MHBE intends to apply for a second five-year waiver for 2024-2028. There will be a more detailed discussion about this in the fall. Given that they will begin to draw down on the state balance in 2022 and 2023, if the current parameters are maintained, there will not be enough funding to sustain the program, starting either in 2025 if ARPA ends or in 2026 if it continues. For the program to remain solvent, either additional state funding or an adjustment that makes the parameters of the program less generous would be needed. Ms. Fabian-Marks noted that the legislation that extended the 1% reinsurance fee through the end of 2028 to maintain state funding also requires MIA to lead a workgroup in consultation with MHBE and MHCC to study possible funding sources, the appropriateness of the 1% fee, and reforms to make the individual market affordable. She stated that this workgroup will be a venue for discussing what should be done in the next few years to maintain the solvency of the program. The associated report is due December 2023, and updates will be provided to the Board as the workgroup comes together and recommendations are drafted.

Ms. Fabian-Marks shared a detailed timeline for the waiver extension process. In the fall, MHBE staff will come before the Board to ask for authorization to submit a letter of intent to apply for waiver extension; the goal is to submit this letter by February 2023, and the deadline is the end of March 2023.

Ms. Herron stated that she recalled it was a concern at one point that the state wanted to take back some of MHBE's reserves, and she asked whether it is still a concern. Ms. Fabian-Marks responded by clarifying that, during the 2021 legislative session, the budget did pull out over $200 million for other state activities, and this withdrawal has either happened or is scheduled to happen soon. Mr. McCann asked whether this would happen all at once or bit by bit. Ms. Fabian-Marks responded that it would happen gradually.

Mr. Schrader stated that there have been conversations about this issue over the last 3-4 years and that MHBE has struggled to maintain the reserves. There have been presentations about the federal contributions apart from ARPA, which came about because of the COVID-19 pandemic and is a one-time program, not something permanent. He suggested looking at how to sustain the programs in the absence of ARPA. Ms. Fabian-Marks concurred that ARPA is tied to COVID and is very new. She expressed that the continuation or expiration of ARPA only makes a difference of about a year for the SRP's solvency, so it is important to consider the funding and the program parameters long-term.

Mr. McCann asked about the specifics of the projection and whether he was correct in thinking that the additional withdrawal of $200 million from MHBE's reserves could lead to trouble for the program as early as late 2024 if ARPA is extended and late 2023 if ARPA is not extended. Ms. Fabian-Marks clarified that the state's $200 million withdrawal has already been factored into the projections.

Mr. Schrader stated that it would be helpful to have a conversation in the future about the assumptions that were made in 2019 and 2020 about the financial trajectory of the program, as he did not recall that there was as much of a concern at that point about the program's solvency; he stated that something must have changed. Ms. Fabian-Marks responded that United's entrance into the individual market and subsequent expansion statewide reduced the benchmark plan premiums in areas of the state that previously only had CareFirst, meaning premiums (and federal subsidies) had been high. She explained that while greater competition in the market is a positive, it had the side effect of decreasing federal pass-through funding. The COVID-19 pandemic also increased claims beyond what was anticipated for several years. These factors had substantial impacts and were not reflected in earlier analyses.

Ms. Eberle stated that Maryland has by far had the largest amount of pass-through dollars of any state. MHBE understood that this anomaly would right itself and told the legislature so, but money was still drawn out for Medicaid, the young adult subsidies program, a health equity resource commission, and the Senior Prescription Drug Assistance Program. She expressed that it was treated as readily available money despite MHBE communicating that the money would not last. Kaiser helped to get that message across during the last legislative session. When the continuation of the 1% assessment on carriers was proposed, the carriers pushed back because they knew that there would be a need for funding and disagreed that they should be the ones responsible. There is a special workgroup that MIA will lead with the Health Services Cost Review Commission and MHBE to look at what assessment will be needed to fund the program and who should be responsible to pay into the assessment. The associated report is due to the legislature by 2023.

Mr. Schrader responded to Ms. Fabian-Marks' explanation of the impact United's entry into the individual market had on the SRP, stating that it seems counterintuitive that competition would increase the program's costs. He suggested that MHBE perform analytics to understand how that happened. He also asked if there is language in any of the relevant statutes that would give MHBE first claim on the money in their reserves if they need it to remain solvent. Ms. Fabian-Marks responded that, as part of the 1% extension fee, there was an effort to tighten up the legislative language to make it more difficult to pull out money from the state fund, but it happened regardless. McCann suggested that MHBE speak with the Department of Budget and Management and the appropriations committees about this process.

