



MHBE

Small Business Programs Advisory Committee

June 26, 2024

1:00PM – 3:00PM

Online Via Google Meets

Members Present:

Jon Frank, Co-Chair
Glenn Arrington
Judith Bradley
Brandon Burbage
Rob Cohen
Ileana Gonzalez
Mark Khatib
Stephanie Klapper
Susan McLean
Eugene Poole
Kathy Sweely
Sandy Walters

Rick Weldon

Staff

Michele Eberle
Amelia Marcus
Theresa Battaglia
Makeda (Mimi) Hailegeberel
Rita Dyer

Members of the Public

Allison Mangiaracino
Susan White

Welcome, Agenda, and Meeting Minutes

Jon Frank, Co-Chair, opened the meeting. He then asked Committee members to offer corrections or changes to the May 29 meeting minutes. He noted two changes in the minutes. First, in the introduction paragraph, it referred to approving the minutes of January 31, when the committee in fact approved the minutes for March 27 during its May meeting. Second, two committee members were incorrectly listed as members of the public. The minutes were approved as amended by unanimous consent by the Co-Chair.

Small Business Program Updates

Mimi Hailegeberel, Small Business Programs Manager with the Maryland Health Benefit Exchange (MHBE), gave an update on the status of the enrollment portal. The request for proposals (RFP) was issued on June 17 and will remain posted for roughly 45 days. Several interested vendors attended a pre-proposal conference and the MHBE is confident it will bring the vendor on board by September.

Mr. Poole asked how many vendors are expected to bid. Ms. Hailegeberel replied that she is uncertain, but that seven vendors attended the pre-proposal conference.

Mr. Arrington asked whether any of the vendors who attended the pre-proposal conference are located in Maryland. Ms. Hailegeberel answered that she did not know. Mr. Arrington expressed hope that a Maryland vendor will seek to bid.

Small Group Tobacco Rating

Ms. Hailegeberel discussed the potential to incorporate tobacco rating into small business health plans, whereby tobacco users pay higher premiums. Such ratings are legally permitted in Maryland but were not implemented for the individual market, largely due to the technology that originally underpinned Maryland Health Connection (MHC) being unable to include them. Since the small group platform is being developed on its own, it is possible to include tobacco rating.

Ms. Hailegeberel then gave the Committee an overview of tobacco rating, explaining that federal regulations allow insurers to charge more for covering people who use tobacco than those who don't. The maximum allowed surcharge is 50% and can apply to all legal users of any tobacco product. Currently, no insurers in Maryland use tobacco rating.

Mr. Arrington recommended against instituting tobacco rating until such time as the governing regulations are promulgated at the state level.

Mr. Frank asked for the position of the insurance carriers on this issue, noting that tobacco rating would depress coverage in the small group market. He asked whether the MHBE and/or insurance carriers would rely on consumer attestation regarding tobacco use.

Ms. McLean noted that, while she would have to discuss further with colleagues at CareFirst, they would likely not proceed with tobacco rating.

Mr. Burbage shared the view that the introduction of tobacco rating would eliminate the small group market entirely.

Michele Eberle, Executive Director of the MHBE, provided context for the discussion, noting that the law requires that the system be built to allow for tobacco rating. The agency has little flexibility in that regard. In addition, the MHBE lacks standing to develop legislation governing this issue, since it affects both on- and off-exchange markets.

Mr. Arrington recommended building the system to allow for tobacco rating, but that the feature not be made public unless insurance carriers require it. Mr. Khatib agreed. Ms. Eberle acknowledged that such an approach would be possible.

Ms. Hailegeberel then discussed guidance from the Affordable Care Act requiring that health plans cover screening, counseling, and medications without prior authorization or cost sharing for at least two tobacco cessation attempts per year. Carriers would be

expected to offer a wellness program to support tobacco cessation and avoid the tobacco surcharge.

Mr. Frank noted that this federal requirement has been in place for a long time and asked whether any states are using tobacco rating today. Ms. Hailegeberel replied by noting that the MHBE is not aware of which states that are using tobacco rating. Ms. Eberle agreed, adding that the MHBE will reach out to its counterparts in other states to find out more information on this question and report back to the Committee.

Ms. McLean noted that CareFirst must have internal discussions before finalizing their position on this question.

Ms. Bradley reported that Aetna does not use tobacco rating in any state's small group market.

Mr. Poole, noting that insurance carriers employ community rating for the small group market, suggested that tobacco morbidity is already priced into premiums.

Mr. Arrington predicted that insurance carriers will not opt to use tobacco rating.

Mr. Walters pointed out that some self-funded groups use tobacco rating in Maryland, but that such groups do testing and offer discounts to non-smokers.

Committee Discussion

Mr. Walters noted that his organization was disqualified from responding to the RFP for the enrollment portal, since experience implementing a state program is a requirement. Mr. Arrington asked why such experience would be required, given that the prior attempt to implement a small business program ended with the withdrawal of the three Maryland-based companies involved. Ms. Hailegeberel replied that she is not permitted to answer questions regarding the RFP and directed the Committee to the MHBE procurement staff.

Mr. Frank asked how the requirements were developed for the RFP and by whom. He asked whether it was based on another state's project. He also suggested that the Committee examine how the third-party administrators (TPAs) in Maryland have been disqualified, since they have been serving the small group insurance market in Maryland since its inception.

Mr. Arrington suggested that the RFP be reconsidered and republished to include a local presence.

Mr. Khatib disagreed, noting that TPAs exist outside of Maryland that may be a better fit than the traditional players.

Public Comment

None offered.

Adjournment

The meeting adjourned at 1:38 PM.

Chat Log

00:30:44

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