Maryland Health Benefit Exchange
Board of Trustees

September 21, 2020
2 p.m. – 4 p.m.
Meeting Held via Video Conference

Members Present:
Robert R. Neall, Chair
S. Anthony (Tony) McCann, Vice Chair
Dr. Rondall Allen
Kathleen A. Birrane
Mary Jean Herron
Ben Steffen, MA
Dana Weckesser
K. Singh Taneja

Members Excused:
Robert D'Antonio, PhD

Also in Attendance:
Michele Eberle, Executive Director, Maryland Health Benefit Exchange (MHBE)
Andrew Ratner, Chief of Staff, MHBE
Venkat Koshanam, Chief Information Officer, MHBE
Caterina Pañgilinan, Chief Compliance Officer, MHBE
Sharon Stanley Street, Principal Counsel, Office of the Attorney General
James Adelman, Counsel, Office of the Attorney General
Betsy Plunkett, Director, Marketing & Web Strategies, MHBE
Johanna Fabian-Marks, Director, Policy & Plan Management, MHBE
Heather Forsyth, Director, Consumer Assistance, Eligibility & Business Integration, MHBE
Raelene Glasgow, Procurement Manager, MHBE
Lourdes Padilla, Secretary, Maryland Department of Human Services (DHS)

Welcome and Introductions:

Vice Chair McCann opened the meeting and welcomed all in attendance.

Approval of Meeting Minutes

The Board reviewed the minutes of the July 20, 2020 open meeting. The minutes were amended to reflect Andrew Ratner's presence. The Board voted unanimously to approve the minutes of the July 20, 2020 open meeting as amended.

Public Comment

Mr. McCann invited members of the public to offer comment. No comments were offered.

Executive Update

Michele Eberle, Executive Director, MHBE

Ms. Eberle began by noting that September 30 is State Employee Appreciation Day. She offered thanks to frontline employees and those who have adjusted to working from home.

Next, she noted that over 69,000 individuals have enrolled in plans under the COVID-19 special enrollment period (SEP). Of those, 65 percent qualify for Medicaid and the remainder are in commercial plans. Additionally, she highlighted that 18 to 34 year-olds now account for around 30 percent of enrollment in qualified health plans (QHPs). Ms. Eberle then explained that Medicaid redeterminations have been pushed back until December 31.

She noted that the upcoming open enrollment period will be somewhat unique, in that this year has essentially been an ongoing open enrollment. She explained that the MHBE will focus its efforts on the six percent of Marylanders who remain uninsured. She added that the Easy Enrollment Program has helped identify many of these individuals by zip code.

Next, Ms. Eberle stated that the MHBE is pleased with the final 2021 premium rates and thanked Commissioner Birrane and her staff at the Maryland Insurance Administration (MIA).

She then highlighted the return of United Healthcare to the marketplace. She noted that they will not be paying broker commissions in the first year.

Ms. Eberle then explained that the MHBE recently submitted its Managing for Results report to the state legislature. Largely, it tracks issues such as the number of plans offered, number of people enrolled, the uninsured rate, the level of consumer assistance, call handling, and innovative information systems.

Next, she notified the Board of a recent sole source contract procurement in the amount of $45,600 to Mythics, Inc. She explained that only one vendor in the area was able to provide the required Java renewal.

Finally, she informed the Board that the MHBE is requesting another increase in the not-to-exceed (NTE) amount for language line services. In particular, she explained that the number of Spanish language consumers has increased more than expected. She added that staff will put together a corrective action plan so that, for this and similar contracts, the MHBE will have tighter control over spending levels.

2020 Strategic Messaging Survey

Betsy Plunkett, Director, Marketing & Web Strategies
Robert Suls, Eureka Facts

Ms. Plunkett explained that the marketing team builds a campaign each year based on research that tests messages for various target audiences. She added that this year has granted the unique opportunity to gauge consumer sentiment toward health insurance in the context of a pandemic. She then introduced Mr. Suls, who conducted this year's marketing research.

Mr. Suls began by outlining the scope of this year's research, noting that African Americans and Hispanics were two sub-groups of particular interest. Among other things, he explained that the research sought to understand the impact of COVID-19 on Marylanders' well-being and their awareness and experience interacting with Maryland Health Connection (MHC).