Ms. Herron asked if it is known how much of the $200 million has been pulled out already from the reserves. She asked if there is any way to halt that process so that no more is pulled out. Ms. Eberle responded that $100 million has already been pulled out in 2021.

Mr. Steffen asked if more detail is available regarding the 6% of enrollees who cross the $20,000 threshold to qualify for reinsurance: he asked how this population has changed from previous years, how many enrollees are over the $250,000 cap this year, and what other states are doing to address this. Ms. Fabian-Marks responded that MHBE staff is still collecting carrier accountability reports for 2021, which will provide information on the commonality and cost of conditions. However, this information was fairly consistent between 2019 and 2020, so it is likely similar for 2021: cancer, diabetes, sepsis, and congestive heart failure were among the most costly conditions that put enrollees within the reinsurance range in 2020. She explained that the 6% of enrollees who qualified for reinsurance payments represented approximately 14,000 enrollees out of 220,000. While the number increases somewhat year-over-year, this is consistent with the growth of the individual market, so it continues to be about 6% of enrollees. Mr. Steffen asked what other states are doing and whether there is discussion about the attachment points in other states. Ms. Fabian-Marks responded that all states are in the process of adjusting program parameters based on funding and the continuation or expiration of ARPA. She explained that Maryland has by far the most generous program, putting the state in a unique situation.

Ms. Eberle shared that premiums have lowered significantly or remained steady each year from 2019 to 2022. There have been significant enrollments over the same period. On average, carriers have submitted an 11% increase in rates with the assumption that ARPA will continue. Without continuation of ARPA expanded tax credits, it is likely that another 5% would be added, according to the proposed filed rates. A dialogue has been underway regarding whether something can be done with the reinsurance program using more funding to lower the attachment point and gain a buffer from the premium hikes. Ms. Eberle stated that Commissioner Birrane has been leading the discussions about whether there is other money available and what type of impact that might have. Commissioner Birrane originally requested that the Board hold off on deciding the attachment point until she could get the final reports and make a recommendation on lowering it. She is looking to have a 3-5% reduction of rates. Ms. Eberle discussed with her the possibility of the Board voting on a range within which Commissioner Birrane could choose an attachment point number based on the data and her actuaries' findings. This factor has just come into play and may help lower rates, and the discussion of whether expanded tax credits will be continued may also impact them. Ms. Eberle stated that MHBE is hopeful that a decision will be made on the issue before the August recess.

Mr. Schrader shared that Commissioner Birrane must go through a separate deliberative process, so giving her as much flexibility as possible would be helpful. He also expressed that he is troubled that the program was in a good spot financially but that the way the money has been handled has changed that.

Mr. McCann stated that the premiums grow based on the cost of healthcare. They are being compressed by the reinsurance program based on a subsidy amount taxed from insurance companies, but at some point, that tax will run out. He gave an example: if they reduced the attachment point and achieved a premium reduction of 3%, when the money runs out, the 3% would need to be added back in plus the premium increase the following years, and the cost compounds to create a cliff. He clarified that he does not mean that the Board should not seek to reduce the attachment point but that the longer the cliff exists, the harder things get. They are facing the same problem currently with ARPA: if it is not continued in 2025, the problem MHBE faces then will be worse than that which it faces now. He stated that there are two perspectives to consider. The first is how to help people today, which he stated is not unimportant. The second is how to make sure that a significant cliff does not form, as this would have adverse impacts on enrollment through increased rates.

Ms. Herron asked whether there is a way to stop additional funds from being pulled out of the reserves. She acknowledged that it may be too late for that. Ms. Eberle responded that discussions are ongoing regarding other sources of federal funding that would fill what the second $100 million payout was expected to cover, but she clarified that it would be a one-time plug for the one-time withdrawal.

Ms. Weckesser asked where the money from the state tax that has not been allocated is held, whether it earns interest, and whether any interest it does earn comes back to MHBE or is divided statewide. Mr. Armiger responded that MIA is holding onto the funds, and they provide an accounting on at least an annual basis. He stated that it is an interest-bearing account: the state uses and invests the funds and those funds in turn go back to MIA.

Mr. Taneja asked for confirmation that the fund is growing to the point that there is a return on investment. Mr. Armiger responded in the affirmative.

