

Maryland Health Benefit Exchange

FY22 Budget Presentation

Mission

The mission of the MHBE is to provide access to affordable health insurance for Marylanders seeking health insurance.

Vision

The Maryland Health Benefit Exchange envisions a state in which every Marylander has health insurance.

Agency Principles

Accessibility, Affordability, Sustainability, Stability, Health Equity, Flexibility, Transparency

§ 31-102. Maryland Health Benefit Exchange.

(c) Purpose. -- The purposes of the Exchange are to:

- (1) **reduce the number of uninsured** in the State;
- (2) facilitate the **purchase and sale of qualified health plans in the individual market** in the State by providing a transparent marketplace;
- (3) assist qualified employers in the State in facilitating the **enrollment of their employees in qualified health plans in the small group market** in the State and in accessing small business tax credits;
- (4) assist individuals in **accessing public programs, premium tax credits, and cost-sharing reductions**; and
- (5) **supplement the individual and small group insurance markets** outside of the Exchange.

§ 31-107. Maryland Health Benefit Exchange Fund.

(b) Purpose; delegated functions.

(1) The purpose of the Fund is to:

(i) provide **funding for the operation and administration** of the Exchange in carrying out the **purposes of the Exchange** under this subtitle; and

(ii) provide **funding for the establishment and operation of the State Reinsurance Program** authorized under this subtitle.

(2) The operation and administration of the Exchange and the State Reinsurance Program may include functions delegated by the Exchange to a third party under law or by contract.

§ 31-107.2. Budget appropriations.

(a) In general.

(1) For State fiscal year 2015 and for each State fiscal year thereafter, from the funds received from the distribution of the premium tax under § 6-103.2 of this article, the Governor shall provide an appropriation in the State budget adequate to fully fund the operations of the Exchange.

(2) (i) For State fiscal year 2015, the appropriation shall be no less than \$ 10,000,000.

(ii) For State fiscal year 2021, the appropriation shall be \$ 31,500,000.

(iii) For each State fiscal year thereafter, **the appropriation shall be not less than \$35,000,000.**

(b) Use of funds. Funds allocated from the premium tax under subsection (a) of this section to provide the appropriation to the Exchange may be used only for the purpose of **funding the operation and administration of the Exchange.**

§ 31-108. Functions and operations of Exchange.

- Make qualified **health, dental and vision plans** available to qualified individuals and qualified employers;
- Provide information and **make determinations regarding eligibility for Maryland Medical Assistance Program, Maryland Children's Health Program** and any applicable State or local public health insurance program;
- Operate a **toll-free telephone hotline**;
- **Maintain a website** through which enrollees and prospective enrollees of qualified plans may obtain standardized comparative information;
- Establish a **SHOP (small business) Exchange**;
- Operate a **navigator program** for the SHOP Exchange and for the Individual Exchange;
- Carry out a **public relations and advertising campaign** to promote the Exchange;
- Conduct **outreach and education activities** to increase health literacy and to educate consumers about the Exchange and insurance affordability
- **Perform administrative, technological, operational, and reporting functions for Maryland Medical Assistance (MA) programs**, as requested by the Maryland Department of Health and approved by the Board, to the extent that the performance of the functions aid in the efficient operations of the Exchange and the MA programs.

Other Functions and Operations of the Exchange

- Constituent services **for Medicaid and Commercial plans**
- Appeals and Office of Administrative Hearings representation **for Medicaid and Commercial plans**
- **State Reinsurance fund** administration (mandated)
- **Maryland Easy Enrollment** program with the Comptroller's office (mandated)
- **Medicaid Family Planning** presumptive eligibility (mandated)
- Maryland Health Connection training development for **Call Center, Connector Entities, Application Counselors, Local Health Departments, and Department of Social Services**
- **Insurance Producer system** portal and support
- Policy and Government relations
- Administrative functions – Human resources, finance, audit & compliance, legal, facilities

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EXCHANGE FUNDING BY PROGRAM

PROGRAM 1 – Operations

Program 1 consists of Marketing, Printing, Call Center, Fulfillment Center, Independent Auditors, Actuarial Analysis and studies, Travel, Rent, Utilities, Building Maintenance & Repairs, Copiers, Supplies, and inter-agency fees (OAG, DoIT)

