Maryland Health Benefit Exchange Board of Trustees

November 18, 2019
2 p.m. – 4 p.m.
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, MD 21215

Members Present:
Robert R. Neall, Chair
S. Anthony (Tony) McCann, Vice Chair
Mary Jean Herron
Ben Steffen, MA
Dana Weckesser
Dr. Rondall Allen
Robert D'Antonio, PhD
K. Singh Taneja (by phone)

Members Excused:
Alfred W. Redmer, Jr.

Also in Attendance:
Michele Eberle, Executive Director, Maryland Health Benefit Exchange (MHBE)
Andrew Ratner, Chief of Staff, MHBE
Tony Armiger, Chief Financial Officer, MHBE
Venkat Koshanam, Chief Information Officer, MHBE
Caterina Pañgilinan, Chief Compliance Officer, MHBE
Sharon Stanley Street, Principal Counsel, Office of the Attorney General
Raelene Glasgow, Procurement Manager, MHBE
Lourdes Padilla, Secretary, Maryland Department of Human Services (DHS)

Welcome and Introductions:

Secretary Neall opened the meeting and welcomed the Board's newest member, Robert D'Antonio, PhD.

Approval of Meeting Minutes

The Board reviewed the minutes of the October 21, 2019 open meeting. The Board voted unanimously to approve the minutes of the October 21, 2019 open meeting.

Public Comment

Secretary Neall invited members of the public to offer comment. No members of the public offered comment.

Executive Update

Michele Eberle, Executive Director, MHBE

Ms. Eberle began her remarks with an update on the progress of the open enrollment period already underway. She explained that the process has been very smooth thus far, with traffic roughly the same as the previous year. She noted that enrollments are up slightly year-over-year and that more enrollees than ever before are electing to remain in the same plan. She underlined gains in enrollment among target populations including people aged 18 to 34 years and the Hispanic community, adding that call center volume is down 15 percent.

Next, Ms. Eberle discussed staffing at MHBE, announcing that Johanna Fabian-Marks has accepted the position of Director of Policy and Plan Management to begin December 6, 2019. She added that a new advanced accountant was hired and that two vacant positions remain at the agency—one in Marketing and Outreach and the other in Policy and Plan Management.

Ms. Eberle then made several additional announcements:

- The MHBE Annual Report for 2019 is now available.
- The agency is continuing its practice of conducting over-the-shoulder observation as volunteer users navigate the site to obtain coverage.
- The Maryland Department of Budget and Management has completed the preliminary MHBE budget review.
- The January software release for Maryland Health Connection (MHC) is under development.

Next, Ms. Eberle noted that she has completed her visits with the local health departments and that a group of those caseworkers will come to help the MHBE make improvements to the system.

Ms. Weckesser asked how Board members could help spread the word about open enrollment, specifically which channel is the most effective. Andrew Ratner, Chief of Staff at the MHBE, replied that, while the agency uses all channels to some degree, Facebook is the largest.

IDIQ Request For Resumes Review Process

Tony Armiger, Chief Financial Officer, MHBE
Raelene Glasgow, Procurement Manager, MHBE

Ms. Glasgow gave the Board an overview of proposed changes to the process by which the agency issues and processes Requests for Resumes (RFRs) under the main indefinite delivery, indefinite quantity (IDIQ) contract vehicle. She laid out proposed steps including origination of the request

within the agency, the drafting of the RFR, the issuance of the solicitation, the intake and review of resumes, the awarding of contracts, and the review of contractor performance.

Ms. Herron asked whether the proposal covers only IT contractual workers as opposed to permanent staff. Ms. Glasgow replied in the affirmative.

Secretary Neall, noting that the proposal outlines that the selection committee recommends candidates, asked who makes the final selection for each position. Ms. Glasgow replied that the committee selects which candidate will receive the task order.

