



Maryland Health Benefit Exchange

Board of Trustees

April 21, 2025

2 p.m. – 4 p.m.

Meeting Held in person and via Video Conference

Members Present:

Aika Aluc

Marie Grant

Katherine Rodgers

Maria Pilar Rodriguez

K. Singh Taneja

Dana Weckesser

David Sharpe

Also in Attendance:

Michele Eberle, Executive Director, MHBE

Betsy Plunkett, Director of Marketing & Web Strategies, MHBE

Amelia Marcus, Health Policy Analyst, MHBE

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

Becca Lane, Senior Health Policy Analyst, MHBE

Blake Baron, Assistant Attorney General, MHBE

Tony Armiger, Chief Financial Officer, MHBE

Venkat Koshanam, Chief Information Officer, MHBE

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

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

Tracey Gamble, Procurement Manager, MHBE

Meeting Call to Order and Approval of Minutes

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

Aika Aluc, Board Vice Chair

Ms. Eberle called the meeting to order. She announced that Maryland's new Secretary of Health, Dr. Meena Seshamani, is not able to join today but that Dr. Seshamani appointed Aika Aluc as Vice Chair of the Board, effective immediately, through the end of May 2027.

Ms. Aluc asked for any corrections to the minutes for the February 18, 2025, meeting of the Board. Ms. Rodgers stated that the spelling of her name should be corrected in the section about her report on the Policy and Governance Committee's February 13 meeting. Ms. Rogers moved to approve the

minutes of the February 18, 2025, Board meeting minutes as amended. The motion was seconded by Ms. Grant. The Board voted unanimously to approve the minutes.

Public Comment

None offered.

Finance and Audit Committee Report

K. Singh Taneja, Board Liaison

Mr. Taneja reviewed the discussions from the Finance and Audit Committee's April 14, 2025, meeting, the last one he will cover before his tenure as a Board member ends. He thanked the Maryland Health Benefit Exchange (MHBE) and the Board for their support throughout his time in the role and for the opportunity to work with the Finance and Audit Committee.

At the Committee's April 14 meeting, the MHBE's Chief Financial Officer presented financial statements. The actual payroll amount is about \$1.2 million over budget, with the reasons including that the vacancy factor for the MHBE is below what is anticipated for the state, that the cost-of-living adjustment (COLA) factor has not yet been added to the budget, and that employees were recruited for six information technology (IT) positions. Total Consolidated Service Center costs exceeded the budget by \$1.28 million due to the longer-than-expected duration of the public health emergency (PHE) and young adult subsidy cost increases after the legislative ceiling for the program was lifted. Staff presented a compliance and audit report on the status of Office of Legislative Affairs findings and corrective actions being taken by MHBE leadership. Finally, privacy reporting indicates that MHBE leadership is closely managing the risk of privacy incidents.

Executive Director Update

Michele Eberle, Executive Director

Ms. Eberle began her update by noting that Mr. Taneja and Ms. Weckesser will finish their terms at the end of May. Two new board members will be joining effective June 1st, Ken Brannan and JoAnn Volk.

Ms. Eberle noted that the next Board meeting, on May 19, will be virtual. There will be no meeting in June, after which the July meeting will be an all-day, in person meeting at Anne Arundel Community College, with a portion dedicated to training for new Board members.

She then noted that Dr. Mehmet Oz has been confirmed as the Centers for Medicare & Medicaid Services (CMS) Administrator and will join Peter Nelson, the Administrator of the Center for Consumer Information and Insurance Oversight within CMS, which oversees the MHBE's work. The MHBE will join other state-based marketplaces in meeting with Administrator Oz regarding the marketplaces' work in early May. The MHBE submitted formal comments on the 2025 Marketplace Integrity and Affordability Proposed Rule, submitted under Administrator Nelson; the agency's comment explains the potential harm to consumers were the open enrollment period (OEP) to be shortened as proposed so that it ends on December 15. State governors and the National Association of Insurance Commissioners sent letters explaining the important flexibility that could be lost were the rule to be adopted.

Ms. Eberle noted that potential Medicaid funding reductions and changes to the federal funding split provided for Medicaid expansion would cause significant funding issues. Additionally, the expanded tax credits currently in place are scheduled to sunset if Congress does not take action by the end of the year. Although a bill passed this legislative session could provide a buffer by allowing use of some subsidy funding for a state subsidy program, significant enrollment losses are likely in 2026 given the federal government's current course.