Anything Medicaid reimbursable

- 44% Federal Fund / 56% State funding
- Federal funds secured via direct drawdown by MDH from CMS and transferred to MHBE
- **State Medicaid match provided by MHBE Special Fund from premium assessment tax**

All small business, plan management and policy work and staffing positions: 100% State funds

FY21 Program 1 budget (FMIS current appropriation):

Total Funds	State Funds	Federal Funds
\$42,304,149	\$19,745,476	\$22,558,673

Call Center Specific Funding

FY21 Call Center Costs

Allocation	Amount	Funding Source
FY21 Call center cost allocation	\$17,254,000	66%/44% Federal funding with 34%/56% State match
Federally funded portion for Medicaid and MCHP	\$10,345,889	Federally funded through direct draw down from CMS
State Funded portion for Medicaid and MCHP	\$ 4,837,621	MHBE Fund - Insurance Premium Assessment
State Funded portion for private commercial plans	\$ 2,070,489	MHBE Fund - Insurance Premium Assessment

PROGRAM 2 – Information Technology

Program 2 consists of all Information Technology related items including software, software licenses, server utilization costs, hardware, system development, maintenance & operations, 140 contract IT team members

Anything Medicaid reimbursable

- Design and Development - 79% Federal Fund / 21% State funding
- Maintenance & Operation – 66% Federal Fund / 34% State funding
- Federal funds secured via direct drawdown by MDH from CMS and transferred to MHBE
- **State Medicaid match provided by MHBE Special Fund from premium assessment tax**

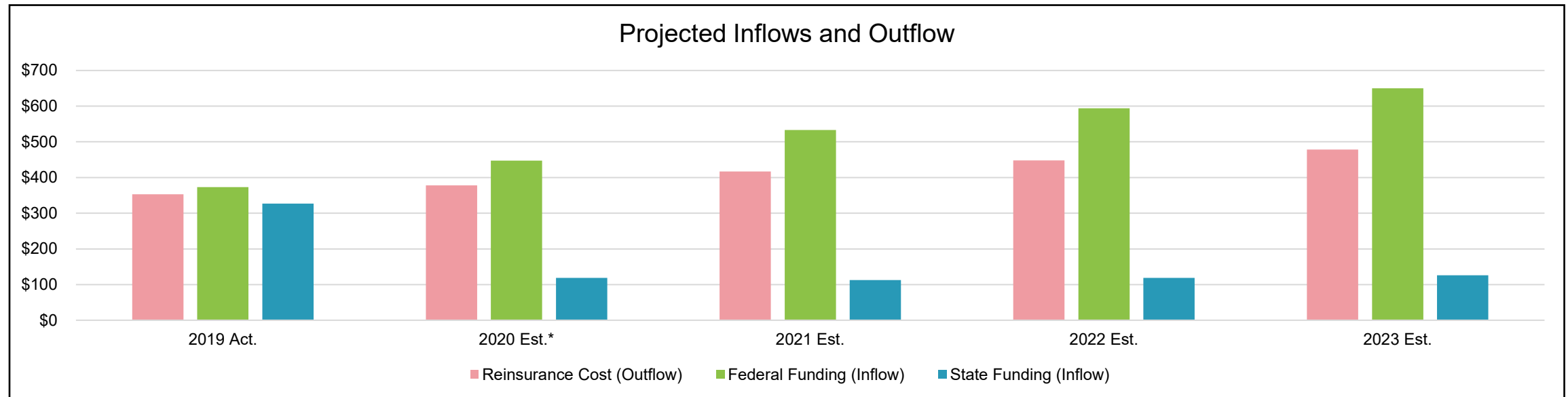
All small business-related work: 100% State funds

FY21 Program 2 budget (FMIS current appropriation):