Brad Boban, Chief Actuary with MIA, clarified that any additional funding is not coming from the state assessment and will not affect the projections. All modeling is with additional funding outside of the funding that has already been bookmarked for the future; no change in attachment point should change the financial projections that Ms. Fabian-Marks presented. To Mr. Schrader's question about how competition made finances worse, Mr. Boban responded that it did not increase the cost of the program but decreased federal pass-through funding. He explained that Maryland had been getting far more pass-throughs than any other state due to the lack of competition because the plan on which federal pass-through funding is based (the second lowest-cost silver plan) was the most expensive silver plan by a large margin. In 2022, Maryland's pass-through funding has fallen back in line with other states: though the state's pass-throughs are still the highest, they are now 5% higher than other states rather than 50% higher. Mr. Schrader expressed that it is a positive thing that Maryland is getting into line with federal benchmarks, as Medicare might not approve of Maryland getting pass-throughs that were so much higher than other states, and he stated that it underscores the need to be rigorous in the accounting for the program.

Mr. McCann asked if Maryland's indicator plan was so expensive as a result of the "silver loading" that states did in response to federal action that reduced reimbursement. Mr. Boban responded that this is a separate issue. He explained that silver loading has been in effect since 2018 when cost-sharing reduction plans were defunded and remains the status quo in Maryland.

McCann stated that one option would be to not make any decision about the attachment point during this meeting, which would require another, virtual meeting in August. He asked Ms. Fabian-Marks and Ms. Eberle if there are any reasons not to decide on the coinsurance rate and reinsurance cap. Ms. Fabian-Marks stated that there has not been any discussion of changing anything besides the attachment point, and she asked Mr. Boban if he sees any issues with setting the coinsurance rate and reinsurance cap but not the attachment point. Mr. Boban responded that, while they could theoretically reach a richer program by changing any of the 3 values, MIA's models have focused on changing the attachment point, so setting the other 2 values is safe.

Mr. McCann asked whether anyone could think of any major consequences for the situation wherein the Board sets the coinsurance rate and reinsurance cap now but must change one of the values in August. Mr. Boban responded in the negative.

Ms. Herron asked for clarification on what Commissioner Birrane is asking for. She stated that her understanding is that Commissioner Birrane is asking for flexibility on setting the attachment point because she has not decided on a value yet, which is the reason for delaying the decision on the attachment point. Mr. McCann confirmed that this is correct. Mr. Boban concurred and explained that Commissioner Birrane is asking for the ability to lower the attachment point from $20,000 if additional funds can be secured and the modeling looks favorable. He stated that $15,000 is the lowest that it could go given the projections for funding.

Ms. Herron asked if the Board could modify the motion to approve a range rather than a specific number. Mr. McCann responded that he thinks it is possible.

Mr. McCann asked Sharon Merriweather, Counsel for MHBE, if anything in statute would stop the Board from approving a range rather than a specific number for the attachment point. The Counselor responded that there should be no issue given the way that it has been discussed so as to make it clear that Commissioner Birrane will have the final say.

Mr. Steffen asked Mr. Boban how much additional funding would be needed to reduce the attachment point from $20,000 to $15,000. Mr. Boban responded that MIA is still modeling to determine those numbers. They are modeling incrementally the impact that each $1,000 change in the attachment point would have, and they are modeling one scenario where ARPA is extended and one where it is not. He stated that they expect to have firmer numbers in the next week or two.

McCann moved to approve the final parameters for the 2023 State Reinsurance Program with an attachment point between $15,000 and $20,000, a coinsurance rate of 80%, a cap of $250,000, and a dampening factor and the final attachment point to be provided by the Insurance Commissioner. Ms. Weckesser seconded. The Board voted unanimously to approve these parameters.

Information Technology Update,

Venkat Koshanam, Chief Information Officer, MHBE

Mr. Koshanam began with an overview of the technology currently being used which includes web applications, mobile applications, AI bot, live chat, enterprise automation, and CRM and internal applications. He then went over the focus areas for fiscal year (FY) 2023: cybersecurity, innovation, operations, and collaboration. The technology strategy includes improved security and consumer engagement with technology solutions delivered at speed and scale and a unified digital experience. MHBE is working on the next phase of personalizing the experience for users including predictive intelligence to anticipate users' needs. For example, if a user with coverage returns to Maryland Health Connection (MHC) six months later it could be due to life changes.

Mr. Koshanam provided an overview of the IT roadmap for FY 2023. MHBE will be working on special projects such as implementing CMS' no wrong door policy, releasing several enhancements during the year as well as managing and operating releases and salesforce enhancements. Mr. Koshanam explained that the desired outcomes for FY 2023 include implementing a zero-trust security model framework to improve cybersecurity, building a disaster recovery capability for ensuring business continuity, integrating DevOps processes into application deployment and test automation, and increasing AI and robotic processes as well as improving consumer engagement through technology.

