

The Hilltop Institute



analysis to advance the health of vulnerable populations

Maryland Health Benefit Exchange Memorandum of Understanding Report of Activities and Accomplishments February 1, 2013, through March 31, 2014

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UMBC
AN HONORS UNIVERSITY IN MARYLAND



Maryland Health Benefit Exchange
Report of Activities and Accomplishments
February 1, 2013, through March 31, 2014

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Introduction

The Hilltop Institute at UMBC

The Hilltop Institute at UMBC is a nonpartisan health research organization—with an expertise in Medicaid and in improving publicly financed health care systems—dedicated to advancing the health and wellbeing of vulnerable populations. Hilltop conducts research, analysis, and evaluations on behalf of government agencies, foundations, and nonprofit organizations at the national, state, and local levels. Hilltop is committed to addressing complex issues through informed, objective, and innovative research and analysis.

Hilltop’s Work for Maryland on Health Reform

In March 2010, Maryland Governor Martin O’Malley signed an Executive Order that created the Health Care Reform Coordinating Council (HCRCC) to make recommendations regarding Maryland’s implementation of the federal health care reform legislation. The HCRCC contracted with The Hilltop Institute to provide research, analysis, staff support, and technical assistance.

As part of its work for the HCRCC, Hilltop developed a financial model—the *Hilltop Health Care Reform Simulation Model*—to estimate the fiscal impact of health care reform on Maryland through the year 2020. Current and future projections about relative costs and savings are necessarily fluid and dependent on the various choices and decisions the state makes in implementing reform. Other variables include the ways in which various components of the delivery system—from the insurance markets to providers and consumers—respond to the reforms as they evolve. The financial modeling tool was created to be dynamic in order to make projections that can be adapted and updated as data become available, as conditions and factors change over time, and as decisions are made by policymakers, employers, and consumers.

Hilltop also staffed the HCRCC and its six workgroups, and drafted the HCRCC’s interim and final reports. The HCRCC’s final report sets forth a blueprint for implementation of health care reform in Maryland and includes an overview of the Affordable Care Act (ACA). The staffing of the HCRCC was transitioned from Hilltop to Maryland’s Office of Health Care Reform when it was created in May 2011.

Hilltop continued to provide support to Maryland’s health care reform initiative through grant writing. These efforts resulted in a \$6.2 million Early Innovator Grant award from the U.S. Department of Health and Human Services (HHS) to lay the foundation for the Maryland Health



Benefit Exchange (MHBE), and a \$27.2 million Level One Establishment Grant award from the HHS to fund the establishment of the Exchange.

The ACA requires states to either establish and operate a Health Insurance Exchange by 2014 or participate in the federal Exchange. On April 12, 2011, Governor O'Malley signed the Maryland Health Benefit Exchange Act of 2011, which established Maryland's Exchange as an independent unit of the state government. The Act also established a Board of Trustees to oversee the Exchange.

Hilltop was commissioned to develop a series of background papers to assist the Board and Advisory Committees in planning for the implementation of Maryland's Exchange. Hilltop produced four background papers for the MHBE: *Navigators, Market Rules and Adverse Selection, Health Benefit Plan Contracting, and Consumer Complaints, Grievances, and the Appeals Process in Maryland.*

Throughout 2011, Hilltop supported the MHBE in the form of providing staff support, writing reports, conducting financial and policy analyses, and drafting regulations to assist in the development and implementation of the MHBE.

In 2012, with the establishment of the Exchange in Maryland law, the Memorandum of Understanding (MOU) that supported Hilltop's work on health care reform between the Maryland Department of Health and Mental Hygiene (DHMH) and Hilltop transitioned to one between the MHBE and Hilltop.

In 2012, Hilltop continued to refine and adjust the *Hilltop Health Care Reform Simulation Model* to assist the MHBE with determining the costs and savings of implementing various provisions of the ACA; provided extensive support to the MHBE as it began implementation; continued to analyze the ACA and conducted analyses of various federal requirements and guidance that were issued pursuant to the ACA; and drafted state regulations for the MHBE.

Memorandum of Understanding

Hilltop's work for the MHBE is supported by an MOU. This report presents the activities and accomplishments under that MOU, covering the period of time from February 1, 2013, through March 31, 2014. (This time period will be referred to as the contract period.) All deliverables referenced below were transmitted by e-mail unless otherwise specified and are available upon request.



Financial Modeling and Analysis

In 2013, Hilltop continued to refine and adjust the *Hilltop Health Care Reform Simulation Model* to assist the MHBE with determining the costs and savings of implementing various provisions of the ACA. Throughout the contract period, Hilltop conducted numerous analyses on uninsured populations and enrollment. Hilltop also studied options for creating a supplemental reinsurance program and for establishing a supplemental premium subsidy program for Marylanders with low income purchasing insurance through the exchange.