Total Funds	State Funds	Federal Funds
\$37,053,450	\$11,569,860	\$25,483,590

PROGRAM 3 – Reinsurance Program

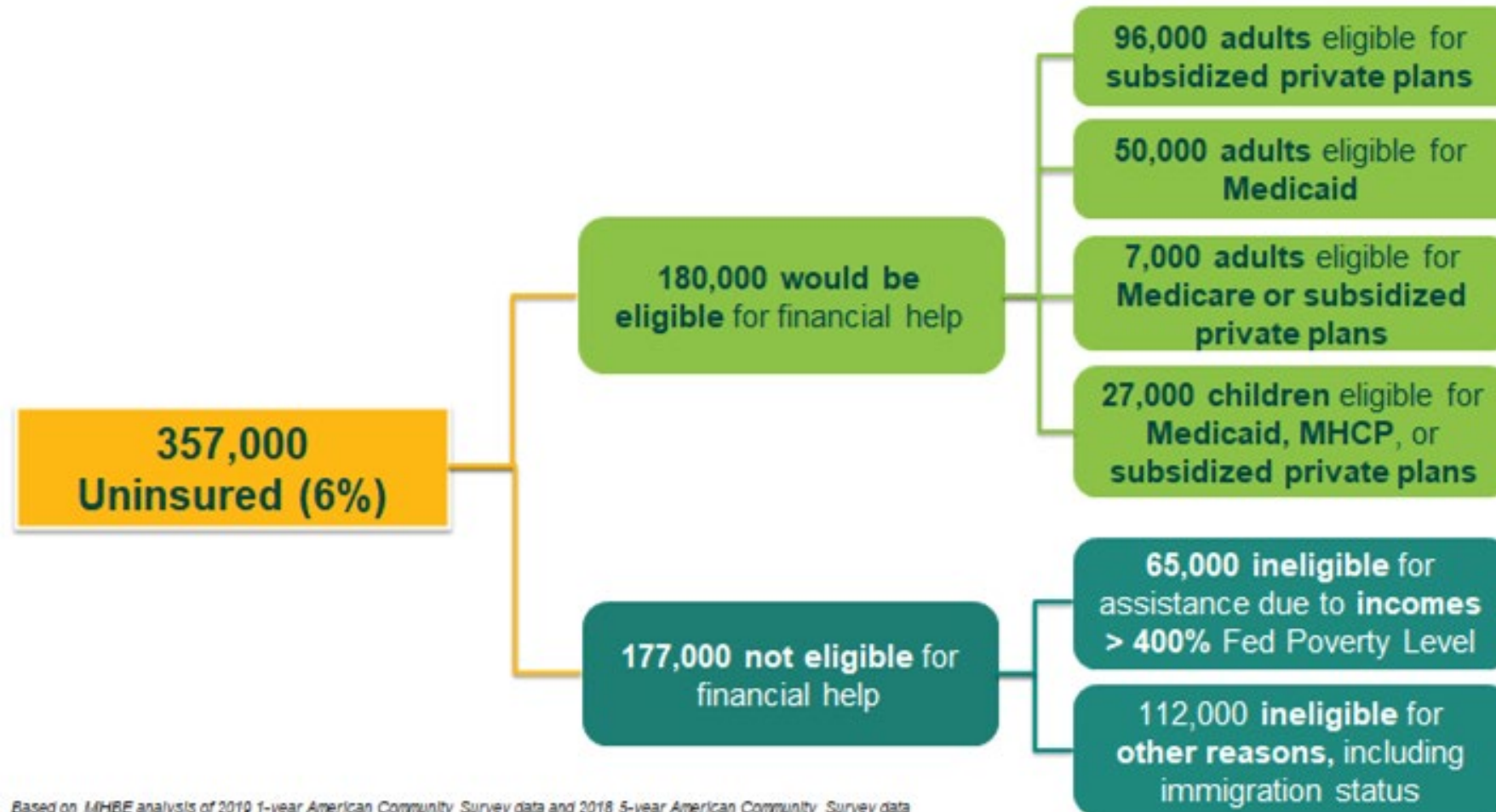
- Two funding sources: federal pass-through and the state health insurance provider fee
- The health insurance provider fee was 2.75% of health insurance premiums in 2019, dropping to 1% **through 2023 (the term of the reinsurance program waiver)**
- 1% surcharge designed to **stabilize the individual market**
- Current balance in the State Funding of the Reinsurance program is \$445,514,142 (2/19/21)



