Date: December 7, 2018

From: The Maryland Health Benefit Exchange

To: Issuers Seeking to Participate in Maryland Health Connection in 2020

Title: DRAFT 2020 Letter to Issuers Seeking to Participate in Maryland Health Connection

The Maryland Health Benefit Exchange (MHBE) is releasing this 2020 Letter to Issuers (the Letter). This Letter provides guidance to issuers seeking to offer qualified plans, which include Qualified Health Plans (QHP) and Stand-Alone Dental Plans (SADP), through Maryland Health Connection on the Individual and Small Business Health Options Program (SHOP) Marketplaces. Unless otherwise specified, references to the Marketplace include both the Individual and SHOP Marketplaces. Further, requirements for plan certification and issuer certification, unless otherwise specified, are required for both health plan issuers and stand-alone dental plans.

Published rules concerning market-wide and QHP certification standards, eligibility and enrollment procedures, and other Marketplace-related topics, are defined in 45 C.F.R. Subtitle A, Subchapter B and in COMAR 14.35.07, COMAR 14.35.14, COMAR 14.35.15. & COMAR 14.35.16. Supplemental guidance, and other market rules applicable to issuers, may be found in the most recent Maryland Health Connection Carrier Reference Manual[1] released in December 2018. MHBE expects issuers to consult all applicable regulations, in conjunction with this Letter, to ensure full compliance with the requirements of the Affordable Care Act and other applicable state and federal requirements. Throughout the plan year, qualified plans may be required to correct deficiencies identified in MHBE's post-certification activities, as a result of the investigation of consumer complaints, oversight by the Maryland Insurance Administration (MIA) or by MHBE, or an issuer's own industry standard internal compliance, on-going monitoring, and risk management program. While this Letter explains certain issuer requirements it is not a complete list of the regulatory requirements for issuers.

MHBE will accept comments on this letter until January 7, 2019. MHBE encourages respondents to submit comment early. Comments on this Letter may be submitted to mhbe.publiccomments@maryland.gov

[1] MHBE Carrier Reference Manual, published December 2018.

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CHAPTER 1: ISSUER ANNUAL CERTIFICATION PROCESS AND STANDARDS

The Affordable Care Act, Sections 31-106 and 31-108 of the Insurance Article, Maryland Code, and COMAR 14.35.15 establish that issuers must meet a number of standards in order to be certified or recertified to operate within the Individual and SHOP Marketplaces. In accordance with these authorities, MHBE has established an Annual Certification Process for health and dental issuers to become certified to offer qualified plans (QHPs and SADPs) on the Individual and SHOP Marketplaces. Unless otherwise specified, the Marketplace refers to the Individual and SHOP Marketplaces.

As in prior years, the certification process will take place during calendar year 2019 for plans effective beginning in 2020. Applications for certification must be submitted annually. MHBE will review, and approve or deny, each application. The process is described in Chapter 3 of the Carrier Reference Manual. Table 1-A-1 provides an overview of the required submission dates for items included in the certification application. MHBE will review the application against the certification standards described in this chapter and Carrier Reference Manual.

A. Submission of the Carrier Certification Application

Annually, each issuer must submit a Carrier Certification Application to MHBE and be authorized by MHBE to participate in the Marketplace. The application is updated annually and posted to the MHBE partner website at www.marylandhbe.com. MHBE will also inform current participating issuers when the updated application is published on the partner website and the deadline for submission.

As part of the Carrier Certification Application, issuers must also provide the documents listed in Table 1-A-1. Additional information regarding the certification standard addressed by each of these documents is described in section D of this chapter. The table provides due dates for the required documentation and the location of the template for the item, which may be found on MHBE's partner website or with the issuer.

Unless otherwise listed in Table 1-A-1, issuers must submit carrier certification data through the secure System for Electronic Rate and Form Filing (SERFF) Binders. Exceptions to this general rule are for biennial Amendments and Restatements of the Carrier Business Agreement and other legal documents that require submission of a physical copy to MHBE.

Issuers should be mindful of the appropriate formatting and specifications of the submissions to ensure timely approval of the Carrier Application.

Table 1-A-1. Carrier Certification Submission Dates

Item Name	Source	Submission Location for Completed Item	Due Date to MHBE
Carrier Application	MHBE	SERFF	July 1, 2019
Carrier Logo	Issuer	SERFF	July 1, 2019
List of Subcontractors Attestation	Issuer	SERFF	July 1, 2019
Carrier Business Agreement – Attestation	MHBE	SERFF	July 1, 2019
Non-Exchange Entity Agreement – Attestation	MHBE	SERFF	July 1, 2019

Item Name	Source	Submission Location for Completed Item	Due Date to MHBE
Network Adequacy Attestation	MHBE	SERFF	July 1, 2019
Provider Directory Attestation	MHBE	SERFF	July 1, 2019
Discriminatory Benefit Design Attestation	MHBE	SERFF	July 1, 2019
Carrier Certification Review Period	MHBE		July 1 – August 15, 2019
Carrier Certification Approval/Denial Notice	MHBE	SERFF/Issuer Point-of-Contact	August 15, 2019

B. Review of Carrier Certification Applications & Certificate of Carrier Authorization

MHBE will review a Carrier Certification Application submitted to MHBE by an issuer within 45 calendar days of receipt of the application. During the review period, MHBE may follow up with the issuer regarding any incomplete application items. All issuers will receive a Carrier Certification Approval or Denial Notice from MHBE within the 45-day period. A Carrier Certification Approval Notice informs the issuer that they are eligible to submit plans for certification by MHBE for the plan year of 2020. Plans submitted to MHBE are required to meet the annual Plan Certification Process and Standards, which are described in the Carrier Reference Manual and Chapter 4 of this Letter.

