



MHBE

Standing Advisory Committee

June 9, 2022

2:00PM – 4:00PM

Via Google Meets

Members:

Ken Brannan, Co-Chair
Matthew Celentano, Co-Chair
Jon Frank
Ben Fulgencio-Turner
Emily Hodson
Sophie Keen
Stephanie Klapper
Michelle LaRue
Scott London
Allison Mangiaracino
Jonathan McKinney
Karen Nelson
Marietherese Oyalowo
Ligia Peralta
Dylan Roby
Alyssa Sinagra
Kathlyn Wee
Dana Weckesser – Board of Trustees
Liaison

MHBE Staff

Michele Eberle
Johanna Fabian-Marks
Becca Lane
Andrew Ratner

Members of the Public

Brad Broban
Philemon Kendzierski
Eli Morton
Laura Spicer
David Stewart
Allison Taylor
Brenna Tan
Sandy Walters
Andrew York

Welcome

Co-Chairs Mr. Brannan and Mr. Celentano welcomed everyone to the meeting. Mr. Brannan reported that Jon Frank will be acting as liaison with Maryland Health Benefit Exchange (MHBE) staff to keep the Standing Advisory Committee (SAC) abreast of the small business workgroup report and Mr. Brannan will fulfill the same role in relation to SB 440 which established a commission to study the health care workforce crisis in Maryland. Mr. Brannan thanked Andy Ratner for his patience, the SAC did not deliberately shorten Mr. Ratner's data reporting presentation at the last meeting, but the value of the data is very important.

Data Reporting

Andy Ratner, MHBE Chief of Staff, started by thanking SAC members for emailing suggestions for the monthly data report posted online. He noted that today he is

finishing the data report from the last meeting, and this reflects how well Maryland is doing but also how difficult it can be to understand data and put it into its proper context.

Mr. Ratner reported on how Maryland compared to other states in 2022 after open enrollment. The data came from Centers for Medicare & Medicaid Services (CMS) public use files and MHBE's system. Detailed slides are available in the presentation for this meeting. He noted that Maryland is tied for the second lowest average premium at \$447 a month but after the advanced premium tax-credit (APTC) is applied Maryland ranks 24th in the nation.

Diane Hsu asked whether data was collected regarding the variation in deductibles among plans in the same metal tier in the marketplace. Mr. Ratner responded that the HBX doesn't specifically track the variation in deductibles, the data in today's presentation came from CMS, but it is a good suggestion for the future.

David Stewart added that as it gets closer to the fall there will be more detail available regarding the cost sharing aspect of the plans, but he thinks it would be good to compare cost-sharing between the federal marketplace and other state-based exchanges. He also noted that it is hard to compare states. Pennsylvania started their marketplace a few years ago so it makes sense that there was a 200% increase in enrollment while Maryland has a mature marketplace and a high total enrollment as compared to other states. Mr. Ratner agreed with these comments and noted that when MHBE conducted quantitative or qualitative research with partner research firms in the past, it showed that the favorability of Maryland Health Connection (MHC) has continued to rise.

Dr. Ligia Peralta commented that an issue raised early on, in addition to the copayment, is out-of-network costs. She noted that some of the plans are new in certain areas and insurance companies may manage the plans in different ways and asked whether there is data on out-of-pocket or non-network costs or the cost of services that are not covered. She gave an example of a patient who went to the emergency department after an injury at an out-of-network hospital and faced a very complicated situation as a result. Mr. Ratner responded that it was a good suggestion and commented that Johanna Fabian-Marks in consultation with The Hilltop Institute and the Maryland Insurance Administration can look into this issue. Dr. Peralta expressed concern that consumers are purchasing insurance without understanding all the intricacies.

Stephanie Klapper expressed excitement that Maryland now has the third largest share of young adults in relation to total enrollment in the nation. She commented that the individual subsidy workgroup had data on the distribution of uninsured Maryland adults by age and income. These data were from 2018 and Ms. Klapper asked for updated data on the uninsured in Maryland to evaluate the impact of the young adult subsidy whenever it becomes available. Mr. Ratner responded that it was a good suggestion. He noted that Dana Weckesser mentioned a scattergram regarding the uninsured rate borrowed from the Department of Legislative Services (DLS) that they would like to include in the report, and they will try to drill down the uninsured rate by age group if

possible. Mr. Ratner explained that it can be difficult to determine the uninsured rate at a general level. He mentioned that Carroll County had greatest growth in 2020 with a 20% increase but it was not a high uninsured rate county so it can be difficult to determine what happened.

