Standing Advisory Committee Meeting

May 9, 2024

MHBE Policy Department

MARYLAND HEALTHBENEFIT EXCHANGE

Agenda

2:00 - 2:30 | Welcome and Introductions, Co-Chair Vote
Mark Meiselbach, SAC Co-Chair and Aika Aluk, SAC Board Liaison

2:30 - 2:45 | Executive Update
Johanna Fabian-Marks, MHBE Director of Policy and Plan Management

2:45 - 3:00 | Final Update on end of Medicaid Unwinding
Nancy Brown, Division Chief of Evaluation/Research/Data Analytics, MDH Office of Innovation, Research, & Development
Meredith Lawler, Special Assistant to the Director, MDH Office of Innovation, Research, Development

3:00 - 3:20 | Presentation on HB 413 Reinsurance Work Group Report
Bradley Boban, Chief Actuary, Maryland Insurance Administration

3:20 - 3:50 | 2024 MHBE Work Group Updates - SAC Discussion
Becca Lane, MHBE Senior Health Policy Analyst
Amelia Marcus, MHBE Health Policy Analyst

3:50 - 4:00 | Public Comment

4:00 | Adjournment

Welcome & Introductions

SAC Members

Aika Aluc (MHBE Board Liaison)*

Mark Meiselbach (Co-Chair)

Andrew Baum*

Mukta Bain

Marcquetta Carey

Matthew Celentano

Benjamin Fulgencio-Turner

Emily Hodson

Diana-Lynne Hsu

Sophie Keen

Catherine Johannesen

Evelyn Johnson

Stephanie Klapper*

Carmen Larsen

Scott London

Allison Mangiaracino*

James Mullen*

Yvette Oquendo-Berruz*

Marie-Therese Oyalowo

Zach Peters*

Aryn Phillips

Mark Romaninsky*

Brooke Souders*

Douglas Spotts

Patricia Swanson*

JoAnn Volk*

Rick Weldon

MARYLAND HEALTHBENEFIT EXCHANGE

*** 2024 new member/appointed for second term**

SAC Co-Chair Vote

Co-Chair Nominations

Standing Advisory Committee Bylaws

ARTICLE IV Co-chairs Section 1. Election of Co-chairs. The Members shall elect from their membership two Co-chairs.

Motion

"I move to approve [Name] as co-chair of the Standing Advisory Committee for 2024."

MHBE Executive Update

Final Update on end of Medicaid Unwinding

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Medicaid PHE Unwinding
Final Update

Nancy Brown, Division Chief, Office of Innovation, Research, and Development

Meredith Lawler, Special Assistant to the Director, Office of Innovation, Research, and Development

Overview

- The Families First Coronavirus Response Act (FFCRA) provided an enhanced Federal Medical Assistance Percentage (FMAP) of 6.2 percent to states that met Maintenance of Eligibility Requirements (MoE) during the national public health emergency (PHE). FFCRA MoE provisions required states to extend continuous eligibility (CE) to all participants through the end of the PHE.
- The Consolidated Appropriations Act, 2023 became law on December 29, 2022. The legislation amended certain provisions of FFCRA and decoupled the CE requirement from the PHE.
    - CE requirements that were part of the MoE sunset on April 1, 2023, at which time states could begin unwinding procedures.
- Maryland Medical Assistance enrollment grew substantially during the PHE as Marylanders who were enrolled in Medicaid continued to be covered, even if they were no longer eligible.
    - 1,415,631 participants in February 2020 up to 1,781,191 participants as of April 3, 2023.
- Nearly all enrollees had their coverage renewed during unwinding.

Eligibility Outcomes Summary

- Maryland's Unwinding Period: April 1, 2023 through April 30, 2024
  - Normal operations resumed May 1, 2024
- Through the end of March 2024:
  - More than **1.4 million** Medicaid participants have gone through their annual renewal again after a pause during COVID-19
    - Nearly **70% of participants have had their coverage renewed**
      - Less than **8% were found ineligible** for Medicaid (ex. high income)
      - Less than **16% lost coverage** for a procedural reason (ex. failing to return paperwork)
        - Approximately **30% return to coverage** within 120 days.
  - Maryland is within the **top 10 states for percentage of people who renewed and retained their Medicaid coverage**

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Medicaid Check-In Campaign Summary

- Communications planning began in June 2022
  - Initial conversations included the Maryland Department of Health (MDH), GKV, Managed Care Organizations (MCOs), MHBE, and the Department of Human Services (DHS)
  - Partnerships with the Maryland State Department of Education (MSDE), Department of Labor (DoL), Prevention and Health Promotion Administration (PHPA), Developmental Disabilities Administration (DDA), Chesapeake Regional Information System for our Patients (CRISP), and many more
- Medicaid attended and/or held over **50 stakeholder meetings and presentations** - most of these were public presentations
- MCOs reached out to over **290 community partners** including providers, community organizations, and faith-based organizations
  - GKV and MCOs partnered with **three unique grassroots organizations** as part of the campaign strategy
- Campaign materials were translated into **13 different languages**
- Submitted **seven Joint Chairmen's Reports** to the General Assembly

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Thank you!

