



# Maryland Health Benefit Exchange Board of Trustees

February 16, 2021

2 p.m. – 4 p.m.

*Meeting Held via Video Conference*

## **Members Present:**

Dennis Schrader, Chair

S. Anthony (Tony) McCann, Vice Chair

Dr. Rondall Allen

Mary Jean Herron

Ben Steffen, MA

Dana Weckesser

K. Singh Taneja

Robert D'Antonio, PhD

## **Members Excused:**

Kathleen A. Birrane

## **Also in Attendance:**

Michele Eberle, Executive Director, Maryland Health Benefit Exchange (MHBE)

Andrew Ratner, Chief of Staff, MHBE

Venkat Koshanam, Chief Information Officer, MHBE

Anthony Armiger, Chief Financial 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:**

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

## **Approval of Meeting Minutes**

The Board reviewed the minutes of the January 19, 2021 open meeting. The Board voted unanimously to approve the minutes of the January 19, 2021 open meeting.

## **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 her remarks by noting that the January 2021 data report is available on the MHBE website. She highlighted that enrollments in qualified health plans (QHPs) are up 5% year-over-year and enrollments in dental plans are up 32%. Additionally, enrollments in private plans without financial assistance are up 25%. She explained that, especially during a pandemic, these figures suggest that the reinsurance program has played a key role in making premiums more affordable.

Next, she highlighted a recent staff report on the uninsured in Maryland. She noted that the interactive data map also shows the effects of COVID-19 and resulting losses in employer-sponsored coverage.

Ms. Eberle explained that the MHBE has a budget hearing before both houses of the legislature on March 1. She stated that the Governor's budget mandated \$35 million in state funding, which comes via the premium assessment tax. However, she explained that the legislature's budget act contained a recommended \$3 million reduction in state funding that would correspond to a \$4.1 million total reduction in federal funds. She noted that if these figures were to hold, funds would be removed from the call center budget and that the MHBE would identify ways to assist individuals who normally would have sought out assistance via the call center. She also highlighted a separate measure in the budget act to transfer \$100 million over six years from the reinsurance fund to Medicaid.

She noted that House Bill 780 would create a subsidy program, using funds from the reinsurance program, targeted to young adults in the individual market. She explained that the greatest impact for getting more individuals insured lies in targeting subsidies to the population under age 34.

Next, Ms. Eberle highlighted a separate bill that would take the principles of the existing Easy Enrollment program for uninsured individuals and extend it to the Department of Labor.

With regards to federal items, she stated that the federally facilitated marketplace introduced a special enrollment period (SEP) from February 15 through May 15. In turn, Governor Hogan announced an extension of Maryland's COVID-19 SEP to avoid any confusion. Additionally, she highlighted a potential expansion of premium tax credits being discussed in the federal relief package. She noted that staff are working through implementation concerns, including ensuring that deductibles do not restart if an individual takes advantage of the new subsidies and switches plans.

Finally, Ms. Eberle informed the Board of three open solicitations related to information technology (IT) support and software renewals.

Mr. McCann asked whether the Department of Labor bill is related to individuals using unemployment insurance. Ms. Eberle responded in the affirmative, noting that the MHBE has already been working with the Department of Labor on the matter. Mr. McCann asked whether the legislation is necessary for the work to continue. Ms. Eberle responded that the legislation contains additional items.

Secretary Schrader asked whether there has been an actuarial analysis of the reinsurance fund showing the year-over-year cash flow needed to maintain it and whether the bill before the legislature will impact it. Ms. Eberle responded that the MHBE has a five-year reinsurance program which, under

the terms of the federal 1332 waiver, must show that the state can support the program. She noted that the 1% premium tax assessment supports the program. Overall, she explained that the federal pass-through dollars have paid for the program and that the state has not had to tap into the state assessment dollars. She added that nothing is currently in place to extend the reinsurance program beyond the existing five years. She noted that, if the MHBE were to apply for another 1332 waiver to continue the reinsurance program, that work would occur next year and that the program expires at the end of fiscal year 2023. Secretary Schrader asked whether any subcommittees are looking at the reinsurance pool. Ms. Eberle responded in the negative, but that the finance or policy subcommittee could weigh in.

Mr. McCann noted that the group of state-based exchanges, in talking with the Biden administration, should ask for the inclusion of reinsurance programs in any changes to the Affordable Care Act (ACA). Ms. Eberle noted that there has been discussion of whether there should be a federal reinsurance program. Mr. McCann emphasized the importance of not having to depend on the discretion of a future administration for the reinsurance waiver.