Mr. McCann asked by what policy the agency decides whether a position will be filled by a contractor or by a permanent employee. Mr. Armiger noted that some contractors have become staff. Ms. Eberle explained that the MHBE has only 67 possible permanent staff positions, 11 of which are dedicated to IT. She pointed out that the IT needs of the agency are far too extensive to be served by only 11 people and that the gap is filled through the IDIQ vehicle. She added that, having experienced both IDIQ and firm fixed-price contracts for IT services, the MHBE has found the IDIQ to be less expensive.

Procurement Policies & Procedure Review

Tony Armiger, Chief Financial Officer, MHBE
Raelene Glasgow, Procurement Manager, MHBE

Ms. Glasgow gave the Board an overview of proposed changes to the MHBE policies and procedures for procurement. The changes, she explained, included a revision to address audit findings, adding a new procurement method, and a modification of the contract approval process.

Next, Ms. Glasgow explained that the Office of Legislative Audits' (OLA's) audit finding called for the MHBE to introduce a minimum solicitation period, as none was present in the rules at the time. In response, the proposal introduces a minimum solicitation period of 14 to 21 days.

Ms. Glasgow then described the new procurement method, Intergovernmental Cooperative Purchasing Agreement (ICPA). She explained that all procurement contracts executed by the MHBE must include language to allow other state and local agencies to participate in the procurement, unless certain conditions are met. Procurements of rental property lease or other unique purchases, and procurements valued at less than $100,000 are excluded automatically, while the procurement officer has discretion to exclude contracts wherein they determine that ICPA provisions would undermine the procurement's timing, interfere with meeting the minority business enterprise (MBE) goals, or do not serve the best interest of the agency. Mr. Armiger pointed out that these provisions are in response to state law.

Secretary Neall asked for an explanation of the "best interest of MHBE" and how it would be understood under the proposed change. Ms. Glasgow offered an example of another agency using the MHBE's call center for their own purposes rather than issuing a solicitation for their own call center. Mr. Armiger continued the example, noting that, if the offeror indicates that they would have to raise their price due to the additional work, that would not be in the best interest of the MHBE. Secretary Neall cautioned that there must be some finding of fact or declaration other than someone's opinion and asked who has the authority to make the determination. He added that lack of clarity on

these issues can result in challenges to contract awards. Sharon Stanley Street, Principal Counsel to the MHBE, noted that the language in the proposed change comes nearly verbatim from state law, adding that the authority would lie with the Executive Director. Mr. McCann, noting the use of the word "shall" in the proposed change, stated that the ICPA provision would apply in every case. Ms. Stanley Street agreed, adding that removal of ICPA provisions from a contract would make sense only in a case where the contract is made more expensive due to the ICPA.

Ms. Weckesser asked for a definition of "other unique purchases." Ms. Stanley Street replied that this language was also lifted verbatim from state law and could refer to pricing or some other feature of the contract.

Next, Ms. Glasgow discussed the proposed changes to contract approval authority. The changes include a requirement that the Board's Finance and Audit Sub-Committee approve task orders valued at over $200,000. Also, the Executive Director would be required to report to the Board at its next regular meeting the award of any contract or task order valued above $25,000, as well as any contract valued at $10,000 or more that was selected through a noncompetitive process. Ms. Herron, pointing out that the agency would not be able to hire more than one person for $200,000 or less, suggested that the limit be raised. Ms. Stanley Street explained that, previously, task orders were not considered contracts and thus were not subject to the authority of the Board of Public Works (BPW). She added that the proposed change is a compromise allowing the MHBE Board to debate the issue. Mr. Taneja offered that a small number of Board members can be available at shorter notice than the entire Board. Ms. Herron asked whether the approvals referenced in the proposal could be given via email. Ms. Stanley Street replied that, if the Finance and Audit Subcommittee is subject to the Open Meetings Act, the approval could not be made via email. She explained that the agency's opinion is that the Open Meetings Act does not apply to the subcommittee but cautioned that the agency must not regularly attempt to circumvent the Act.