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HB413 Reinsurance Workgroup Report

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Summary of “HB 413 Report”

MHBE Standing Advisory Committee

Thursday, May 9, 2023, 2 PM – 4 PM

Presenter: Brad Boban, Chief Actuary

Background

- HB413 was enacted in 2022 and required the MIA, in consultation with the MHBE and MHCC, to report to the Governor and General Assembly on the impact of the State Reinsurance Program (SRP)
- Consider whether the level of funding is appropriate, taking into account future population and premium growth
- Consider whether the assessment is appropriately apportioned among carriers, should be broadened to included other business sectors and should be supplemented with General Funds.
- Consider what market reforms are needed to provide affordable coverage in the Individual market, including continuation of the SRP, providing state-based premium subsidies, and expanding eligibility for Medicaid.
- Evaluate the design of the program; including whether program parameters are appropriate in light of other market reforms at the state and federal level, including state young adult subsidies, easty enrollment program, other special enrollment periods, and premium subsidies available under the American Rescue Plan Act (ARPA)

Summary of Findings

1) No changes should be made to the design, parameters, state funding mechanisms, sources, or amount for the State Reinsurance Program.

- Program has been a huge success; lowering rates by 32% to be amongst the lowest in the nation
- Modeling shows the 1% assessment is sufficient to cover costs through the end of the current waiver in 2028 even in adverse scenario where ARPA subsidies expire in 2026
- Current funding source is stable and is accounted for in rates already; so no upward pressure or disruption

Summary of Findings

2. Recommends consideration of four state-based market reform subsidy programs that could further improve affordability

- Continuation of the young Adult Subsidy program
- Adoption of a general state-based premium subsidy program not limited by age
- Adoption of a cost-sharing subsidy program
- Adoption of a state-based premium subsidy for some or all undocumented persons
- New funding sources beyond the current assessment would be required to implement

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Comparison of MD SRP with other states

- 16 other states run a SRP
- 15 states have a claims-based SRP like MD. The SRP pays nothing until a members annual claims reach the attachment point, then pays a coinsurance % between the attachment point and a cap.
- 1 State (AK) has a condition-based SRP which pays 100% of all claims for members with one of 37 listed conditions.

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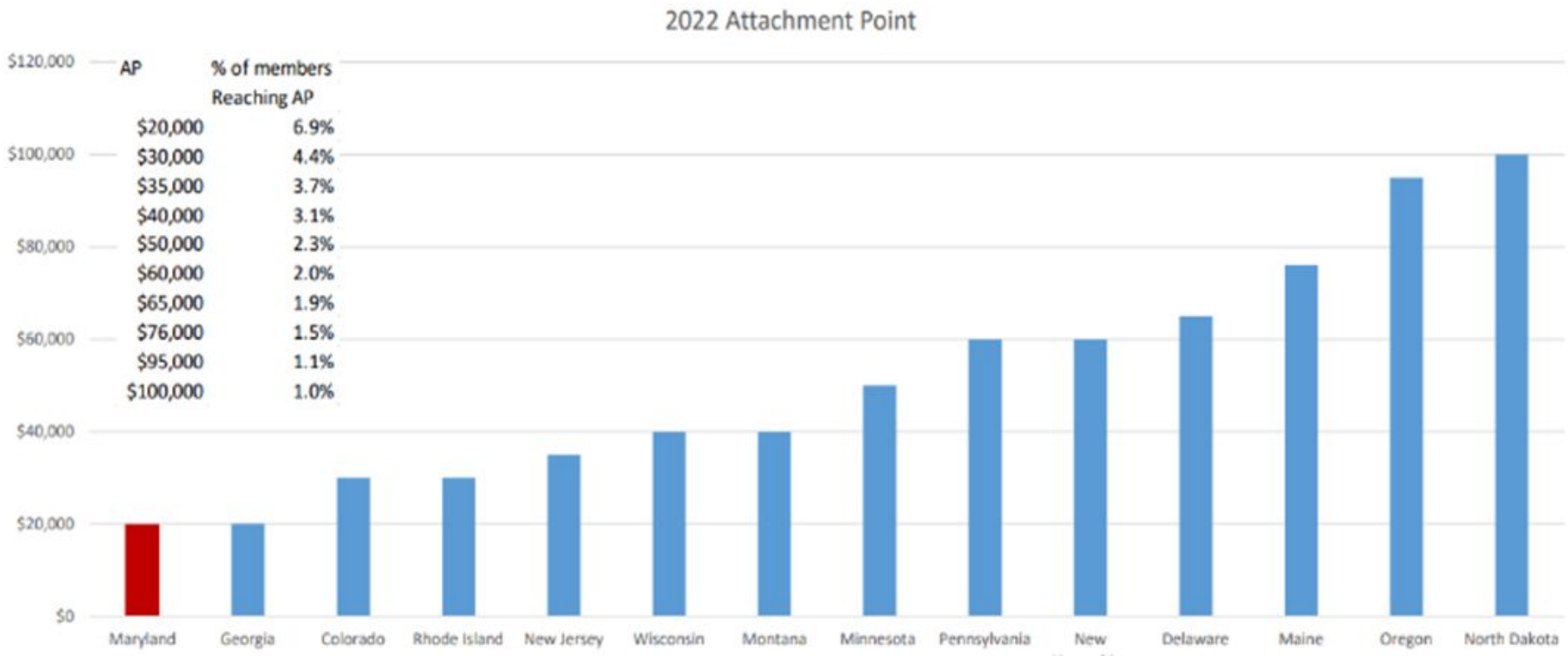
Comparison of Parameters: Attachment Point



