



# Maryland Health Benefit Exchange Board of Trustees

January 21, 2020  
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 (by phone)  
Ben Steffen, MA  
Dana Weckesser  
Dr. Rondall Allen  
Robert D'Antonio, PhD  
K. Singh Taneja

## **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  
Johanna Fabian-Marks, Director, Policy & Plan Management, MHBE  
Raelene Glasgow, Procurement Manager, MHBE

## **Welcome and Introductions:**

Secretary Neall opened the meeting and welcomed all in attendance.

## **Approval of Meeting Minutes**

The Board reviewed the minutes of the November 18, 2019 open meeting. The Board voted unanimously to approve the minutes of the November 18, 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 explained that the state's legislative session has begun, and that there are two bills that would affect the individual market: one is a premium subsidy that would apply to young adults or individuals between 400 and 600 percent of the federal poverty level (FPL) with a second related bill funding the program. Similarly, she stated that there are bills to establish and fund a premium subsidy program in the small group market.

She then noted that staff from the Maryland Health Benefit Exchange (MHBE) would be attending a meeting that evening of the Maryland Legislative Latino Caucus. Additionally, she explained that she would be attending a meeting with the Maryland Chamber of Commerce to discuss opportunities in the small group market.

Ms. Eberle informed the Board that the MHBE has filled a staff vacancy in marketing and outreach.

Next, she explained that, in the course of the state budget process, the MHBE will have a hearing in the legislature around the end of February.

Ms. Eberle noted that Caterina Pañgilinan, Chief Compliance Officer for the MHBE, would be providing the Board with an update around audit activities.

She then stated that the Maryland Easy Enrollment program will have a kick-off event on January 27 at 11am at Healthcare Access Maryland's downtown office. She noted that the legendary Oriole Eddie Murray would be in attendance.

Next, Ms. Eberle explained that the MHBE had anticipated needing \$400 million for the reinsurance program for 2020—with \$324 funded by the federal government. She stated that, given projections for potential enrollment through the Easy Enrollment program, the federal government will fund a total of \$447 million. She added that the longer the MHBE does not have to dip into state assessment funds—a combined \$453 million from 2019 and 2020—the longer the reinsurance program can continue. The state assessment on health insurers was 2.75% in 2019 and 1% in 2020.

Ms. Eberle stated that the January software release would have a number of Medicaid items that were postponed due to the transition to the Maryland Total Human-services Integrated Network (MD THINK) platform. She noted that a priority this year will be to further engage community health workers.

Then, she explained that staff from the MHBE held a post-open-enrollment debrief with connector entities and navigators to hear their feedback.

Mr. Steffen asked for the current balance of the state's portion of the reinsurance program. Ms. Eberle responded that, for 2019 and 2020 combined, the state collected \$453 million. Mr. Steffen

then asked whether those dollars could be used for a subsidy purpose other than reinsurance. Ms. Eberle responded that the funds currently may not be used for other purposes, but that one of the bills introduced in the legislature would allow for the funds to be used for individual subsidies.

## Open Enrollment Report

*Andy Ratner, Chief of Staff, MHBE*

Mr. Ratner stated that enrollment reached 158,934, with significant gains coming in some rural counties. Overall, he explained that enrollment grew by one percent statewide from the previous year. He added that Maryland remains in the top quarter of states for enrollment growth.

He noted that the reinsurance program continues to fortify the overall individual market. He added that the total on- and off-exchange enrollment is also up one percent from last year, and now stands at 215,484.

He stated that just about half of all plan enrollments were facilitated with assistance, which is below the rate in previous years and likely due to greater familiarity with the system.

Mr. Ratner explained that there was a market shift this year back toward CareFirst, which now stands at 61% of the qualified health plan (QHP) market compared to 53% last year. He added that a similar shift occurred in individuals buying higher metal-level plans, with platinum enrollment up 13 percent and gold enrollment up 27 percent.

Mr. Taneja asked whether CareFirst's reported gain of 16 percent was based on the total population or CareFirst's population. Mr. Ratner responded that it refers to the total population of the QHP market. Mr. Taneja then asked what Kaiser Permanente's (KP) volume was before this year. Mr. Ratner responded that KP was in the high 40s (percentage) previously. Ms. Eberle noted that this figure represents the on-exchange population.

Ms. Weckesser asked whether KP is worried about the decline. Mr. Ratner responded that he cannot speak for KP, but that they have announced a major investment in the area.

Ms. Herron asked whether, since KP has a lower share of the market, most of the increase this year in enrollment went to CareFirst. Mr. Ratner responded that that is probably a decent assessment. Ms. Eberle noted that a contributing factor was that CareFirst dropped the rate of their HMO product to within pennies of KP.

