



**Health Benefit Exchange Authority Executive Board Meeting
DRAFT MINUTES**

Date: Wednesday, March 9, 2016
Time: 5:30 PM
Location: 1225 Eye Street NW, 4th Floor, Board Conference Room
First Call- in Number: 1-877-668-4493; access code 736 088 913
Second Call-in Number: The Board will return to public session after an executive session of approximately an hour, the call-in line for the second session is 1-877-668-4493, access code 739 108 158

Members Present: Henry Aaron, Kate Sullivan Hare, Nancy Hicks, Leighton Ku, Diane Lewis, LaQuandra Nesbitt, Wayne Turnage (via telephone), Laura Zeilinger

Members Absent: Khalid Pitts, Stephen Taylor, Tamara Watkins

I. **Welcome, Opening Remarks and Roll Call,** *Diane Lewis, Chair*

Chair Diane Lewis called the meeting to order at 5:40 pm. A roll call of members present confirmed that there was a quorum with five voting members present (Dr. Aaron, Ms. Sullivan Hare, Ms. Hicks, Dr. Ku, and Ms. Lewis).

Ms. Lewis thanked an original Board member, Kevin Lucia who has been with HBX since the very beginning in 2012. He is on the telephone today so we can thank him for this true public service. Kevin is a nationally recognized authority on the implementation Affordable Care Act, including the private market reforms and the development of state based marketplaces. As member of the DC Health Benefit Exchange Authority Executive Board, he has worked relentlessly to establish HBX and build the successful DC Health Link. His expertise, insights, and hard work have been invaluable to the success of the Exchange. He chaired the Executive Board Insurance Market Working Committee and served as a member of the Executive Board Research and Data Analysis Working Committee. His leadership in each of these capacities has enabled HBX to initiate policies in the best interest of the District and its residents, including the policies related to health care insurance market and the essential health benefits. He may no longer be a board member, but as a District resident we know he will always be a part of HBX.

Mr. Lucia thanked Ms. Lewis for the kind words. He said it had been an honor to work with all the Board members, HBX staff and all stakeholders. He noted that hundreds of policy decisions had been made as HBX

was getting off the ground. He said that one of the best decisions the Board made was to hire Mila Kofman as the Executive Director, and that she had put in place an excellent staff to perform the work of the HBX. He wished everyone all the best in moving forward.

Ms. Kofman thanked Mr. Lucia for his kind words, and read the inscription on a desk plaque that will be presented to Mr. Lucia by the Executive Board and HBX staff in recognition of and appreciation for his service.

II. Approval of Agenda, *Diane Lewis, Chair*

Ms. Lewis asked that the agenda be amended to put the Executive Session after the Committee reports and before Discussion items. It was moved and seconded to amend the agenda as proposed by Ms. Lewis. The motion passed unanimously, with Dr. Aaron, Ms. Sullivan Hare, Ms. Hicks, Dr. Ku, and Ms. Lewis voting yes.

It was moved and seconded to approve the agenda as amended. The motion passed unanimously, with Dr. Aaron, Ms. Sullivan Hare, Ms. Hicks, Dr. Ku, and Ms. Lewis voting yes.

III. Approval of Minutes, *Diane Lewis, Chair*

It was moved and seconded to approve the February 26, 2016 minutes. The motion passed unanimously, with Dr. Aaron, Ms. Sullivan Hare, Ms. Hicks, Dr. Ku, and Ms. Lewis voting yes.

IV. Executive Director Report, *Mila Kofman, Executive Director*

Ms. Kofman congratulated Board member Nancy Hicks for getting her college textbook on communications updated and published. There is a new chapter authored by HBX Communications and Civic Engagement Manager Linda Wharton-Boyd about our ACA efforts and the creative ways we have reached the uninsured. Ms. Hicks thought that DC Health Link outreach efforts showed the best in communications efforts, and that Ms. Wharton-Boyd's chapter was one of the best in the book.