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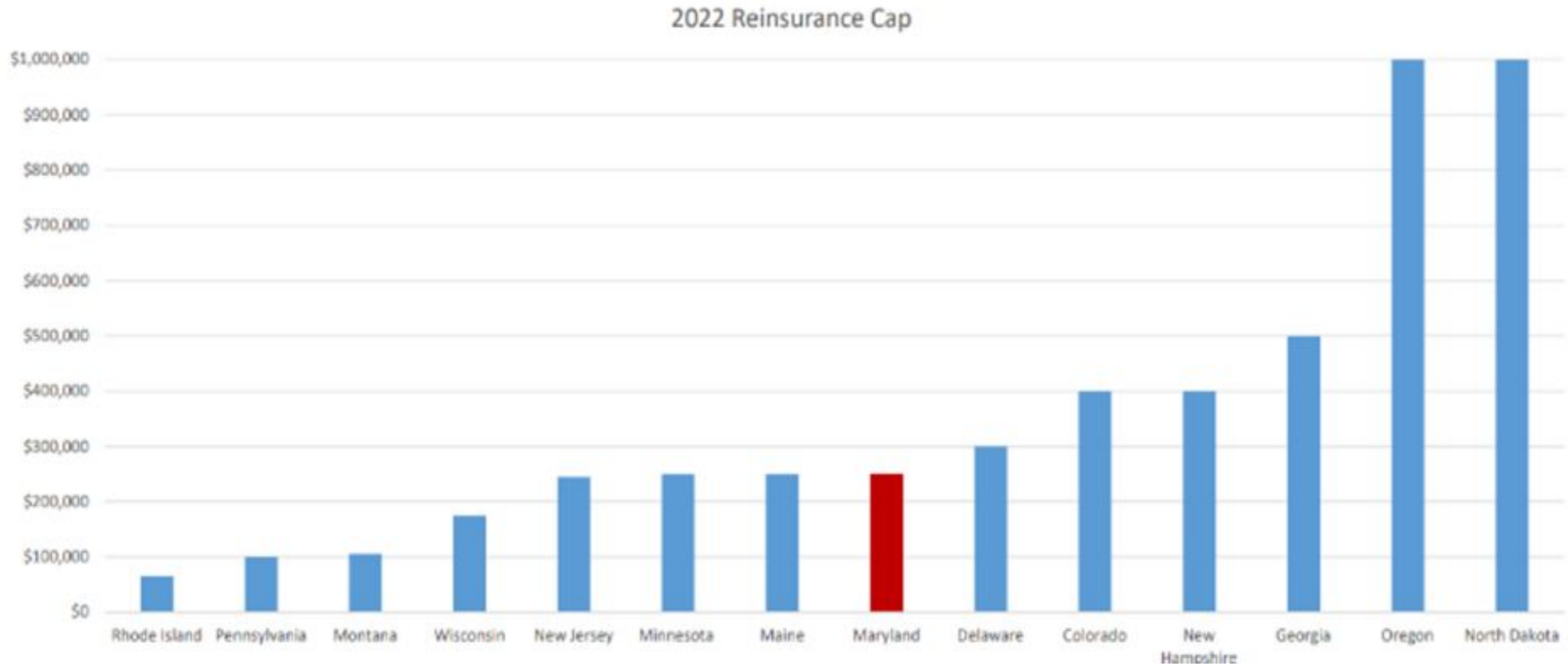
Comparison of Parameters: Cap



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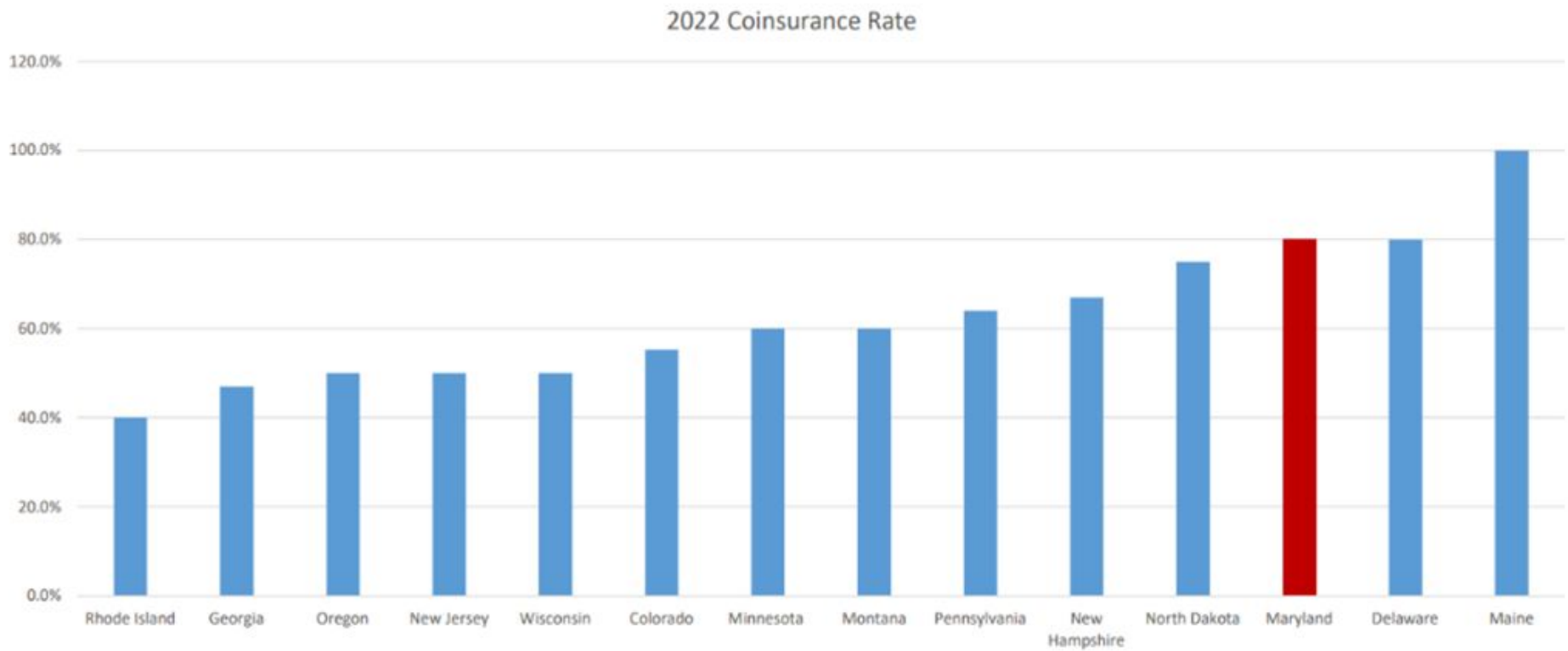
Comparison of Parameters: Coinsurance