In such cases where an issuer is denied from participating in the Marketplace, MHBE will provide reasons for the denial and appeal rights to the issuer.

C. Carrier Certification Standards

Issuers must meet certain certification standards to offer plans on the Marketplace. These standards are covered in this section and include licensure and accreditation, among other requirements. These standards are detailed in Chapter 3 of the Carrier Reference Manual. This section includes summary information for each of the standards.

i. Maryland Insurance Administration (MIA) Requirements for Marketplace Participation

Attestation of licensure by the State of Maryland as a risk-bearing entity and operating in good standing with MIA, and adherence to applicable rules and standards in the Insurance Article of the Annotated Code of Maryland. Part of the Carrier Application

ii. Requirement for Accreditation

To be certified to participate in the Marketplace, issuers must be accredited by the National Committee for Quality Assurance or the Utilization Review Accreditation Commission by 2020. MHBE will consider an issuer accredited if it meets the federal accreditation standard at 45 CFR § 156.275, and follows the accreditation timeline under 45 CFR § 155.1045.

Issuers will submit their accreditation information for carrier certification through the carrier application. MHBE will not collect more information than what is submitted to the FFM.

For issuers that offer dental benefits only, this standard will be met if the issuer holds a current and valid MIA Certificate of Authority.

iii. Requirement for an Active Carrier Business Agreement

To be certified to participate in the Marketplace, issuers must have an active Carrier Business Agreement (CBA) on file with MHBE. The most recent iteration of the Carrier Business Agreement was released in 2018. Additional information may be found in the Carrier Reference Manual.

iv. Requirement for an Active Non-Exchange Entity Agreement

To be certified to participate in the Marketplace, issuers must have an active Non-Exchange Entity Agreement (NEEA). An active NEEA is defined as the latest iteration of the NEEA that is signed by MHBE and the issuer and that the signed NEEA is on file with MHBE. The most recent iteration of the NEEA was released in 2018. Additional information may be found in the Carrier Reference Manual.

v. Network Adequacy, and Provider Directory Attestations

Issuers must complete Network Adequacy and Provider Directory Attestations within the Carrier Application. The attestations require that issuers meet their regulatory and statutory obligations on network adequacy and provider directories in accordance with COMAR 31.10.44 and Insurance Article, §15-112(p)(2)(ii), Annotated Code of Maryland.

vi. Additional Requirements

To be certified to participate in the Marketplace, an issuer must also submit the below items to MHBE. Additional specifications for these items may be found in Chapter 3 of the Carrier Reference Manual.

1. Carrier Logo
2. List of Subcontractors
3. Non-Discriminatory Benefit Design Attestation

D. Waiver Authority

MHBE, with the approval of the MHBE Board of Trustees, may grant a waiver to specific provisions described in this chapter. MHBE may grant the waiver with or without corresponding conditions. To request a waiver, the issuer should inquire with their MHBE Account Manager.[2]

E. Denial, Suspension and Revocation of Certification

MHBE may deny, suspend, revoke or seek other remedies against the QHP issuer offering a plan under Section 31-115(k) of the Insurance Article, Maryland Code for failure to adhere to certification requirements.

Furthermore, MHBE may conduct compliance reviews of a plan during the plan benefit year. The scope of such compliance reviews extends to only include certification standards covered in Section 31-115(k)

[2] The MHBE Account Manager is the issuer's MHBE Point of Contact for all Plan Management/Operational initiatives. All issuers participating in Maryland Health Connection currently work with an MHBE Account Manager.

of the Insurance Article, Maryland Code. If, as result of such compliance reviews, MHBE finds an issuer to be non-compliant, MHBE will require the issuer to correct and meet compliance. Any denial, suspension or revocation of certification and compliance review findings and corrective action plans are subject to any and all remedies available under state and federal laws and regulations.

CHAPTER 2: QUALIFIED HEALTH PLAN/STAND-ALONE DENTAL PLAN CERTIFICATION PROCESS

The Affordable Care Act, Section 31-115 of the Insurance Article, Maryland Code, and COMAR 14.35.16 establish that QHPs and SADPs must meet a number of standards in order to be certified or recertified to operate within the Marketplace. Several of these are market-wide standards that apply to plans offered in the individual market inside as well as outside of the Marketplace. The remaining standards are specific to qualified plans (QHPs and SADPs) seeking certification or recertification from the Marketplaces.

MHBE has established an Annual Certification Process for certification of qualified plans that a certified issuer would like to offer on the Marketplace. This chapter describes the Individual and SHOP Marketplaces Certification Process for a QHP or SADP to be certified to be offered in the Marketplace. Applicable requirements for SADPs have been clearly identified with "SADP." This timeline will be finalized pending any changes to federal or state requirements, such as in the MIA Bulletin on the 2020 Rate and Form Filing Deadline or the 2020 Notice of Benefit and Payment Parameters.

A. Submission Requirements for QHP/SADP Certification

For a QHP/SADP to be certified for sale through the Marketplace, the plan's issuer must submit the Qualified Plan Certification Application and all required templates for each plan for 2020. Specific details of the documentation within the Plan Certification Application are included in Chapter 4 of the Carrier Reference Manual and within this section.

i. Templates Required: The templates required as part of the Plan Certification Application are listed in Table 2-A-1. Templates will be located on the CCIIO website for issuer resources at https://www.qhpcertification.cms.gov/ and the MHBE partner site marylandhbe.com. All items must be submitted through the plan issuer's SERFF Binders. By April 1, 2019, the 2020 SERFF Binders will be available for use in document submission by issuers. Exceptions to this general rule are limited, and may be granted upon request by the issuer and approval by MHBE. Table 2-A-1 includes an initial and final due date. Issuers are encouraged to submit completed templates and supporting documentation, especially if no extensive benefit modifications are expected, earlier than the dates outlined in the table.

