MARYLAND HEALTHBENEFIT EXCHANGE

FY 2020 BUDGET HEARING

HEALTH AND SOCIAL SERVICES SUBCOMMITTEE OF THE APPROPRIATIONS COMMITTEE

MARYLAND HOUSE OF DELEGATES

JANUARY 31, 2019

WHAT IS MHBE?

MARYLAND HEALTHBENEFIT EXCHANGE

The Maryland Health Benefit Exchange, or MHBE:

- Is a public corporation and independent unit of state government.
- Is overseen by a nine-member Board of Trustees including the Secretary of Health; State Insurance Commissioner; executive director of Maryland Health Care Commission, and 6 additional members appointed by the governor.
- Is Maryland's state-based exchange established pursuant to the Patient Protection and Affordable Care Act of 2010. It pursues its mission to provide accessible, affordable coverage by operating Maryland Health Connection, through a website and mobile application.
- Provides consumer assistance including a call center with +200 staff, 135+ in-person navigators and 500+ private insurance brokers trained by MHBE to help Marylanders enroll in a private health plan; some Medicaid programs or the MD Children's Health Insurance Program, depending on eligibility.

2019 OPEN ENROLLMENT RECAP

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156,963 enrolled in private health coverage for 2019

- 2% greater than year ago when 153,571 enrolled
- 79% qualified for federal tax credits (APTC)
- Surge of activity final weekend. 5,432 enrollments on final Saturday, 12/15; 2,000 more than previous peak enrollment day a year ago.

Total individual market enrollment both on- and off-exchange exceeded est. impact of reinsurance

- Wakely Consulting had estimated total individual market would dip to 171,526 without reinsurance.
- It estimated 181,582 with reinsurance, a 6% increase.
- Total market now at 212,149 — 24% increase.

1,046,579 enrolled in MAGI Medicaid coverage as of December 31, 2019

- Enrollment year-round for Medicaid coverage.

WHERE WAS LARGEST QHP GROWTH FOR 2019?

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By Residence	2018 Total	2019 Total	% Change
Jurisdiction	11/1/17 through end of enrollment 12/22/17	**11/1/18 through end of enrollment 12/15/18**	
Allegany	1,119	**1,358**	+21%
Anne Arundel	12,140	**12,036**	-1%
Baltimore	20,603	**20,547**	-0.3%
Baltimore City	10,305	**10,061**	-2%
Calvert	1,543	**1,526**	-1%
Caroline	788	**997**	+27
Carroll	3,521	**3,477**	-1%
Cecil	2,132	**2,402**	+13%
Charles	2,556	**2,550**	-0.2%
Dorchester	754	**911**	+21%
Frederick	5,948	**5,982**	+1%
Garrett	842	**1,021**	+21%
Harford	4,953	**4,780**	-3%

By Residence	2018 Total	2019 Total	% Change
Jurisdiction	11/1/17 through 12/22/17	**11/1/18 through 12/15/18**	
Howard	9,506	**9,458**	-1%
Kent	511	**597**	+17%
Montgomery	41,585	**41,763**	+0.4%
Prince George's	22,424	**22,674**	+1%
Queen Anne's	1,392	**1,545**	+11%
St. Mary's	1,521	**1,840**	+21%
Somerset	524	**662**	+26%
Talbot	1,216	**1,418**	+17%
Washington	3,093	**3,808**	+23%
Wicomico	2,376	**3,037**	+28%
Worcester	2,219	**2,513**	+13%
Total	153,571	**156,963**	+2%

*** 20%+ growth in red**

GAINS IN TARGET AUDIENCES

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Enrollment increased among young adults (18-34), African-Americans and Hispanic residents, aided by mobile app, enrollment events, ads in ethnic newspapers, digital.

By Demographics	2018 Total	2019 Total	% Change
Young Adults (18-34)	45,579	**47,278**	+4%
African-American	25,605	**27,709**	+8%
Hispanic	17,985	**18,344**	+2%

New marketing portal messaged to silver enrollees they could get more value for less $ and much smaller deductibles with gold plans, or silver off-exchange.

By Metal Level	2018 Total	2019 Total	% Change
Platinum	1,111	**1,736**	+56%
Gold	29,312	**43,675**	+49%
Silver	84,962	**74,536**	-12%
Bronze	34,524	**33,529**	-3%
Catastrophic	3,662	**3,487**	+5%

2018 AGENCY OPERATIONAL ACCOMPLISHMENTS

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Administration

- Staff vacancy rate reduction from 16% to 3%.
- $200,000 savings per year on leasing due to location consolidation.

Procurement

- 120 IT resources procured through the IDIQ.

Customer Experience Enhancements

- Numerous user interface improvements based on rigorous consumer testing.
- An artificial intelligence “chatbot” to help consumers, shrink call center volume.
- 9,000 facilitated enrollments through a “Pay-now” feature to allow immediate payment of the first-month’s premium. (Kaiser Permanente only)

Operations

- 95% reduction in individual market escalated cases year over year.
- 50% reduction in call center average speed to answer during open enrollment.

REINSURANCE

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- The State Reinsurance Program was established by the General Assembly in 2018 through HB 1795/SB 387. The Program is a partnership between MHBE, MIA, and MDH. Approved by federal government in 43 days.

- Reduced individual market premiums by 13.2% (avg.) in 2019 plans.

- Federal savings for 2019 of ~$481 million, largest program of its type in the nation. Expectation to receive $373,000,000 ($70,000,000 above estimate) in federal funding for program. That will reduce state reinsurance funding by 15% for 2019.