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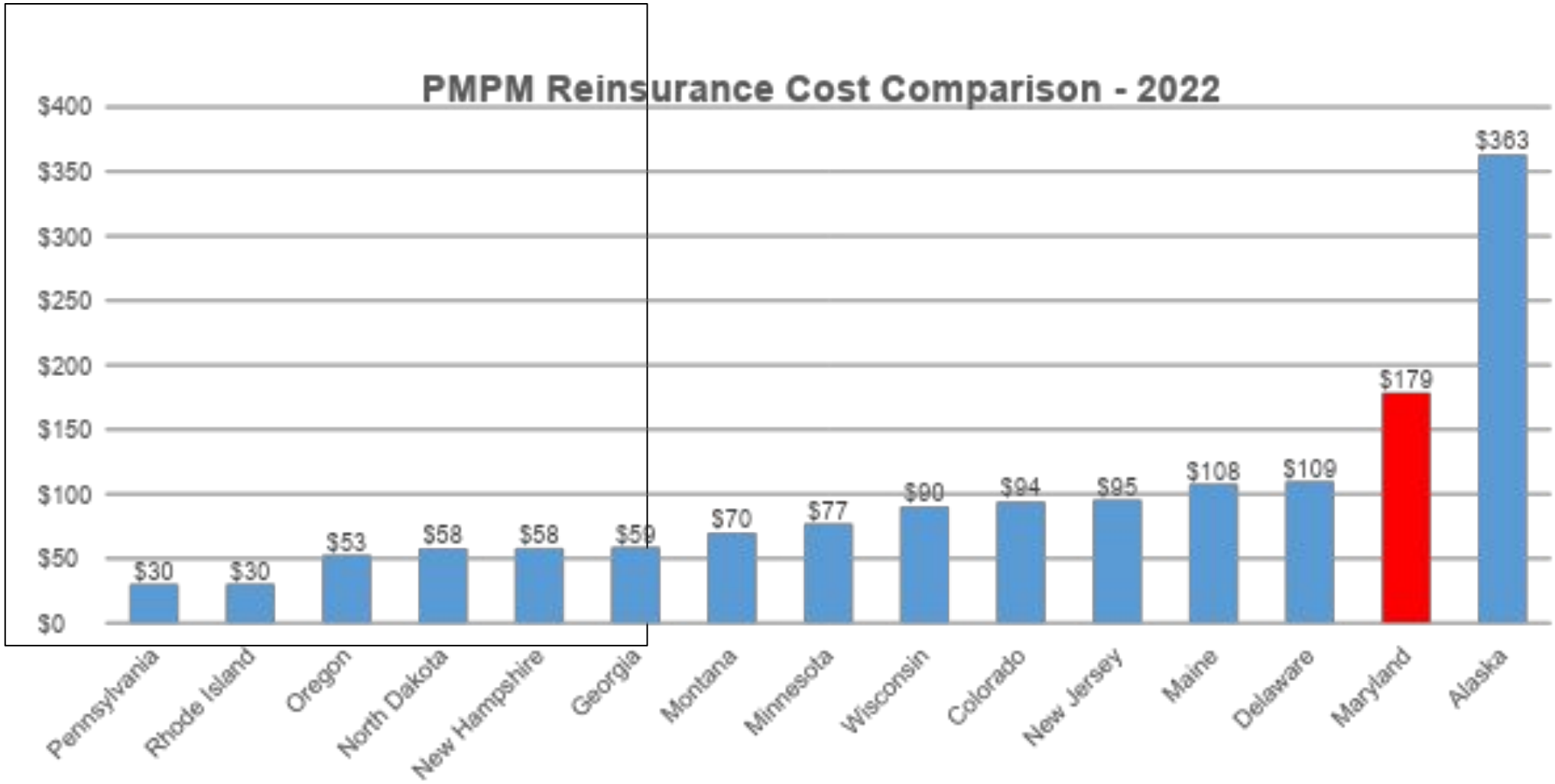