Ms. Herron asked why the agency must undergo these policy revisions. Secretary Neall, noting that auditors will apply their template to all of the MHBE's purchases, stated that using the subcommittee to maintain conformity with state procurement rules will result in less challenging audits.

Ms. Herron asked that the proposal be amended to include an alternative approval method should the subcommittee not be able to meet for three consecutive days. Mr. McCann asked whether the subcommittee could include an alternate member. Ms. Stanley Street replied that the Chairman could name an alternate.

Ms. Stanley Street pointed out that the proposed change is intended to be a compromise between the MHBE's desired process and that of OLA and that there is no guarantee that the OLA will be satisfied by the proposal.

Secretary Neall announced that he would consult with OLA and seek their blessing before holding a vote on the proposed changes.

Small Business Regulations

Taylor Kasky, Senior Health Policy Analyst, MHBE

Ms. Kasky gave the Board an update on the progress of regulations concerning the Small Business Health Options Program (SHOP) first presented to the Board at its June 2019 meeting, with a final draft presented in September. She explained that the agency had received no comments from the public after publishing the Notice of Final Action in the Maryland Register in October. Given the lack of comments, she asked that the Board adopt the regulations as published in the October 25, 2019 issue of the Maryland Register. Ms. Weckesser moved to adopt the regulations. The motion was carried with no opposition.

Standing Advisory Committee Membership

Michele Eberle, Executive Director, MHBE

Ms. Eberle asked the Board to approve a plan to maintain membership in the SAC beyond the expiry of their original term. Due to a processing error, she explained, several SAC members have served beyond their original three-year terms. The proposed plan would extend the membership of those whose terms have already expired to December 31, 2019 and extend the terms of those who will expire on September 30, 2020 to December 31, 2020. In addition, Ms. Eberle asked that Secretary either reappoint Mr. McCann as the Board Liaison or appoint a different member, as Mr. McCann has served in the role for more than three years. Finally, she described a process by which new SAC members would be sought starting in January 2020.

Ms. Herron moved to approve staff recommendations for term extensions and new recruitment for the Standing Advisory Committee membership as presented. The motion was carried without opposition.

Diabetes Action Plan

Fran Phillips, RN, MHA, Deputy Secretary for Public Health Services, Maryland Department of Health

Deputy Secretary Phillips gave the Board an overview of the Public Health Services' Diabetes Action Plan. She explained that, as part of the integrated health improvement process, the Maryland Department of Health (the Department) is renewing its focus on statewide population health improvement. One primary effort arising from this focus is to improve the state's health with regard to diabetes. She stressed a number of important reasons to focus on this condition, including its prevalence and the sophisticated level of understanding about treatment and prevention.

Next, Deputy Secretary Phillips provided a breakdown Maryland's population by diabetes status, with only 32 percent of Marylanders in the "healthy population" category. She described, in broad terms, what steps her team will next take in this effort, including communication and dissemination of the plan, convening stakeholders from hospitals, local health improvement coalitions, and insurers, and reporting on progress to federal authorities.

Ms. Weckesser asked what the MHBE can do to help. Deputy Secretary Phillips replied by asking the MHBE to consider what they can do with plan design to help achieve diabetes goals. She added that the MHBE has strong communication abilities that could be brought to bear. Ms. Weckesser asked whether the MHBE and the Department's Public Health Services Administration could work together on cross-marketing. Ms. Eberle replied in the affirmative, and added that the MHBE has already begun working with insurers to include diabetes services among those available to members before they have met their deductibles.

Ms. Herron noted that the Y of Central Maryland has a diabetes program and asked whom they should contact about coordination. Deputy Secretary Phillips replied that they should reach out to her.

Secretary Padilla asked whether food banks are involved in the effort described by the Deputy Secretary. Ms. Phillips replied by agreeing that nutrition is an important component of any diabetes plan and noted that one goal of the program might be to loosen the constraints on existing nutrition programs including the Supplemental Nutrition Assistance Program (SNAP) and Women, Infants, and Children (WIC).

