



## MHBE

### Small Business Programs Advisory Committee

August 28, 2024

1:00PM – 3:00PM

Online Via Google Meets

#### **Members Present:**

Jon Frank, Co-Chair  
Glenn Arrington  
Victoria August  
Nikki Blake  
Amber Hyde  
Stephanie Klapper  
Susan McLean  
Eugene Poole  
Kathy Sweely  
Rick Weldon  
Sandy Walters

#### **Staff**

Michele Eberle  
Amelia Marcus  
Theresa Battaglia  
Makeda (Mimi) Hailegeberel  
Rita Dyer  
Andrew Ratner  
Kimberly Edwards

#### **Guest Presenters**

Michael McDonough  
Michael Hurley

#### **Members of the Public**

Allison Mangiaracino

#### **Welcome and Meeting Minutes**

Jon Frank, Co-Chair, welcomed attendees to the meeting. He asked for any edits to the minutes for the Committee's July 31 meeting, or for a motion to approve them. Rick Weldon moved to approve the minutes as presented. The Committee voted unanimously to approve the minutes.

#### **Co-Chair Vote**

Next, Mr. Frank noted that the Committee needs to vote on co-chairs, indicating that Amber Hyde and Rick Weldon have been nominated. Mr. Frank asked for any additional nominations, and none were given.

Sandy Walters asked if both nominees could speak before the Committee votes on whether to approve them as the co-chairs. Each nominee gave a statement describing their experience with the Committee and its subject matter.

Mr. Frank called for a vote on whether to approve Ms. Hyde and Mr. Weldon as co-chairs of the Committee.

Makeda Hailegeberel, Small Business Programs Manager for the Maryland Health Benefit Exchange (MHBE) observed that six of the Committee's 25 members voted to approve the proposed co-chairs, with no votes submitted in opposition. She explained that she will watch for additional votes submitted during the meeting and that votes can also be submitted after the meeting via email to ensure the members that are not present are able to vote.

### **Vote on SBPAC Charter Amendment**

Mr. Frank then explained that an amendment to the Committee's charter has been proposed. The charter, of which a copy was included in the materials for this meeting, has been out of alignment with other MHBE committees because it currently limits members to serving a single two-year term rather than two terms. The amendment would raise the term-limit to two terms, after which members would need to spend at least a year away from the Committee before returning for additional terms.

The Committee voted on whether to approve the amendment to the charter. Ms. Hailegeberel recorded eight votes but indicated she will allow other members who were unable to join to vote via email.

### **Introduction to NFP Health**

Next began a presentation introducing NFP Health. Detailed slides are available in the presentation for this meeting. Ms. Hailegeberel noted that NFP Health has been selected as the Maryland Health Connection for Small Business (MHC-SB) premium and aggregation vendor. They will be onboarded soon, and there will be a kick-off meeting in early September. Ms. Hailegeberel expressed support for NFP Health's experience and explained that they will assist with aggregating premium payments and remitting payments to carriers.

Michael McDonough, President of NFP Health, and Michael Hurley, Vice President for Client Engagements, introduced themselves and gave an overview of NFP Health's experience with state exchanges and its role in the development of MHC-SB. Please see presentation slides for more details. Mr. McDonough encouraged Committee members to reach out with questions at any time. He noted that NFP Health runs seven exchanges in five states and that it is a subsidiary of the NFP Corporation, the fourth largest broker in the country, but stressed that they operate with full independence from their parent corporation. He stated that some clients elect to tap into NFP Health's connections to the NFP network.

NFP Health focuses on building Small Business Health Options Program (SHOP) exchanges like MHC-SB. Their core strengths are premium billing, call centers, and automated reconciliation. They work with dozens of carriers across the country and move over \$700 million in premiums annually.