Mr. Steffen asked whether the shift toward gold plans was mostly due to CareFirst's increase in gold plans, or whether similar gains were had by KP. Mr. Ratner responded that the previously mentioned figures are the totals, and that they would have to analyze the data for any shifts. Mr. Steffen then asked if the MHBE has any insight on why enrollment fell in Anne Arundel County. He also asked whether the low unemployment rate could be a contributing factor, as individuals may be receiving employer-sponsored coverage. Mr. Ratner responded that they would look into the issue.

Mr. Ratner then explained that the video completion rate for advertisements was up 30 percent compared to 2018, due largely to the types of platforms utilized. Overall, he stated that the video

completion rate was 38 percent, well above the benchmark range of one to three percent. He added that the social media toolkit was useful for partners to broadcast the marketing materials.

He noted that enrollments in target groups were down slightly. He stated that, at the federal level, the removal of the individual mandate penalty and confusion around public charge rules may have contributed to this decline. He added that enrollments were down two percent among young adults, one percent among African Americans, and one percent among Hispanics.

Mr. Ratner stated that social media engagements grew to 65,000 in the fourth quarter of 2019.

He explained that Maryland Health Connection (MHC), the enrollment website operated by the MHBE, is becoming more familiar across the state, and that growing numbers of young adults view it favorably. He then noted that two of three uninsured individuals between 18 and 34 desire health coverage. He added that the MHBE won an award of excellence from the Public Relations Society of America.

Next, Mr. Ratner noted that desktop visits to MHC were down five percent, while mobile app use was up 24 percent.

He stated that the Easy Enrollment program is the first of its kind in the nation. He also highlighted a study done by the Internal Revenue Service (IRS) that examined insurance uptake and health indices of individuals who received letters from the IRS related to the individual mandate penalty. He explained that the study found an increase in enrollments among those who received the letters as well as a drop in mortality.

Finally, Mr. Ratner stated that an estimated 398,414 individuals under the age of 65 remain uninsured, and that an estimated 162,281 would be eligible for free or low-cost coverage.

Ms. Weckesser asked to receive a copy of the IRS study. Mr. Ratner responded in the affirmative.

Mr. Taneja asked whether, in reference to citizenship as a reason for not qualifying for financial assistance, he really means legal status. Mr. Ratner responded in the affirmative.

Mr. McCann asked whether staff plan to examine the dynamic issues around unemployment and individual market enrollment. Mr. Ratner stated that, as one example, they will be contacting individuals who dropped coverage but were previously enrolled. Mr. McCann then asked whether the figure estimating the uninsured population has been updated. Mr. Ratner replied that it is the latest figure based on a formula which includes the latest enrollment numbers.

Mr. Steffen asked whether the remaining population of 240,000 are categorized as not eligible to buy through the exchange. Mr. Ratner replied that they can buy through the exchange, but are not eligible for financial assistance.

#### [Procurement/Finance Items](#)

*Tony Armiger, Chief Financial Officer, MHBE*

*Raelene Glasgow, Procurement Manager, MHBE*

Mr. Armiger explained to the Board that the current Salesforce license is up for renewal. He noted that the MHBE utilizes the Salesforce platform for functions such as the customer relationship management (CRM), learning management system, and timesheet management system. He added that the MHBE plans to expand its use of the platform in 2020 to build internal applications such as compliance and audit tracking, procurement and finance, asset tracking, incident management, human resources management, and carrier data integration systems.

He explained that the current licenses expire on March 1, 2020, and that the cost of renewal for one year is \$1,192,076.05. He showed the Board the number of licenses for each module and the associated costs. Additionally, he showed the Board a comparison of licenses and costs for 2019 and 2020. He noted that the major difference between 2019 and 2020 is the acquisition of the Sandbox module.

Venkat Koshanam, Chief Information Officer, MHBE, explained to the Board that previously the MHBE used Salesforce only for CRM functionality, which is critical to support the call center. Due to the addition of internal applications, there is a need to segregate the CRM system from any new systems. He explained that this would require the use of Sandbox. He added that they have decided to reduce the number of licenses for customer community logins and increase the number of licenses for the lightning service cloud to include internal uses. Ms. Eberle noted that this would be similar to MD THINK, with a development environment, staging environment, and a testing environment. Mr. Koshanam added that it would be similar to the staging environment of MHC. Ms. Eberle added that the tool is so robust that they have found it would be useful internally for process improvement and tracking, especially regarding compliance and auditing.

Mr. Taneja asked whether the increase in total cost of around \$250,000 has been budgeted for. Mr. Armiger responded that the budget was increased in anticipation of acquiring Sandbox.