Secretary Schrader noted the recent drop in premiums and asked whether there is room for more reductions moving forward, as well as how the reinsurance program impacts broader market forces. Ms. Eberle responded by noting that multiple forces affect rates, and that reinsurance helps carriers with covering high-cost claimants.

#### Procurement - Salesforce

*Venkat Koshanam, Chief Information Officer, MHBE*

*Raelene Glasgow, Procurement Manager, MHBE*

Mr. Koshanam explained that the MHBE utilizes the Salesforce platform for core business functions, including customer relationship management. He noted that, last year, there were over 800,000 Medicaid tickets, but that this number is decreasing each year alongside reductions in volumes to the call center.

He explained that internal applications and tools have been added over the past several years within the scope of the existing licenses. He then laid out plans for key projects in calendar year (CY) 2021. In particular, he noted an upcoming initiative to build an appeals tracking application.

Next, Mr. Koshanam provided a cost comparison for the licenses between 2020 and 2021, noting that 2021 is slightly lower. He explained that the reduction stems from a better understanding of usage and tweaks to the licenses.

Ms. Glasgow explained that the license renewal period would run one year and that Carahsoft is the approved reseller. She added that the task order request for quotes (TORFQ) has been sent to Carahsoft and that the task order is in progress.

She stated that the MHBE is requesting the Board's approval to 1) enter into the Intergovernmental Cooperative Purchasing Agreement (ICPA) with Carahsoft Technology Corporation for a base period of one year with two one-year renewal options; and 2) award a contract to Carahsoft Technology Corporation in the amount of \$1,166,999 to renew Salesforce licenses for the period of March 2, 2021 through March 1, 2022.

Mr. McCann sought clarification that the matter at hand is approval of a one-year agreement, with the option to extend for two years, but that staff would come back to the Board for re-approval. Ms. Glasgow responded in the affirmative.

Ms. Weckesser asked whether the total amount being approved would be subject to change. Mr. Koshanam responded that the MHBE has been reducing its usage of Salesforce over the years, but that there is no guarantee that will continue. He added that there would not be more than a 10% increase in costs.

Mr. McCann then asked whether there would be task orders next month over \$1 million as a result of this approval. Ms. Glasgow asked if he was referring to indefinite delivery, indefinite quantity (IDIQ) orders. Mr. McCann stated that the Board receives a report on task orders over a certain amount, and that they should begin to show up as this contract is implemented. Mr. Armiger responded that, for this contract, even though it is a task order, it would go in the contract report that the Board receives.

Mr. Schrader asked for the sponsor of the ICPA. Ms. Glasgow responded that it is handled through the federal General Services Administration contracts.

Mr. Steffen asked whether the development projects mentioned are part of a normal lifecycle. Mr. Koshanam responded that they are not huge initiatives, but that they are tightly integrated with business functions. He added that he does not envision a large revamp of these systems. Mr. Steffen then asked whether Salesforce is the principal administrative system development environment. Mr. Koshanam responded in the affirmative, adding that they are utilizing existing licenses to develop platforms and build needed applications.

Mr. McCann moved to approve the ICPA with Carahsoft Technology Corporation for the purchase of Salesforce licenses. The motion carried unanimously.

Mr. McCann moved to approve the contract to Carahsoft Technology Corporation in the amount of \$1,166,999 for the period March 2, 2021 through March 1, 2022. The motion carried unanimously.

### [Marketing RFP Presentation](#)

*Andrew Ratner, Chief of Staff, MHBE*

*Raelene Glasgow, Procurement Manager, MHBE*

Mr. Ratner informed the Board that the contract with the incumbent marketing consultant, GMMB, expires on June 30, 2021. He explained that the MHBE will be seeking a full-service communications and marketing firm to provide a variety of services.

Ms. Glasgow explained that the request for proposals (RFP) was sent to the legal team on February 2. She added that the RFP is currently posted and will be closing on March 30, 2021. The goal will be to provide a notice of award to the recommended vendor by May 12, with Board approval scheduled for May 17. Finally, the contract would begin on July 1, 2021.

## Printing RFP Presentation

*Andrew Ratner, Chief of Staff, MHBE*

*Raelene Glasgow, Procurement Manager, MHBE*

Mr. Ratner explained that the MHBE will also be submitting an RFP for printing services. He stated that the contract structure is similar to the marketing contract, with a base year and two option years.