Ms. Hyde asked how NFP Health works with brokers, inquiring as to whether they offer non-compete agreements. Mr. McDonough replied that the technology they will be bringing to Maryland is unrelated to the NFP Corporation's status as a broker. He noted

that centering NFP Health's relationship with their parent corporation in communications risks deterring brokers from participating, to which Ms. Hyde agreed, but he noted that the intention was to provide the Committee with a disclaimer regarding NFP Health's status as subsidiary. He also stated that NFP Health runs its own private exchange, the largest in Massachusetts, as well as the various state exchanges that they help run as a contractor.

Mr. Hurley presented a list of NFP Health's previous state clients before moving on to discussing the specifics of how they will run the project. Maryland will be responsible for building the front-end enrollment portal, while NFP Health will handle premium and billing aggregation, with seamless integration between the two systems. Mr. Hurley listed some of the services NFP Health will deliver, including premium billing and collection, delinquency management, and call center services.

Next, Mr. Hurley showed a graphic of the organizational structure for the project. He stated that the average tenure on the project team is over five years, and that each person has previously been involved in similar implementations, giving them crucial experience.

Mr. Frank asked for confirmation that NFP Health's first venture in the realm of state exchanges was in Massachusetts. Mr. McDonough replied in the affirmative regarding his own experience, noting that he worked for the state for ten years. He added that his first large independent exchange was in Rhode Island, where he ran the exchange project, after which he worked on several other exchange projects around the country.

Mr. Frank inquired about the growth Maryland can expect through utilizing NFP Health to implement MHC-SB compared to where the state stands today. Mr. McDonough responded that he is not an expert on Maryland's population but noted that the Massachusetts and Rhode Island SHOP exchanges were the first to be implemented and remain functional, generating significant revenue for those states' exchanges. He noted that NFP Health's focus will be on implementing a successful exchange, working closely with carriers, and ensuring funds are distributed appropriately. He expressed optimism about the growth Maryland can expect but deferred to Ms. Hailegeberel regarding specific projections.

Ms. Hailegeberel stated that the MHBE has projected Maryland's growth using data from the Massachusetts platform because Maryland's population shares some similarities with that of Massachusetts. She stated that seeing 5,000 to 10,000 new enrollees in the first five years would constitute a great success for Maryland's portal. She compared this figure with Massachusetts, whose SHOP exchange has seen 13,000 enrollments since its implementation in 2018, but acknowledged that, unlike Maryland, Massachusetts has an individual mandate, which increased their enrollment.

Ms. Hyde asked if NFP Health has new ways to market MHC-SB to encourage more companies to enroll on the platform, indicating that this focus was one of her major reasons for joining the Committee. She noted that some methods of outreach that were

previously common, such as direct phone calls, are no longer effective and expressed a willingness to become personally involved in outreach efforts. Mr. McDonough replied that NFP Health's experience has taught them that small businesses must be made to understand how MHC-SB will work for them. He stated that they will set up a social media presence for MHC-SB, as this has previously proven effective, and expressed ambivalence about "robo-calls," which he noted are still an option. Finally, he described how they will be able to repurpose marketing materials originally developed for similar projects in other states that they found to be successful. He stated that, in his experience, the ease of use within the platform itself and the availability of assistance are paramount for ensuring successful interactions with consumers.

Glenn Arrington asked if MHC-SB will allow consumers to use Broker Connect to get in touch with a broker almost instantaneously, in the same way they can on MHC for the individual market. He also inquired about how to prevent churn from current clients under a small group policy with off-exchange third party administrators (TPAs) to MHC-SB, stressing the need for protections for brokers who have been servicing existing clients. Ms. Hailegeberel clarified that the intention is not to create churn with TPAs or brokers, stating that the target audience is small groups with under five lives. She also explained that Broker Connect is not available for MHC-SB currently but is planned as a future enhancement, and, as a front-end feature, Broker Connect is unconnected to NFP Health's back-end services. She stated that the MHBE highly recommends assisting any clients who are interested to enroll on MHC-SB so they can take advantage of available tax credits and the Employee Choice model.

Michele Eberle, Executive Director of the MHBE, added that, far from detracting from their important role in Maryland, this effort is meant to serve as a new tool for brokers, just as Broker Connect was built in to better serve them. Ms. Hailegeberel agreed, characterizing it as an alternate distribution channel for brokers and carriers.

