



Maryland Health Benefit Exchange

Board of Trustees

January 21, 2025

2 p.m. – 4 p.m.

Meeting Held via Video Conference

Members Present:

Ben Steffen, Vice Chair

Aika Aluc

Laura Crandon

Marie Grant

Katherine Rodgers

Maria Pilar Rodriguez

Members Absent:

K. Singh Taneja

Dana Weckesser

Laura Herrera Scott, M.D., Chair

Also in Attendance:

Michele Eberle, Executive Director, MHBE

Tony Armiger, Chief Financial Officer, MHBE

Venkat Koshanam, Chief Information Officer, MHBE

Shirelle Green, Procurement Officer, MHBE

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

Greg Yaculak, Deputy Chief Information Officer, MHBE

Makeda (Mimi) Hailegeberel, Manager, Small Business Programs, MHBE

Scott Brennan, Director of Compliance & Privacy, MHBE

Tamara Cannida-Gunter, Director of Consumer Assistance & Eligibility, MHBE

Sharon Merriweather, Assistant Attorney General, MHBE

Tisha Payne, Director of Human Resources & Organizational Effectiveness, MHBE

Tracey Gamble, Procurement Manager, MHBE

Meeting Call to Order

Mr. Steffen, sitting in for Sec. Herrera Scott, called the meeting to order.

Approval of Minutes

Mr. Steffen asked for any proposed changes to the minutes from the October 21, 2024, Board meeting, or for a motion to approve them.

Ms. Grant moved to approve the minutes as presented. Ms. Rodgers seconded. The Board voted unanimously to approve the minutes. Ms. Pilar Rodriguez and Ms. Crandon were absent for the vote.

Public Comment

None offered.

Standing Advisory Committee Report

Aika Aluc, Board Member

Ms. Aluc shared that the Standing Advisory Committee is currently recruiting members and encouraged attendees to continue sharing the call for new members with their networks.

Executive Director Update

Michele Eberle, Executive Director

Ms. Eberle began her update by noting that the open enrollment period (OEP) concluded on January 15, marking the best OEP the Maryland Health Benefit Exchange (MHBE) has ever had, with over 247,000 Marylanders enrolled, up 16 percent from last year and up 56 percent since the COVID-19 pandemic. These data indicate the value consumers continue to place in health coverage, even after the pandemic.

Ms. Eberle highlighted enrollment increases this year among young adults, whose general health she noted will have a positive effect on rates; Hispanic and Black consumers; and enrollees who qualify for Deferred Action for Childhood Arrivals (DACA). New consumers are slightly down this year, while renewals are up 22 percent, indicating consumer satisfaction with the affordability and quality of their plans; most of those whose coverage was renewed were automatically renewed. Enrollments are up among both consumers who qualify for financial assistance and those who do not, suggesting that Maryland Health Connection (MHC) resonates with consumers as a brand and a trusted source for coverage.

Dental plan enrollments are also up this year; Ms. Eberle noted the value MHC's dental plans present for consumers without an employer-sponsored dental plan. Similarly, vision plan enrollment tripled this year. Five insurance carriers are participating this year, the largest number since 2017. Since the option to "check the box" when filing taxes or when filing for unemployment was introduced, around 40,000 people have enrolled in this way.

Ms. Eberle continued by noting that the MHBE fared well in the Governor's budget and explaining that the agency is working to educate legislators on the state reinsurance program (SRP). Additionally, there is a bill in the legislature to make the young adult health insurance subsidy program permanent and tied to the SRP fund.

A new level of scrutiny by the Centers for Medicare & Medicaid Services (CMS) on items requiring federal funding means that MHBE contractual proposals will now be sent to CMS for approval before they are voted on. The items voted on at this meeting will be approved contingent on federal funding approval.

Ms. Eberle closed by noting that the MHBE's section 1332 waiver was approved and that the 2026 Final Notice of Medicaid Payment Parameters was released. She commented that one major concern is the tax credits, of whose benefits the MHBE has been informing state and federal legislators.

Mr. Steffen congratulated MHBE staff on their work in engaging Maryland residents. He inquired about the distribution of enrollment between the five carriers operating in the state. Ms. Eberle replied that United Healthcare is nearly tied with CareFirst for the greatest number of enrollments, followed by Kaiser, then Aetna, then Wellpoint. She noted that the mix of enrollment among different carriers is something the system is intended to promote.