For Individual QHP and SADPs, the entire suite of templates and supporting documentation must be uploaded into the 2019 SERFF Binders by July 1, 2019 for preliminary validation. From the period between July 1 and September 20, 2019 MHBE will engage with issuers (Individual QHP and SADP) to begin the data and plan display reconciliation process, which is addressed in further detail in section B of this chapter. Issuers will be unable to view plan data in plan display of the online Maryland Health Connection portal during this period. From September 9 through September 20, 2019, issuers will participate in plan display testing in the Maryland Health Connection User Acceptance Testing Environment.

Issuers must have their final template suite and supporting documentation into their SERFF Binders by September 2, 2019 (for SHOP QHPs and SADPs) and September 20, 2019 (for Individual QHPs). Final certification in the SERFF portal will occur on September 20, 2019 for Individual QHPs and SADPs. From September 21, 2019 until the start of the 2020 Open Enrollment Period, all plan data for Individual QHP and SADPs will be frozen in production until the change request period begins on November 1, 2019.

SHOP issuers are not required to submit CCIIO templates into their binders until after the MIA Rate and Form release date (to be determined by MIA). Plan Management has scheduled the completion of SHOP Plan Certification for September 20, 2019. The SHOP dates may change, subject to Board of Trustees determination for a permanent solution.

Table 2-A-1. Plan Certification Templates and Submission Dates

Item Name	QHP/ SADP	Initial Submission Date to MHBE	Individual - Final Submission Date to MHBE	SADP – Final Submission Date to MHBE	SHOP -Submission Date to MHBE	Description of Item
Plan and Benefits Template	QHP/ SADP	July 1, 2019	September 20, 2019	September 2, 2019	September 2, 2019	Template used to collect plan and benefit details.
Unified Rate Review Template	QHP	July 1, 2019	September 20, 2019	Not Applicable	September 2, 2019	Provides information and data necessary for ERR Reasonableness Review, rate increase monitoring and Market Rating Rules Compliance Reviews by states and CMS
Prescription Drug Template	QHP	July 1, 2019	September 20, 2019	Not Applicable	September 2, 2019	Template to capture prescription drug tiers and cost-sharing structure
Network Template	QHP/ SADP	July 1, 2019	September 20, 2019	September 2, 2019	September 2, 2019	Template to capture network ID numbers
Service Area Template	QHP/ SADP	July 1, 2019	September 20, 2019	September 2, 2019	September 2, 2019	Information identifying a plan's geographic service area.
Rate Data Template	QHP/ SADP	July 1, 2019	September 20, 2019	September 2, 2019	September 2, 2019	A table for entering plan rates based on rating area, age, and tobacco use

Item Name	QHP/ SADP	Initial Submission Date to MHBE	Individual - Final Submission Date to MHBE	SADP – Final Submission Date to MHBE	SHOP -Submission Date to MHBE	Description of Item
Plan Crosswalk Template	QHP/ SADP	Not Applicable	September 20, 2019	September 2, 2019	September 2, 2019	Part of 2020 Plan Certification, used in the auto-renewal process to ensure appropriate transfer of enrollees in case of plan exit.
Part II: Consumer Narrative	QHP	July 1, 2019	September 20, 2019	Not Applicable	September 2, 2019	Not a requirement for 2020 Plan Certification, provides consumers with information on the basis for an issuer's rate request increase.
Part III: Actuarial Memorandum	QHP	July 1, 2019	September 20, 2019	Not Applicable	September 2, 2019	Part of 2020 Plan Certification, provides actuarial written narrative describing and supporting the information provided in Part I.
Partial County Service Area Justification Attestation	QHP	Not Applicable	September 20, 2019	Not Applicable	September 2, 2019	Part of 2020 Plan Certification, justification from any issuer that submits a partial county service area. Issuer without changes from prior plan years may submit an attestation to meet this requirement.
Maryland ECP Template	QHP/ SADP	July 1, 2019	September 20, 2019	September 2, 2019	September 2, 2019	Part of 2020 Plan Certification, collects information from issuers on the number of Essential Community Providers they have contracted with. Used to evaluate network inclusion standard.

ii. Plan Display Reconciliation

A major facet of plan certification is ensuring that the QHP/SADP data displayed to consumers accurately displays premiums, benefits, and cost sharing. This requires an extensive reconciliation process between issuer data, including plan templates and PDFs, and the display outputs of these items in plan shopping.

The Plan Data/Plan Display Reconciliation process is detailed in Table 2-A-2 (Individual & SADP).

Table 2-A-2. Individual QHP/SADP Plan Display Reconciliation Timeline

Event/Period	Entity Responsible for Event/Period	Date of Action	Action Description	Source/ Submission Format
Preliminary Template Submission	Issuers	July 1, 2019	Issuers submit full suite of Plan Management Templates.	SERFF
Validation Analysis	MHBE	July 15, 2019	MHBE will analyze submitted templates for Plan Management Application Validation. MHBE will provide specific required changes to ensure validation.	SERFF Note to Filer
First Round Template Submission	Issuers	July 29, 2019	Issuers will submit full suite of Plan Management Templates with validation changes. Submissions that require no changes do not need to be resubmitted.	SERFF
Extract Analysis + Feedback	MHBE	August 5, 2019	MHBE will deliver to Issuers Plan Management Module Extracts + Feedback. MHBE will provide specific required changes to ensure an improved data extract.	SERFF Note to Filer
Second Round Template Submission	Issuers	August 12, 2019	Issuers will submit full suite of Plan Management Templates with extract changes.	SERFF
Extract Analysis/Plan Display Printouts	MHBE	August 19, 2019	MHBE will deliver to issuers Plan Management Module Extracts, Feedback, and Plan Display Print-outs. MHBE will provide gap analysis between submitted Plan Shopping Tile and Plan Compare Templates and Plan Display Print-outs. MHBE will provide specific required changes to ensure an improved Plan Display.	SERFF Note to Filer