Ms. Eberle then noted that this year's Broker Achievement Awards will take place on May 1 and applauded agency leadership's achievement in keeping the MHBE fully staffed.

Ms. Aluc inquired about strategies being considered to minimize fallout from potential Medicaid funding cuts. Ms. Eberle replied that the Medicaid program itself falls under the Maryland Department of Health (the Department) but that the Health Insurance Coverage Commission has been revived and will begin meeting soon to strategize. Ms. Grant added that the amount of uncertainty regarding future federal action makes it difficult to plan and noted that Dr. Seshamani will likely have more to share.

Mr. Taneja asked for the ratio of the federal/state funding split. Ms. Eberle responded that the ratio depends on the program, with rates as varied as 25% state and 75% federal, 90/10, and 50/50.

Mr. Taneja stated that media sources indicate a shift to a blanket 50/50 split has been proposed.

Consumer Assistance Regulations

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

Becca Lane, Senior Health Policy Analyst, MHBE

Tamara Gunter, Director of Consumer Assistance, MHBE

Ms. Fabian-Marks explained that the MHBE has made additional minor wording changes that were not reflected in the proposed changes included in the materials Board members received prior to the meeting.

Ms. Lane explained that the staff are presenting on proposed regulatory updates for the Consumer Assistance Program. Detailed slides are available in the presentation for this meeting.

Ms. Gunter explained the context of the changes being proposed: consumer complaints of mistakes by brokers, suggesting the brokers had not fully understood the training they received upon enrolling with the program. The MHBE decided to implement an exam to ensure brokers fully understand the material, and brokers expressed support for the idea. No comments were received during the public comment period.

Ms. Lane noted that, in addition to instituting the exam, the regulatory proposal would allow the MHBE discretion to refuse to reauthorize producers with a record of misconduct, along with codifying other existing policies, including the examination requirements for navigators and application counselors. The MHBE is removing all references to the captive producer program, now discontinued.

Ms. Weckesser inquired about the captive producer program. Ms. Fabian-Marks explained that captive producers sell plans from only one insurance company and that the MHBE decided not to

renew the program when the pilot ended because of the philosophy that consumers are best served by producers who may sell them plans from all carriers instead.

Ms. Fabian-Marks explained that the Maryland Insurance Administration (MIA) has the primary regulatory authority over brokers and that brokers previously had to complete the same training that other consumer assistance workers did but that this change will newly require them to complete the exam just as other consumer assistance workers must.

Ms. Rodgers asked for confirmation that the training and exam are the same for all types of consumer assistance workers. Ms. Fabian-Marks replied in the affirmative.

Ms. Fabian-Marks showed a slide indicating the wording changes made since the Board materials were sent out. The changes clarified the exact time frames for the acceptable durations of the period between completing the training and passing the exam and the minimum wait time between a broker's third and fourth exam attempts. A citation was also added for the relevant regulations, and additional wording changes were made as per the advice of the MHBE's legal counsel.

Ms. Lane showed the timeline for the proposed regulation, noting that, after today's vote, the Board will vote on final approval of the regulatory changes in July. The MHBE hopes to have the regulations final, reviewed by the Joint Committee on Administrative, Executive, and Legislative Review, and published to the Maryland Register in August so that they are in place for the OEP.

Ms. Aluc inquired about using graduated disciplinary action for brokers with records of misconduct, seeking to avoid a large reduction in the number of brokers available through widespread dismissals. Ms. Gunter responded that the disciplinary action to be taken depends on the severity of the misconduct, ranging from letters to refusing reauthorization.

Ms. Aluc asked whether opportunities exist to make the process more transparent through institution of an appeals process or something similar. Ms. Gunter gave confirmation that there is an appeals process in place.

Mr. Sharpe inquired about the reason for twelve months as the waiting period for consumer assistance workers who fail the exam three times to take a fourth attempt. Ms. Fabian-Marks replied that the MHBE's consumer operations division felt it was a reasonable waiting period that gives adequate time for re-review of the material. She added that the multitude of producers working in Maryland allows the MHBE to select for only those who know their business well. Ms. Eberle noted that the training is also revised on an annual basis, and Ms. Gunter noted this ensures they have received the most up-to-date information possible.