Ms. Herron asked how disaster recovery and business continuity fit into the roadmap for FY 2023 because they were not included on that slide but they are very important. Mr. Koshanam responded that the current disaster recovery is built into the MDTHINK platform. As more applications are added to the platform, and as the MHBE increases reliance on real-time applications, the agency wanted more diversity and now have other outside platforms in addition to MDTHINK. Mr. Koshanam commented that the only missing component is the health benefit exchange (HBX) consumer portal because if the MDTHINK platform goes down during open enrollment for even a few hours there is no other option to revert quickly. This option for disaster recovery and business continuity is an agency wide initiative to have technology vendors route traffic to different accounts so they will be able to provide similar services at least in a lightweight mode until the main site recovers. By December 2022, the HBX consumer portal will have key elements so that, should a disaster occur, consumers can still access the portal and systems can still process consumer data.

Ms. Herron asked to confirm her understanding that MHBE is getting an additional Amazon Web Services (AWS) database outside of MDTHINK. Mr. Koshanam responded in the affirmative. Ms. Herron commented that the AWS database is not included in the road map and expressed concern that if MDTHINK goes down during open enrollment then user data must be protected. She asked where it fits into the timeline. Mr. Koshanam responded by December 2022 they will have a lightweight consumer portal on top of MDTHINK for disaster recovery. By June 2023, phase two business continuity will be implemented and will have backups including all ancillary support systems.

Ms. Herron expressed confusion about the roadmap slide. Ms. Eberle commented that the slide is missing business continuity phase one, which includes disaster recovery. Mr. Koshanam responded that business continuity phase one will be implemented by December 2022; the HBX consumer portal will be ready to take over if MDTHINK fails. Mr. McCann asked for an updated chart.

Mr. McCann requested that, before Christmas, Mr. Koshanam and Heather Forsyth make a presentation on how they understand what consumer expectations are so that they can make the necessary changes. Mr. McCann noted that the secret of MHBE's operation is not the pure technology but rather MHBE's ability to use technology to meet the people where they are.

Mr. Koshanam then provided a summary of the CMS corrective action plan (CAP) for the Department of Health, Department of Human Services (DHS), and MHBE to implement a seamless consumer experience for individuals seeking MAGI or non-MAGI Medicaid coverage. The goal is to have data sharing and a seamless consumer experience transfer between MHBE and DHS systems, so a consumer only must complete one application. Under phase one, completed in May, MHBE integrated with the MDTHINK master data management, eliminating the interim database so now Medicaid transfers can be sent directly, and implemented a consumer option to request a Medicaid ID card through MHC online.

Mr. Koshanam then reported on CAP accomplishments and spending. He reported that so far \$3,568,640 of the CAP budget has been spent and there is \$1,181,056 remaining. At this time, they do not require additional funding for phase two. Mr. Koshanam then explained the timeline for the remaining CAP items. Phase two is in progress and is expected to go live at the end of September. Originally, it was supposed to go live in August, but it was pushed back because the agencies needed more time to complete their work. Mr. Koshanam believes that they will be able to meet this deadline and MHBE does not require additional funding.

Broker Connect

Venkat Koshanam, Chief Information Officer, MHBE

Mr. McCann asked to postpone the Broker Connect presentation to the next Board meeting because they need time to hold a closed meeting.

Closed Session

Mr. McCann announced that the Board would be moving into closed session. Mr. McCann noted that the Board will adjourn during the closed session and will not return to the public meeting. A report of the closed session will be provided at the next Board meeting in September. The purpose for moving into closed session is to consult with counsel to obtain legal advice, consult with counsel regarding pending or potential litigation, and to discuss the content of a proposal because public discussion would adversely impact the ability of the public body to participate in the competitive bidding or proposal process.[1] Mr. McCann motioned to move into closed session, which was seconded by Ms. Herron. The Board voted unanimously to move into closed session.

[1] General Provisions Article § 3-305(b)(7) allows a closed session to consult with counsel to obtain legal advice. Article § 3-305(b)(8) allows a closed session to consult with counsel about pending or potential litigation. Article § 3-305(b) (14) allows a closed session to discuss, before a contract is awarded or bids are opened, a matter directly related to a negotiating strategy or the contents of a bid or proposal, if public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process.