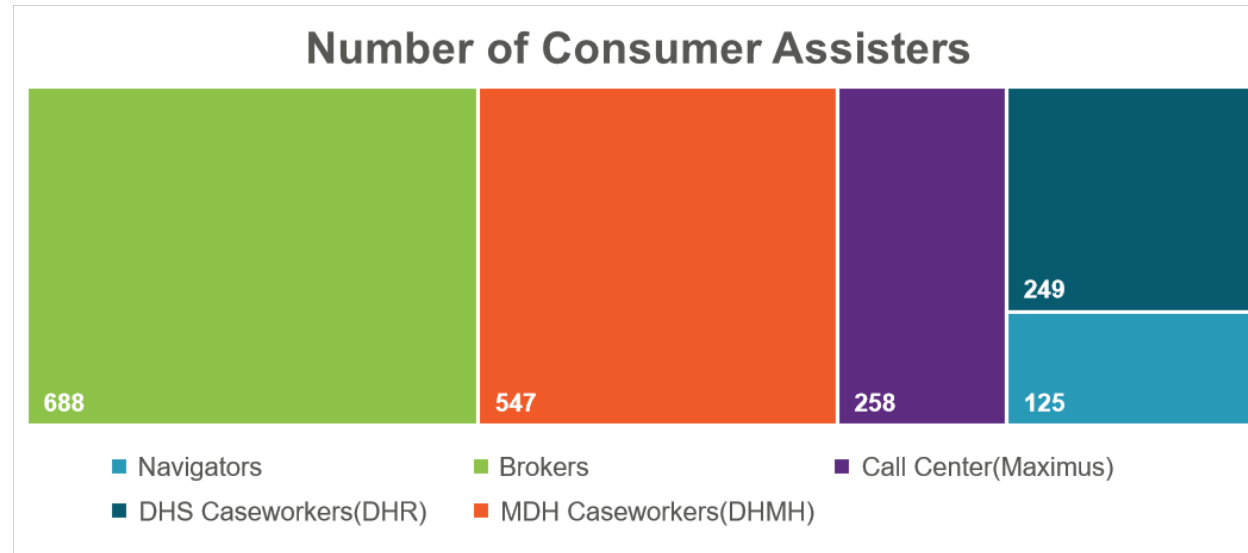
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2020 PERFORMANCE METRICS