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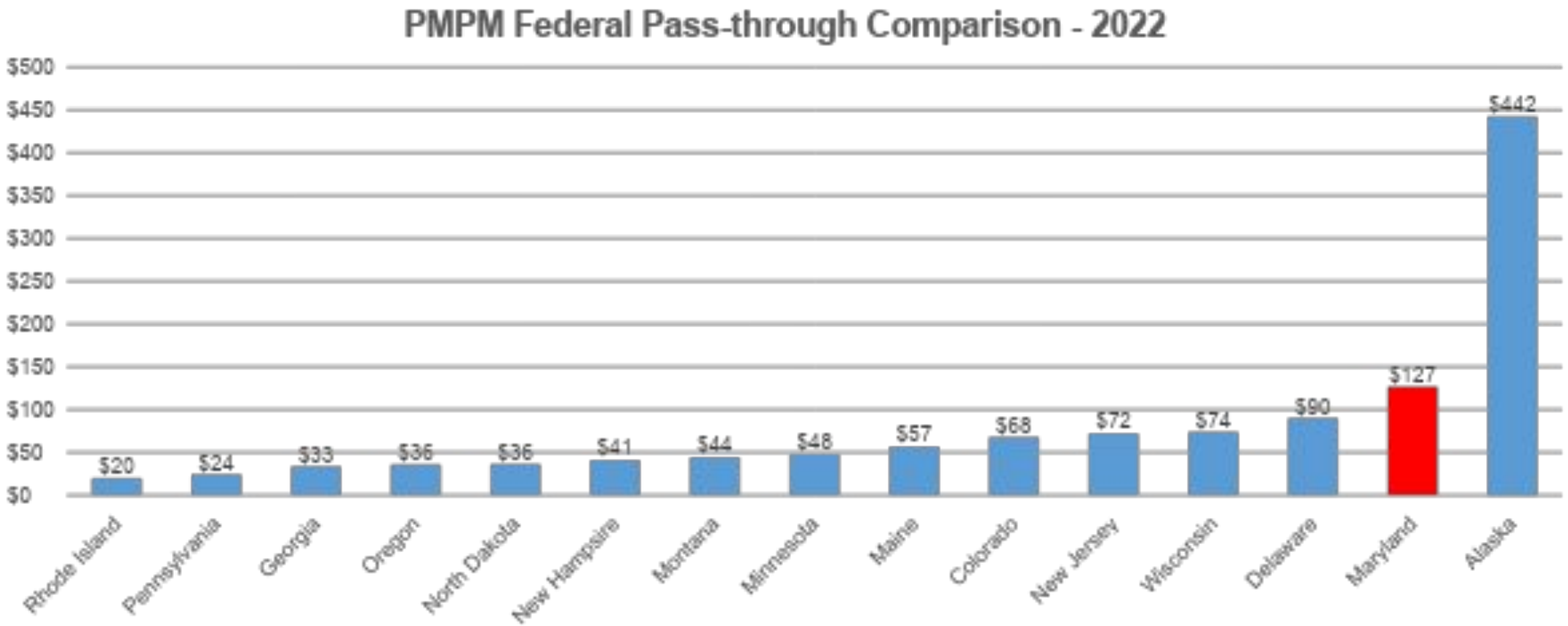

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Reinsurance Impact on Individual Rates

Benefit Year	Year over Year Premium Change (%)	Cumulative Premium Change (%)
2014	N/A	
2015	10%	
2016	18%	
2017	21%	
2018	28%	
Reinsurance Starts		
2019	-13.2%	-13.2%
2020	-10.3%	-22.1%
2021	-11.9%	-31.4%
2022	2.1%	-30.0%
2023	6.6%	-25.3%
2024	4.7%	-21.8%

Comparison of funding mechanisms for SRPs

- 2 states fund via general premium tax
- 2 states fund via Individual Mandate tax penalty
- 4 states fund via General funds
- Majority of states fund via health insurer assessment.

STATE	2022 Reinsurance Assessment Rate
Pennsylvania	3% (only for issuers participating in the individual market)
Delaware	2.75%
New Jersey	2.5%
Oregon	2.0%
Montana	1.2%
Colorado	1.15% for nonprofit insurers and 2.10% for for-profit insurers
Maryland	1.0%
New Hampshire	0.6% of previous year's second lowest cost silver plan
Maine	$4 per member per month

Projected SRP funding

ARPA Subsidies Continue Indefinitely						
	2024	*2025*	*2026*	*2027*	*2028*	*2029*
Program OutFlows						
Reinsurance Payments	$ 578,707,379	$ 601,967,701	$ 626,329,368	$ 651,995,870	$ 678,786,213	$ 706,857,015
Other Program OutFlows*	$ 35,000,000	$ 35,000,000				
Program Inflows						
State Reinsurance Fee Funding	$ 140,220,705	$ 145,128,430	$ 150,207,925	$ 155,465,202	$ 160,906,484	$ 166,538,211
Estimated Federal Pass Through	$ 474,246,276	$ 499,916,753	$ 525,801,760	$ 558,837,384	$ 588,315,377	$ 619,473,003
Program Net Cash Flow						
Funding Available	**$ 487,765,370**	**$ 495,842,851**	**$ 545,523,169**	**$ 607,829,885**	**$ 678,265,533**	**$ 757,419,732**
ARPA Subsidies Expire After 2025						
	2024	*2025*	*2026*	*2027*	*2028*	*2029*
Program OutFlows						
Reinsurance Payments	$ 578,707,379	$ 601,967,701	$ 619,451,631	$ 644,803,766	$ 671,255,863	$ 698,964,490
Other Program OutFlows*	$ 35,000,000	$ 35,000,000				
Program Inflows						
State Reinsurance Fee Funding	$ 140,220,705	$ 145,128,430	$ 150,207,925	$ 155,465,202	$ 160,906,484	$ 166,538,211
Estimated Federal Pass Through	$ 474,246,276	$ 499,916,753	$ 416,900,813	$ 436,061,855	$ 455,631,394	$ 476,178,949
Program Net Cash Flow						
Funding Available	**$ 487,765,370**	**$ 495,842,851**	**$ 443,499,958**	**$ 390,223,250**	**$ 335,505,265**	**$ 279,257,935**

