



September 1, 2019

The Honorable Nancy J. King
Chair
Senate Budget and Taxation Committee
3 West Miller Senate Building
Annapolis, MD 21401-1991

The Honorable Maggie McIntosh
Chair
House Appropriations Committee
121 House Office Building
Annapolis, MD 21401-1991

RE: 2019 JCR pg 39– Maryland Health Benefit Exchange, Potential Federal Liability

Dear Chairwoman King and Chairwoman McIntosh:

Pursuant to page 39 of the JCR for the Fiscal 2018 Budget, the Maryland Health Benefit Exchange (MHBE) respectfully submits this letter on the potential federal liability for the Fiscal 2018 State closeout audit report.

On August 1, 2019, in response to MHBE's inquiry regarding the resolution status of the divergent opinions between Health and Human Services (HHS) Centers for Medicaid and Medicare Services (CMS) and HHS Office of Inspector General (OIG) regarding the OIG's 2015 finding that Maryland misallocated \$28.4 million in establishment grants for a health insurance marketplace, Jennifer Stolbach, Deputy Director, State Marketplace and Insurance Programs Group, responded that "finalization of the report is in process between HHS & OIG now, so there is no formal audit resolution finding available yet." Further, Ms. Stolbach reiterated the HHS Office of General Counsel's recommendation that MHBE rely on CMS's previous communications and determination that MHBE followed its guidance when allocating establishment grant funding.

Should you have any questions or need more information, please do not hesitate to contact Michele Eberle, Executive Director, at (410) 547-1278 or michele.eberle@maryland.gov.

Sincerely,

Michele Eberle
Executive Director

Enclosure

cc: Caterina Pangilinan, Maryland Health Benefit Exchange

Jake Whitaker, Maryland Department of Health

Tonya Zimmerman, Department of Legislative Services

Cathy Kramer, Maryland Library and Information Services