Event/Period	Entity Responsible for Event/Period	Date of Action	Action Description	Source/ Submission Format
Third Round Template Submission	Issuers	August 26, 2019	Issuers will submit full suite of Plan Management Template with plan display changes.	SERFF
Extract Analysis/ Plan Display Print-outs	MHBE	September 2, 2019	MHBE will deliver to issuers Plan Management Module Extracts, Feedback, and Plan Display Print-outs. MHBE will provide gap analysis between submitted Plan Shopping Tile and Plan Compare Templates and Plan Display Print-outs. MHBE will provide specific required changes to ensure an improved Plan Display.	SERFF Note to Filer
Live Module Data Review	Issuers/ MHBE	September 9, 2019	Issuers will perform data review in the Maryland Health Connection Anonymous Browsing UAT environment + Template Fixes and Submissions. MHBE will provide specific required changes to ensure an improved Plan Display.	MHC Anonymous Browsing + SERFF + SERFF Note to Filer
Issuer Signoff	Issuers	Before September 20, 2019	Issuers will sign-off on plans displayed in UAT environment.	MHC Anonymous Browsing + SERFF Disposition
Final Binder Submission	Issuers	September 20, 2019	Issuers will submit finalize Plan Management Template Suite into SERFF.	SERFF
Plan Upload into Production	MHBE	September 27, 2019	MHBE will upload the final template in production no later than September 27.	MHC Plan Management Module – Production

SHOP QHP Display Reconciliation

Display reconciliation instructions for SHOP QHPs are to be determined at this time, pending further action by the MHBE Board of Trustees for a permanent SHOP solution. MHBE Staff will release guidance on display reconciliation shortly after the Board action.

Plan Data/Template Point-of-Contact

To facilitate the plan data reconciliation process, issuers are required to submit an Issuer/Administrator Point of Contact for Template Error Resolution to MHBE. This information must include: Legal Entity/Issuer, Name, Title, Phone Number and Email. This information is due

to MHBE Plan Management by September 9, 2018. An email to mhbe.carriers@maryland.gov is sufficient to provide this information.

iii. Special Enrollment Period for Consumer Enrollment Resulting from Data Errors in Plan Display
MHBE expects robust issuer participation in the plan display reconciliation process to ensure that consumers on Maryland Health Connection enroll with clear expectations of a QHP/SADP's benefits (including cost-sharing), service area, and premium. It should be noted that consumers who enroll in plans with a materially erroneous data display, and demonstrate that the erroneous data influenced the consumer's enrollment decision, are eligible for a special enrollment period under 45 CFR § 155.420 (d)(12). As in previous years, MHBE staff will work with partner issuers to ensure minimal errors in plan display.

B. Review of Plan Certification Applications & Certificate of Plan Certification

MHBE must review a Plan Certification Application submitted to MHBE by an issuer within 45 calendar days of receipt of the application. During the review period, MHBE may follow up with the plan's issuer regarding any incomplete application items. After the 45-day period, all issuers will receive a Plan Certification Approval or Denial Notice from MHBE (with information on issuer options for appeal). A Plan Certification Approval Notice informs the issuer that they are eligible to offer the plan through the Marketplace for the applicable plan year. The plan certification period begins on the date of confirmation of receipt of a complete plan certification application package by the MHBE Account Manager.

C. Waiver Authority[3]

MHBE, with the approval of the MHBE Board, may waiver specific provisions described in this chapter. MHBE may grant the waiver with or without corresponding conditions. To request a waiver, the issuer should inquire with their MHBE Account Manager.

D. Denial, Suspension and Revocation of Certification[4]

MHBE may deny, suspend, revoke or seek other remedies against the QHP/SADP issuer offering a plan under Section 31-115(k) of the Insurance Article, Maryland Code.

Furthermore, MHBE may conduct compliance reviews of a plan during the plan benefit year. The scope of such compliance reviews extends to only include certification standards covered under Section 31115(k) of the Insurance Article, Maryland Code. Any denial, suspension or revocation of certification and compliance review findings and corrective action plans are subject to are subject to any and all remedies available under state and federal laws and regulations.

If, as result of such compliance reviews, MHBE finds a QHP/SADP to be non-compliant, MHBE will require the QHP/SADP issuer to correct and meet compliance. If an issuer chooses to withdraw from the Exchange or the plan is decertified by MHBE, the issuer shall follow Plan Management Guidance as specified by MHBE.

[3] COMAR 14.35.16.

[4] See footnote three.

CHAPTER 3. OFF-EXCHANGE SADP CERTIFICATION PROCESS AND STANDARDS

MHBE will continue to certify Off-Exchange Stand-Alone Dental Plans (SADPs). Issuers must complete an application after receiving rate and form approval from MIA.

A. Off-Exchange SADP Submission Requirements & Submission Timeline

SADPs that participate in the Exchange-Certified program are required to submit an Off-Exchange Dental Carrier Application and provide MHBE with notice of intent to participate after they have been approved by MIA. Exchange certification of the plan can occur any time, prospectively, or within, an eligible plan year.