He noted that the study was conducted via an online survey between July 21 and August 11 and received 1,146 responses. He explained that the study population was broken into two customer bases, along the lines of household income and recent experience with being uninsured or enrolled in an MHC plan.

Next, he reported that 63 percent of MHC-eligible Marylanders say that the COVID-19 pandemic has affected their family's financial situation either a great deal or a fair amount. Further, half of all respondents reported that the pandemic has affected their family's physical or emotional health a great deal or fair amount. Only 31 percent reported no difficulty in affording common household expenses. Additionally, 33 percent reported difficulty affording health care and health insurance costs.

Mr. Suls stated that the top reason why the uninsured report lacking insurance is cost. Additionally, he noted that 81 percent of the uninsured report a desire to obtain health insurance.

Of MHC-eligible Marylanders, he explained that 44 percent have come into contact with MHC. Further, the percentage of Marylanders familiar with MHC increased from 43 percent in 2017 to 63 percent this year. The percentage of respondents reporting favorable views of MHC has also increase; 77 percent of MHC-eligible Marylanders who are familiar with MHC view it favorably. Mr. Suls noted that the most frequent method of interaction is online.

Next, he reported that two-thirds of respondents who interacted with MHC have enrolled in a plan. Additionally, satisfaction among those who have interacted with MHC has increased since 2017, with 69 percent now reporting being very or somewhat satisfied. Nearly nine in ten MHC-eligible individuals reported that they are at least somewhat likely to visit or contact MHC in the coming year.

Mr. Suls then highlighted that awareness of the availability of the tax credit has improved in recent years, with half of the MHC-eligible respondents now aware. He noted that respondents identifying themselves as Hispanic reported being the most aware of the tax credit among the categories of race and ethnicity.

Finally, Mr. Suls highlighted key findings from six messages that were tested. Overall, messages related to cost savings were the most appealing.

Mr. McCann asked whether there was any confusion among respondents by use of the term “tax credit” instead of “premium subsidy,” noting that many individuals pay no income tax. Mr. Suls responded that messages have previously been tested in focus groups and that, for a Spanish language audience, the term tax credit could be construed as a debt. However, he explained that this issue did not arise in English speaking audiences.

Lourdes Padilla, Secretary, Maryland Department of Human Services, asked if there has been any messaging targeting individuals who lost their jobs and may now be eligible for Medicaid. Ms. Plunkett responded that the MHBE does direct messaging to individuals with commercial plans through MHC and that they are reminded to report changes in their income. Ms. Padilla asked if there has been a special effort made during the pandemic. Ms. Plunkett responded in the affirmative, and that the MHBE goes through the Department of Labor to message to individuals who are losing their jobs.

Mr. Steffen asked whether any messages were tested around use of the term “value plan.” Mr. Suls highlighted the language used in the message that was tested on value plans, and noted that some of the health insurance terms used could be unfamiliar. Ms. Plunkett added that lower costs tends to drive individuals to the site, and from there staff can talk through the differences in the plans.

FY 2020 Q4 Compliance Report

Caterina Pañgilinan, Chief Compliance Officer

Ms. Pañgilinan began by explaining that there were 16 allegations of fraud, waste, and abuse in fiscal year (FY) 2020, with five allegations related to Medicaid referred to the Maryland Department of Health (MDH). Additionally, one issue was raised regarding a potential conflict of interest in contracting. In response, an internal policy was implemented to have the procurement officer provide review in such instances.

She went on to inform the Board of the steps taken regarding internal controls. She highlighted the internal processes implemented related to the audit control plan. Next, she noted a pilot compliance tracker that allows the senior leadership to manage any necessary corrective actions. Additionally, she stated that 192 employees and consultants, as well as 1,265 producers and caseworkers completed required compliance and privacy training.

Ms. Pañgilinan then gave an overview of the five program reviews that were undertaken as well as five interdepartmental reviews. She noted that corrective actions were reviewed to determine whether they had been fully implemented or were still ongoing. She also explained the process for conducting desktop audit reviews of Connector Entities, which involved sending requests for documents and questions in advance.

She next gave an overview of the audit status report, and explained that a finance audit finding related to rental expense was cleared. She noted that three internal assessments are still pending and that the payment error rate measurement audit from the Centers for Medicare & Medicaid Services (CMS) has been delayed. She stated that the Office of Legislative Audits (OLA) triennial financial and IT audit is expected to conclude shortly. She then offered an overview of the auditor focus areas.