Dr. Allen asked which healthcare professions were involved in the process. Deputy Secretary Phillips responded that doctors, pharmacists, social workers, nurses, and community health workers joined the effort. She took a moment to underline the importance of community health workers to the plan, noting that the ranks of such workers should be filled by non-clinical community leadership such as faith and school leaders.

Dr. Allen asked whether all of the academic institutions are engaged in the process. Deputy Secretary Phillips replied that they did not hear from the University of Maryland School of Nursing.

Dr. Allen asked what other goals the Public Health Services Administration will pursue in addition to diabetes and opioids. Deputy Secretary Phillips replied that the third focus is maternal and infant mortality.

Mr. Steffen asked which metrics the federal authorities would use to judge the program. Deputy Secretary Phillips explained in response that the state is allowed a year to work with stakeholders to develop such metrics. She added that, while they have not yet committed to any particular measures, the final slate will likely include diabetes mortality, body mass index, and blood glucose levels.

The Maryland Total Cost of Care Model

Katie Wunderlich, Executive Director, Health Services Cost Review Commission

Ms. Wunderlich provided the Board an update on key activities undertaken by the Health Services Cost Review Commission (HSCRC) on the Maryland Total Cost of Care Model (the Maryland Model). She began by providing the history of Maryland's hospital rate setting system starting in the 1970s and discussed how it evolved from unit-rate price regulation to the current system-wide alignment.

Next, Ms. Wunderlich demonstrated the value of the Maryland Model as compared to the rest of the country and cataloged a number of advantages inherent in the system. She noted that the Maryland Model incentivizes reductions in readmissions, hospital-acquired conditions, and ambulatory-sensitive conditions, as well as better management of internal cost resulting in improved health care quality, lower costs, and better consumer experience.

Ms. Wunderlich then explained that the Maryland Model has resulted in savings in some areas including hospital outpatient and inpatient services while also driving increased costs in Part B non-hospital services, home health, and hospice services. Overall, however, the savings have been much greater than the increases.

Next, Ms. Wunderlich discussed how the Maryland Model has changed in its most recent incarnation starting in 2018. She explained that the focus of the program has widened from the 2014 All-Payer Model that was focused entirely on hospitals and now encompasses the entire health system, the total cost of care, and population health outcomes. She described the structure of the new agreement with an initial five-year period to establish cost savings and a subsequent five-year period to maintain those savings. If the Maryland Model is successful in the initial period, it may be made permanent.

Ms. Wunderlich then provided specific targets for the total cost of care under the Maryland Model. She explained that the state must achieve $300 million per year in Medicare savings, limit growth in all-payer hospital revenue per capita at 3.57% annually, coordinate care among hospital and non-hospital settings, and address the state's prevalent chronic conditions.

Next, Ms. Wunderlich described the first health improvement area to be addressed by the Maryland Model: diabetes. She provided evidence of the importance of the problem, the disparate impact of the condition among populations, and noted that success on the diabetes front will provide credit with federal authorities for the Maryland Model. She added that the Maryland Model is not the only tool available to HSCRC, who also issue "catalyst grants" to regional partners to address priority areas including diabetes, behavioral health crisis services, and an additional priority to be defined in the future.

Ms. Wunderlich concluded her remarks by discussing how the MHBE and HSCRC could work together to achieve the goals of the Maryland Model, noting that the effort must be borne by a wide variety of public and private stakeholders. She added that the MHBE should work closely with HSCRC to ensure that the savings under the Maryland Model are available to consumers.

Secretary Padilla asked whether the Maryland Model contemplates expansion of adult dental coverage. Secretary Neall noted that Medicaid currently provides dental coverage to women, children, and those dually eligible for Medicaid and Medicare, and operates a small pilot program for adults. Ms. Wunderlich expressed her support for the idea of expanding adult dental.

Adjournment

Secretary Neall reminded the Board that they would not meet in December.

The meeting was adjourned.