Unless otherwise directed by MHBE, issuers must submit plan certification data through the secure System for Electronic Rate and Form Filing (SERFF) Binders. Exceptions to this general rule are limited, and non-allowable before rate release by MIA.

MHBE has 45 calendar days from the beginning of the plan certification period to notify the issuer of approval or denial to offer qualified plans on the Marketplace. In such cases where a single plan or a product-type is denied to participate on the Marketplace, MHBE will provide to the issuer the reasons for denial and instructions to reapply or appeal.

B. Certification Standards

In order to be certified as an Off-Exchange SADP, plans are required to:

i. Cover the State benchmark pediatric dental essential health benefits;
ii. Comply with annual limits and lifetime limits applicable to essential health benefits;
iii. Comply with rules applicable to stand-alone dental plans under 45 CFR § 156.150

CHAPTER 4: QUALIFIED PLAN (QHP AND SADP) CERTIFICATION STANDARDS

The Affordable Care Act, Sections 31-106 and 31-108 of the Insurance Article, Maryland Code, and COMAR 14.35.16, establish that QHPs and SADPs must meet a number of standards in order to be certified or recertified as QHPs and SADPs for sale in the Individual and SHOP Marketplaces.

MHBE notes that issuers must comply with the Rate and Form Review procedures established by the MIA in its annual bulletin to issuers. MHBE will provide the MIA with issuer Marketplace data, upon request, to support rate and form review. Further, issuers must comply with the rate increase notification requirements under 45 CFR § 155.1020.

MHBE continues to review its Marketplace participation policies to determine if they continue to meet the needs for supporting consumer choice. MHBE must certify QHPs that are in the interest of qualified individuals as determined by MHBE pursuant to the Affordable Care Act § 1311(e)(1)(B), 45 CFR §155.1000(c)(2), and Insurance Article, § 31-115(b)(7), Maryland Code.

A. Existing Qualified Plan Standards

As this Chapter presents proposed policy that is new for the 2020 plan year, issuers that seek to offer coverage on Maryland Health Connection must also meet compliance with existing qualified plan certification policy. These existing standards may be found in Chapter 4 of the Carrier Reference Manual released in 2018.

B. Proposed 2020 Qualified Plan Standards

Throughout 2018, MHBE has received extensive feedback from the public expressing a need for policy action to address the following issues:[5]

- Rising deductibles and out-of-pocket costs
- Reduced choice in available plans and products
- Low access to providers

The Proposed 2020 Plan Certification Standards seek to address these issues through policy action and recommendation development for potential future action. It should be noted that the proposed standards were developed with insight and feedback from MHBE's Standing Advisory Committee (SAC).[6] Readers seeking additional information on feedback may access them on the MHBE partner site.[7]

MHBE seeks comment on the proposed standards as they pertain to issue impact, unexpected externalities, implementation, and timeline considerations. MHBE also welcomes comment on policy not included in this set that might also address the focus issues. Readers may also provide information on other issues not contemplated in the Proposed 2020 Plan Certification Standards.

i. Reduce Consumer Exposure to High Healthcare Costs & Lower Premiums

As the State Reinsurance Program (SRP) reduced premiums for unsubsidized Marylanders, it had the adverse consequence of reducing advanced premium tax credits (APTC) for some enrollees. Specifically, this has been experienced by enrollees who live in areas where premium decreases for the second lowest cost silver plan (SLCSP) were greater than the reductions in the premium of their current QHP.[8] MHBE recommends that issuers address this subsidy reduction through increasing the actuarial value (AV) of on-Exchange silver QHPs (and thereby premiums for the SLCSP) to increase APTC and partially offset this reduction.

MHBE also notes that additional federal flexibility on AV ranges for QHPs presents opportunities to increase affordability for unsubsidized members. MHBE recommends that issuers leverage this flexibility to provide increased access to richer benefits through offering at least one low AV gold QHP option.

MHBE presents a proposal to provide a work group report with policy recommendations to the MHBE Board of Trustees on how MHBE might use existing authority to address affordability.

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[5] Readers seeking additional information on the received comment and testimony may access them on the MHBE partner site: https://www.marylandhbe.com/wp-content/uploads/2018/08/Maryland_1332_State_Innovation_Waiver_to_Establish_a_State_Reinsurance_Program_UPDATED_August_15_2018.pdf

[6] Statutorily mandated advisory committee to the MHBE Board of Trustees. Additional information available at here: https://www.marylandhbe.com/policy-legislation/committees/standing-advisory-committee/

[7] https://www.marylandhbe.com/wp-content/uploads/2018/11/6.-Proposed-2020-Plan-Certification-Standards-with-Comments.pdf

[8] MHBE Board of Trustees Presentation: https://www.marylandhbe.com/wp-content/uploads/2018/10/Policy10.15.2018.pdf

Proposed 2020 Qualified Health Plan Certification Standard	
1.	For plan year 2021 MHBE Staff proposes MHBE Staff assemble a diverse, representative work group to develop a report with recommendations on policy solutions that will: • Reduce out-of-pocket costs • Maximized APTC for subsidized consumers • Maximize affordability for unsubsidized consumers The report should be due to the MHBE Board no later than April 30, 2019.

While reinsurance lowers costs with respect to premiums, it has no impact on the out-of-pocket cost incurred for health care services. Trends of increasing deductibles and rising out-of-pocket costs have placed additional pressures on consumer ability to afford care. One third of enrollees on Maryland Health Connection (including subsidized and unsubsidized) will experience significant increases in deductibles ($750 to $1350) or decreases in actuarial value (-1.96% to -4.4%) in 2019.[9] Additionally, the availability of QHPs with covered services before deductible has also decreased markedly. For example, in 2019 there will only be one QHP at the bronze metal level and two QHPs at the silver metal level that will cover certain services before deductible.[10] While MHBE's authority only extends to QHPs offered through the Exchange, it should be noted that given on/off-Exchange QHP offering rules many off-Exchange enrollees will also experience increased out-of-pocket costs.