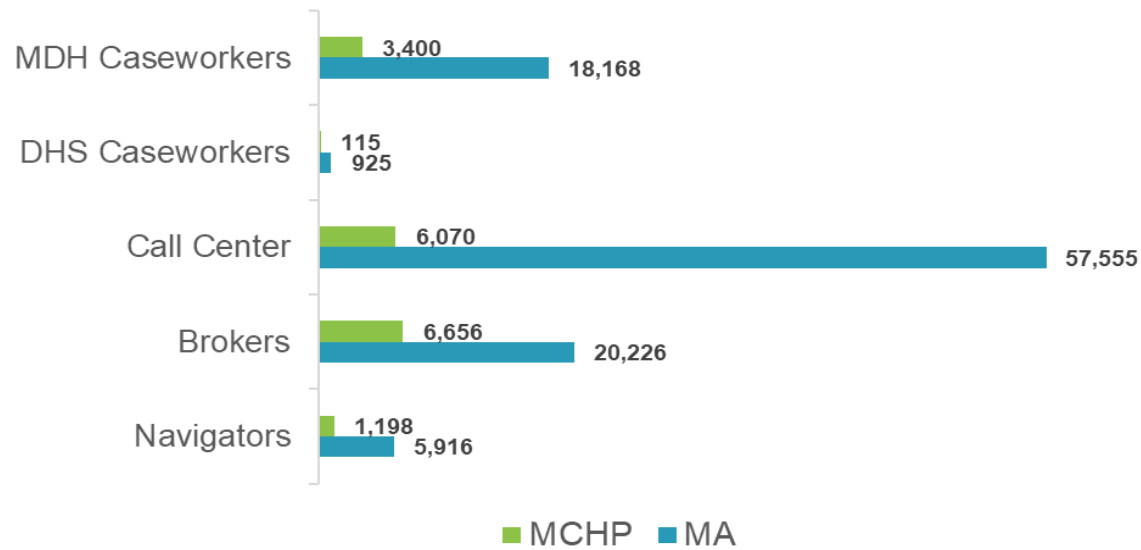
Uninsured Breakdown



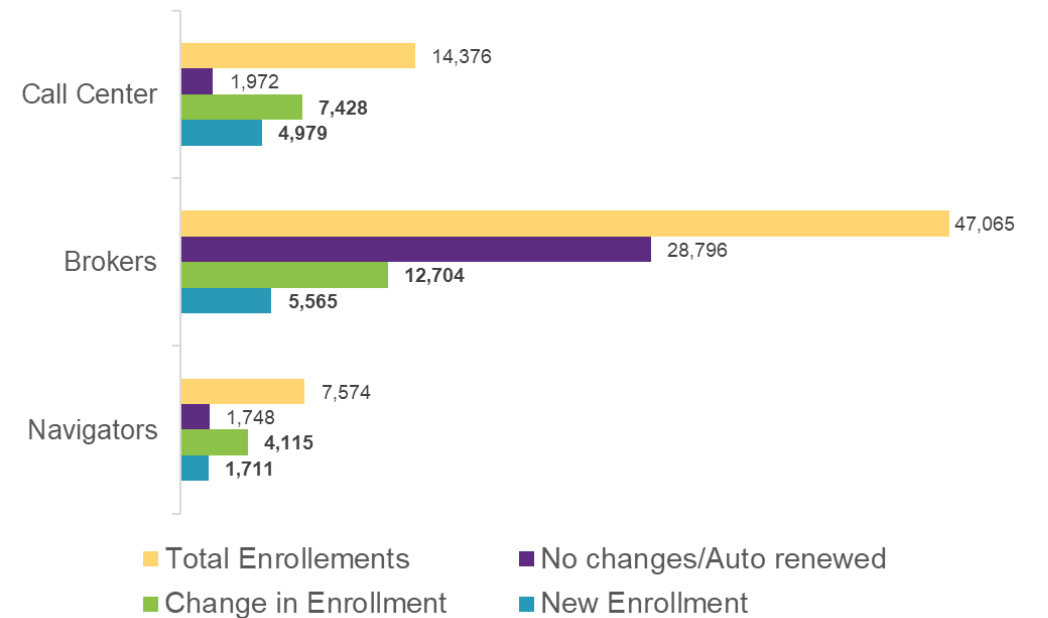
Based on MHBE analysis of 2019 1-year American Community Survey data and 2018 5-year American Community Survey data



MA enrollments by Type of Consumer Assister



QHP enrollments by Type of Consumer Assister



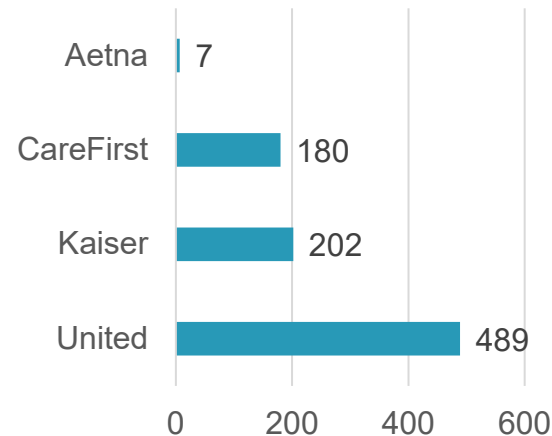
MARYLAND HEALTH CONNECTION ENROLLMENT

- 1,394,792 Marylanders are enrolled through Maryland Health Connection
- That's 23% of all Marylanders – over 1 in 5
- With our \$35 million State Premium Assessment that equates to **\$25 per person**