*Funding for the Young Adult Subsidy Program ($20M) and Health Equity Grants ($15M).

Modeled cost to replace ARPA subsidies

- ARPA subsidies were extended by Inflation Reduction Act to 12/31/2025 and are set to expire in 2026 if federal legislative action is not taken.

- Estimated cost of a state subsidy to replace ARPA subsidies:

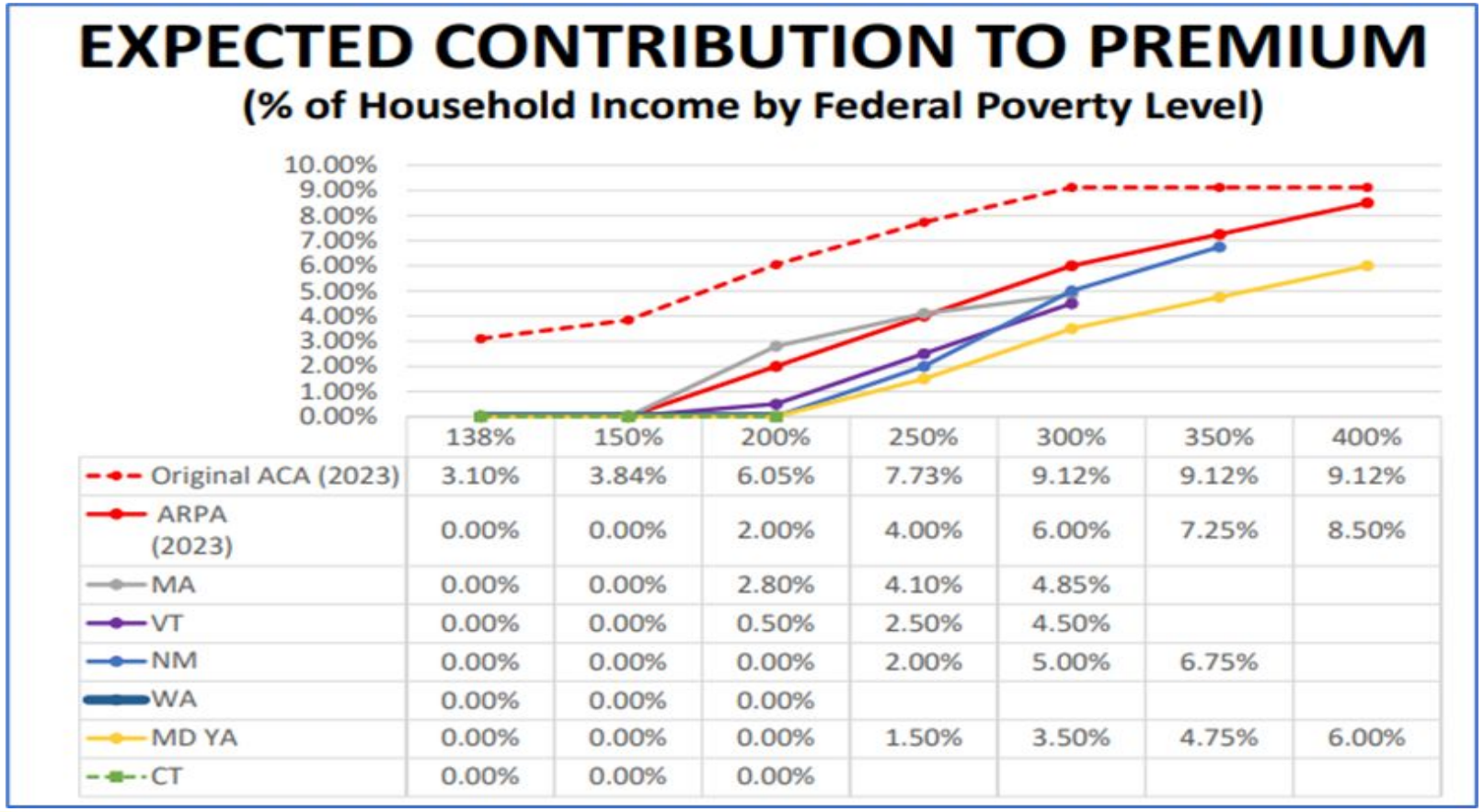
Year	APTC Shortfall
2026	$149,308,590
2027	$157,280,504
2028	$165,997,279

Uninsured Data by Cohort

Source: SHADAC (US Census American Community Survey)