Briefings on Model for New MHBE Executive Director: When the new MHBE executive director began work with the MHBE in December 2013, as part of its continuing support, Hilltop had a number of e-mail correspondences and phone conversations with her to present the *Hilltop Health Care Reform Simulation Model* and explain how the model was being used and revised in Maryland. Hilltop prepared a summary of the iterative process it uses to estimate the impact of implementing the ACA.¹

Revisions to the Model: Throughout the contract period, Hilltop revised and adjusted the model to reflect different assumptions and issues, as well as to include the latest data available. Hilltop calculated estimates of uninsured based on the most currently available Current Population Survey (CPS) data, which pertained to 2012.² Hilltop compared the model's estimates of the levels of uninsured in Maryland with those of a Kaiser Family Foundation-published Urban Institute study with differing estimates and determined and analyzed the potential sources of the differences. Hilltop found that the differing results could reasonably be expected to be within the margin of error for estimates based on survey data and econometric modeling.³ In February 2014, Hilltop revised the projection tables it published in July 2012^{4 5 6 7} to correct a labeling error. To assist the MHBE in sections of the Advanced Planning Document (APD) for federal fiscal year (FFY) 2015 (10/1/2104 - 9/30/2015) to be submitted to the Center for Medicaid and Children's Health Insurance Program (CHIP) Services in order to request federal funding for the continuation of Medicaid eligibility and enrollment activities related to the design, development,

¹ *New Enrollment Projections*, e-mail and Excel spreadsheet to Carolyn Quattrocki from Hamid Fakhraei, February 18, 2014.

² *Number of Uninsured in MD Now*, e-mail to Rebecca Pearce from Hamid Fakhraei, June 10, 2013.

³ *Comparison of the Kaiser Family Foundation/Urban Institute Estimates of Maryland Uninsured under the ACA to The Hilltop Institute's Estimates*, memo to Joshua Sharfstein, Rebecca Pearce, Carolyn Quattrocki, and Charles Milligan from Hamid Fakhraei, August 7, 2013.

⁴ *Enrollment Projections for the Maryland Health Benefit Exchange and the Medicaid Expansion... July 2012*, letter to Carolyn Quattrocki from Hamid Fakhraei, February 17, 2014.

⁵ *Revised Simulation Model Projections*, e-mail and Excel spreadsheet to Carolyn Quattrocki from Hamid Fakhraei, February 18, 2014.

⁶ *Maryland Health Care Reform Simulation Model: Projections, Version 2.1*, February 24, 2014.

⁷ *Maryland Health Care Reform Simulation Model: Detailed Analysis and Methodology*, report, revised February 24, 2014.



and implementation of the MHBE, Hilltop revised the model to estimate enrollment for FFY 2015 and also provided published enrollment estimates for calendar year (CY) 2014.⁸ Hilltop responded to an inquiry from the Secretary of the Maryland DHMH and co-chair of the MHBE Board of Trustees about the feasibility of revising enrollment estimates over a longer, multi-year period based on the experience during the first few months of open enrollment.⁹

Reinsurance Study: The ACA creates a three-year transitional reinsurance program to provide payments to insurance carriers offering health insurance in the exchanges who incur unusually high claims costs for some enrollees. During the contract period, the MHBE and the Maryland Health Insurance Program (MHIP), Maryland's high-risk pool, requested that Hilltop study options available to Maryland for creating a supplemental reinsurance program to further offset potential risk for carriers and hold down future premium increases. Hilltop obtained claims and eligibility data pertaining to people who purchase coverage through the individual market from the Maryland Health Care Commission. Based on analyses of this data, Hilltop examined various options consistent with federal requirements and produced a report with estimates of potential costs to the state and the likely impact on insurance premiums.¹⁰ One of the options was selected by the MHBE Board to be implemented in Maryland.

Supplemental Premium Subsidy Program: At the request of the MHBE and MHIP, Hilltop studied options for establishing a supplemental premium subsidy program for low-income Marylanders purchasing insurance through the exchange. Hilltop used its *Health Care Reform Simulation Model* to estimate costs of supplemental subsidies for Maryland under different subsidy options, providing cost estimates for alternative subsidies for individuals with income ranges between 100, 200, 300, 400, and 500 percent of the federal poverty level.¹¹

⁸ *Medicaid & CHIP Projections for FFY 2014*, e-mail and Excel spreadsheet to James Peralta from Hamid Fakhraei, May 8, 2014.

⁹ *Updating and Revising the Maryland Health Care Reform Simulation Model*, January 31, 2014.

¹⁰ *State of Maryland Options for a Supplemental Reinsurance Program*, report, June 2014.

¹¹ *Analysis of State Supplemental Subsidies for Exchange Enrollees*, report, December 2013.



Regulations Development and Policy Analysis

During the contract period, Hilltop provided extensive support to the MHBE. Hilltop continued to analyze the ACA and conducted analyses of various federal requirements and guidance that were issued pursuant to the ACA. Hilltop provided regulations development and policy analysis to support the MHBE, assisting with a range of projects. Hilltop developed and managed the MHBE regulations and interim procedures promulgation process, including drafting all MHBE regulations and gaining ultimate approval of regulations from legislative committees and the MHBE Board of Trustees. Hilltop also served as a legislative liaison to DHMH's Office of Government Affairs for the MHBE during the 2014 legislative session, assisting the agency with drafting position letters and attending meetings. Finally, Hilltop continued to provide the MHBE and other state agencies with summaries of federal guidance.

Summaries of Federal Guidance: During the contract period, Hilltop conducted quick-turnaround but in-depth analysis of major health reform guidance issued by federal agencies. Hilltop then provided high-level summaries of these rules and highlighted items for comment for proposed rules or, for final rules, highlighted key changes to the regulation since the issuance of proposed rules. The rules that Hilltop summarized are listed below.