Rising out-of-pockets costs have also exerted downstream pressures on the health system. As released by the Health Services Cost Review Commission, "rising deductibles and coinsurance have resulted in increased levels of uncompensated care for privately covered beneficiaries."[11] While the individual market serves a fraction of total covered lives in Maryland (192,279 as of June 30, 2018), it is important to note that individual market deductibles and cost-sharing are generally higher than in the small group or large group market. Additionally, price sensitive low- and middle-income Marylanders, who access APTCs to enroll in individual market coverage, may find that high deductible and high cost-sharing QHPs (often plans with the lowest premiums and limited before deductible services) do not sufficiently shield them from the financial burden of medical costs – establishing circumstances that may increase the occurrence of unpaid debts. High out-of-pocket costs also impact unsubsidized Marylanders, with addition of a full monthly premium payments as an ongoing financial obligation.

MHBE believes that reducing out-of-pocket costs for consumers on Maryland Health Connection will increase the perceived value of health coverage, a critical factor in ensuring reduced attrition and degradation of the risk pool. Further, lower out-of-pocket cost reduces the likelihood that consumers will forego needed care due to cost – resulting in potential downstream savings. MHBE acknowledges that while reducing out-of-pocket costs might increase unnecessary utilization, on balance, lower costs would be a value-add to the market and to the well-being of consumers – particularly the unsubsidized and subsidized who are ineligible for cost sharing

[9] Enrollees in bronze, silver (unsubsidized and non-CSR), and gold QHPs. Footnote eight.

[10] See reference for eight.

[11] https://hscrc.maryland.gov/Documents/July%202018%20Public%20Pre-Meeting%20Materials.pdf

reductions or enroll in non-silver QHPs. MHBE also seeks comment on how unnecessary utilization might be addressed through policy action.

Proposed 2020 Qualified Health Plan Certification Standard	
2.	MHBE proposes action on addressing rising out-of-pocket costs through the implementation of a standardized plan that follows the recommendations of the 2017 Standardized Benefit Design Work Group for the 2020 plan year.[12] • Proposed standard plans will undergo a comment period of no less than 30 days • Proposed standard plans will consider the work of the Standing Advisory Committee on the inclusion of 3 Primary Care Physician Visits before deductible. • Staff will provide MHBE Board of Trustees with final recommendations in advance of the January session

MHBE notes that while high deductible health plans (HDHPs) reduce unnecessary utilization they also result in reduced utilization of necessary health care services.[13] Additionally, it is important to consider this finding in the context of the morbidity in the individual market. Analysis of Maryland's Medical Care Database finds chronic disease prevalence for hypertension, diabetes, and depression for on-Exchange members in 2016 at 15.6%, 11.9%, and 4.7% respectively.[14] Given the income attributes and chronic disease prevalence in Maryland Health Connection enrollees, high deductible health plans may result in burdensome out-of-pocket costs, as research on employer sponsored coverage for low-income employees shows.[15] This burden magnifies for enrollees with multiple comorbidities. A similar burden may be experienced by unsubsidized enrollees in HDHPs with chronic diseases. In light of these findings, MHBE encourages issuers to develop QHPs with lower deductibles and increased access to before deductible services.

Unnecessary utilization might be better addressed through innovative benefit designs that would more closely align consumer incentives, improve healthcare market functioning, and align with the needs of the state. For example, Maryland could modify the essential health benefits (EHB) benchmark plan for substance use disorders and mental/behavioral health services to help address the opioid crisis, or restructure the primary care/urgent care benefit to increase value. Another state, Illinois, has leveraged new state EHB flexibilities as a part of its state plan to address the opioid crisis.[16]

MHBE presents a proposal to provide a report to the MHBE Board of Trustees on (1) whether Maryland's EHB benchmark plan meets existing need and (2) recommendations on whether new state EHB flexibilities should be utilized to structure a benefit design that is more responsive to Maryland's needs. MHBE acknowledges that while MHBE is not the relevant authority to select,

[12] http://www.marylandhbe.com/wp-content/uploads/2017/12/FINAL-2017-Standardized-Benefit-Design-Work-Group-Report.pdf
[13] https://doi.org/10.1377/hlthaff.2017.0610
[14] Maryland Health Care Commission *Privately Insured Spending in Maryland's Individual Market.* (February 2018)
[15] *JAMA Intern Med.* 2018;178(12):1706-1708. doi:10.1001/jamainternmed.2018.4706
[16] https://www2.illinois.gov/IISNews/18098-DOI_Essential_Health_Benefit-benchmark_plan_Release.pdf

or modify, the state's EHB benchmark plan, MHBE has a consultation role in the process with the MIA under statute.[17]

	Proposed 2020 Qualified Health Plan Certification Standard
3.	MHBE proposes that MHBE Staff provide a report on the benefits in the State Benchmark Plan to: • Determine whether the current benchmark plan meets the needs of the individual market. • Provide recommendations on whether to leverage new state flexibility to modify the State Benchmark Plan • Report must include feedback from the Standing Advisory Committee, market impact of the change, and estimated savings/costs of the approach. • Report must have a public comment period of no less than 30 days. The report should be due to the MHBE Board no later than April 30, 2019.

ii. Increase Consumer Choice

Marylanders enrolled through the individual market have experienced a significant reduction of access to carriers and product types. From a high of five issuers in 2016 to 2019 where consumers on Maryland Health Connection will have access to two issuer options this is a significant decrease. Additionally, three product types (one integrated delivery system, an open-access health maintenance organization (HMO), and a preferred provider organization (PPO)) will be available for consumers in 2019. While Maryland agencies work to attract new market entrants, MHBE seeks to provide additional product options to consumers seeking to participate in the market thereby increasing the value of participation. MHBE encourages issuers to offer innovative product design types including high value narrow HMO networks, networks with varying degrees of care integration through tiered providers, and exclusive provider organizations (EPOs). MHBE also seeks to reduce premiums for consumers who seek access to broader networks.

