



Maryland Health Benefit Exchange Board of Trustees

August 19, 2024

2 p.m. – 3 p.m.

Meeting Held via Video Conference

Members Present:

Laura Herrera Scott, M.D., Chair

Ben Steffen, Vice Chair

Aika Aluc

Laura Crandon

Joy Hatchette

Maria Pilar Rodriguez

K. Singh Taneja

Dana Weckesser

Also in Attendance:

Michele Eberle, Executive Director, MHBE

Andrew Ratner, Chief of Staff, MHBE

Anthony (Tony) Armiger, Chief Financial Officer, MHBE

Venkat Koshanam, Chief Information Officer, MHBE

Shirelle Green, Procurement Officer, MHBE

Makeda (Mimi) Hailegeberel, Manager, Small Business Programs, MHBE

Becca Lane, Senior Health Policy Analyst, MHBE

Meeting Call to Order

Sec. Herrera Scott called the meeting to order.

Approval of Minutes

Ms. Weckesser moved to approve the minutes of the July 15, 2024, meeting. Mr. Steffen seconded the motion. The motion was approved.

Finance Committee Report

Mr. Taneja noted that the Committee met on August 12 where they reviewed the June 2024 monthly financial statements and the preliminary statements for the end of fiscal year (FY) 2024. He noted that the final statements for FY 2024 will be available once their audit has been completed, but that the actual MHBE spending for the year exceeded the budget by \$5.6 million, requiring an infusion of money from the General Fund to continue operations. These cost overruns were shown to be the result of additional efforts by the call center and fulfillment center to meet the additional workload

resulting from the Medicaid public health emergency (PHE) unwinding, along with an unbudgeted cost of living adjustment (COLA) increase to employee compensation. The Committee also discussed four requested contractor positions under the indefinite delivery, indefinite quantity (IDIQ) contracting vehicle. Mr. Taneja concluded his update by noting that the Committee anticipates the audit currently underway by the Office of Legislative Audits (OLA) will be completed in the next month.

Executive Update

Ms. Eberle began her remarks by sharing that Governor Moore appointed Marie Grant as Commissioner of the Maryland Insurance Administration (MIA) effective October 1, 2024. She noted that the new Commissioner has a wealth of experience working alongside the MHBE since the advent of the Affordable Care Act (ACA) and thanked Joy Hatchette for her efforts as the interim Commissioner.

Next, Ms. Eberle invited Board members to access the newly updated monthly data report for July, which shows enrollments of over 216,000 Marylanders. She noted that the figure has declined slightly since June, but still represents the highest number of enrollees of any July in the MHBE's history. She added that there are 1.2 million Medicaid enrollees, which is lower enrollment than the previous year, but still higher than before the COVID-19 pandemic.

Ms. Eberle then discussed the expiring expanded federal tax credits and the MHBE's efforts to support decision making by federal legislators regarding the extension of those subsidies. The MHBE now generates all reporting by federal legislative district as part of this initiative.

Next, Ms. Eberle announced that Aetna will withdraw all plans from the small group market in April 2025, noting that the company currently insures 9 small businesses with a total of 27 people in coverage.

Ms. Eberle then discussed efforts currently underway to prepare for the upcoming open enrollment period, including training, system changes, call center hiring, and marketing plans among others.

Mr. Steffen asked whether the MHBE asks enrollees who elect to leave their plan in the middle of the year whether their decision resulted from an improvement in their situation, such as gaining access to coverage through a spouse or a job, or for a negative reason like being unable to afford the monthly premium. Ms. Eberle replied that the agency delivers an exit survey to such enrollees, but she was unable to recall whether that effort extends beyond one attempt. She agreed to research the issue and report back.

Policy Actions – Final 2025 Young Adult Subsidy Parameters

Becca Lane, Senior Health Policy Analyst, MHBE

Ms. Lane presented the final 2025 Young Adult Subsidy (YAS) parameters, noting that the MHBE recommends no change to the parameters in transitioning from 2024 to 2025. This stands in contrast to the proposed parameters presented at the July 15, 2024, meeting which narrowed the range of ages eligible for the subsidy. She demonstrated that the prior recommendation was based on assumptions made before more reliable data were available. With updated assumptions, the MHBE now anticipates no issue with program solvency should the 2024 age ranges remain in place through 2025. Ms. Lane explained that the analysis projects similar enrollment levels and program costs in

2024 and 2025 that, when paired with the recent legislation allowing the use of unused carry-over funds from prior years, will leave a small surplus at the end of the year.

Next, Ms. Lane discussed the two proposed options in detail. She explained that Option 1 was presented in the July 2024 proposal and offers the maximum subsidy amount to people aged 18 to 30 years and a steadily declining subsidy amount to those aged 31 through 34 years. This matches the parameters of the 2023 program. Option 2 offers the maximum subsidy from ages 18 through 33, with decreasing amounts from ages 34 through 37. Option 1 would return the program to 2023 parameters, whereas Option 2 would maintain the program as it was in 2024. She noted that the MHBE staff recommends Option 2.

Ms. Lane then shared that, during the 30-day public comment period on the proposed parameters, one carrier commented in support. She then asked the Board to approve Option 2 for the 2025 YAS program parameters.