- March 1, 2013 Final Rules on Benefits and Payment Parameters, Multi-State Plan Program, and Risk Corridor Calculation¹²
- June 19, 2013 Proposed Rules on Program Integrity: Exchange, SHOP, Premium Stabilization Programs, and Market Standards¹³
- July 1, 2013 Final Rule on Exchange Functions: Eligibility for Exemptions; Miscellaneous Minimum Essential Coverage Provisions¹⁴
- July 5, 2013 Final Rule on Medicaid and the Children's Health Insurance Program: Essential Health Benefits in Alternative Benefit Plans, Eligibility Notices, Fair Hearings and Appeal Processes, and Premiums and Cost Sharing; Exchange Eligibility and Enrollment¹⁵

¹² *Overview of the March 1, 2013 Final Rules on Benefits and Payment Parameters, Multi-State Plan Program, and Risk Corridor Calculation*, March 13, 2013.

¹³ *Overview of the June 19 Proposed Rules on Program Integrity*, June 21, 2013.

¹⁴ *Overview of the July 1 Final Rule on Exchange Functions: Eligibility for Exemptions; Miscellaneous Minimum Essential Coverage Provisions*, July 3, 2013.

¹⁵ *Overview of the July 5, 2013 Final Rule on Medicaid and the Children's Health Insurance Program: Essential Health Benefits in Alternative Benefit Plans, Eligibility Notices, Fair Hearings and Appeal Processes, and Premiums and Cost Sharing; Exchange Eligibility and Enrollment*, July 16, 2013.



- July 17, 2013 Final Rule on Standards for Navigators and Non-Navigator Assistance Personnel¹⁶
- August 29, 2013 Final Rule on Program Integrity: Exchange, SHOP, and Eligibility Appeals¹⁷
- October 24, 2013 Final Rule on Program Integrity: Exchange, Premium Stabilization Programs, and Market Standards¹⁸
- November 29, 2013 Final Rule on the Health Insurance Provider Fee¹⁹
- Overview of the December 2, 2013 Proposed Notice of Benefit and Payment Parameters²⁰
- Overview of the March 11, 2014 Final Notice of Benefit and Payment Parameters for 2015²¹

In addition, Hilltop summarized the regulations from various federal agencies on minimum essential coverage and exemptions.²²

Medicaid, CHIP, and Exchanges: At the request of the MHBE in collaboration with the DHMH Health Care Financing Administration (Medicaid), Hilltop coordinated the state’s response to HHS proposed rules for *Medicaid, Children’s Health Insurance Programs, and Exchanges: Essential Health Benefits in Alternative Benefit Plans, Eligibility Notices, Fair Hearings and Appeal Processes for Medicaid and Exchange Eligibility Appeals and Other Provisions Related to Eligibility and Enrollment for Exchanges, Medicaid and CHIP, and Medicaid Premiums and Cost Sharing*. Hilltop worked with the staff of both Medicaid and the MHBE to discuss the issues, gather and draft their comments, synthesize the comments, and draft the letter from the state of Maryland to the Secretary of HHS.²³

¹⁶ Overview of the July 17, 2013 Final Rule on Standards for Navigators and Non-Navigator Assistance Personnel, July 30, 2013.

¹⁷ Overview of the August 29, 2013 Final Rule on Program Integrity: Exchange, SHOP, and Eligibility Appeals, September 6, 2013.

¹⁸ Overview of October 24, 2013 Final Rule on Program Integrity: Exchange, Premium Stabilization Programs, and Market Standards, November 1, 2013.

¹⁹ Overview of the November 29, 2013 Final Rule on the Health Insurance Provider Fee, December 10, 2013.

²⁰ Overview of the December 2, 2013 Proposed Notice of Benefit and Payment Parameters, December 10, 2013.

²¹ Overview of the March 11, 2014 Final Notice of Benefit and Payment Parameters for 2015, March 24, 2014.

²² Regulations Regarding Minimum Essential Coverage and Exemptions, February 13, 2013.

²³ Comments on Medicaid, Children’s Health Insurance Programs, and Exchanges: Essential Health Benefits in Alternative Benefit Plans, Eligibility Notices, Fair Hearings and Appeal Processes for Medicaid and Exchange Eligibility Appeals and Other Provisions Related to Eligibility and Enrollment for Exchanges, Medicaid and CHIP, and Medicaid Premiums and Cost Sharing [CMS -2334-P] (RIN 0938-AR04), letter to Kathleen Sibelius from Charles Milligan and Rebecca Pearce, February 21, 2013.



Review and Comment on New Regulations and Procedures: During the contract period, Hilltop reviewed and commented on various regulations and procedures related to the MHBE that were under development. Hilltop reviewed the eligibility standards for federal advanced premium tax credits (APTCs), cost-sharing reductions (CSRs), and qualified health plans (QHPs).²⁴ In collaboration with MHBE staff, Hilltop analyzed HHS' Essential Health Benefit (EHB) final rule stand-alone dental plan provisions²⁵ and drafted a memo from MHBE staff to the MHBE Board chair and executive director about the policy issues raised by these provisions.²⁶ In addition, Hilltop worked with MHBE staff to draft a supplemental document explaining various tax subsidy scenarios to augment the memo.²⁷ Hilltop analyzed the EHB final rule further in regard to the allocation of APTC for QHPs offered in the federally facilitated Exchange (FFE) and detailed the changes that HHS made from the proposed rule to the final rule in a memo to MHBE staff.²⁸ On behalf of the MHBE, Hilltop drafted a comment letter regarding the *Paperwork Reduction Act Package: Data Collection to Support Eligibility Determinations for Insurance Affordability Programs and Enrollment through Affordable Insurance Exchanges, Medicaid and Children's Health Insurance Program Agencies* and submitted it to the CMS Desk Officer at the Office of Management and Budget, Office of Information and Regulatory Affairs.²⁹ Hilltop also worked with MHBE and Medicaid staff to assess the effect that certain federal rules and regulations developed during 2013 had on the development of the MHBE enrollment process.³⁰