Mr. Brannan commented that, from the Maryland perspective, it appears the young adult subsidy program is working and asked Mr. Ratner if that was his impression as well. Mr. Ratner responded that there have been record gains in young adult enrollment, so he thinks the young adult subsidy did help make premiums more affordable.

Mr. Brannan noted that the COVID pandemic might have motivated people to do things such as enroll in coverage. He asked if the perception of Medicaid as a give-away that a lot of people avoided has changed as so many people are getting subsidies. Mr. Ratner responded that it is difficult to get a sense of the changing perception of Medicaid from the data presented today. He added that with the suspension of Medicaid redeterminations during the public health emergency there are more people in Medicaid both in Maryland and nationally.

Marietherese Oyalowo asked about the county reports, specifically which counties had the lowest rates of enrollment growth. Mr. Ratner responded that he will put this information in the chat and can circulate a link on where to find other data on the county level. He noted that Prince George's County, which has a higher uninsured rate, did very well, which Ms. Oyalowo was happy to hear.

Executive Update

Michelle Eberle, Executive Director of MHBE, provided the executive update. She reported that she just came from the orientation for the newest Board member Maria Rodriguez who started on June 1 for a four-year term. She explained that they are very excited for Ms. Rodriguez to join the Board as they were looking for a representative from the Latinx community as well as a woman and someone from one of the western counties. Ms. Rodriguez is from Frederick County and brings small business experience to the Board.

Ms. Eberle then noted that, on the federal level, all eyes are on the postponed public health emergency unwinding for Medicaid. She explained that the big concern is, when the public health emergency ends, how state-based marketplaces will manage Medicaid redeterminations along with open enrollment. They don't want people to lose coverage either due to Medicaid redeterminations or rate increases. All indicators suggest that it's likely the public health emergency will be continued probably until after the election or maybe even after the end of the year.

Ms. Eberle noted that MHBE is monitoring the Build Back Better bill to see if it will continue the extended tax credits from the American Rescue Plan Act (ARPA), she will discuss this in more detail later in the meeting. Ms. Eberle then discussed the family glitch, which is when someone who has employer-sponsored insurance, and the

self-only coverage is considered affordable, but the family coverage would not be affordable. The tax credit is only based on the affordability of the self-only coverage, so an employee who has family coverage that is not affordable would not be eligible for tax credits as long as the self-only coverage is considered affordable. MHBE and others have advocated for the family glitch to be fixed. Ms. Eberle reported that there are currently proposed rules that would change the family glitch and they are hoping it will go through because it would boost enrollment and allow MHBE to provide coverage to those family members that cannot afford it through an employer. They are also watching what is going to happen in midterm elections and how that might impact health care.

Ms. Eberle then reported that, on the state front, MHBE is forming the small business work group that came out of some legislation last year and will start soon. MHBE is also working on the fiscal year (FY) 2024 budget that is submitted in September. The leadership team are looking at the strategic priorities and making sure they are in line with the FY 2024 budget. MIA announced the proposed rates for the individual market. There is an 11% increase on average. Ms. Eberle noted that rates are increasing throughout the nation, carriers are concerned about the costs of COVID, and everyone is concerned about the loss of the expanded tax credits and what that might do to the health of the risk pool.

The Board will be meeting on June 21. There have been a few snags recently in Board meetings due to procurements. Ms. Eberle explained that there have been large five-year procurements up for bid, specifically the consolidated call center procurement, which had a bid protest. The call center procurement was originally awarded to Conduent which was rescinded and then awarded to Maximus and now there is another bid protest. Ms. Eberle commented that these are time consuming issues that take a lot of work and MHBE is working through it and in the meantime the call center will continue to be open and available through Maximus.

Ms. Eberle noted that MHBE tries to do an annual or biannual survey of employees, and this year's survey recently closed. Ms. Eberle was pleased to report they received positive feedback from staff because they want staff to have a good work experience especially in light of the hybrid schedule. She noted that MHBE is looking at new hires for the small business program. Several members of the leadership team and staff recently spent time in DC and Philadelphia with other state-based marketplaces, insurance carriers, and administration representatives, and had good talks and came back with new enthusiasm and ideas.

Mr. London asked about impact of additional applications to MHBE as a result of the passage of the Maryland Healthy Babies Equity Act. Ms. Eberle asked Ms. Fabian-Marks to speak on this issue. Ms. Fabian-Marks commented that they are working with Medicaid on implementation and do not foresee any problems. Mr. London added that it is great that the bill allows pregnant women who are not US citizens to receive coverage through Medicaid and he is getting a lot of questions from health care providers about what services will be covered and the application process. He hoped that an action transmittal would have been released since the law is effective on July 1.