To increase consumer choice, MHBE seeks comment on proposals that would (1) require issuers to offer products that are offered in other market segments (small group (SHOP) or the state employee health benefits program) in the individual on-Exchange market or, (2) a requirement that issuers offering PPO products on-Exchange must also offer an EPO product on-Exchange as a lower cost alternative. As an example, under the first proposal an issuer that currently offers a POS plan in the small group (SHOP) market would also be required to offer a POS plan in the individual on-Exchange market. It should be that under the second proposal issuers are not precluded from only offering an EPO product on-Exchange.

Analysis from the Hilltop Institute estimates that an EPO product could have a 10% premium differential from a PPO product. MHBE welcomes estimates from issuers on the potential premium differential. MHBE acknowledges that the lower premiums would reduce APTC

[17] Md. INSURANCE Code Ann. § 31-116

(through the SLCSP) but also note that such action may also reduce total risk adjustment transfers because of a lower statewide average premium.

MHBE also seeks comment on alternative proposals that would increase consumer choice in the individual market – including possible regulatory, statutory or plan certification options. MHBE also seeks comment on potential adverse effects of such policies.

<table>
<tr><th colspan="2">Proposed 2020 Qualified Health Plan Certification Standard</th></tr>
<tr><td>4.</td><td>MHBE proposes that for Plan Year 2020, MHBE Staff collect comment on:
1. A policy to require that carriers offer at least one plan in an additional product type on Marketplace if offered off-Marketplace, in the small group market, or state employee health program.
2. A policy to bar Preferred Provider Organizations from participating on the marketplace without an Exclusive Provider Organization offered as an alternative.

Provide stakeholder analysis to the MHBE Board with final recommendations in advance of the January Board session.</td></tr>
</table>

iii. Expand Access to Care

For the Essential Community Providers (ECP) program, MHBE combines the federal non-exhaustive ECP list with a list provided by the Maryland Department of Health for the specific classes of providers that meet the expanded ECP definition adopted in 2017. For the full definition of ECPs on Maryland Health Connection please see the Carrier Reference Manual. By definition these providers add capacity to issuer networks in low-income or health professional shortage areas. MHBE notes that the non-exhaustive federal list does not reflect the entirety of providers that would be considered ECPs in Maryland. MHBE proposes to address the incomplete ECP list by creating a process through which a provider might petition MHBE to be granted ECP status.

MHBE expects that such action would increase the total pool of ECPs and, when linked to the 30% network inclusion standard, may result in increased capacity for low access, low income populations. MHBE also acknowledges that success of such an approach must be linked with outreach, ongoing engagement with providers, relevant state agencies, community health groups, issuers, and other stakeholders. MHBE seeks comment on how MHBE might facilitate the success of the petition process. MHBE also notes timeline considerations for incorporation of petition ECPs into the pool.

<table>
<tr><th colspan="2">Proposed 2020 Qualified Plan Certification Standard</th></tr>
<tr><td>5.</td><td>MHBE propose that for Plan Year 2020 MHBE Staff collect comment on:

• Development of a petition process for additions to the Essential Community Providers (ECP) list for providers that meet the federal and state ECP definition. MHBE proposes to develop a timeline for when additions become effective.</td></tr>
</table>

Proposed 2020 Qualified Plan Certification Standard	
	Provide stakeholder analysis to the MHBE Board with final recommendations in advance of the January Board session.

C. Proposed 2020 Standards for Stand-Alone Dental Plans

MHBE proposes the below standard for Stand-Alone Dental Plan to increase product offering flexibility and ensure parity with QHP offering requirements. This is a change from existing SADP certification standards.

Existing Standard	Proposed 2020 SADP Certification Standard
SADPs may not offer more than one dental plan per product per tier.	SADPs may not offer more than four dental plans per product per plan (child-only/family). Provide stakeholder analysis to the MHBE Board with final recommendations in advance of the January Board session.

D. Administrative Burden Reduction

MHBE prioritizes administrative burden reduction for participating issuers. MHBE seeks comment on opportunities to reduce burden, increase efficiency, and promote innovation in the marketplace.

APPENDIX A:
SUMMARY OF STANDING ADVISORY COMMITTEE COMMENT

Standing Advisory Committee Engagement Summary & Timeline

September 2019
- Request for stakeholder input and timeline memorandum
- Met with Policy Sub-committee to determine policy priorities
- Standing Advisory Committee preview of draft standards and policy priorities
- Held six stakeholder sessions

October 1 – 31, 2019
- Comment period for SAC input into draft standards

MHBE developed policy priorities after receiving public feedback (in questions and testimony) during 1332 Waiver and State Reinsurance Program hearings. Stakeholders raised a number of concerns, including the waiver's effect on out of pocket costs and the effect on consumer choices. These concerns were then developed into six policy priorities for MHBE, including: reducing out of pocket costs, maximizing APTC purchasing power, increasing affordability for unsubsidized enrollees, maximizing access to different product types, and improving the essential community provider petition process. MHBE received comments from issuers participating in the Exchange, consumer health advocacy organizations, state agencies, and coalitions. Most submissions expressed support for the proposed policy priorities, while also noting the importance of a deliberative process and coordination across stakeholders, specifically issuers, MHBE and the MIA - to ensure that all policies are vetted to account for any adverse outcomes.