Regulations Development: Hilltop continued to manage the regulation promulgation process on behalf of the MHBE for all MHBE regulations adopted during 2013 and the first quarter of 2014. This process included gaining inter-agency and advisory committee input on policy decisions reflected in the regulations; presenting regulations to the MHBE Board for Board approval; submitting proposed regulations to the Joint Committee on Administrative, Executive and Legislative Review, and Senate Finance and House Health and Government Operations Committees; submitting proposed regulations to the Maryland Register; and submitting a Notice

²⁴ *Eligibility Standards for APTC, CSR & QHPs Authority: Insurance Article §§31-106, Annotated Code of Maryland*, with Hilltop comments, September 3, 2013.

²⁵ *EHB Stand-Alone Dental Policy Memo*, review and comments, February 26, 2013.

²⁶ Policy Issues Raised by the Stand-Alone Dental Plan Provisions of the Department of Health and Human Services' Final Essential Health Benefit Rule, memo to Joshua Sharfstein from Maansi Raswant, Tequila Terry, Kattie Allen, and Frank Kolb, February 27, 2013.

²⁷ *Supplement to Josh Memo*, March 1, 2013.

²⁸ *Allocation of APTC for QHPs and Stand-Alone Dental Plans*, memo to Frank Kolb, Tequila Terry, Lena Hershkovitz from Maansi Raswant and Carl Mueller, March 18, 2013.

²⁹ *Comments on Paperwork Reduction Act Package -- Data Collection to Support Eligibility Determinations for Insurance Affordability Programs and Enrollment through Affordable Insurance Exchanges, Medicaid and Children's Health Insurance Program Agencies (1-25-2013) (CMS-10440)*, letter to the CMS Desk Officer at the Office of Management and Budget, Office of Information and Regulatory Affairs from Rebecca Pearce, February 27, 2013.

³⁰ *Grant Rules*, draft, November 8, 2013.



of Final Action adopting the regulations to the Maryland Register. During the contract period, Hilltop finalized the development of the regulations and submitted a Notice of Final Action to the Division of State Documents.³¹ The regulations were posted into the Maryland Register as COMAR: Title 14 – Independent Agencies, Subtitle 35 – Maryland Health Benefit Exchange.

During the contract period, Hilltop performed a number of tasks related to regulations development on behalf of the MHBE. Hilltop analyzed and distilled the public comments on the first set of proposed MHBE regulations published in the Maryland Register and drafted a memo describing the comments.³² Hilltop also sent regulations to the Joint Committee on Administrative, Executive, and Legislative Review during the first quarter of 2014.³³

Policies and Procedures Development: During the contract period, Hilltop continued to analyze the federal guidance and draft policies and interim procedures for the MHBE. Hilltop developed a policy development matrix³⁴ that laid out all areas of MHBE operations where it might need to provide additional guidance or notice to affected stakeholders through formal policy development. As part of the process it developed, Hilltop solicited feedback from the public and various other stakeholders on interim procedures it drafted related to producer appointments,³⁵ revised the procedures; and sent them to the MHBE executive director, the DHMH secretary, the Maryland Insurance Administration (MIA) commissioner, and the executive director of the Governor’s Office of Health Care Reform for review before proceeding to the next step in the process.³⁶ Hilltop also drafted interim procedures for carrier appeals,³⁷ as well as the cover letter to the Joint Committee on Administrative, Executive, and Legislative Review.³⁸ Hilltop drafted twelve resolutions reflecting the MHBE Board adoptions of all interim procedures to date.³⁹ In addition, Hilltop performed background research to inform a continuity

³¹ *Notice of Final Action Submitted on Regulations*, e-mail to Rebecca Pearce, Frank Kolb, and Kristine Hoffman from Maansi Raswant, March 27, 2013.

³² *Proposed Reg. Comments*, draft memo and Excel spreadsheet, February 11, 2013.

³³ *Information Needed for MHBE Proposed Regulation Submission*, e-mail to Carolyn Quattrocki from Maansi Raswant, February 13, 2014.

³⁴ *Policy Development Matrix*, February 24, 2013.

³⁵ *Maryland Health Benefit Exchange Carrier and Qualified Plan Certification Interim Procedures – Additional Definitions; Carrier Requirements Related to Producer Appointment and Maryland Health Benefit Exchange: Draft Interim Producer Appointment Procedures Public Comment Form*, March 6, 2013.

³⁶ *Maryland Health Benefit Exchange Carrier and Qualified Plan Certification Interim Procedures – Additional Definitions; Carrier Requirements Related to Producer Appointment*, April 2, 2013.

³⁷ *Maryland Health Benefit Exchange Appeals Process: Interim Procedures for Carrier Appeals*, February 15, 2013.

³⁸ *Maryland Health Benefit Exchange Appeals Process – Interim Procedures for Carrier Appeals*, letter to chairs of the Joint Committee on Administrative, Executive, and Legislative Review from Rebecca Pearce, February 15, 2013.