Mr. Armiger noted that the quote was received on January 10, the task order request for quotes (TORFQ) was sent to Carahsoft on January 14, and that the task order should be ready for approval by the next Board meeting.

Ms. Weckesser asked whether the order was made available to everyone or no-bid. Ms. Glasgow responded that this was acquired through an Informal Competitive Procurement (ICP) and that Carahsoft, through a Government Services Administration (GSA) contract, was the only vendor carrying this product. She noted that, after speaking with the GSA, these contracts are usually extended for twenty years.

### [FY 2020 Q2 Compliance Report](#)

*Caterina Pañgilinan, Chief Compliance Officer, MHBE*

Ms. Pañgilinan explained that, out of the 18 audit findings over the last three years and 26 associated recommendations, there remain three open recommendations. She noted that there is a new finding that remains open related to destruction of cloud data. She explained that the finding is related to the need to ensure that sister agency files, such as those from MD THINK, are destroyed. She added that they will be working with the MD THINK team to ensure that if data are not destroyed, that they are at least maintained properly.

Regarding the open recommendation relating to Medicaid recipient income verification processes, she explained that there is still ongoing work to obtain data on enrollees' unemployment income.

Ms. Pañgilinan added that, of the 23 recommendations that have been addressed, a number are continuing to be monitored. For example, related to the Office of Legislative Audits (OLA) triennial audit, the focus is on making sure competitive bid processes are in place and ensuring that SOC 2 Type 2 audits of the call center are up to date. She added that such an audit was just completed for the call center, as well as the resulting corrective action plan, and that both are being reviewed.

Another area related to the SMART and independent audit, in particular, is sampling the employer-sponsored coverage attestations. She explained that they are required to use the Maryland Automated Benefit System (MABS) to verify attestations around offers of employer-sponsored coverage. Finally, related to IRS reviews, they are focused on background checks and cleaning up the e-verify process—a system by which the MHBE finds out whether or not an applicant is eligible to work in the United States.

She noted that the agency has completed five other internal reviews. One, related to administrative services, stemmed from an OLA finding on inventory reconciliation. She explained that they are developing plans with finance, information technology (IT), and the inventory manager to ensure what comes in is balanced with what goes out. Another area of focus is the timekeeping process with the Project Management Office (PMO).

Ms. Pañgilinan explained that their fraud, waste, and abuse reviews are somewhat static at the moment. She added that they are working with the Maryland Department of Health (MDH) to identify which reports they find valuable. Additionally, she noted her participation with a Center for Consumer Information and Insurance Oversight (CCIIO) workgroup that identifies what other states are finding related to fraud—with a focus on out of state producers.

She noted that the MHBE is currently undergoing a payment error rate measurement (PERM) audit, and that it will be continued into next year.

She stated that an independent financial audit will begin in February, along with a privacy impact assessment that will stretch into June. Additionally, she noted that a significant audit this year will be the IRS 1075 safeguards triennial, which begins in May. She explained that, because of the new relationship with MD THINK, the audit will include their processes as well.

Ms. Pañgilinan explained that the OLA triennial will begin sometime in June. Secretary Neall noted that OLA typically gives more attention to repeat findings. Ms. Pañgilinan responded that the priority areas to address include getting unemployment income as a part of the review process, which will require the appropriate memorandum of understanding (MOU).

In the area of risk mitigation, she explained that one priority is making the privacy notice more user friendly. She added that another priority area will be privacy walkthroughs for staff.

She noted that efforts to align records of MOUs and data use agreements (DUAs) are nearly complete. She added that they are working with other state agencies to create new MOUs and non-exchange entity agreements.

Related to health benefit exchange (HBX) privacy improvements, Ms. Pañgilinan noted that one priority is the ability to print HBX applications in a user-friendly format. Additionally, another priority is to enable producers to securely send personally identifiable information. Finally, she stated that they have been working with MDH to solidify the privacy incident investigative process.

Ms. Pañgilinan then explained that there has been a ten percent increase in the rate of privacy incidents in fiscal year (FY) 2020 compared to FY 2019. Additionally, she noted that the rate of misloads increased. She added that they are looking into artificial intelligence tools that could ensure documents are loaded into the correct individual's account.

Mr. Steffen asked whether she could provide similar figures for other state exchanges. Ms. Pañgilinan responded that they are not available. Mr. Steffen sought clarification that, since the MHBE is not a covered entity, they are not required to report incidents to the federal Office of Civil Rights. Ms. Pañgilinan replied in the affirmative, but added that the agency is required to report any actual or suspected incidents to CCIIO within 24 hours.