- The impact is especially beneficial to 100,000+ who purchase insurance in the individual market (on/off-Exchange) without federal tax credits.

- Total enrollments in the individual market both on and off-exchange exceeded the estimated program impact in 2019:
  - 171,526 enrollees (est.) without reinsurance
  - 212,149 enrollees (actual) with reinsurance

WHAT'S AHEAD IN 2019?

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Challenges

- Continuing premium affordability: Reinsurance funding will last ~3 years.
- Rising deductibles and out-of-pocket costs.
- Federal health landscape uncertain due to potential legal and regulatory changes.

Agency Goals

- Grow services.
- Lower consumer costs.
- Technological innovation.
- Fiscal responsibility.
- Program integrity.

QUESTIONS ANSWERED

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Why $1.2 million increase in marketing contract?

1. After several years of headlines about rising premiums, need to change perceptions and get out word about lower rates (due to reinsurance), especially to residents who had shopped before and passed.

2. Maryland enrollment for 2019 was up +2%. Federal marketplace cut advertising and its enrollment through Healthcare.gov was down -4%

3. With federal individual mandate tax penalty at $0 need to reinforce message about value of coverage.

CALL CENTER

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	2018 Enrollment	**2019 Enrollment**	Change
Incoming Calls	343,468	**259,837**	-24%
Calls Handled	237,427	**216,363**	-9%
% of Incoming Handled	69%	**83%**	+20%
Avg. Speed to Answer	10 minutes, 35 seconds	**5 minutes, 15 seconds**	-5:20
Avg. Call Handle Time	12:38	**11:00**	-1:38

Although call center cost down significantly, why is projection still higher than latest actual spend?

1. Federal changes w/ ACA could spur confusion, increase call volume.

2. Federal participation rate varies based on percentage of calls that are eligibility-related. Eligibility calls have a fed participation of 75%, non-eligibility calls at 50%. This is determined after the fact and we are allowing for a decrease in the percentage of eligibility calls.

INFORMATION TECHNOLOGY

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Why $2.7 million for website enhancement?

Annual enhancements needed to improve functionality, respond to changes in federal and state requirements and implement newer technology.

1. Improve User Experience, mobile responsiveness: More effective self-service. Reduce pressure on call center. Continue to foster “Mobile First.” 2019 open enrollment first time mobile visits exceeded desktop.
2. Security: Get current with multi-factor authentication for customers, such as Fingerprint / Face ID
3. Improve doc verification, accuracy of data capture: Take advantage of native mobile capabilities to use Optical Character Recognition to scan ID documents, reduce customer typing and get more accurate information.
4. Analytics enhancement: Improve Google Analytics to capture real-time data/events. For example, push notifications sent to app users 6 times in 2019 enrollment bumped traffic from <100 concurrent users to >2,000.
5. More dynamic notice system: Allow creation of notices in MS Word so that non-technical users can maintain basic templates and make updates required to notify consumers quickly without extensive technical support.

MD THINK PROJECT

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What is the AWS IDIQ contract?

Due to migration of HBX (Health Benefit Exchange) onto the MD THINK Shared Amazon Web Services (AWS) cloud platform, we require certain additional skilled technical resources with expertise in AWS, Continuous Integration/Continuous Development (CI/CD) and relevant technologies to perform/revamp ongoing development and other support services. These resources will be hired through our IDIQ procurement contract, categorized separately as the AWS IDIQ Contract.

Is anticipated drop in hosting costs and projected increase in server utilization related?

Yes, Conduent is our current hosting vendor. Its services will be replaced by the MD THINK Shared AWS Platform. MHBE will be charged AWS and common costs for being on MD THINK platform. MHBE has a consumer base of 1.2 million+, much higher than other agency programs on MD THINK, and our transaction volume is higher, so we anticipate MD THINK AWS platform and associated costs to be higher until utilization stabilizes in next few years.

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Why $1.2 million increase in Maintenance and Operations?

The M&O functions contracted to DMI will have additional costs due to the replacement of the hosting vendor Conduent by the MD THINK AWS Shared Platform. DMI will assume additional responsibilities in the areas of Incident / Change Management, Configuration Management, Asset Management, Help Desk Support and Tools Configuration / Administration.

They are currently provided by Conduent and not supported under MD THINK platform utilization and professional services.

SHOP (SMALL BUSINESS)

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What is the SHOP development contract ($650,000) intended to do?

We are terminating our SHOP vendor contract for performance. We plan to create our own MHBE system for the small business market to:

1. Foster an environment encouraging to small business development by giving those businesses a more efficient, cost-effective way to offer health coverage to their employees to help attract and retain talent.

1. Grow the small group insurance market, which in turn would reduce risk and rate increases in the individual market, whose stability will be imperative, especially after the reinsurance program exhausts funding after Plan Year 2021.

1. Lower the uninsured rate in Maryland, which directly affects uncompensated care costs at Maryland hospitals and the All-Payer Model designed to hold down health care costs in the state.

DLS RECOMMENDATION RESPONSES

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1. **Reduce funding for the service center based on actual spending levels.**

   MHBE respectfully requests to keep this funding in the budget to be repurposed for new grant funding for small community based organizations to help with outreach and enrollment efforts.

1. **MHBE to seek formal resolution of the 2018 Fiscal State Closeout audit finding.**

   MHBE has been working closely with CMS to obtain written confirmation that the “potential” liability does not remain. As recently as this week CMS advised that the finalization of the report is still “in process” between HHS & OIG.

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QUESTIONS?

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