Ms. Aluc asked whether there is a cost associated with taking the exam. Ms. Gunter responded in the negative.

Ms. Aluc moved to approve the proposed regulations as presented and authorize MHBE to submit them to the Joint Committee on Administrative, Executive, and Legislative Review and to the Division of State Documents for publication in the Maryland Register. Ms. Weckesser seconded. The Board voted unanimously to approve the proposed regulations.

Consumer Assistance Contract Review

Tamara Gunter, Director of Consumer Assistance, MHBE

Ms. Gunter presented on the contract review period for the MHBE's consumer assistance contracts. Detailed slides are available in the presentation for this meeting.

She first presented on the Language Line, noting that the line provides quality services to consumers at an affordable price for the MHBE because of a broader contract the vendor has with the state government. Quotes the MHBE has received for comparable services from other vendors have been much higher. The price will be \$250,000 in fiscal year (FY) 2026, as in FY 2025. The funding split is 44% federal and 56% state. The line handled almost 300,000 calls in FY 2024 and offers over 290 languages. The MHBE has seldom received any complaints regarding the service.

Ms. Grant asked if the calls handled through the line all come in through the call center. Ms. Gunter responded that the line handles calls from the call center, the consumer assistance line, and navigators, serving anyone who needs language assistance.

Ms. Aluc moved to approve the securing of Language Line services through the State contract with the Board of Public Works in the Not-To-Exceed (NTE) amount of \$250,000 for FY26. Ms. Rodgers seconded. The Board members present voted unanimously to approve the request. Mr. Taneja was absent for this vote.

Ms. Gunter then moved on to the Fulfillment Center contract. The Fulfillment Center handles the MHBE's printing needs for notices and forms mailed to consumers. FY 2026 is the second and final year of the contract, with an approved budget of \$5.2 million. The MHBE has a memorandum of understanding (MOU) with the Department to cover the extra expense resulting from the shift to sending out a notice per individual rather than per household, as newly required by CMS. The overall not-to-exceed amount of \$10.4 million includes both the current budget of \$5.2 million and the \$5.1 million MOU with the Department.

Ms. Aluc moved to exercise the second and final option year of a two-year option contract with Art & Negative Graphics for a Not-To-Exceed amount of \$10,445,175. Ms. Rodgers seconded. The Board members present voted unanimously to approve the motion. Mr. Taneja was absent for this vote.

Ms. Gunter then discussed the MHBE's call center contract. The current vendor is Maximus Health Services, Inc., and the total contract bid is \$79,472,068 for a five-year term. The MHBE is currently in year one of the two-year option term running from July 1, 2025, to June 30, 2027. The funding split is: 39.8% state and 60.2% federal.

Ms. Eberle asked whether, beyond the three-year base term, the contract allows for a single two-year option or two options, each lasting one year. Ms. Gunter replied that the former is correct.

Ms. Eberle asked for confirmation that the MHBE is only asking for one year because they are in the first year of the two-year option term. Ms. Gunter replied in the affirmative, and Mr. Baron agreed.

Ms. Eberle asked whether the Board is voting on exercising the entire option period but only approving the funding for one year. Mr. Baron responded in the affirmative, noting that the NTE

amount on which the Board will vote will only apply to the first year. He added that the contract may be terminated at the convenience of the MHBE in the future.

Ms. Eberle explained that the contract amount may be less than the NTE amount. Mr. Baron agreed.

Ms. Eberle asked for an additional motion to be drafted to exercise the two-year option. Ms. Aluc agreed, and Mr. Baron drafted it.

Ms. Grant asked if the vendor met particular performance standards that led the MHBE to request the two-year extension. Ms. Gunter replied that price was the major factor, with competing quotes much higher than the current contract amount. Ms. Eberle added that Maximus has been a supportive partner for the MHBE for years and that the MHBE has addressed the challenges that have arisen.

Ms. Aluc moved to approve the exercising of the two-year option with Maximus Health Services, Inc., for the Consolidated Service Center from January 1, 2025, to June 30, 2027. Ms. Weckesser seconded. The Board members present voted unanimously to approve the motion. Mr. Taneja was absent for this vote.

Ms. Gunter then presented an overview of call center costs. Increases in the number of Medicaid calls have led to an increase in total costs in FY 2025.