Uninsured	2019	2021	Change (2021 - 2019)
Maryland Total	6.0%	6.1%	0.1%
Age			
0-18	3.2%	4.5%	1.3%
19-64	8.2%	8.1%	-0.1%
19-25	9.2%	9.2%	0.0%
26-34	12.0%	10.4%	-1.6%
35-54	7.8%	8.0%	0.3%
55-64	5.0%	5.3%	0.3%
65+	0.9%	0.8%	0.0%
Race/Ethnicity			
Hispanic	20.2%	20.5%	0.3%
Asian, NH	5.8%	5.8%	-0.1%
Black, NH	5.6%	5.7%	0.1%
Other race/multiple races	5.2%	5.6%	0.5%
White, NH	3.0%	3.0%	0.0%
Poverty Level			
0-138% FPG	11.4%	12.2%	0.8%
139-250% FPG	9.6%	9.9%	0.4%
251-400% FPG	6.5%	6.2%	-0.4%
401%+ FPG	2.0%	2.2%	0.2%
Citizenship			
Not a U.S. Citizen	32.0%	31.9%	-0.1%
U.S. Citizen	3.8%	4.1%	0.3%

Comparison of state-based premium subsidies



	138%	150%	200%	250%	300%	350%	400%
Original ACA (2023)	3.10%	3.84%	6.05%	7.73%	9.12%	9.12%	9.12%
ARPA (2023)	0.00%	0.00%	2.00%	4.00%	6.00%	7.25%	8.50%
MA	0.00%	0.00%	2.80%	4.10%	4.85%		
VT	0.00%	0.00%	0.50%	2.50%	4.50%		
NM	0.00%	0.00%	0.00%	2.00%	5.00%	6.75%	
WA	0.00%	0.00%	0.00%				
MD YA	0.00%	0.00%	0.00%	1.50%	3.50%	4.75%	6.00%
CT	0.00%	0.00%	0.00%				

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Modeled costs for an all ages State Premium Subsidy

	$40 PMPM Subsidy	$75 PMPM Subsidy	$100 PMPM Subsidy	$125 PMPM Subsidy
Existing Enrollee Cost	$55,459,728	$102,771,347	$132,732,185	$159,023,586
New Enrollee Cost	($9,444,933)	($11,788,316)	($12,558,939)	($11,085,443)
Total Cost	**$46,014,795**	**$90,983,031**	**$120,173,246**	**$147,938,143**

Cohort	$40 PMPM Subsidy	$75 PMPM Subsidy	$100 PMPM Subsidy	$125 PMPM Subsidy
New Enrollment – Uninsured	7,892	13,005	17,867	19,208
New Enrollment – Lapse Reduction	2,013	3,101	3,671	4,128
Total	**9,905**	**16,106**	**21,538**	**23,335**

	$40 PMPM Subsidy	$75 PMPM Subsidy	$100 PMPM Subsidy	$125 PMPM Subsidy
Program Costs PMPY	$1,764	$1,889	$2,116	$2,144
Pass-through PMPY	$2,717	$2,621	$2,699	$2,619
Pass-through % of Costs	154%	139%	128%	122%

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Premium + Cost-sharing as % of income – worst case

SLCSP = UHC Silver Value Plan
Gold Plan = UHC Gold Value Plan
40 Year Old Baltimore Region
2024 Premiums/Cost-Sharing
Household of One

Range	Federal AV	Annual Earnings	Annual Premium	Plan MOOP	Total Prem + OOP Max	Total Prem + OOP Max % of Income
100-150	CSR 93%	$20,120	$0	$2,000	$2,000	9.9%
150-200	CSR 87%	$25,515	$255	$3,000	$3,255	12.8%
200-250	Gold 81%	$32,805	$1,005	$7,350	$8,355	25.5%
250-300	Gold 81%	$40,095	$2,026	$7,350	$9,376	23.4%
300-350	Gold 81%	$47,385	$3,160	$7,350	$10,510	22.2%
350-400	Gold 81%	$54,675	$4,170	$7,350	$11,520	21.1%
400-450	Gold 81%	$61,965	$4,170	$7,350	$11,520	18.6%
450-500	Gold 81%	$69,255	$4,170	$7,350	$11,520	16.6%
500-550	Gold 81%	$76,545	$4,170	$7,350	$11,520	15.0%
550-600	Gold 81%	$83,835	$4,170	$7,350	$11,520	13.7%
600-650	Gold 81%	$91,125	$4,170	$7,350	$11,520	12.6%
650-700	Gold 81%	$98,415	$4,170	$7,350	$11,520	11.7%

Modeled cost for State Cost-Sharing Reduction subsidy

- Subsididy for those <200% FPL

Silver Only	87% CSR	94% CSR
PMPM Buyup Cost per 1% AV	$7.42	$7.24
Projected 2026 Member Months	187,257	356,215
Projected 2026 Annual Cost	**$1,389,203**	**$2,580,298**

- Subsidy for those 200-300% FPL (to increase AV by 10% from gold to platinum)

Scenario	SFCSR Cost
Only Current Gold Enrollment	$27,842,659
100% Migration into Gold	$46,036,248
50% Migration into Gold	$36,939,453

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Undocumented Resident population size

FPL/AGE	0-17	18-25	26-34	35-44	45-54	55-64	65+
0-133%	5,167	6,895	10,750	10,750	3,769	3,769	489
133-150%	660	665	665	3,238	1,123	1,123	100
150-200%	1,942	2,862	2,862	5,410	2,692	2,692	343
200-250%	1,942	1,540	1,540	3,463	2,864	2,864	758
250-300%	1,942	2,069	2,069	3,575	1,818	1,818	375
300-400%	-	-	2,029	5,798	2,477	2,477	387
400%+	-	-	-	-	-	1,979	1,484

Table 7.23: The number of Uninsured Undocumented Residents in a Percentage Range over the Federal Poverty Level (FPL).