Ms. Glasgow noted that the RFP is under review by the legal team, adding that it may be posted prior to February 24, 2021. Tentatively, the RFP would close on April 9, with notice of award sent to the recommended vendor on May 12 and Board approval scheduled for May 17. Finally, the contract would begin on July 1, 2021.

## IT Quarterly Update

*Venkat Koshanam, Chief Information Officer, MHBE*

Mr. Koshanam began by highlighting recent examples of IT changes necessitated by the COVID-19 pandemic, including the implementation of a new SEP and changes in Medicaid determination rules. He then noted key steps in modernizing technology, including the implementation of robotic process automation.

Next, he gave an overview of the key IT projects for the first quarter (Q1) of 2021, including an overhaul of the process for sending consumers 1095 tax forms. Additionally, work will begin in February to coordinate with the Comptroller's office regarding the Easy Enrollment program. He added that work is underway to simplify the eligibility determination notice.

Mr. Koshanam then highlighted key projects upcoming in Q2, including development of a real-time data interface with the Maryland Department of Labor.

With regards to changes to the interim database (IDB), Secretary Schrader asked whether there are any workgroups looking at the matter. He added that there is a phase 2 agreement in place with MD THINK and that he would like to get back on track with replacing the IDB. Mr. Koshanam responded that they have performed initial analyses, but that it has not progressed beyond identifying data elements. Secretary Schrader asked that this matter be a future agenda item. Ms. Eberle noted that staff have recently held meetings with the Maryland Department of Health (MDH) on the matter, and that work stems from requests and priorities of MDH staff. Secretary Schrader noted that it will be prioritized moving forward.

Mr. Steffen asked whether Qlik Sense is a product in the IT portfolio and whether it is supported and endorsed by MDH. Mr. Koshanam responded that, several years back, the MHBE looked into multiple products and noted that Qlik Sense seemed to be the preferred option at the time. He added that staff have gained skills and that they are not seeing significant cost increases, but noted that other tools may be needed in the future.

## 2021 Open Enrollment Dates for 2022 Plan Year

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

Ms. Fabian-Marks informed the Board that the MHBE intends to maintain the 2022 open enrollment period as November 1, 2021 through December 15, 2021.

Mr. McCann asked whether, if the federal administration changed open enrollment dates, the MHBE would likewise alter its open enrollment period. Ms. Fabian-Marks responded that MHBE would revisit and discuss if needed.

Mr. McCann then asked whether the MHBE has ever engaged in joint open enrollment marketing efforts with the District of Columbia or Virginia. Ms. Eberle responded that there have not been any joint marketing efforts, and noted that those jurisdictions use the federal exchange. Mr. Ratner added that media buying in the region is very expensive.

## 2022 Reinsurance Parameters

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

Ms. Fabian-Marks explained that state regulations require the Board to set payment parameters each year for the state reinsurance program (SRP). She then highlighted key dates in CY 2021 related to the parameters.

Next, she gave an overview of recent actuarial analyses and noted that the firm Lewis & Ellis has advised it would be reasonable to use existing parameters as estimated 2022 parameters. She added that the federal pass-through dollars are expected to continue to exceed the total cost of the program.

She then provided an overview of the estimated 2022 SRP parameters, noting that MHBE staff recommend no change to the parameters as previously established. She added that staff continue to recommend the use of a dampening factor as to be determined by the Insurance Commissioner. She did, however, note the factors that could alter the attachment point and thereby affect rates.

Finally, she informed the Board that the estimated parameters would be subject to a 30-day public comment period and that the Board would set final 2022 SRP parameters in July.

Ms. Herron asked, if any of the potential items affecting the attachment point were to transpire, what the new attachment point or cap would be. Ms. Fabian-Marks responded that it is difficult to estimate without knowing the numbers, adding that if projections are slightly off action may not be needed.

Mr. McCann asked about the possibility of using the extra federal funds to tweak the parameters and thereby reduce premiums. Ms. Fabian-Marks responded that increasing the generosity of the program should reduce premiums. However, she noted that the actuarial contractor has highlighted the issue of diminishing returns and that only individuals who do not receive federal subsidies—those above 400% of the FPL—experience the reduced premium. She added that the largest group of uninsured individuals earns below 400% of the FPL.

Mr. McCann moved to approve the staff recommendation of setting estimated parameters for the 2022 SRP as an attachment point of \$20,000, a coinsurance rate of 80%, a cap at \$250,000 and a dampening factor to be provided by the Insurance Commissioner. The motion carried unanimously.

### Adjournment

The meeting was adjourned.