Ms. Weckesser asked whether chat conversations are handled by human operators or through the use of artificial intelligence (AI). Ms. Gunter replied that human operators handle chats.

Ms. Gunter then listed services the call center provides. She went over successes and challenges throughout the contract with Maximus, noting their demonstrated understanding of the MHBE's program and mission, their robust Genesys telephony system, and their compliance with "secret shopper" findings and formal audits but describing their tendency to request increases to the contract amount for new responsibilities and high workforce turnover, resulting in organizational knowledge losses. She stated that the MHBE vets prospective key personnel at Maximus through resume and background check reviews. She went on to describe the recent implementation of AI-powered password resets and similar upcoming AI functionality allowing consumers to check their case status at any time. Finally, she described how the MHBE has transitioned the Special Projects team from being at Maximus to in-house to speed up the escalations experience, saving roughly \$108,000 and \$156,000 in state and federal funds, respectively.

Ms. Weckesser asked whether the savings from the Special Projects team transition resulted from circumventing the overhead that Maximus would have charged the MHBE. Ms. Gunter and Ms. Eberle replied that bringing the team in-house allowed the MHBE to avoid upcharges from Maximus.

Mr. Sharpe asked if the decision on whether a call is handled as basic (Tier 1) or complex (Tier 2) is made during the call. Ms. Gunter replied that the decision is made at the start of the call with the assistance of the consumer's responses to the call center's interactive voice response system. She noted that a single call is only counted as part of a single tier, never both.

Ms. Aluc inquired about auditing for the AI functionality Ms. Gunter described. Ms. Gunter replied that only the password reset functionality is currently active but that, when implemented, the case status functionality will be thoroughly audited.

Ms. Grant asked how the MHBE interacts with the Governor's AI Subcabinet throughout this implementation process. Mr. Koshanam replied by emphasizing both the benefits of AI technology and the associated challenges with regard to ethical adoption. He stated that the MHBE was perhaps the first state agency to create an AI policy, which the MHBE has since adopted, and which will guide the MHBE's responsible adoption of the technology. He also noted that he, Ms. Eberle, and Mr. Armiger have conversed with Maryland's Secretary of IT and the state's Senior Advisor for Responsible Artificial Intelligence. Ms. Eberle added that the MHBE's steps with regard to AI have been so proactive that Senator Katie Fry Hester and Delegate Anne R. Kaiser, who chair the Joint Committee on Cybersecurity, IT, and Biotechnology, have requested examples.

Ms. Aluc moved to approve a Not-To-Exceed amount of \$13,034,802 for the Maximus Health Services, Inc., Consolidated Service Center contract for FY 2026. Ms. Rodgers seconded. The Board members present voted unanimously to approve the motion. Mr. Taneja was absent for this vote.

Next, Ms. Gunter went over a request for modification and extension of the MHBE's Connector Entity (CE) grants. She explained that the current grants expire on June 30, 2025, and normally a new solicitation would be scheduled for April 2025. However, CMS newly requires that grants be sent to them for their approval before solicitations are put out. They may take up to 60 days to review. Then, the MHBE must send the contract back to CMS for further approval once it is awarded, and this approval process may also take up to 60 days. The MHBE anticipates it will begin the CMS review process in April 2025, but approval could take as long as late September.

Ms. Gunter emphasized the importance of the grants for ensuring navigators remain available in all Maryland counties. She stated that the MHBE is requesting an extension of the current CE contract so there is time for CMS to approve their request for application (RFA). The new contract is anticipated to go into effect October 1, 2025. She explained that the MHBE is not requesting any extra financing and noted the potential harm to meta-areas such as the Sandtown neighborhood in Baltimore and the Eastern Shore were a CE no longer present there.

Ms. Grant asked whether they are state or federal grants. Ms. Gunter replied that they are both but that the money the MHBE plans on spending now will come from state funds since the MHBE will not have approval to spend federal funds until after the new approval process with CMS is complete.

Ms. Eberle noted that the CMS approval process has already been the norm for other states but is new to Maryland and leads to an overall slower process than was typical for the MHBE.

Ms. Grant asked for confirmation that the intention is to use only state funds now and ask for federal matching funds later. Mr. Armiger answered in the affirmative, stating that the MHBE will be requesting retroactive funding.

