



## MHBE

### Small Business Programs Advisory Committee

August 30, 2023

1:00PM – 3:00PM

Online Via Google Meets

#### **Members Present:**

Lane Levine, Co-Chair  
Brandon Burbage  
Daniel Koroma  
Rick Weldon  
Ileana Gonzales  
Glenn Arrington  
Alvin Helfenbein  
Sandy Walters  
Al'nisa Broadway  
Michael Rachesky

Amelia Marcus  
Rita Dyer  
Andrew Ratner  
Nicole Edge

#### **Members of the Public**

Allison Mangiaracino  
Eric Charles  
Scott Brainard  
Amber Hyde  
Daniel Longfellow  
Gabriela Maradiaga  
Eugene Poole  
Christopher Washington  
Kathy Sweely

#### **Staff**

Theresa Battaglia  
Johanna Fabian-Marks  
Makeda (Mimi) Hailegeberel

#### **Welcome, Agenda, and Meeting Minutes**

Lane Levine, Co-Chair, opened the meeting. He explained that today's meeting will focus on the small business enrollment platform that the Maryland Health Benefit Exchange (MHBE) is developing. He noted that the small business members met briefly before this meeting to get background information that will help them participate more fully in the discussion.

Mr. Levine noted that the meeting minutes from the Committee's June 28 meeting were sent to Small Business Programs Advisory Committee (SBPAC) members on July 18.

Makeda Hailegeberel, Small Business Programs Manager at the MHBE, provided an update on follow-up items from previous meetings. She explained that some members have left due to difficulty understanding the topics and that, in the future, MHBE staff will continue to provide the small business SBPAC members with additional information and meetings so they can be better informed. Ms. Hailegeberel announced that the SBPAC is accepting new applicants and that some applicants are attending the meeting today.

Ms. Hailegeberel reported that MHBE staff are updating the small business outreach and education curriculum and will make it available to the SBPAC when ready for review.

### **Maryland Health Connection (MHC) for Small Business Enrollment Platform**

Ms. Hailegeberel provided an overview of the new small business enrollment platform being developed for Maryland Health Connection (MHC). Detailed slides are available in the presentation for this meeting. She explained that the enrollment process is currently done using paper forms, while the enrollment platform is an online solution that will eliminate paper forms. The IT team started the development process in April, and the platform is expected to go live in spring 2025. The platform will have seven different types of accounts, and the employee and broker will be the main users of the portal, using it to submit applications, determine eligibility for enrollment, select plans and benefit packages, and renew their plans.

Ms. Hailegeberel explained a flowchart showing the employer benefit selection process.

Eugene Poole asked when the privacy statement will be given to employees. Ms. Hailegeberel responded that she will address this during a later slide on the employee plan shopping process.

Brandon Burbage asked how long it takes for a group's coverage to become effective. He noted that in Washington, DC, a group must be entered into the DC online portal, DC Health Link, at least a month before the coverage effective date. Ms. Hailegeberel responded that on average it takes 45 days. She explained that she will be discussing the fast-track and longer-track options later in the presentation.

Mr. Burbage noted that many brokers choose not to use DC Health Link because it takes too long to enroll a group. He recommended the MHBE be mindful of that concern when setting the timeline for the enrollment process. Ms. Hailegeberel responded that the MHBE did evaluate the fastest way to process enrollments through the portal, but she can follow up with Mr. Burbage.

Michael Rachesky asked whether the new small business platform will collect and remit premiums on behalf of the carriers on the Small Business Health Options Program (SHOP) exchange. Ms. Hailegeberel responded in the affirmative, noting that they will be partnering with a billing aggregation third party administrator (TPA).

Mr. Rachesky noted that one of the benefits of doing billing and remitting is a consolidated billing component. He asked about the benefit to Maryland to implement this new system given the additional complications and costs of third-party reconciliation. Ms. Hailegeberel responded that the MHBE is statutorily required to make enrollments for small businesses easier and make the employee choice model available. Small businesses are frustrated with the current process. She noted that she understands the concerns regarding the billing complications, but the MHBE will work with the TPA to ensure that it is a smooth process.

Mr. Rachesky expressed confusion regarding the advantage of having the small business platform collect premiums on behalf of the carriers. He noted that United has the ability to directly bill the client and collect premiums and stated that enlisting the help of a TPA will incur additional costs for both the MHBE and carriers. Ms. Hailegeberel responded that it is difficult to aggregate the premium for the employee choice model because there may be multiple carriers and it requires a seasoned TPA. She added that, while it may be a little easier for carriers to handle billing directly for the employer choice model, it would not work well for the employee choice model.

Mr. Rachesky asked if the benefit of a TPA taking over billing and premium collection is for employers using the employee choice model rather than the employer choice model when only one carrier is involved. Ms. Hailegeberel responded in the affirmative.