Finance Committee Report

Tony Armiger, Chief Financial Officer, MHBE

Mr. Armiger, standing in for Mr. Taneja, gave a report on the November 24, 2024, meeting of the Finance Committee. The Committee reviewed the Financial Report through September; Mr. Armiger noted that the information the Board received through November is more up to date. The Committee also went over the process for Indefinite Delivery, Indefinite Quantity (IDIQ) Requests for Response (RFRs), with particular attention paid to changes made to align with recommendations from the Office of Legislative Audits. Mr. Armiger noted that Mr. Brennan presented to the Committee on a compliance report. Mr. Brennan added that the report was an update on the state of the OLA audit.

Regulation Approval: Medicaid Special Enrollment Period

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

Ms. Fabian-Marks noted that the first regulation being presented for the Board's approval would increase the length of the special enrollment period (SEP) from 90 to 120 days when an enrollee loses their Medicaid coverage. This would align with the corresponding change made for the same SEP at the federal level and with the length of the period during which someone denied Medicaid coverage may request reconsideration for enrollment, which was similarly lengthened to 120 days.

Only minor changes have been made since this regulation was proposed in August. Ms. Fabian-Marks showed a timeline indicating that the regulations will be effective February 17 if approved and showing the 30-day public comment period after the proposed regulations were published; no comments were received.

Ms. Grant moved to approve the Medicaid Special Enrollment period final regulations as presented and authorize MHBE to submit them to the Division of State Documents for publication in the Maryland Register as presented. Mr. Steffen seconded.

Mr. Steffen asked whether the lack of questions in the public comment period indicates a lack of any questions ever posed by stakeholders or simply that any concerns were resolved during the informal regulation development process. Ms. Fabian-Marks replied that the latter is true, noting that, during the informal stakeholder engagement prior to presenting the proposed regulation to the Board, the MHBE received two comments in support of the change and one expressing concern that consumers may find it confusing for the respective SEP lengths for loss of Medicaid coverage and of other programs to differ. To the latter comment, the MHBE reached out to express its disagreement, and the concerns were not reiterated.

Mr. Steffen asked Board members vote on Ms. Grant's motion to approve the Medicaid Special Enrollment Period final regulations as presented, and authorize MHBE to submit them to the Division of State Documents for publication in the Maryland Register as presented. The Board voted unanimously to approve the regulations.

Regulation Approval: Federal Regulation Conformity

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

Ms. Fabian-Marks explained that the next regulation package aligns various MHBE regulations with federal regulations, along with a technical update. These were previously brought to the Board as proposed, after which a formal public comment period was held. The first change is a clarification of the effective date for the failure to file and reconcile policy, whereby someone who fails to file their federal taxes and reconcile their receipt of advance premium tax credits (APTCs) for two years in a row becomes ineligible for APTCs. The policy takes effect for 2025.

The second change aligns Maryland with federal regulations by simplifying the effective dates for the SEPs granted to enrollees with incomes less than 150 percent of the federal poverty level (FPL) so that coverage becomes effective on the first of the month following one's enrollment date. Ms. Fabian-Marks explained that the federal government established a year-round opportunity for these lowest-income enrollees in qualified health plans (QHPs), often individuals who are transitioning off Medicaid into a QHP during the year. Normally, one must enroll within 90 days of their loss of coverage, but those in this lowest income group can instead enroll beyond that 90-day period. This would align Maryland with federal regulation, which initially tied eligibility for this SEP to a 0 percent expected contribution but from which this clause was later removed to acknowledge the fact that, with APTCs expiring at the end of 2025, no one will have a 0 percent expected contribution any longer.

Other changes include allowing retroactive termination of private plans for individuals who enroll in Medicare with a retroactive effective date so they can align the end of their private coverage with the start of their Medicare coverage, along with a technical update removing repeated language on the premium due date.

Ms. Fabian-Marks shared a timeline that showed, as with the previously regulation package, that this package would go into effect February 17 if approved today.

Ms. Rodgers moved to approve the final regulations as presented, and authorize MHBE to submit them to the Division of State Documents for publication in the Maryland Register as presented. Ms. Grant seconded.