Qualified Health Plans (QHP) vs. Medicaid Enrollment



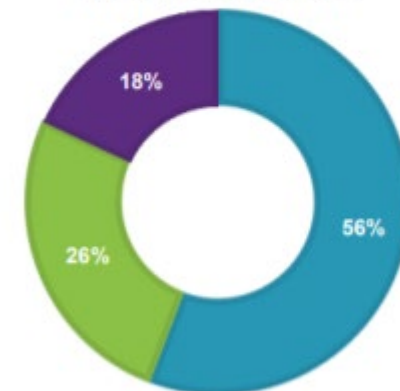
Small Group Enrollments



TOTAL DENTAL

51,426

DENTAL ENROLLMENTS



■ Dental with Qualified Health Plan
■ Dental with Medicaid
■ Dental Alone

RESPONDING TO COVID-19

- More than 130,000 Marylanders have enrolled in the COVID-19 special enrollment since it began last March.
- It has been one of the longest COVID-related enrollment opportunities in the country.
- Recently extended until May 15 to align with emergency special enrollment declared by President Biden for federal exchange.
- Health coverage through Maryland Health Connection covers costs for coronavirus tests at doctor's offices, urgent care centers, or emergency rooms.

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BRFA REDUCTION

\$3 mm State Funds – Call Center Reduction

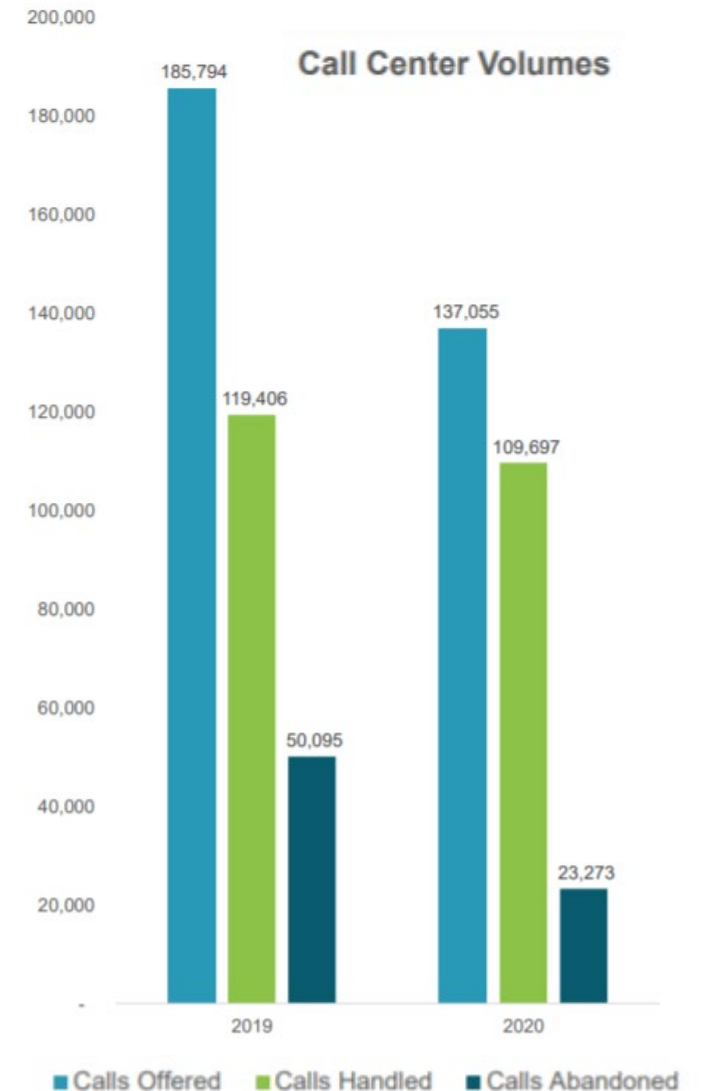
- Call volumes have reduced yearly as self-service technology has improved, innovative system development has occurred (RPA, Chatbot) and auto renewals without changes have increased.
- Call center proposed budget

Total funds	State Funds	Federal Funds
\$15,597,000	\$6,810,096	\$8,786,904

- Call center budget *reduction* to meet BRFA requirement

Total funds	State Funds	Federal Funds
\$7,156,408	\$3,000,000	\$4,156,408

- If call center negatively impacted Medicaid clients will be redirected to local health departments and department of social service offices for assistance.