Ms. Eberle stated she will talk with Medicaid staff and provide a briefing at the next meeting or send out materials. Mr. Brannan agreed that Mr. London brings up a good point that there are going to be questions about the new law from a number of different areas so he thinks it would be prudent for MHBE staff to dig down into this issue and provide information on what the policy is and how it will be applied. Ms. Eberle responded that they will come back with more information and will provide clarity on it.

Mr. Brannan thanked Ms. Eberle and asked to extend his congratulations to Ms. Rodriguez. He expressed excitement about the increase in Hispanic enrollment and having a representative of the Hispanic community on the Board.

Young Adult Subsidy Update

Ms. Fabian-Marks provided information on a change to the young adult subsidy program for the second year and an update on the status of the program. Detailed slides are available in the presentation for this meeting.

Ms. Fabian-Marks explained that House Bill (HB) 937, Abortion Care Access Act, passed during the recent legislative session requires the young adult subsidy to cover the non-essential health benefit portion of the premium, which is usually \$1 to \$3, for young adults who have a 0% expected contribution. Previously, the young adult subsidy program mirrored the federal subsidy program and did not cover non-essential health benefits which include abortion, adult dental, and adult vision services. The bill also requires MHBE to measure the impact of taking away the \$1 premium for young adults. She noted that implementation and measuring the impact of the expanded subsidy is contingent on ARPA's expanded tax credits being extended. Otherwise, very few people would qualify for 0% premiums. The regulations will be modified to comply with the legislation.

Mr. Brannan asked Karen Nelson if she had any comments on HB 937. Ms. Nelson responded that she didn't have any comments but was happy to take questions and expressed interest in having a conversation about how this change will play out in the study.

Mr. Brannan asked whether this law would open the door to other challenges for non-essential services to be covered in the same way as abortion services under this bill given that abortion services are considered non-essential health benefits. Ms. Fabian-Marks responded that what is considered an essential or non-essential health benefit is set federally. The standard non-essential health benefits are abortion coverage and adult dental and vision and have not changed over the years. She added that this is a one-year pilot for 2023 unless extended.

Mr. Brannan commented that it is important to examine the impact of this new law in combination with the possible overturning of Roe v. Wade. He is interested in staying up to date with how this law rolls out.

Prescription Drug Affordability Board Update

Andrew York, the executive director of the Maryland Prescription Drug Affordability Board (PDAB), provided an introduction to PDAB and an update on their work. Mr. York explained that PDAB was created in 2019 and is an independent agency charged with making prescription drugs affordable for Marylanders. The initial charge is to draft a report that examines the drivers of prescription drug affordability issues in Maryland and include a series of recommendations, expected to be published this month. The report includes three recommendations that will go to PDAB for vote: an upper limit action plan, a transparency program to better understand pricing issues in Maryland, and implementation of an insulin affordability program for uninsured and underinsured Marylanders. Mr. York noted that this is an annual report and each iteration will have additional recommendations. The report in December will likely look at some of the longer-term projects to make prescriptions more affordable.

Mr. Celentano commented that PDAB's work is critical, and that health insurance is expensive because health care has gotten expensive. He noted that, ten years ago, less than 10% of insurance premiums went towards prescription drugs and it is now over a third. He expressed that a crisis in prescription drug pricing is impacting premium and affecting the work to address affordability.

Dr. Oyalowo commented that, as a pharmacist, she is glad to see this work being done because a big area in her practice is compliance. When patients cannot afford their medications, they cannot receive proper treatment for their diseases. She hopes that this work will make a big difference for her patients.

Ms. Klapper commented that the Maryland Health Care for All coalition is doing a series of drug affordability forums starting in September. She will share the times with the SAC once they become available.

Mr. Brannan noted that he had the opportunity to sit on some of the PDAB meetings before Mr. York joined and added that there was great excitement about Mr. York joining PDAB. He asked Mr. York to talk about his background and how he came to PDAB. Mr. York responded that he is a pharmacist and attorney by training and worked for the federal government primarily in the CMS Innovation Center on payment innovation models focused on drug pricing. He also worked at Health and Human Services (HHS) as an advisor to the Secretary on drug pricing reform to implement the drug pricing blueprint initiatives to make prescription drugs more affordable. Mr. York then returned to the Innovation Center to implement the most favored nation policy which is an index pricing model.