Mr. Rachesky asked about current enrollment in the employee choice model. Ms. Hailegeberel responded that currently there is low enrollment in the employee choice model, but the system has become very confusing, and it may be difficult for small businesses to understand and navigate the process for enrolling in the employee choice models. She noted that some experienced brokers have been able to enroll small businesses into employee choice models.

Mr. Burbage noted that having small business enrollment both on and off the small business platform results in twice the amount of work for brokers.

Mr. Rachesky commented that employees may be limited to expensive plans chosen by their employers.

Mr. Burbage commented that, while Maryland allows two metal tiers of benefits, they are next to each other. He asked whether it is possible to offer plans to employees on any two tiers. Ms. Hailegeberel responded that these are very good points, and she will examine these issues and follow up with the SBPAC.

Sandy Walters commented that it is important to examine this issue from the employers' perspective. Allowing employers to use one platform to enroll in coverage will save time for the employer and brokers.

SBPAC members discussed the impact of allowing multi-choice for small groups on adverse selection.

Ms. Hailegeberel noted Massachusetts implemented an enrollment platform for small business in 2018 which resulted in increased enrollment and a reduction in Massachusetts' uninsured rate. Maryland is hoping to achieve a similar result.

Mr. Rachesky asked if there is evidence that the small business platform in Massachusetts reduced the uninsured rate, suggesting that the reduction could have been the result of other legislation.

Mr. Walters noted that Massachusetts already had a model that forced small businesses to provide coverage, so they were already ahead of other states.

Johanna Fabian-Marks, Director of Policy and Plan Management at the MHBE, explained that the MHBE has been legislatively directed to implement employee choice, letting employers select metal tiers for their employees' coverage, from which employees can select a plan from any available carrier. She stated that the SBPAC is not debating the merits of the employee choice model today and that the MHBE instead wants to focus the conversation on system implementation and feedback on the proposed process for the enrollment platform.

Mr. Walters asked how many small groups are currently receiving coverage through the exchange under the employee choice model. Ms. Hailegeberel responded that there is low enrollment in multi-choice plans but stated that she will provide the exact numbers during a future discussion.

Ms. Hailegeberel continued with her presentation and explained a flowchart showing the employee plan shopping process. She noted that the flow chart does not show the provision of privacy information to the employee, but it is an important part of the process.

Mr. Poole asked whether the platform will confirm that an employee has received the privacy statement when they enroll in a plan. Ms. Hailegeberel responded that, when a broker or employer is enrolling on behalf of employees, they will have to confirm that each employee received a privacy statement.

Mr. Poole asked if the privacy statement can be worked into flow so that it must be signed during the enrollment process; otherwise, the process stops. Ms. Hailegeberel responded that it makes sense to incorporate the privacy statement into the account setup process for employees and thanked Mr. Poole for the feedback.

Ms. Hailegeberel then explained the open enrollment timeline for small businesses: there is the fast track that takes at least 34 days and the longest track, which takes a maximum of 90 days. Ms. Hailegeberel noted that carriers need at least 18 days to implement a new group, which restricts the speed of the process. She explained that each of these time periods is expressed in business days.

Mr. Burbage commented that the enrollment process through DC Health Link is only 30 days. Ms. Hailegeberel responded that they got this timeline from DC but will confirm whether the minimum is 30 or 34 days in DC.

Ileana Gonzales asked if the deadlines outlined in the slide are firm or can be more flexible. She noted that, occasionally, DC Health Link would give a new group a little leeway. Ms. Hailegeberel responded that this is the initial draft proposal for the portal, and DC Health Link has had time to refine their timeline and incorporate flexibility. She explained that she will discuss with the MHBE Information Technology (IT) team

whether it is possible to incorporate flexibility. Ms. Gonzales noted that DC Link allows extra time during certain parts of the year.

Ms. Hailegeberel provided an overview of the employee waiting period regulations and policy. Currently, newly hired employees are eligible to join the plan under one of seven options. The MHBE is proposing to eliminate two options: enrollment on the date of hire and enrollment on the 90<sup>th</sup> day after the date of hire. Some members expressed support for the elimination of these two options.

Mr. Rachesky asked, with the eligibility responsibility shifting to the MHBE or the TPA, who will be responsible for ensuring that the employee waiting periods are being adhered to. Ms. Hailegeberel responded that the system will check the employer's selections for new hires to ensure that the selected waiting period is followed correctly given the date of hire provided by the employer.

Ms. Hailegeberel asked whether there are any quality measures currently being used to verify that the waiting periods are being adhered to. Mr. Burbage responded that, for some carriers, the burden is on the employer.