New work not accounted for in FY22 budget

- Biden administration coronavirus relief package implementation of federal PTC expansion - FY22 cost estimate: \$500,000
- Implementation of young adult subsidy program - FY 22 fiscal note estimate: \$290,000
- Implementation of easy enrollment program with Department of Labor - FY 22 fiscal note estimate: \$359,000

Total FY22 unanticipated costs: \$1,149,000

RESPONSE TO DLS COMMENT REQUEST

D78Y01 Maryland Health Benefit Exchange

Page 7 – vacant PINS related to SHOP

MHBE should comment on the need for these positions if it does not proceed with enhancing its small business operations.

The small business program (SHOP) is a key purpose the Exchange (§ 31-102 (c)(3)).

The program was temporarily put on hold in FY21 for three distinct reasons:

1. MHBE had to reduce its mandated budget by \$3million in State funds,
2. Small business legislation did not move through as the session was ended early, and
3. The department of budget and management froze all unfilled positions due to COVID.

Although enhanced efforts were sidelined for FY21, as a core function of the Exchange, we will resume enhancement efforts in FY22. Small businesses in Maryland are under great stress due to the pandemic and we are working closely with key stakeholders to provide health care options for small businesses and their employees. We will begin recruitment for these PINS in March/April.

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Page 13 – 1332 waiver

MHBE should comment on a timeline for determining whether to submit an application for an extension of the waiver and when such an application would be submitted.

- CMS requires states to notify the federal government if the state will apply for an **extension of its existing waiver** at least one year prior to the waiver’s end date, so Maryland would need to make that notification **by January 1, 2023.**

PROPOSED TIMELINE FOR RENEWAL OF **EXISTING** 1332 WAIVER

January-April 2022	General Assembly determines whether to extend 1% state premium assessment used to provide state funding for waiver program
July-October 2022	MHBE staff prepare draft waiver extension
November 2022	MHBE Board authorizes MHBE to submit extension notification to the federal government
January 2023	MHBE submits the waiver application to the federal government
March-August 2023	MHBE works with CMS to get the application approved
January 1, 2024	New 5-year waiver period begins

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Page 13 – 1332 waiver (con't)

- If the state wishes to **amend and extend the existing waiver**, for example to gain federal pass-through funding for a young adult subsidy program, the state must submit a letter of intent at least 15 months prior to the waiver amendment's proposed implementation date and the waiver amendment application no later than the end of the first quarter of the year prior to the year the amendment would take effect. Therefore, if MHBE were to amend and extend the waiver application, the federal government would need to be **notified by October 1, 2022** and the application would need to be **submitted by March 31, 2023**.

PROPOSED TIMELINE FOR AN AMENDED 1332 WAIVER	
January-April 2022	General Assembly determines whether to extend 1% state premium assessment used to provide state funding for waiver program
March-June 2022	MHBE staff prepare draft waiver extension and amendment letter of intent
July 2022	MHBE Board authorizes MHBE to submit letter of intent to the federal government
September 2022	MHBE submits letter of intent to the federal government
February 2023	MHBE submits the waiver application to the federal government
April 2023	Any necessary legislation related to waiver amendments is finalized by the General Assembly
March-August 2023	MHBE works with CMS to get the application approved
January 1, 2024	New 5-year waiver period begins

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Page 18 – MEEHP phase II and outreach

MHBE should comment on the status of the implementation efforts of the second phase and efforts to engage those who indicate interest in coverage, particularly given the overlapping COVID-19 SEP.

- Technical requirement sessions continue for phase two and it is on track for implementation for the 2022 tax filing season.
- In 2020, people who ‘checked the box’ received three forms of outreach related to the MEEHP special enrollment period: a notice in the mail informing them of their eligibility for the special enrollment period, a reminder postcard sent as a follow-up to the notice, and reminder emails, if the email was provided on the tax form.
- For individuals who ‘checked the box’ but did not enroll during their special enrollment period, additional reminder emails were sent during open enrollment at the end of 2020. This yielded enrollments of an additional 886 individuals. That’s an additional 1.7% of eligible individuals who checked the box, bringing the total number of MEEHP enrollments in 2020 to 4,901 or 9.2% of eligible individuals who checked the box. Of the group that enrolled during open enrollment, 498 enrolled in QHPs and the remainder in Medicaid plans.
- For 2021, in addition to the efforts identified above, personalized outreach from Navigators will be added.

QUESTIONS?