³⁹ *Resolution of Board of Trustees: Adopting Interim Policies Regarding Certification of Qualified Plans, Adopting Interim Policies for Individual Exchange Eligibility Standards, Adopting Interim Policies for Individual Exchange Eligibility Standards, Adopting Interim Policies for Consolidated Service Center Employees Training and Permit Standards, Adopting Interim Policies Regarding Certification of Qualified Plans, Adopting Technical Changes to*



of care amendment to the Maryland Health Progress Act of 2013⁴⁰ and drafted the amendment language seeking to provide the Exchange with the ability to adopt additional interim policies.⁴¹ Hilltop finalized a number of procedures during the contract period, including licensee appeals procedures,⁴² Consolidated Service Center employee training and permit standards,⁴³ and captive producers training and authorization standards.⁴⁴ Hilltop drafted policies on life events and special enrollment periods.⁴⁵

Policy Coordination with Other State Agencies: In order to ensure that any and all procedures, regulations, and operational processes that were being developed by the MHBE were not in conflict with those of other Maryland state agencies, it was necessary to coordinate closely and constantly with those agencies. Hilltop provided significant support to the MHBE by coordinating this effort. Hilltop worked with MHBE and MIA staff on a number of issues, such as modifications to the MHBE regulations so that they would agree with Maryland insurance regulations regarding enrollment in qualified health, dental, and vision plans; effective dates of coverage for the initial open enrollment period; employees who live outside the service area of a carrier; and the soonest carriers could submit a rate increase to the MIA for exchange plans.⁴⁶

Ongoing Policy Consultation and Support: Hilltop provided consultation, conducted policy analyses, and provided support to MHBE staff to help them better understand both federal and state rules and regulations. Hilltop provided definitions in Maryland law of various entities in the eligibility process to assist in definition development for the Maryland Health Connection eligibility and enrollment process.⁴⁷ Hilltop responded to a request for information about ACA and state regulations needed to complete the billing and enrollment policies document for Maryland specifically on the individual exchange.⁴⁸ Hilltop drafted testimony for the MHBE executive director on the provisions of Senate Bill (SB) 274/House Bill (HB) 228 of the Maryland Health progress Act of 2013, which would enable the Exchange to be self-sustaining

Interim Policies, Adopting Interim Policies for Application Counselor Sponsoring Entities, Adopting Interim Policies for Fair Hearings of Individual Exchange Eligibility Determinations, Adopting Interim Policies Regarding Certification of Qualified Plans, Adopting Interim Policies for Application Counselor Training and Certification Standards, Adopting Interim Policies for Captive Producer Training and Authorization Standards, and Adopting Interim Policies for Licensee Appeals, December 17, 2013.

⁴⁰ *Continuity of Care Amendment Discussion*, February 22, 2013.

⁴¹ *Interim Policies Amendment HB 228 SB 274*, e-mail attachment to Carolyn Quattrocki, Rebecca Pearce, Joshua Sharfstein, and Frank Kolb from Maansi Raswant, February 12, 2013.

⁴² *Maryland Health Benefit Exchange Appeals Process: Interim Procedures for Licensee Appeals*, August 8, 2013.

⁴³ *Consolidated Service Center Employee Training and Permit Standards*, August 8, 2013.

⁴⁴ *Captive Producers Training and Authorization Standards*, August 8, 2013.

⁴⁵ *Life Event and Special Enrollment Period Policies*, draft, March 26, 2014.

⁴⁶ *Effective Dates of Coverage for QHPs in the Exchange*, e-mail to Megan Mason from Maansi Raswant, February 8, 2013.

⁴⁷ *Definitions*, July 25, 2013.

⁴⁸ *Few Questions on ACA Enrollment*, e-mail to Giri Govada from Laura Spicer, August 29, 2013.



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by 2015.⁴⁹ In response to a question from MHBE staff, Hilltop analyzed and discussed the liability provisions of the Maryland Health Progress Act of 2013.⁵⁰ Hilltop provided policy consultation to the MHBE regarding the interpretation of the interim procedures on licensee appeals in response to an issue raised by a prominent health insurance carrier. Hilltop also revised the interim procedures to clarify the MHBE's position.⁵¹ Hilltop conducted the research and provided relevant state codes to assist the MHBE in responding to a request by the U.S. General Accounting Office (GAO).⁵² Hilltop also facilitated a phone meeting with connector entities on the final Navigator regulations, which included the development and presentation of slides on the topic.⁵³

Legislative Liaison Meetings: Beginning in January 2013 and throughout the 2013 legislative session, Hilltop, on a weekly basis, analyzed bills to determine their potential effect on the MHBE and attended DHMH legislative liaison meetings to provide the MHBE positions on certain bills.

Review and Response for Proposed Maryland Legislation: On behalf of the MHBE, Hilltop reviewed and responded to a number of bills during the 2014 legislative session. Hilltop drafted an Explanation of Impact for SB 504, *Health Insurance - Essential Health Benefits - Pediatric Dental Benefits*, for the 2014 legislative session.⁵⁴ Hilltop reviewed HB 1336, *Maryland Health Benefit Exchange – Enrollment of Individuals*, that would require the MHBE to ask any individual applying for health insurance coverage through a QHP, Medicaid, or CHIP about his or her current and previous health insurance coverage, and drafted a Letter of Information to the chair of the House Health and Government Operations Committee.⁵⁵ Hilltop reviewed HB 1268, *Maryland Health Benefit Exchange – Criminal History Records Checks*, which would require the MHBE to perform criminal background checks on a national and state level, including submitting fingerprints to and requesting information from the Criminal Justice Information System Central Repository, for individuals who provide consumer assistance in relation to health coverage programs available through the Maryland Health Connection, and drafted a Letter of Information to the chair of the House Health and Government Operations Committee.⁵⁶ Hilltop reviewed HB 1456, *Department of Health and Mental Hygiene – Board of Review – Jurisdiction*, which would limit the jurisdiction of the Board of Review DHMH, exempting from the Board's

⁴⁹ *Maryland Health Progress Act of 2013 SB 274/HB 228 Exchange Financing Provisions*, February 11, 2013.