Regarding the allowance of retroactive terminations for individuals who enroll in Medicare with a retroactive effective date, Mr. Steffen asked whether beneficiaries would be eligible for refunds on premium payments from their private insurance carriers. Ms. Fabian-Marks replied in the negative with regard to the MHBE's regulations but indicated the Maryland Insurance Administration may have regulations that would require refunds. She noted that the MHBE does not expect this situation to arise often and would need to handle it manually in order to discuss important considerations around premiums and claims with the enrollee and their insurance carrier.

Mr. Steffen asked whether communications are sent out to enrollees upon reaching age 65 indicating that they should enroll in Medicare Part A. Ms. Fabian-Marks responded in the affirmative, noting that automated outreach of this kind was implemented within the last two years.

The Board voted unanimously to approve the final regulations as presented.

Proposed 2026 Plan Certification Standards

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

Next, Ms. Fabian-Marks presented on 2026 plan certification standards. Detailed slides are available in the presentation for this meeting. She began with the standards for Value Plans. After presenting background information on plan certification standards and the purposes of value plans, Ms. Fabian-Marks showed a timeline of this process, moving from the Value Plan Workgroup's work in Summer 2024 through its reconvening to approve designs that had been adjusted based on the release of the 2024 federal actuarial value calculator, an informal public comment period, and today's vote on whether to approve them. A formal public comment period will follow, shortened to allow carriers time to prepare their plan materials.

The changes in 2026 from the 2025 plan designs include reducing the copay associated with laboratory procedures in the Bronze, Base Silver, and Silver 75 plans; making coinsurance rates equal for Class III and IV major pediatric dental services, as is generally done in the market; increasing the maximum out-of-pocket amount for all Value Plans; increasing the specialist copay from \$100 to \$110 in the Bronze, Base Silver, and Silver 73 plans; raising the lab copay from \$5 to \$10 in the Silver 94 plan; and raising the copay for outpatient rehabilitation and habilitative services from \$2 to \$5 for the Silver 94 plan, bringing it in line with other occupational therapy (OT) copays in the same way that all other plans have the same copay for all OT services.

Ms. Fabian-Marks then showed a table of the copays for all services under each proposed 2026 Value Plan design, included in full in the presentation for this meeting.

Mr. Steffen asked what percentage of MHC enrollees purchase Value Plans. Ms. Fabian-Marks replied that 34 percent of enrollees have Value Plans, up from 30 percent the previous year.

Mr. Steffen inquired about the rationale for setting copays for rehabilitation and habilitative services so low. Ms. Fabian-Marks responded that, in the process of developing the 2025 plan certification standards for Value Plans, stakeholders expressed a desire to align the copays for physical therapy (PT), speech therapy (ST), and OT with the cost sharing for primary care, and rehabilitation and habilitative services share those same copays as a result since they are mostly PT, ST, and OT.

Ms. Fabian-Marks explained that the other 2026 plan certification standard for which the MHBE is asking the Board's approval would mandate that cost sharing for mental health and substance use disorder (MHSUD) office visits for every MHC plan be set equal to that of primary care visits. Carriers would be encouraged, but not required, to use a copay structure for MHSUD office visits. MHBE staff presented this standard to the Standing Advisory Committee in November 2024.

Ms. Fabian-Marks then shared background information on this standard: currently, plans may differ in their copays for MHSUD office visits versus primary care office visits benefits despite requirements

for general parity between MHSUD and physical health benefits. Three carriers already follow the standard imposed by the proposed requirement, while two do not, which led to confusion during this year's OEP. The MHBE reached out to the two carriers not currently operating with this standard in place: one immediately agreed to implement the change for 2026, and the other stated they will evaluate the request. Ms. Fabian-Marks noted that the change is unlikely to have a large impact on the market.

Ms. Grant moved to approve the proposed plan certification standards for plan year 2026 as presented. Ms. Aluc seconded. The Board voted unanimously to approve the proposed plan certification standards. Ms. Crandon was absent for the vote.

Board Procurement Policy Revisions

Sharon Merriweather, Principal Counsel, MHBE

Ms. Merriweather presented on small changes to the Board's procurement policy requested by procurement staff. The changes will align the Board's policy with the Code of Maryland Regulations (COMAR) and with the state procurement process.