Ms. Gunter presented on the award amounts for each of the regional awardees, explaining that only \$9.2 million is available this year rather than \$10 million. The MHBE is requesting \$2.3 million for the contract extension based on the \$9.2 million amount.

Ms. Eberle inquired about what would happen were the \$9.2 million amount to be reduced. Ms. Gunter replied by noting that, indeed, having budgeted \$9.2 million does not guarantee that all \$9.2 million will be spent. She commented that surplus funds could be spent in other areas such as the call center, on which spending is projected to be over budget.

Ms. Gunter noted that the RFA this year will be evidence-based, with funding going to areas in which data demonstrate high need. She provided cost per enrollment as an example metric. Adjustments made in response to such data will include salary caps for grantees and steps to avoid duplication of effort for work being done by a local health department or department of social services.

Ms. Rodgers expressed trepidation at calculating a blanket dollar amount per enrollment, noting that rural areas require spending more money per enrollment. Ms. Gunter agreed and stated that factors like the extra mileage required to reach individuals in rural areas such as the AHEC West region are considered.

Ms. Aluc moved to approve a modification and extension for a period of 3 months to all of the current FY25 Connector Entity Grant Agreements and a total award for the Connector Entity Grant for the three-month extension period (July 1, 2025, through September 30, 2025) in the amount of \$2,300,000. Ms. Rodgers seconded. All Board members present voted unanimously to approve the request. Mr. Taneja was absent for this vote.

Software Procurements

Venkat Koshanam, Chief Information Officer, MHBE

Tracey Gamble, Procurement Manager, MHBE

Mr. Koshanam presented on the procurement of licenses to Akamai software. Detailed slides are available in the presentation for this meeting. The software blocks web traffic to Maryland Health Connection (MHC) and provides performance management and “waiting room” options for visitors to the site, and Mr. Koshanam expressed the team’s satisfaction with the software.

Ms. Gamble read the details of the renewal procurement. The MHBE received 14 responses on its invitation for bid (IFB), ten of which were responsive. The lowest bidder was Carahsoft Technology Corporation, the incumbent. The bid amount for FY25 was \$457,680, and this year’s bid amount is the same. The license period is July 1, 2025, through June 30, 2026. The funding split is 66% federal, 34% state. Ms. Gamble showed a list of the Akamai products the MHBE uses.

Ms. Aluc moved to approve the Akamai subscription renewal as presented and award a contract to Carahsoft Technology Corporation in the amount of \$457,680.12, with a federal participation of \$302,068.88 and state participation of \$155,611.24 for the period of July 1, 2025, to June 30, 2026. Ms. Weckesser seconded. The Board members present voted unanimously to approve the motion. Mr. Taneja was absent for this vote.

Ms. Weckesser asked for confirmation that the MHBE already has the federal funding for the contract in hand and inquired about whether retraction of those funds is possible. Ms. Eberle replied that the agency has the funding in hand but that it is not necessarily permanent.

Mr. Koshanam then presented on the procurement of Corticon software. The MHBE uses their Business Rules Engine for editing and dynamic execution of an extensive list of rules, with which consumers apply for eligibility for determinations. Mr. Koshanam explained that the MHBE explored other options for this software in recent years, including Akamai, but found Corticon to have the best offering for fulfilling these needs.

Ms. Gamble read the details of the procurement. The MHBE issued an IFB for its business renewal and received 11 responses, eight of which were responsive. The lowest bidder was vCloud Tech, Inc., who is not the incumbent. The FY26 amount the MHBE is asking for is \$428,659.76, for a savings of \$9,696.24 when compared with the current price. The license renewal period is August 1, 2025, through July 31, 2026. The funding split is 66% federal, 34% state.

Ms. Aluc asked for confirmation that the awardee is different from the previous vendor, inquiring whether the previous vendor applied and asking their place in the ranking. Ms. Gamble noted that the awardee this time is indeed different, adding that the previous vendor applied and was ranked second.

Ms. Aluc moved to approve the Corticon subscription renewal as presented and award a contract to vCloud Tech, Inc. in the amount of \$428,659.76, with a federal participation of \$282,915.44 and a state participation of \$145,744.32 for the period of August 1, 2025, to July 1, 2026. Ms. Rodgers seconded. The Board members present voted unanimously to approve the motion. Mr. Taneja was absent for this vote.

Adjournment

Ms. Aluc closed the meeting.