Mr. Rachesky added that carriers have checks and balances in place to make sure a group is adhering to their waiting period policy. Some people try to enroll in coverage only when they need it.

Ms. Hailegeberel explained that the system will check the date of hire and the selected waiting period.

Mr. Poole commented that certain companies have enrollment eligibility start at the date of hire but then are unable to pay the premiums and it is very difficult to resolve. He commented that eliminating this option could help simplify the process.

Mr. Levine asked for further explanation on why these two options are being removed. Ms. Hailegeberel responded that the law states that an employer cannot implement a waiting period of more than 90 days.

Mr. Poole noted that, if an employer has a 90-day waiting period, then employees could enroll after 90 days, in violation of the requirements. Removing the 90-day waiting period will prevent a violation of the 90-day requirement if someone started at the beginning of the month.

Ms. Fabian-Marks explained that part of the reason for removing the date of hire and 90-day waiting period options is system challenges: the carrier systems are set up to bill on cycles with set dates, and if an employee starts outside the cycle, it can be more difficult to process the enrollment. Eliminating the date of hire and 90-day waiting period will help mitigate these system challenges.

Ms. Gonzales explained that employees have 30 days from the date that the waiting period ends to select coverage, so if the waiting period is 90 days, coverage could become effective 120 days after the date of hire.

Mr. Walters commented that the goal is to get people insurance coverage and noted that many professional firms give the benefit of coverage on the date of hire, so removing this option may be problematic for some firms.

Ms. Hailegeberel continued with an explanation of the minimum participation requirements. Currently, for employee choice, the group's participation rate must be at least 75% in order for the group to be eligible. For employer choice, carriers currently set the minimum participation rate (MPR), with three carriers setting an MPR of 60% and one carrier setting an MPR of 75%. MHBE staff are proposing to implement a uniform MPR of 60% for both employer and employee choice models.

Ms. Gonzales asked if valid waivers count toward the MPR. Ms. Hailegeberel responded that in Maryland valid waivers should be counted as an enrollment and therefore do not count against the MPR.

Mr. Poole commented that, in restaurants, employees often don't enroll in coverage because of the expense, so the owner may pay more than 50% to meet the MPR. Mr. Poole noted that Medicaid also counts as a valid waiver.

Ms. Hailegeberel explained that employers will have the choice during the set-up process to extend child coverage through the end of the month when the child turns 26 or the end of the year. There are two options for benefit package selection: the employer choice option, where the employer selects a single plan or multiple plans from one carrier, and then the employee chooses a plan from that carrier; or the employee choice model, where the employer selects a reference plan that sets the premiums and cost-sharing for other plans, and then the employee chooses from the available plans and carriers. Ms. Hailegeberel explained that an employer may choose from two options to contribute to the employee's premium. The first option is a reference plan with a fixed percent contribution, which ensures consistent employer contribution regardless of the specific plan chosen by the employee, and the second is a standard fixed percentage contribution, which means that the dollar amount contributed by the employer for each employee may vary.

Ms. Hailegeberel provided an overview of the employer billing options: premium aggregation, member age level billing, and composite premium billing. In collaboration with a TPA provider, MHC for Small Business plans to introduce an advanced and comprehensive integrated premium billing and aggregation service that will simplify premium billing. For the employer choice model, the TPA will aggregate all enrolled premiums for each carrier and remit the accurate total premium to issuers on behalf of each individual employer and employee. For the employee choice model, the TPA will accurately calculate the total premiums for each issuer within the employee choice model and remit premium payments to one or multiple payers.

Mr. Poole asked if the TPA will directly handle enrollment and billing questions, similar to how the TPA for DC Health Link directly answers billing questions. Ms. Hailegeberel responded that the TPA will only handle billing and that the MHBE will handle enrollment. When the new portal launches in 2025, some customer service representatives will be added to handle questions regarding enrollment, and the TPA will handle billing questions.

Ms. Gonzales asked if there was a request for composite billing, stating that member level billing is easier to handle. She also asked why there is only a 2-member minimum for composite billing. Ms. Hailegeberel responded that one of the carriers had a 2-member minimum so that the MHBE decided to use that standard, but the goal was to provide options and not limit all small businesses to one standard.

Ms. Hailegeberel then explained how the small business platform will handle Consolidation Omnibus Budget Reconciliation Act (COBRA) continuation coverage when an employee is terminated. The small business platform will allow employees up to 45 days to elect to continue their employer's COBRA coverage for up to 18 months.

Mr. Walters asked whether the portal will administer COBRA coverage for groups with less than 20 employees. Ms. Hailegeberel responded that Federal continuation will apply for groups with 20 or more employees and then Maryland state continuation applies if the group has less than 20 employees.