Mr. Frank explained that the contract with NFP Health concerns back-office operations, whereas the MHBE has been working for years on marketing and connections with state agencies to raise awareness of the types of employers MHC-SB is for and will continue to handle the exchange's front-end operations.

Mr. McDonough stated that NFP Health has no intention of encroaching on the existing responsibilities of any party.

### **Small Business Program Updates**

The next item was a presentation on updates regarding the MHBE's small business programs. Detailed slides are available in the presentation for this meeting. Mr. Frank presented a slide showing the numbers of employees and covered lives currently enrolled in the small group market under each carrier. He noted that no one carrier dominates the market, and there are a robust set of TPAs that have been working with small groups for decades. However, Mr. Frank stated that the Maryland small group market has seen little growth despite large investments of resources into that market.

Ms. Hailegeberel stated that there are 126 unique employers covered through the small group market, with three of them offering the Employee Choice model. Total covered lives tend to fluctuate between 630 and 700. She noted that the hope is these numbers will grow once MHC-SB goes live in Fall 2025. CareFirst is the predominant carrier in the state, followed by Kaiser, United, and Aetna.

Ms. Hailegeberel then shared slides showing the rate increases approved by the Maryland Insurance Administration for 2025 by carrier. The average increase is 6.1%, with Aetna requesting the highest rate increases. She noted that the MHBE's messaging to employers highlights that they can offset some portion of the rate increases using the tax credits available on the small group market.

Next, Ms. Hailegeberel shared that Aetna will be leaving the small group market both on- and off-exchange on April 1, 2025. Both the MHBE and Aetna have issued memos to brokers and groups with instructions to follow in response to Aetna's exit. Ms. Hailegeberel shared a table showing that enrollees through MHC-SB may renew or newly enroll with Aetna if their effective date is in 2024. Any groups with an effective date in the first three months of 2025 may renew exactly once more, while groups with a later effective date may not renew or newly enroll with Aetna. She noted the impact of Aetna's exit and explained that the MHBE wants to give groups clarity and is relying on brokers to advise the groups enrolled in Aetna at their renewal time since the new portal is not operational yet.

Mr. Frank agreed that the impact will likely be small, adding that the impact is probably greater off- than on-exchange. He expressed concern that Aetna is leaving the market as it has done multiple times previously and wondered if any groups using the Employee Choice model are affected.

Mr. Arrington expressed disappointment at the news of Aetna's departure from the market, limiting the available choices to three carriers.

### **MHC-SB Enrollment Portal Updates**

Next, Ms. Hailegeberel presented on the status of the MHC-SB enrollment portal's implementation. Detailed slides are available in the presentation for this meeting. She began by showing a slide on the project timeline, which the MHBE remains on track to follow. She noted that several weeks of additional time were added to each of NFP Health's tasks but that the plan is still to go live by September 2025.

She then shared a slide on the proposed timelines for new group onboarding on distinct ultra-fast, fast, and long tracks, which would allow for effective dates of October 1, November 1, and December 1, respectively, and with different deadlines for documents to be submitted.

Ms. Hyde stated that, according to her understanding, CareFirst is the only carrier with hard deadlines, while Kaiser and United accept groups past the effective date, with business owners understanding there may be corresponding billing delays. She asked if

there is a way to make the deadlines more flexible and commented that many brokers are willing to load clients' information themselves if necessary. Ms. Hailegeberel replied that the MHBE asked the carriers for more flexible deadlines but the carriers have consistently said they need the proposed 18 days of administrative time. She noted that the MHBE's system generates the file for a group immediately after they register; MHBE then sends the file to the carrier, which further necessitates time for the MHBE to send the file and for the carrier to install the group and issue ID cards. The deadline was chosen and is now coded into the system, meaning that changing it would require a great deal of effort.