⁵⁰ *Liability*, e-mail to Kevin Yang, Lena Hershkovitz, and Michelle Eberle from Maansi Raswant, February 3, 2014.

⁵¹ *Maryland Health Benefit Exchange Appeals Process: Interim Procedures for Licensee Appeals*, July 11, 2013.

⁵² *GAO Request*, February 14, 2014.

⁵³ *Meeting with Connector Entities On Final Federal Navigator Regulation*, presentation to connector entities by Maansi Raswant, July 31, 2013.

⁵⁴ *Agency Explanation of Impact*, February 3, 2014.

⁵⁵ *HB 1336 – Maryland Health Benefit Exchange – Enrollment of Individuals – Information – Letter of Information*, letter to the Honorable Peter A. Hammen from Carolyn Quattrocki March 3, 2014.

⁵⁶ *HB 1268, Maryland Health Benefit Exchange – Criminal History Records Checks – Letter of Information*, letter to the Honorable Peter A. Hammen from Carolyn Quattrocki, March 3, 2014.



jurisdiction the review of those contested cases involving Medical Assistance eligibility determinations delegated to the MHBE by the DHMH Secretary. Hilltop then drafted a corresponding Letter of Support to the chair of the Senate Finance Committee.⁵⁷

Summaries of MHBE Regulations and Procedures: Hilltop summarized the Interim Procedures for Fair Hearings of Individual Exchange Eligibility Determinations, highlighting the key items from each regulation of the procedure to share with the Board.⁵⁸

Eligibility Notices: In an interagency project that spanned several months, Hilltop developed eligibility notices for the MHBE and worked with DHMH to develop combined MHBE and Medicaid eligibility determination and related notices and forms. The eligibility notices provide the consumer with legal notice of his or her eligibility for QHPs offered through the exchange, including any associated tax subsidies, or Medicaid. Hilltop participated in ongoing notices development meetings with MHBE, DHMH, and IT staff. Hilltop worked with the interagency notices team to determine what information needed to be imparted in the notices, drafted the notices, and coordinated the notice review for legal sufficiency and plan language. Hilltop developed a list of all the notices that were needed and a template for the notices and responded to questions from the IT vendor about the notices.⁵⁹ Hilltop drafted the following notices: an approval for those who did not request financial assistance and would receive QHP coverage only;⁶⁰ an approval for those who did request financial assistance but would receive only QHP coverage;⁶¹ an approval for those who would receive QHP coverage and financial assistance through a tax subsidy and an annual cost maximum but did not qualify for Medicaid;⁶² an approval for those who would receive QHP coverage without an annual cost maximum but did not qualify for Medicaid;⁶³ and a denial of coverage.⁶⁴ Hilltop drafted the following: a temporary eligibility notice with a request for more information for those who needed to provide more information before approval could be granted;⁶⁵ a notice with instructions for making the first payment;⁶⁶ a notice to acknowledge the withdrawal of an application;⁶⁷ and a termination

⁵⁷ *HB 1456 –Department of Health and Mental Hygiene -- Board of Review – Jurisdiction – Letter of Support*, letter to the Honorable Thomas Middleton from Carolyn Quattrocki, March 27, 2014.

⁵⁸ *Maryland Health Benefit Exchange: Summary of Interim Procedures for Fair Hearings of Individual Exchange Eligibility Determinations*, September 27, 2013.

⁵⁹ *MDHIX Notices and Templates List Draft All and Appeal Withdrawal Notice Draft*, with explanation e-mail to Danielle Davis, Justin Stokes, Tequila Terry, Lena Hershkovitz, and Frank Kolb from Maansi Raswant, May 5, 2013.

⁶⁰ *Adult-Approval (QHP only-Did not request financial assistance)*, May 13, 2013.

⁶¹ *Adult-Approval (QHP only- Requested financial assistance)*, May 13, 2013.

⁶² *Adult-Approval (QHP-APTC-CSR)*, May 13, 2013.

⁶³ *Adult-Approval (QHP-APTC-no CSR)*, May 13, 2013

⁶⁴ *Denial*, May 13, 2013.

⁶⁵ *Additional Income Information (APTC-CSR)*, May 13, 2013.

⁶⁶ *First Payment*, May 20, 2013.