Next, Ms. Pañgilinan stated that there was a two percent decrease in the error rate for cost-sharing reduction (CSR) determinations compared to last year.

She noted that there has been significant improvement in the rate of misloads that require notice to the consumer. She explained this is because they are able to now fix misloads immediately.

Finally, with regards to the compliance hotline, Ms. Pañgilinan explained that, year-to-date, there have been nine allegations with only one issue referred to MDH. Another issue was partially founded and a corrective action was put in place.

Mr. McCann asked whether the agency has any mechanism in place to appropriately divide responsibility for audit findings between itself and MD THINK. Ms. Pañgilinan responded that if there is a finding for one, it will be there for others as well. She added that a challenge will be that, in the course of reviewing the Federal Tax Information (FTI) background policy, the policies of the Department of Human Services and the Department of Information Technology have to be reviewed for any individuals who have access to FTI. Mr. McCann then asked whether there needs to be a formal mechanism to resolve issues and ensure that responsibility goes to the right place. Ms. Pañgilinan replied that there probably could be a formal mechanism, but that it hasn't been established. She noted that, since the first audit with MD THINK is upcoming, the MHBE's chief security officer (CSO) is working with their CSO to review processes and determine who has what responsibility. She explained that the auditing agencies are going to expand their scope, but will be looking at the MHBE and MD THINK together.

### **2021 Plan Certification Standard Modification**

*Johanna Fabian-Marks, Director, Policy & Plan Management, MHBE*

Ms. Fabian-Marks reminded the Board that the 2021 Plan Certification Standards seek to build off improvements in 2020, establish reasonable consumer expectations for out-of-pocket costs, align consumer incentives for health care service utilization, increase enrollee effectuation rates in the individual marketplace, and increase access to stand-alone dental coverage through MHC. She

reminded the Board that these standards were proposed at the September 2019 meeting and approved at the October meeting.

After receiving additional feedback, MHBE staff propose to remove the standard that would require SHOP issuers to offer at least one QHP at the bronze, silver, and gold metal levels that allows for composite rating. She explained that composite rating is an alternative rating structure to age rating, and was more common before the Affordable Care Act. She noted that insurers shared additional questions and concerns related to implementation and administrative burden. She added that the MHBE will continue to pursue efforts to improve affordability in the small group market, including seeking a federal 1332 waiver for advanced premium subsidies.

Ms. Fabian-Marks then explained that staff from the MHBE will continue to engage stakeholders to identify the most helpful ways to increase the number of small businesses that offer health insurance to their employees. Finally, she noted that there are no other proposed changes to the 2021 Plan Certification Standards.

Mr. Steffen sought more information on the specific objections raised by payers with regards to composite rating, especially given their resistance to move towards individual rating in 2014. He asked whether the concerns include rating a group as younger than the actual age of the take-up cohort within the firm. Ms. Fabian-Marks responded that they have had conversations with an insurer around risk and how to properly implement composite rating. Additionally, she noted that there are systems concerns, similar to concerns raised back in 2014 about the switch away from composite rating.

Ms. Weckesser expressed a frustration that insurers have switched from preferring composite rating to now being opposed. Ms. Eberle noted that insurers were forced to change due to the Affordable Care Act toward age-based rating. She added that the employee choice model creates unique challenges for insurers. Ms. Weckesser then sought clarity that the motion would be to give insurers a year to sort out these issues. Ms. Eberle responded that it would be to find out if this is really what the employers want. Mr. Taneja responded that the motion is not really to pause the proposal for a year, but withdrawing the proposal and give future consideration.

Mr. McCann sought clarity as to whether the original standard would either be an option or require insurers to rate a small firm's pool as one pool. Ms. Fabian-Marks responded that the standard would have required insurers to offer composite rating at each of the three metal levels. She added that, in practice, each individual would be rated but then all the firm's individual ratings are averaged out across the group.

Mr. McCann motioned to approve the 2021 Plan Certification Standard Amendment as presented. The motion passed unanimously.

### **Consumer Assistance Regulation Amendment**

*Johanna Fabian-Marks, Director, Policy & Plan Management, MHBE*

Ms. Fabian-Marks stated that the amendments make minor changes to the consumer assistance regulation as related to consumer assistance worker groups. She explained that the amendments



remove existing reinstatement provisions, because there was no real difference between an existing application and an application for reinstatement.

She noted that these regulations were presented to the Board at the September 2019 meeting. She added that after receiving approval to publish the regulations as proposed, they have received no comments.

She explained that they are requesting the Board approve the proposed amendments in order to submit a Notice of Final Action for publication in the Maryland Register.

Mr. McCann motioned to approve the amendments. The motion passed unanimously.

### Adjournment

The meeting was adjourned.