Mr. Brannan thanked Mr. York and noted that Mr. Celentano made a very valid point about the impact of drug costs on overall affordability for health care in Maryland. He emphasized the work of the health equities workgroup and noted that prescription drug costs are prohibitive for people with low incomes and MHBE is limited in what they can do to address drug costs directly. Mr. Brannan looks forward to working with Mr. York and PDAB and hopefully improving prescription drug affordability for Marylanders.

ARPA Expanded Tax Credits Discussion

Ms. Eberle explained that the biggest threat to the exchanges right now is the ARPA expanded tax credits ending. She provided an overview of the expanded tax credits, the impact of the credits, the consequences of not extending the expanded tax credits, and actions members can take. Detailed slides are available in the presentation for this meeting.

Ms. Eberle noted that, if the ARPA tax credits are not extended through an act of Congress, an estimated 142,000 enrollees in Maryland will have reduced or eliminated financial support and consumer costs are estimated to increase by an average of 46%. A large portion of the 45,000 people in Maryland who newly enrolled last year will likely lose coverage. Ms. Eberle reported that the expanded tax credits are part of the reconciliation bill, which only needs 50 votes to pass. The state-based marketplaces and other industry groups have been advocating for the extension of the tax credits because if they end then there will be a significant loss of enrollments. She stated that it appears that it comes down to the Senate and it may come down to a vote by Senator Manchin. She encouraged SAC members to reach out to their representatives to share impact stories.

Ms. Eberle explained that insurers have filed their rates, and that Maryland only required insurers to file one set of rates while other states required their insurers to file two sets of rates. Renewal letters will be sent in September and, if Congress has not acted by that point, enrollees will receive notice of proposed rates without any tax credits and the premiums will be much higher. Ms. Eberle again encouraged SAC members to reach out to their representatives, to write letters and share impact stories of how Marylanders will be affected.

Brad Broban, Chief Actuary with MIA, added that, in Maryland, the 11% average increase in premium assumes that the ARPA tax credits will be extended. If ARPA is not extended, the premium increases will be higher than the proposed 11%. At the time insurers filed rates it was not clear whether the ARPA tax credits would be extended.

Mr. Brannan commented that he has spoken to Maryland delegates and senators, and they all support the extension of the ARPA tax credits. He noted that UPMC in Maryland also covers West Virginia and Pennsylvania, and he asked if there is a contact in UPMC who could put pressure on Senator Manchin. Ms. Eberle responded that Mr. Brannan makes a good point and that is why she is encouraging SAC members to reach out to family and friends to reach out to their congresspeople to educate them and share their impact stories.

Ms. Nelson asked if they should identify themselves as members of the SAC when writing advocacy letters to congresspeople. Ms. Eberle responded that she is not advocating that people reach out to congresspeople as a member of the SAC but rather as an individual consumer, so they do not need to identify themselves as a member.

Mr. Brannan expressed support for Ms. Eberle's message and emphasized the importance of creating awareness among colleagues, friends, and families that could lead to influencing congresspeople. He asked about Congress' timeline for extending the tax credits because they expire in July. Ms. Eberle responded that Congress is aware of the urgency of the issue, but it comes down to the Senate.

Mr. Brannan asked if it has been confirmed that the extension of the tax credits can be in the reconciliation bill. Ms. Eberle confirmed that it can be in reconciliation.

Mr. Brannan asked if there are any reasons why the extension of ARPA has not moved forward other than Senator Manchin. Ms. Eberle responded that they are hearing that there are a lot of competing priorities and a limited amount of money.

Public Comment

None offered.

Mr. Brannan commented that he would like to encourage SAC members to reach out to people who might have expertise or experience with the topics on the meeting agenda to give public comments at future meetings.

Adjournment

The meeting adjourned.

Chat record:

00:06:50.787,00:06:53.787

David Stewart: That is for full unassisted premiums?

00:19:29.074,00:19:32.074

Matthew Celentano: Interesting point from Diana on consumer exposure, but also important to know that deductibles are tied to metal level (and insurers have very little ability to modify) mandated by the ACA.

00:22:56.917,00:22:59.917

David Stewart: Also, state and federal law has changed around out of network expenses and balance billing. An analysis of the expected impact of these would be helpful.

00:24:10.795,00:24:13.795

Ligia Peralta: David, agree.

00:48:04.870,00:48:07.870

David Stewart: Do any left over funds roll over to the next FY?

01:00:16.467,01:00:19.467

Stephanie Klapper: Thank you for your important work Andrew!