⁶⁷ *Withdrawal*, May 20, 2013.



notice.⁶⁸ Hilltop updated the denial codes that would be used in the electronic enrollment system.⁶⁹ Hilltop reviewed and commented on draft notices developed from the IT system.⁷⁰ Hilltop reviewed and commented on the list of documents that would be acceptable by the Maryland Health Connection to verify the income, lawful presence, social security, family size, and release from incarceration of applicants.⁷¹ On behalf of the MHBE, Hilltop developed a chart that described the reasons, including citation to the relevant regulations, for denial of an application, as well as a chart that described the reasons for the closure of a case and delivered them to the eligibility and enrollment system vendor.⁷² Hilltop also drafted two life event notices: one stating that the exchange had reviewed the participant's information against federal regulations and found that there was a new life event that might affect eligibility,⁷³ and one giving notice that participants must report new life events.⁷⁴

Appeals Process: Hilltop worked with the MHBE and DHMH to develop an appeals process for the Maryland Health Connection. Hilltop reviewed and commented on a document used to track appeals questions and answers;⁷⁵ drafted and revised the request for appeal form;⁷⁶ and drafted the notice of right to appeal/have an authorized representative.⁷⁷ In addition, Hilltop drafted the authorization for release of federal income tax information that would be needed to verify an applicant's income for an appeals hearing.⁷⁸

SHOP Notices: Hilltop worked with the MHBE to draft notices to be sent to employers and employees in the Small Business Health Options Program (SHOP) Exchange. Hilltop developed a work plan, with assignments, to develop the notices.⁷⁹ Hilltop developed notices for employer eligibility for SHOP participation (approval⁸⁰ and denial⁸¹), employee eligibility for enrollment in a SHOP plan (denial⁸²), request for more information (employer⁸³ and employee⁸⁴), missing

⁶⁸ *Termination*, May 20, 2013.

⁶⁹ *Denial Closure*, Excel spreadsheet, June 6, 2013.

⁷⁰ *Ad-Hoc Reports*, e-mail to Alice Middleton from Laura Spicer, December 10, 2013.

⁷¹ *Acceptable Documentation List*, June 17, 2013.

⁷² *Notices-QHP Denial Codes and Closure Codes*, September 25, 2013.

⁷³ *Periodic Review of Information with Federal Sources Notice*, January 23, 2014.

⁷⁴ *Reminder to Report Changes Affecting Eligibility Notice*, January 23, 2014.

⁷⁵ *Appeals Question Tracker*, July 30, 2013.

⁷⁶ *Request for Hearing*, July 31, 2013.

⁷⁷ *If You Think We Made a Mistake*, authorized representative notice, June 19, 2013, revised August 9, 2013.

⁷⁸ *Authorization for the Disclosure of Federal Tax Information*, September 18, 2013.

⁷⁹ *SHOP Notices Work Plan*, July 3, 2013.

⁸⁰ *Employer Approval*, October 17, 2013.

⁸¹ *SHOP Employer Denial*, October 24, 2013.

⁸² *SHOP Employee Denial*, October 24, 2013.

⁸³ *Additional Info-Employer*, October 24, 2013.

⁸⁴ *Additional Info-Employee*, October 24, 2013.



payment (employer⁸⁵ and employee⁸⁶), eligibility for special enrollment period,⁸⁷ annual election period,⁸⁸ and annual open enrollment period.⁸⁹

⁸⁵ *Missing Payment-Employer*, October 24, 2013.

⁸⁶ *Missing Payment-Employee*, October 24, 2013.

⁸⁷ *SHOP Special Enrollment Notice*, October 17, 2013.

⁸⁸ *SHOP Annual Election Period*, October 24, 2013.

⁸⁹ *SHOP Annual Enrollment Period*, October 24, 2013.



Other Analyses and Support

Hilltop provided consultation and staff support to the MHBE and conducted a number of other analyses to support the work of the MHBE.

Onsite Staff Support: During the contract period, Hilltop continued to augment its staff support for the MHBE and detailed one staff member to be onsite at the MHBE's office for an aggregate of roughly one day a week. This allowed for more rapid onsite and coordinated responses to the needs of the executive director, policy director, and Board. This onsite Hilltop staff member met the immediate needs of the MHBE office, represented MHBE staff at various meetings with other agencies, such as DHMH and the MIA, and acted as a liaison to the other members of Hilltop's health reform team, located at Hilltop. Onsite staff communicated with staff at Hilltop frequently. Hilltop's health reform team, which includes onsite and Hilltop-located staff, met at least biweekly, or more frequently as needed, to discuss and prepare for meeting the needs of the MHBE.

Staff Support for MHBE Director of Policy: During the contract period, Hilltop provided subject matter staff support to the MHBE Director of Policy. Hilltop attended the Web-Based Entities Advisory Committee and took meeting notes. In addition to presenting the notes to the director of policy, Hilltop presented them to the Board co-chair for him to use at the upcoming Board meeting.⁹⁰

Staff Support for Command Center: When the Maryland Health Connection launched on October 1, 2013, Hilltop staff worked alongside their MHBE colleagues to provide policy support. The Command Center was open from 6:00 AM to 8:00 PM. Hilltop provided staff support for the first four days of operation.

RFP Clarification: Hilltop assisted MHBE staff in responding to the questions on a training request for proposals (RFP) regarding competency testing of navigators, assisters, application counselors, and others.⁹¹

Grant Reporting: Hilltop assisted the MHBE in completing its Biannual Establishment (Level I and II) Grant Report for the CMS Center for Consumer Information & Insurance Oversight (CCIIO).⁹²

Enrollment Projections: Hilltop assisted the MHBE in responding to a request from CMS regarding enrollment projections. Hilltop projected the enrollment in the Individual Marketplace

⁹⁰ *Maryland Health Benefit Exchange Web-based Entities Advisory Committee Meeting*, August 9, 2013.

⁹¹ *Training RFP Question re Testing*, e-mail to Danielle Davis from Maansi Raswant, March 25, 2013.