Regarding privacy incidents, Ms. Pañgilinan noted a steady increase each year in the number found or reported. She noted that mis-loads continue to be a majority of privacy incidents, and explained that MDH has implemented a process whereby local health departments are responsible for the subsequent investigation. Additionally, she explained that a new robotic processing automation technology should address privacy incidents related to data matching.

Finally, she gave an overview of the FY 2020 privacy program. In particular, she highlighted an effort to simplify the language used in the privacy notice.

2021 Approved Plans and Rates

Johanna Fabian-Marks, Director, Policy & Plan Management, MHBE
Todd Switzer, Chief Actuary, MIA

Ms. Fabian-Marks began by giving an overview of the carrier service areas for 2021, highlighting the counties where United will be entering. She explained that ten additional QHPs will be offered in 2021 compared to this year, primarily due to the addition of United. She then presented the plans by metal level, highlighting deductibles, actuarial value, and changes in premium. Overall, she noted that deductibles held steady in silver and gold plans, while increasing in bronze plans. Finally, she explained that carriers are required to offer one value plan in each level of bronze, silver, and gold.

Mr. Switzer began by highlighting the role of the reinsurance program in reducing premiums. Since it began in 2019, rates have fallen more than 30 percent. He then provided rates for a typical family of four over the last several years, noting that the percentage of family income spent on premiums has decreased.

Next, he gave a detailed overview of the rates for the small group marke,t as well as dental rates in the individual market. For the 2021 plan year, small group rates will increase 2.3 percent while individual dental rates will fall 3.7 percent.

Mr. Switzer then highlighted the impact of United's entry to the marketplace, comparing rates across metal levels and across carriers. He explained that United's silver plan will affect some subsidy amounts this year, due to how the advanced premium tax credits (APTCs) are calculated. He noted that this dynamic effect will mean that some individuals who previously paid no premiums could now face a premium.

Next, he explained the Affordable Care Act requirement for carriers to pay out 80 percent of premium dollars in claims in the individual and small group markets. He informed the Board of continued efforts to engage the carriers on addressing these medical loss ratio (MLR) rebates. He explained that, despite being number 19 nationally in population, Maryland ranked third in 2018 for MLR rebates.

He continued by highlighting two federal cases that could result in payments to Maryland carriers. A case on disputed risk corridor payments resulted in the U.S. Supreme Court ruling that the payments are due to carriers. The second is related to cost-sharing reduction payments and is valued at $53 million for Maryland carriers.

Mr. Switzer then presented a comparison of individual and small group rates, showing that individual rates are lower than small group rates for the first time since 2016. He also compared the portion of the premium a typical individual pays in the individual versus small group markets. Finally, he highlighted that Maryland's 11.9 percent rate reduction is the highest of the 23 states reporting thus far.

Commissioner Birrane thanked her team for delivering these results and re-iterated the impact of the APTC issue related to the second lowest cost silver plan. She noted that individuals may need to examine other options to determine what is best for their situation. Ms. Eberle explained that the MHBE engages in a significant amount of communication, urging individuals to shop around for the best deal.

Mr. McCann asked whether payments stemming from the aforementioned court cases would affect premiums by bringing them down. Mr. Switzer responded that carriers have indicated that it would not affect 2021 rates, but that MIA would view them with regards to risk-based capital and surplus position. Mr. McCann asked whether a company receiving a large payment mid-year would affect the premium during that year or for the upcoming year. Mr. Switzer responded that, logistically, there would be a lag and that it would affect the following year.

Mr. Steffen asked whether there is any information on the scope of United's network in the individual market. Mr. Switzer responded that it is a narrow network, different from their group networks, and that the second year may be different.

Mr. Steffen then asked about what the highlighted $33 premium increase in the APTC example would translate to for a family plan. Mr. Switzer responded that it would be multiplied by approximately 2.8.

2022 Proposed Plan Certification Standards

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

Ms. Fabian-Marks began with an overview of the timeline related to the 2022 plan certification standards, noting that after today's meeting, the public will have 30 days to comment on the proposed standards. She then shared the goals for the standards, including strengthening the value proposition of bronze value plans and improving consumer understanding of telehealth benefits.