Changes include changing "executive director" to "executive director or designated procurement officer" to align with the current process, renaming what were previously called "simplified procurements" to "small procurements," and changes to the amounts that denote a small procurement. The three categories for small procurements will henceforth be as follows: Category 1, between \$0 and \$5,000; Category 2, between \$5,001 and \$15,000; and Category 3, between \$15,000 and \$100,000. Category 3's upper limit was raised from \$50,000, giving the procurement officer greater discretion to approve small procurements without the need for executive director approval. Further, for Category 1 procurements, though the hope is to *receive* three quotes, simply contacting three vendors for the solicitation will be considered sufficiently competitive. Category 1 procurements will require only a purchase order rather than a full contract.

Another change is to specify that the MHBE will post its solicitations on the eMaryland Marketplace (EMMA) rather than in a sealed envelope.

Mr. Steffen asked whether the procurement officer will be able to consummate a contract on their own authority or whether the executive director's approval will still be required. Ms. Merriweather replied that the procurement officer may consummate a contract for a Category 1 procurement, but the executive director will need to sign off on contracts with amounts above \$5,000.

Mr. Steffen moved to approve the Board's procurement policy revisions as presented. Ms. Grant and Ms. Pilar Rodriguez seconded. The Board voted unanimously to approve the revisions.

Fulfillment Contract Not-to-Exceed Amount Increase

Tony Armiger, Chief Financial Officer, MHBE

Tamara Cannida-Gunter, Director of Consumer Assistance & Eligibility, MHBE

Ms. Cannida-Gunter presented on an increase in the not-to-exceed (NTE) amount for the MHBE's fulfillment services contract with Art & Negative Graphics, Inc. Detailed slides are available in the presentation for this meeting. She noted that a new requirement for Medicaid notices to be sent at the

individual rather than the household level has led projected fulfillment costs to exceed the current NTE amount of \$5,878,500 by \$4,566,675, with funding splits of 66 percent covered by the federal government and 34 percent by the state for printing versus 44 percent federal and 56 percent state funding for postage. The actual amount spent has already almost exceeded the current NTE amount. The new proposed NTE amount is \$10,445,175, the value that projections show the fulfillment center will need for this contract period.

Mr. Steffen inquired about whether the NTE amount was also changed in fiscal year (FY) 24. Mr. Armiger replied in the affirmative, noting that the original NTE amount for FY24 was \$6.8 million, which was then raised by around \$2 million. Ms. Cannida-Gunter added that the increase was due to the public health emergency (PHE) unwinding.

Ms. Pilar Rodriguez asked for confirmation that the increase is to allow for each individual to be sent a Medicaid notice. Ms. Cannida-Gunter responded in the affirmative, noting that the change was made by CMS during the PHE unwinding. Ms. Eberle added that delays in many cases led to a much longer process of communicating with members than the MHBE expected. Ms. Cannida-Gunter stated that over 50,000 notices were sent out in December 2024.

Ms. Grant commented that the practice of reaching out to members individually can be important, despite being generally less cost-efficient, because household members may have distinct eligibility situations, particularly for children. Ms. Cannida-Gunter agreed.

Ms. Grant inquired about the impact of the NTE amount on the MHBE's overall FY25 budget. Ms. Cannida-Gunter explained that the agency's memorandum of understanding (MOU) with the Maryland Department of Health (the Department) was revised to include the cost increase. Ms. Eberle stated that the MHBE has had an MOU with the Department for years to pay for Medicaid costs, and in the FY25 MOU, the amount was increased so that the Department will begin paying more for the notices than in the past, meaning there will be no budgetary impact because the cost has been accounted for.

Mr. Steffen moved to approve the fulfillment NTE increase as presented. Ms. Rodgers seconded. The board voted unanimously to approve the increase. Ms. Crandon was absent for the vote.

Ms. Eberle noted that the NTE increase is contingent on CMS' approval.