Modeled cost for State Undocumented Subsidies

- Do to large uncertainty in take-up rates; modeled multiple scenarios

Scenario	Projected Enrollment	CSR Costs	Premium Subsidy Costs	Reinsurance Costs	Dental Costs	Total Costs
Low	6,643	$5,526,770	$29,940,130	$13,331,878	$0	**$48,798,778**
Midpoint	12,316	$11,378,947	$57,234,484	$24,561,147	$0	**$93,174,578**
High	20,464	$17,933,247	$93,753,399	$40,771,839	$0	**$152,458,485**

Modeled costs by age for state undocumented subsidies

Age Band	0-18	18-25	26-34	35-44	45-54	55-64	65+	All Ages
APTC Costs	$0	$6,852,824	$8,293,472	$23,797,887	$18,229,648	$30,093,840	$6,485,727	$93,753,399
CSR Costs	$0	$2,483,743	$2,483,743	$6,687,996	$2,953,886	$2,953,886	$369,992	$17,933,247
Reinsurance Costs	$0	$2,005,182	$4,252,170	$12,315,747	$7,858,893	$11,364,395	$2,975,453	$40,771,839
Dental Costs	$0	$0	$0	$0	$0	$0	$0	$0
Total Costs	**$0**	**$11,341,749**	**$15,029,385**	**$42,801,630**	**$29,042,427**	**$44,412,122**	**$9,831,172**	**$152,458,485**
Estimated Enrollment	0	2,513	2,919	6,951	3,557	3,755	769	20,464
Estimated Total Costs PMPY	**$0**	**$4,513**	**$5,149**	**$6,158**	**$8,165**	**$11,828**	**$12,782**	**$7,450**

Table 7.29: Projected Total Costs in 2026 for Undocumented Maryland Citizens by age (High Enrollment Scenario)

Modeled impacts of expanding Medicaid to 200% FPL

- Projected cost to cover those >133% but <200% via Medicaid is $420M; with $210M being paid for by the federal government and $210 paid for by the state
- Side effect of removal of this population from Individual market will be to lower federal pass-throughs. Projected fund balance at the end of 2028 would be $437M lower
- Additional side effect of removing this population from Individual market would be to lower premium tax credits and increase the cost of those who take their APTC and buy a gold or bronze plan

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Subsidized premium impact of <200% Removal

Illustrative Monthly Premum for Age 40					
Assume Optimum Choice will be benchmark (as in 2024)					
250% FPL					
Current rates with high CSR loads on silver					
	Unsubsidized		Post-Subsdy		
	Premium	APTC	Premium		
Benchmark	$352	$239	$113		
BlueChoice Bronze	$265	$239	$26		
BlueChoice Gold	$377	$239	$138		
Rates with low CSR load after <200% FPL removed					
	Unsubsidized		Post-Subsdy		
	Premium	APTC	Premium	% Impact	$ Impact
Benchmark	$287	$174	$113	0%	$0
BlueChoice Bronze	$265	$174	$92	249%	$66
BlueChoice Gold	$377	$174	$203	48%	$66

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2024 MHBE Work Group Updates & SAC Discussion

Value Plan Workgroup

Goals:

- Evaluate 2024 Value Plan performance to inform 2026 approach
- Design 2026 Value Plans
  - Standardized cost-sharing
  - Pre-deductible coverage
  - Cost-sharing for health equity (diabetes, other high-disparity conditions)

Stakeholders: Carriers, producers, navigators, clinicians, consumer advocates, academics, state agency representatives

Value Plan Workgroup: Timeline

- **April - May:** Recruitment
- **June:** Launch workgroup
- **June - Aug.:** Workgroup meets ~7 times
- **Sept. 12:** Present proposed designs to Standing Advisory Committee
- **Sept. 16:** Present proposed designs to MHBE Board for approval
- **Sept - Oct:** 30 day public comment period
- **December:** Workgroup to meet after release of 2026 draft AV Calculator. Some adjustments may be necessary.
- **Jan 2025:** Board vote to finalize designs

Consumer Decision Support: Purpose

- Discuss areas to improve consumer decision support during the plan shopping experience in the“Get an Estimate” plan shopping tool and within the MHC application.
- Develop a set of recommendations for more effective decision-making support on MHC to better assist consumers with health plan selections that best fit their health and financial conditions.
- Discussions and recommendations will focus specifically on health insurance plan shopping in the individual market.

Consumer Decision Support: Expected Outcomes

- Recommendations for:
  - Identifying areas in plan shopping experience where consumer may benefit from more information or guidance
  - Improving plan information display on the plan list page, and the side-by-side plan comparison layout
  - Providing tailored plan recommendations to consumers

Consumer Decision Support: Logistics

Planned Timeline:

- **May - June:** Launch application, actively recruit (6 weeks)
- **July - October:** Convene workgroup for 7-8 bi-weekly meetings
- **October 21:** Present recommendations to the Board at October meeting
- **November 14:** Present workgroup recommendations to SAC

Stakeholders: State agencies, Consumer Advocates/Representatives, Navigators, Health Care Providers, Health Plan Carrier Representatives, Brokers

Questions & Discussion

Public Comment