Ms. Hyde asked if there is any regulation prohibiting a group from enrolling through MHC-SB a month after being enrolled with a carrier off-exchange. Ms. Hailegeberel answered that groups can enroll through MHC-SB after being in pre-established off-exchange plans with a carrier. She noted that the tax credit eligibility for a group previously enrolled with a carrier off-exchange would have to be implemented through MHC-SB but would not change the deadline.

Ms. Hyde noted she is interested in efforts to encourage companies already enrolled with a carrier off-exchange to enroll through MHC-SB so they can receive the available tax credit. Ms. Hailegeberel indicated that this is possible but noted she will discuss this topic with the carriers and will report back to the Committee.

Ms. Hailegeberel continued her presentation, noting that internal testing of the MHC-SB system is underway. She stated that she will be reaching out to a select group of brokers and employers in the next few months to conduct further testing focused on ease of use.

Mr. Frank asked if there is a plan for how to transition employers who are currently enrolled on-exchange in the small business market to the new MHC-SB enrollment portal. Ms. Hailegeberel replied in the affirmative, noting that groups will be migrated to MHC-SB at their renewal and that communication materials are being developed to walk them through that process.

Mr. Arrington asked for confirmation that, in situations where an employee is terminated and needs to be informed about their rights to continue on the group policy for 18 months through the provisions of the Consolidated Omnibus Budget Reconciliation Act (COBRA), NFP Health will be handling these communications. Ms. Hailegeberel replied in the negative, explaining that the MHBE is building the COBRA process into MHC-SB. The employer and a broker will work to determine eligibility for COBRA continuation coverage, after which the employee may enroll in it. She added that, in response to feedback received during the Committee's July 31, 2024, meeting, the MHBE decided on a new process that involves a disclaimer informing the employee that there are lower-cost options available on the individual market.

Mr. Arrington asked for clarification given that NFP Health is handling billing administration for MHC-SB. Ms. Hailegeberel responded that the firm will be responsible

for handling billing directly to any COBRA participants but will not be responsible for notifications sent to participants.

Mr. Arrington asked how brokers will know that an individual opts for COBRA coverage. Ms. Hailegeberel responded that brokers will have access to employers', employees', and former employees' accounts, which will display either "COBRA eligible" or "COBRA enrolled."

### **Next Steps**

Ms. Hailegeberel noted that the Committee's September meeting is cancelled. She stated that seven votes came in overall for the proposed amendment to the Committee's charter, while eight votes came in on whether to confirm Mr. Weldon and Ms. Hyde as co-chairs, so the Committee will verify the votes on these items and continue the discussions during its October meeting.

### **Public Comment**

None offered.

### **Adjournment**

The meeting adjourned at 3:00 PM.

### **Chat Log**

00:01:56

Judi's Notetaker: Hi, I'm an AI assistant helping Judi Walker take notes for this meeting. Follow along the transcript here:  
[https://otter.ai/u/z5kJT9Bu4gbxDDjeuAG0of1Auz4?utm\\_source=va\\_chat\\_link\\_1](https://otter.ai/u/z5kJT9Bu4gbxDDjeuAG0of1Auz4?utm_source=va_chat_link_1)

You'll also be able to see screenshots of key moments, add highlights, comments, or action items to anything being said, and get an automatic summary after the meeting.

00:03:58

Makeda Hailegeberel -MHBE-: A new poll has been established. Only members may vote.

00:08:26

Stephanie Klapper: There's a triangle square and circle on the bottom right of my screen and when I click there I could find the poll.

00:13:57

Judi's Notetaker: Hi, I'm an AI assistant helping Judi Walker take notes for this meeting. Follow along the transcript here:  
[https://otter.ai/u/z5kJT9Bu4gbxDDjeuAG0of1Auz4?utm\\_source=va\\_chat\\_link\\_2](https://otter.ai/u/z5kJT9Bu4gbxDDjeuAG0of1Auz4?utm_source=va_chat_link_2)

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00:15:05

Makeda Hailegeberel -MHBE-: Hi Glenn, thanks for joining. Please use the polling to vote on the charter amendment and co-chairs.