Ms. Hailegeberel explained that the TPA will handle billing directly for the employees to facilitate their continuation in the COBRA plan. Eligible employees will also be informed about the option to explore more affordable plans through the exchange for individuals.

Ms. Gonzales asked who has the burden of terminating employees and taking them off the coverage. Ms. Hailegeberel responded that the employers will be responsible for entering the termination date into the system and entering employees into COBRA. She explained that administration of COBRA will be built into the system and that the TPA will only handle the billing portion. Ms. Gonzales stated that this may be a better system because the administration of COBRA is built in.

Mr. Poole asked if an employee who has been terminated will be able to use their personal email address to access the system and select COBRA coverage. Ms. Hailegeberel responded that, when employees initially receive notification to create an account at the time of hire, they have the ability to add their personal email to the account.

Ms. Hailegeberel provided an overview of the group renewal options. The group will be notified to set a default auto renewal after their initial benefit package selection. They'll have the option to opt out of the auto renewal, and then for groups opting out of the auto renewal that have no active enrollments, the plan will terminate at the end of the benefit year.

Mr. Poole asked what happens when there is only one enrollee. Ms. Hailegeberel responded that, during the renewal, the system will check the participation rates, and if they don't meet the participation requirements, the employer will be notified that coverage will be terminated unless the issue is resolved. She noted that the MHBE is discussing whether there should be a 90-day or a 120-day advance notice to employers.

Mr. Poole asked what happens if the two people who are enrolled are married but are both working as employees and are not the owner. Ms. Hailegeberel responded that the business owner or their spouse do not count toward the participation for the tax credit. Mr. Arrington added that, if a married couple are the only employees, that would trigger a carrier audit.

Ms. Gonzales noted that she has seen situations where a married couple are employees of a small business but are not the owners. Ms. Hailegeberel responded that this would be fine and that the married couple should be enrolled separately to avoid problems.

Ms. Hailegeberel provided a list of acceptable waivers, which includes employees covered under other private group health plans and employees covered under public health care programs, among others. The small business platform will include employer data validation with the system checking the employer's Employer Identification Number (EIN). Employers must also attest that they meet the small business eligibility criteria set by MHBE.

Ms. Hailegeberel explained that the help and support resources for the small business platform include brokers, Ask Flora (a virtual assistant that can also connect users to a live chat with an agent) and call center support, with a dedicated phone number for small business employers and employees.

Mr. Arrington asked whether live chat with an agent means a licensed broker agent. Ms. Hailegeberel responded that the live chat will be with a customer service representative regarding certain account issues. Mr. Arrington noted that using the term agent may lead consumers to confuse the customer service representative with an insurance broker and recommended distinguishing between the two.

Mr. Poole commented that small businesses should have the same support as the individual market and recommended having a direct broker hotline for small businesses similar to the hotline for the individual market. Ms. Hailegeberel responded that the MHBE plans to add a staff member that will focus on small business broker operations.

Mr. Rachesky asked about Producer Operations. Ms. Hailegeberel responded that Rita Dyer, who is on the call, is the Manager of Producer Operations and handles many different issues. Ms. Dyer added that she can't yet speak to what a new broker operations staff position would offer on the small business side, but that currently on the



individual side they handle anything authorization-related, training, testing, and escalations if needed. The broker hotline handles client enrollment issues.

Mr. Rachesky recommended that employers or employees calling the MHBE regarding plan design or value be referred to contact the carrier or broker.

Mr. Arrington commented that there should always be a designated person or phone number for small business broker assistance so problems can be handled quickly. He stated that the producer hotline does not always address the problem quickly. Ms. Hailegeberel responded that Producer Operations gets inundated with emails and requests, so it may be hard to get them on the phone. She added that the small business portal will go through a testing phase to get ahead of problems.

Ms. Hailegeberel thanked the SBPAC for their feedback and noted that more updates will be provided on the new platform in future meetings.

Mr. Levine adjourned the meeting.

### **Public Comment**

None offered.

### **Adjournment**

The meeting adjourned at 2:45 PM.

### **Chat Log**

00:25:14

Ecosse Ecosse: please define what you mean by adverse selection

00:25:20

Eric Charles: has this meeting devolved into a lobbying forum between healthcare providers and MHBE, or is this meeting intended for the benefit of employers trying to sift through choices and tradeoffs?

00:28:44

Makeda Hailegeberel -MHBE-: Adverse selection occurs in health insurance when there is an imbalance of high-risk, sick people to healthy people.

00:29:09

SmallCakes Maryland LLC: thank you for the background info

00:29:40

Gabriela Maradiaga: I agree

01:01:28

Amber Hyde: I Agree

01:02:06

Amber Hyde: I was going to say that is sometimes a hiring qualification.