[SalesForce License Procurement](#)

Shirelle Green, Procurement Officer, MHBE

Venkat Koshanam, Chief Information Officer, MHBE

Mr. Koshanam began the presentation with an overview of how the MHBE uses the Salesforce platform. Detailed slides are available in the presentation for this meeting. The platform is one of the core platforms for handling calls received by the call center. Mr. Koshanam provided a list of other applications to which the platform has since been applied. During the latest OEP, an artificial intelligence (AI) agent was deployed to handle almost 40 percent of all password reset requests calls; the agent is integrated with the Salesforce system to automatically create and track a ticket for the request. Mr. Koshanam noted that the MHBE intends to continue expanding the integration of the platform with other core systems.

Ms. Green showed slides on the details of the procurement, which are included in the presentation for this meeting. The slides compared the number of licenses and costs for 2024 with the estimates for 2025, along with comparing the funding amounts for each year. She noted that the procurement staff felt the increase in funding was justifiable given the MHBE's use of the services. The license period is for one year, the procurement method is Intergovernmental Cooperative Purchase Agreement Task Order Request for Quote, and the approved seller is Carahsoft Technology Corp. The quote was received in November, and upon the Board's approval during this meeting, a task order will be issued, with the procurement process set to be completed on January 31, 2025.

Mr. Steffen moved to exercise the Intergovernmental Cooperative Purchasing Agreement (ICPA) First Option Year Renewal with Carahsoft Technology Corporation and award contract to Carahsoft Technology Corporation in the amount of \$1,522,434.73, with a Federal Participation of \$1,004,806.92 and State participation of \$517,627.81 to procure the Salesforce licenses for the period of March 2, 2025, to March 1, 2026. Ms. Rodgers seconded. The Board voted unanimously to exercise the renewal. Ms. Crandon was absent for the vote.

Mr. Steffen commented that the contract is to be awarded, subject to CMS approval.

2025 IT Roadmap

Venkat Koshanam, Chief Information Officer, MHBE

Mr. Steffen remarked on the exceptional reputation the information technology (IT) implementation at the MHBE enjoys.

Mr. Koshanam presented slides on the current state of IT developments at the MHBE and on their future trajectory. The slides are included in full in the presentation for this meeting. He began with a survey of the technologies the MHBE has implemented, including its core health benefit exchange (HBX) web applications; mobile applications providing the same services as most of the web applications on smart devices, among which recent innovations include the automation of consumer Medicaid eligibility documents and the AI call center agent; the MHBE's newly improved AI bot, known as "Flora"; live agent chat; and the Broker Connect portal. These technologies are administered by the MHBE's internal IT team of 19 state staff and over 150 consulting staff.

Next, Mr. Koshanam reviewed a list of the agency's key accomplishments in the IT sphere in 2024, including the use of generative AI for assistance on the Consumer Portal, enhancement of the Broker Connect capabilities in the mobile application, migration of 10 of 11 HBX lower environments from the Maryland Total Human services Integration Network (MD THINK) to MHBE Amazon Web Services (AWS), and policy improvements.

Mr. Koshanam reviewed the components of the MHBE's IT strategy for 2025, describing goals for enhancements across the pillars of cybersecurity, innovation, system integrations, and operations. Cybersecurity goals include the adoption of AI-powered security measures, additional login options for consumers, and training for staff awareness of best practices and security risks. Under innovation, the MHBE hopes to adopt additional AI features and expand its secure messaging channel and data analytics platform, as well as adopting a microservices architecture. He noted that the agency has a robust AI policy and will also closely watch federal and state mandates on AI adoption. The systems

integrations that the MHBE hopes to undertake include benefits integration between systems, real-time enrollment with carriers, and integration with the small business platform. Targeted operations enhancements include a disaster recovery platform for business continuity options and system enhancements to allow for adaptation to policy changes.

Mr. Koshanam showed four high-level focus areas for the MHBE's IT team: security and disaster recovery; consumer engagement, including data analysis; solutions at scale; and providing consumers a unified experience across the MHBE's digital channels.

Mr. Koshanam then described the major streams of IT deployments, noting that improvements are needed, with implementation of automated deployments as a goal for the year.

Finally, Mr. Koshanam reviewed the outcomes the IT team intends to achieve for CY 2025. These outcomes include empowerment of the user to quickly find the information they want; enhancement of cybersecurity capabilities using AI functionality and a microservices architecture for the HBX platform; continuation of resilient operations reactive to policy changes and to disaster risk and capable of data analytics; and continued, responsible adoption of AI technology.