Out of Pocket Cost Relief

While the State Reinsurance Program (SRP) will exert downward pressure on premiums, it would not address out-of-pocket costs at point-of-service. This question raised concerns that while slow premium growth/premium reduction is a net positive, coverage options with high deductibles and limited first-dollar coverage continue to impose burden on consumers. Issuers and consumer advocacy groups recognized that reducing out of pocket costs would be important, and approached a solution from various perspectives.

Comments: Issuers who chose to comment, noted that actuarial value rules would be important to consider, as increasing AV may result in increased premiums. One issuer suggested a consumer friendly approach, one that would remain compliant with AV rules, and involve increasing primary care visits before the deductible. Another issuer noted that standardized plans would work to restrict copays for certain services, therefore reducing out of pocket costs.

A consumer advocate group cautioned that it would be important to examine the underlying reasons for rising deductibles. Coverage offered would also have to be attractive for the unsubsidized. Two concepts were presented as a solution. The first would be to require more services to be covered before the deductible, and the second would be to institute a ceiling on deductibles for each metal level. Another advocacy organization commented that it was important to note that reducing out of pocket costs would result in savings for the Total Cost of Care Model Waiver. They were supportive of a Standardized Benefit Design before deductible services, with cost sharing that incents avoidable acute care utilization. The same organization also noted that it was important to consider the distinct populations that are served by the Marketplace.

Maximizing Advance Premium Tax Credits

Since Advance Premium Tax Credits (APTC) are dependent upon household income and the cost of the second lowest cost silver plan available to enrollees, the impact of base premium reduction of the second lowest cost silver plan due to the State Reinsurance Program dampens the utilization of APTCs. MHBE is interested in increasing the AV of carrier silver plans that are not the lowest cost silver plans to partially offset any reduction in APTC.

Comments: Issuers who chose to comment noted that it was important to consider the potential implication of this policy priority in relation to the 1332 waiver. A consumer advocate group noted that they were supportive of any policy that would increase affordability for those above and below 400% the federal poverty level.

Affordability for Unsubsidized Enrollees

The immediate impact of the State Reinsurance program was to drastically reduce premiums. With a significant reduction in premiums, a reduction in AV may create an attractive option for price sensitive unsubsidized enrollees.

Comments: An issuer noted that reductions in AV could lead to unintended consequences, including increased cost-sharing and other potential tradeoffs. A consumer advocacy organization also noted that reductions in AV could lead to cost sharing, or a reduction in covered services. They noted that stability for the unsubsidized should result from a combination of permanent reinsurance program, Medicaid buy-in, and/or additional subsidies.

Maximizing Access to Different Product Types

In order to maximize consumer choice, MHBE proposes offering different product options to consumers, including a requirement to offer additional product options if the carrier is authorized to do so and currently offers the product off-Marketplace, in the small group market, or in the state employee health benefits program.

Comments: Issuers who chose to comment noted that it would be useful to explore options of requiring carriers who participate in one program to participate in another, but a decision should be made in concert with broader discussions over market stability. A consumer advocacy organization made a suggestion of offering an EPO product as a lower cost alternative to a PPO product.

Essential Community Providers (ECP) Petition Process

Many health care providers that serve a large proportion of low-income or medically underserved individuals are given a designation of “essential community providers” (ECP) under the Affordable Care Act (ACA). The ACA stipulates that QHP are required to have a sufficient number and geographic distribution of essential community providers (ECPs), where available, to ensure reasonable and timely access to a broad range of such providers for low-income, medically underserved individuals in the plans’ service area, in accordance with federal network adequacy standards described in 45 Code of Federal Regulations (CFR) 156.235.[18] MHBE proposes the creation of an ECP petition process to allow providers that are not on the existing ECP list to count as ECPs for the 30% network inclusion standard.

1. Kaiser Family Foundation: Definition of Essential Community Providers in Marketplaces https://www.kff.org/other/state-indicator/definition-of-essential-community-providers-ecps-in-marketplaces/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D

Comments: An issuer noted that it would be important to outline what the goal of the new process would be, and to understand what the problems are before moving forward in order to mitigate unintended consequences. A consumer advocacy organization commented that it supported the proposal to ensure that the state complies a complete list that includes all ECPs that meet the federal and state definition, and to allow omissions to be corrected. The organization recommends identifying ECP prospects through engagement with community partners or to ask other state health agencies to outreach to ECP prospects to urge providers to apply. Support for a petition process was also expressed by two other advocacy organizations.

Lowering Costs

To lower costs, MHBE proposed to streamline the plan certification process and reduce administrative burden.

Comments: Submitters generally supported this policy priority, but had certain requests that would improve the initiative. A submitter also noted that it would be important to balance lowering costs with due oversight. An issuer asked that attestations be added to the plan certification process for static areas of compliance like service areas (and partial county justifications), and alternative ECP standards. The issuer also suggested to create a comprehensive Open Enrollment planning meeting from a technical, plan, consumer, and marketplace perspective. A final recommendation was to re-implement automatic cost sharing reduction filtering for those eligible for reductions. Another issuer noted that lowering costs was an important priority to maintain moving forward, and that any requirements beyond 2019 requirements should be evaluated with administrative burden in mind before being pursued by MHBE. A consumer advocacy organization also noted that attestations for Network Adequacy were inadequate due to initial review of issuer compliance issues. They recommended that MHBE work with MIA to thoroughly review carrier's submission to the MIA regarding compliance with the standards.