⁹² *CCIIO Biannual Establishment Grant Report Template-Hilltop*, February 14, 2014.



with APTC, the total Individual Marketplace, the total SHOP, and the grand total for the Marketplace for CYs 2014, 2015, and 2016; Hilltop then submitted the information to CMS on the MHBE's behalf.⁹³

Tobacco Use Rating Study: The ACA allows health insurance issuers in the individual and small group markets to charge higher premiums to tobacco users. The Maryland Health Progress Act of 2013 requires the MHBE and the MIA to study the impact of the ACA's allowance of a tobacco use rating, including its effect on premiums generally, its effect on the affordability and purchase of insurance and access to health care for tobacco users, and any disparate impacts on vulnerable populations. The MHBE contracted with Hilltop to conduct this study, which began during the contract period and is in progress. Hilltop provided consultation to the MHBE regarding the interpretation of the tobacco use rating regarding the how to consider the age of the user and the definition of a tobacco user.⁹⁴ The final Tobacco Use Rating Study report is due to the Maryland General Assembly by September 1, 2014.

Data Analysis

Provider Network Access: Hilltop worked with the MHBE to do some preliminary reviews of provider network access, including primary care providers (PCPs), essential community providers (ECPs), and specialists. Specifically, the MHBE requested reports on the number of overall MHBE-participating PCPs by county; the number of PCPs by county for each carrier network; the number of overall MHBE-participating ECPs by county; the number of PCPS by county for each carrier network; the number of overall MHBE-participating specialists/dentists by county; and the number of specialists by county for each carrier network. To facilitate this work, Hilltop established a data use agreement with the MHBE and established a secure ftp connection with CRISP to obtain the MHBE's provider directory files. Hilltop received data from CRISP, analyzed the data, and produced preliminary reports as well as a memo discussing the methodology it used for the analysis, results, issues with the data, and recommendations on how to improve provider reporting.⁹⁵ Hilltop reviewed and provided written comments to a CRISP's proposed provider file layout.⁹⁶ Hilltop also reviewed a later version of the provider file layout and advised the MHBE about which variables would be especially useful for the MHBE evaluation.⁹⁷

⁹³ *Enrollment Projections*, e-mail to Stephanie Hengst from Maansi Raswant, March 26, 2013.

⁹⁴ *Follow Up on Rating Questions*, e-mail to Lena Hershkovitz from Laura Spicer, May 8, 2013.

⁹⁵ *Draft Access Reporting*, memo and Excel spreadsheets to Lena Hershkovitz and Tequila Terry from Laura Spicer, October 3, 2013.

⁹⁶ *CRISP Input File Layout*, comments, February 22, 2013.

⁹⁷ *CRISP Input File Layout 130403*, e-mail to Lena Hershkovitz from Laura Spicer, April 3, 2013.



Administrative Support

Throughout the contract period, Hilltop continued to provide administrative support to the MHBE. This support involved arranging logistics for some advisory committee meetings and other public meetings, hosting meetings at UMBC, and attending and taking minutes at Board meetings.

Logistical Support for Meetings: In 2013, Hilltop continued its logistical support to the MHBE. Hilltop hosted MHBE advisory committee and public meetings at the UMBC Technology Center and made all logistical arrangements for them. This consisted of coordinating with other departments at UMBC (facilities, catering, IT, etc.); scheduling and reserving the facility; setting up the furniture, projector, microphones, laptops, WebEx, and conference call lines; ordering food for some of the meetings; and attending the meetings to operate the equipment and troubleshoot any logistical issues that might occur.

MHBE Board Meeting Minutes: Hilltop staff attended all meetings of the MHBE Board of Trustees, distilled the information presented, and drafted meeting minutes.⁹⁸

Advisory Committee Meeting Minutes: Hilltop staff attended meetings of the MHBE Producer Advisory Council, Implementation Advisory Committee, and Web-Based Entities Advisory Committee; distilled the information presented; and drafted meeting minutes for committee meetings.⁹⁹

Stakeholder Meeting Minutes: Hilltop staff attended the Connector Entities Kick-Off Meeting, distilled the information presented, and drafted meeting minutes.¹⁰⁰

⁹⁸ *Maryland Health Benefit Exchange Board of Trustees Meeting Minutes*, February 12, 2013, March 12, 2013, March 29, 2013, April 9, 2013, May 8, 2012, May 14, 2013, June 11, 2013, July 8, 2013, August 13, 2013, September 10, 2013, September 22, 2013, September 30, 2013, October 8, 2013, November 8, 2013, November 22, 2013, December 15, 2013, December 7, 2013, January 27, 2014, January 31, 2014, February 14, 2014, February 18, 2014, and March 18, 2014.

⁹⁹ *Maryland Health Benefit Exchange Producer Advisory Council*, meeting minutes, February 27, 2013, March 27, 2013, April 24, 2013, May 22, 2013, July 24, 2013, September 6, 2013, October 23, 2013, November 21, 2013, December 17, 2013, and March 11, 2014.

MHBE Implementation Advisory Committee Minutes, February 7, 2013, February 21, 2013, March 7, 2013, March 12, 2013, April 4, 2013, April 18, 2013, May 2, 2013, May 16, 2013, June 12, 2013, June 27, 2013, July 24, 2013, August 8, 2013, and August 22, 2013.

Maryland Health Benefit Exchange Web-based Entities Advisory Committee Meeting, notes, August 6, 2013 and August 30, 2013.

¹⁰⁰ *Connector Entities Kick-Off Meeting*, minutes, April 30, 2013.





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