Referring to the 10 of 11 HBX lower environments migrated from MD THINK to MHBE's AWS servers, Mr. Steffen asked what remains on MD THINK. Mr. Koshanam replied that, of the HBX lower environments, only the User Acceptance Testing environment remains. Since it requires connectivity with carriers, other environments, and CMS, the team kept the environment on MD THINK until the end of the OEP for emergencies but will begin removing it in the next few weeks. He explained that the other environments left on MD THINK include the Staging and Production environments.

Mr. Steffen inquired about the amount the MHBE pays to MD THINK annually now that the lower environments have been migrated elsewhere. Mr. Koshanam replied that the average annual cost for all AWS software and professional support services is \$6.5 million, and the team expects to reduce costs by \$750,000 to \$1 million per year through the migration of the lower environments while operating in the same way as before. He also noted the benefit of integrating the AWS platform into the agency's processes.

Mr. Steffen asked for the one or two areas for which Mr. Koshanam would be most proud should the team make strides in them in CY 2025. Mr. Koshanam responded by remarking on the importance of adopting AI technology given its rapid, ongoing evolution. He stated that his proudest outcome for the year would be to advance the agency's innovation and identified AI technology as involved in many of the available opportunities for efficiency, cost savings, and system resilience.

Ms. Grant commented that conversations surrounding responsible governance for AI are occurring in the insurance regulation sphere, noting the importance of ensuring insurance companies have such governance for AI, undertake testing for its use cases, and have a human being with oversight for each use case. She noted the presentation's discussion of employing AI in key MHBE functions and inquired about the vision for ensuring such guidelines are followed at the MHBE. Mr. Koshanam responded by describing three phases of AI implementation that vary by the amount of data to which the AI tools are given access. He noted that, thus far, the MHBE's AI tools have been in the first phase and have not been given access to consumer data for anything; he gave the example of the AI chat bot Flora, whose responses are drawn from the MHBE's knowledge base and publicly available

data, which were carefully fed to the bot. The second phase involves providing the AI tools with aggregated data, such as summary data on plan enrollments. For instance, he stated that, in the plan shopping experience, such summary data could be used to provide consumers suggestions based on the plans those with similar profiles selected. He remarked on the necessity of ensuring carriers and stakeholders are in alignment before implementing such a feature. The third phase would involve the AI tool accessing personalized data and using it for decision-making. He emphasized the care needed to ensure any tool implemented at this phase is free of bias and steers clear of other AI-related ethical issues. He stated that the team is only working on public-facing AI tools in the first phase. He expressed the desire to implement an internal AI bot that MHBE staff can ask for factual information, noting the value this could offer to technical and business staff and that such a tool would remain within the MHBE's firewall.

Ms. Eberle noted that she and Mr. Koshanam met with Katie Olson Savage, Maryland Secretary of Information Technology, and Nishant Shah, Maryland Senior Adviser for Responsible AI, in November 2023 to discuss the state's guardrails for the use of AI. Mr. Koshanam recently completed his Ph.D., publishing his thesis on AI in government organizations. Additionally, the MHBE has created an internal AI governance policy. Currently, the agency has limited its AI efforts to tools using only its own environments and data.

Mr. Steffen expressed appreciation for Mr. Koshanam's leadership and commitment to the state of Maryland in his innovative work.

Noting last year's expansion allowing residents without documentation to enroll in coverage through MHC beginning in 2026, Mr. Steffen expressed concern over the potential for information on such enrollees to be collected by external entities, suggesting that the possibility be considered in the implementation of the expansion. He also reminded attendees that the uninsurance rate remains at 6 percent, imploring them to continue serving as advocates for insurance coverage access and expressing hope that the policy team at the MHBE will continue to innovate in ways that help further reduce the uninsurance rate. Ms. Eberle agreed, noting the need to adapt to any changes that affect the MHBE's ability to offer Marylanders affordable coverage and praising the Maryland legislature's commitment to protecting health care access and coverage.

Adjournment

Ms. Grant moved to adjourn the meeting. Ms. Aluc seconded.

Mr. Steffen closed the meeting. The next Board meeting is on February 18, 2025 and will be virtual. There will be no March meeting. The meeting was adjourned at 3:48 PM.