Next, she highlighted that value plans constitute four of the ten plans with the highest enrollment in 2020. She then reminded the Board of value plan requirements set in place for 2021, including that carriers offer at least one value plan at each of the bronze, silver, and gold levels. Finally, she explained the types of services available before the deductible at each metal level.

Ms. Fabian-Marks explained alignment of the proposed 2022 standards with statewide population health initiatives under the Total Cost of Care Model, with a resulting focus on diabetes, opioids, and primary care.

She then informed the Board of proposed 2022 value plan modifications. At the bronze level, the MHBE is proposing to include all primary care visits, mental health/substance use disorder outpatient visits, and generic drugs pre-deductible. For the silver and gold levels, she noted that a proposed change to include all mental health/substance use disorder outpatient visits pre-deductible is already

met by the plans. She then noted a proposed change to require coverage of diabetic supplies pre-deductible for silver and gold value plans. Ms. Fabian-Marks explained that the MHBE has heard some concern from carriers regarding the proposed changes at the bronze level and the potential need to increase deductibles.

Next, she highlighted a proposed requirement for issuers to describe their coverage of telehealth services in certain plan documents. Additionally, she explained proposed requirements for issuers to comply with federal standards related to patient access to their claims data through third-party applications and to implement processes to share data between payers as needed.

Finally, she informed the Board of proposed requirements for dental carriers to provide an in-network provider directory to facilitate the consumer shopping experience and to create an "Important Information about This Plan" document that would likewise be available as consumers browse plans.

Ms. Herron highlighted the issue of drugs being dropped from formularies and the uncertainties surrounding long-term effects of COVID-19. She asked whether there is interest in requiring carriers to re-examine what drugs are being removed. Ms. Fabian-Marks responded that there is no specific requirement for carriers to do so, but that there are essential health benefit requirements that govern classes of drugs covered. Ms. Herron responded that the drugs she is referencing are not necessarily drugs to treat COVID-19, but may be for associated side effects. Commissioner Birrane added that she can look into what the carriers' actual obligations are on the issue.

Mr. Steffen asked whether the MHBE has conducted analyses on how the inclusion of services below the deductible affects other aspects of value plans. Ms. Fabian-Marks responded that those analyses have not been conducted. She added that, last year, the actuarial value on the value plans had increased.

Commissioner Birrane asked whether the MHBE can share any carrier feedback, as well as any analysis of potential cost impacts. Ms. Fabian-Marks responded that they have not received any feedback on cost impact, but she noted that the bronze value plans would likely require an increase in deductibles. She added that they have not heard concerns regarding the proposed coverage requirement of diabetic supplies pre-deductible.

Language Line NTE Increase

Heather Forsyth, Director, Consumer Assistance, Eligibility & Business Integration
Raelene Glasgow, Procurement Manager

Ms. Forsyth began by reminding the Board of increases in language line utilization dating back to May, and the resulting issue in exceeding the NTE amount. Despite the Board's previous approval of an increase in the NTE amount to $218,000 for FY 2020, she explained that utilization continued to increase. She stated the need for an additional increase of $4,212 in the NTE amount for FY 2020, as well as adjustments in the NTE amount for FY 2021 to reflect these trends.

She highlighted some of the factors leading to increased language line utilization, including the COVID-19 special enrollment period and the loss of in-person assistance options. She also noted that the rates the MHBE pays for these services through the Board of Public Works are lower than what its counterparts in the District of Columbia pay.

She added that NTE contracts allow the flexibility to not expend funds that are not needed. Specifically, she stated that the MHBE is now requesting an increase in the NTE for FY 2021 from $210,000 to $380,000. Further, she explained that 57 percent of these costs are covered by the state, with the remaining 43 percent covered by the federal government.

Ms. Weckesser asked where the dollars for the increase would come from. Ms. Forsyth responded that they would likely be covered through an overage in the call center contract.

Ms. Weckesser moved to approve the NTE increase for language line services for FY 2020 by $4,212. Mr. Taneja seconded. The motion carried.

Mr. McCann cautioned that while the MHBE has been running approximately $2 million under its budget recently, the governor may find it necessary to absorb some of those funds.

Secretary Neall moved to approve the NTE increase for language line services for FY 2021 from $210,000 to $380,000. Mr. McCann seconded. The motion carried unanimously.

Adjournment

The meeting was adjourned.