Mr. Taneja asked what will happen to the program after 2025. Ms. Lane replied that the law enabling the subsidy program will expire at the end of 2025 and that any extension of the program beyond that time would require additional legislation.

Mr. Taneja noted the trajectory of the program's historic fund balance and asked whether the program would have to ask for additional annual funds should it extend to 2026 or beyond. Ms. Lane answered that she could not speak to the budget request that might accompany such legislation, but that the MHBE would continue to set program parameters to stay within budget. Ms. Eberle added that the YAS program was a two-year pilot that was extended for two additional years as part of the broader State Reinsurance Program (SRP) effort at stabilizing the individual health insurance market and that new legislation to continue the program is likely to happen.

Sec. Herrera Scott, noting that the future of the YAS program is uncertain, asked whether the more generous terms offered under Option 2 would put the broader State Reinsurance Program (SRP) at risk. Ms. Eberle replied in the negative, adding that the SRP is fully funded through 2028.

Ms. Weckesser moved to approve Option 2 as the final 2025 young adult premium subsidy parameters as presented. Mr. Steffen seconded. The motion was approved unanimously.

[Policy Actions – Proposed Medicaid Special Enrollment Period Regulations](#)

Becca Lane, Senior Health Policy Analyst, MHBE

Ms. Lane presented a proposed update to regulations governing special enrollment periods (SEPs) resulting from the loss of Medicaid coverage. She explained that, during the PHE unwinding, the Medicaid program updated its eligibility reconsideration period from 90 to 120 days and has recently decided to make that change permanent. Under federal rules, a SEP resulting from a loss of Medicaid coverage must align with the Medicaid reconsideration period. The MHBE now intends to update its regulations to account for the 120-day reconsideration period.

Next, Ms. Lane shared feedback from the stakeholder comment period and noted that the MHBE intends to pursue the emergency regulation adoption route. She then asked the Board to approve the regulation update.

Ms. Rodriguez moved to approve the proposed regulations as presented, and authorize MHBE to submit them as both a proposed action and an emergency action to the Joint Committee on Administrative, Executive, and Legislative Review for review and to the Division of State Documents for publication in the Maryland Register as presented. Mr. Taneja seconded. The motion was approved unanimously.

Small Business Premium Aggregation and Billing Solution

Shirelle Green, Procurement Officer, MHBE

Makeda (Mimi) Hailegeberel, Manager, Small Business Programs, MHBE

Ms. Hailegeberel gave the Board an overview of the MHBE's request to approve a vendor contract to provide premium aggregation and billing services for small businesses. She explained that the agency has engaged in a multiple-year-long effort to improve the experience of securing small business health coverage through the MHBE, chiefly through its Maryland Health Connection for Small Business (MHC-SB) portal. The new vendor would work to facilitate the invoicing for businesses by acting as the conduit to multiple carriers.

Next, Ms. Hailegeberel placed the proposed new contract into the context of the MHBE's mission to cover the uninsured, noting that the agency anticipates serving an additional 100,000 Marylanders through MHC-SB. The portal's capabilities will expand in the future as well, with additional features and plan types.

Ms. Green shared the details of the procurement for the billing vendor, identified through a request for proposals (RFP) process that elicited two proposals, of which one was deemed as responsive. She shared the feedback of the evaluation committee for the RFP along with the minority business enterprise (MBE) participation plan. She asked the Board to approve the contract award to NFP Health Services Administrators, LLC.

Mr. Taneja asked how the MHBE will reconcile the misalignment between the contract dates and the agency's fiscal year. Ms. Green answered that the MHBE will settle any outstanding balances at the end of the contract period.

Mr. Steffen, noting that the selected vendor's best-and-final-offer (BAFO) was substantially reduced from its original bid, asked what concessions the MHBE made to reduce the cost. Ms. Green replied that the agency made no adjustments to the RFP.

Mr. Steffen asked whether the MHBE discussed the selected vendor's performance with marketplaces in other states. Ms. Hailegeberel answered in the affirmative.

Mr. Steffen moved to award a contract to NFP Health Services Administrators, LLC in the amount of \$2,480,392.22 with 100% State participation to procure Small Business Premium Aggregation and Billing Solution for the period from September 1, 2024 – August 31, 2027, with 2 option renewal periods of September 1, 2027 – August 31, 2028, and September 1, 2028 – August 31, 2029. Ms. Weckesser seconded. The motion was approved unanimously.

Adjournment

Mr. Taneja moved to adjourn the meeting. Ms. Rodriguez seconded. The meeting was adjourned at 2:45 PM.

*ADDENDUM

Please note the edits below for this meeting as requested by Singh Taneja during the September 16, 2024 meeting:

Mr. Taneja commented that on the second page of the minutes regarding his Finance Committee report that the minutes did not capture the entire Committee discussion regarding the indefinite delivery, indefinite quantity (IDIQ) contract. Specifically, that cancelling the contracts for the four new contractor positions before the end of the three-year term would not result in an additional cost. Mr. Taneja requested that this information be added to the minutes. Blake Barron, the general counsel for the Maryland Health Benefit Exchange (MHBE), stated that he will review the recording of the August Board meeting and revise the minutes. Mr. Blake recommended moving to defer the approval of the meeting minutes and approve the minutes as amended at the next Board meeting.