FOLLOW-UPS FROM LAST BOARD MEETING

1. Child-only policies

Ms. Kofman stated that when she reported on child-only policies last month, she had informed the Board that there are 105 child-only policies. This question was asked how many of those are APTC and the follow-up is two (2) child-only policies receive APTC.

2. How Hepatitis C Drugs are covered in our plans:

Ms. Kofman reported that the coverage varies. The drugs are usually classified in the higher cost tiers. With regard to silver level plans, plans with a separate prescription drug deductible typically have a coinsurance cost for the drugs. For plans without a separate prescription drug deductible, the drugs typically have a copay cost for the drugs. She noted the out-of-pocket costs to the consumer are quite high.

Dr. Aaron asked if consumers are bumping against their stop loss amount. Ms. Kofman replied yes.

Dr. Ku said it is often the case that a consumer must have fairly advanced liver disease before having access to the drugs. He wondered if that limited access as well as the high cost of the drugs themselves. Ms. Kofman said staff had not looked at that precise issue. She said in follow-up conversations with carrier partners, staff could ask about what is in place, such as prior authorization. Dr. Nesbitt said that additional credentialing can also be an issue with respect to these drugs for providers who are not hepatologists. She added that quality control measures go along with credentialing, and may result in a better chance that the consumer finishes a prescribed course of treatment. Mr. Turnage volunteered to send information about Medicaid and Hep-C drugs to HBX.

Ms. Kofman asked if Dr. Ku thought it would be useful to have the information for the work going on presently with the standard plans for 2017. He thought that it was too late for the current cycle, but would be useful in the next cycle for standard plans. Ms. Sullivan Hare questions whether drugs for a single condition should be called out in the standard plans. Dr. Nesbitt pointed out that what makes Hep-C different is that is a stigmatizing condition in that most people associate the condition with injecting drug use. She also noted that these new Hep-C drugs are curative versus older drugs such as interferon.

Dr. Aaron said we are talking about price, not cost. Drug companies are trying to recoup other expenditures. He thought we could think about this in terms of the benefit packages and see if we can come up with an idea that could be applied more generally. Ms. Hicks agreed.

Ms. Kofman summarized by saying that in the next phase for standard plan development, this issue would be explored further. She said it might be a different group than the Standard Plans Advisory Working Group that would look at it, bring in the carriers, representatives of the pharmaceutical industry, consumer advocates and other stakeholders to tackle the issue.

NEXT BOARD MEETING

Ms. Kofman announced that the date had been changed from April 13, 2016 to April 6, 2016.

HEARINGS

Ms. Kofman reported that on February 17th HBX had had its Performance Oversight hearing. It went very well. HBX had lots of support from customers. Earlier today, Councilmember Orange held a hearing on Certified Business Enterprises (CBE) compliance. The Councilmember complimented HBX on exceeding CBE goals.

1095-A UPDATE

Ms. Kofman reported that HBX sent out 16,762 1095-A forms. Only seven (7) requests for correction have been made to date, and most can be corrected and resent within 24 hours. Since the original mailing, two more datasets have been received from the carriers. They are in the process of being renewed, and once the review is complete, any forms needing correction will be resent.

FINAL 2017 PAYMENT NOTICE FROM CMS

Ms. Kofman noted that the Final 2017 Payment Notice had been issued by CMS. It contains some information that impacts HBX, including that the next two open enrollment periods would run from November 1 – January 31, the same as it had been this year. Thereafter it is scheduled to change to a shorter period to be more consistent with Medicare and large employer open enrollment periods. Ms. Kofman asked Jenny Libster, Associate General Counsel and Policy Advisor, to give the Board a quick update on other impacts.

Ms. Libster reported that with respect to the Navigator program, CMS had proposed to require Navigators to undertake several new post-enrollment duties, such as helping consumers understand process to file eligibility appeals, helping with 1095-As and how to apply for exemptions from the shared responsibility payment. The final rule requires those new duties in the FFM, but leaving it to the states to decide whether to require additional duties in SBEs. Also, the final rule clarifies that Navigators and Assistants must be trained prior to providing assistance.

With respect to the Certified Application Counselor (CAC) program, the final rule allows exchanges to collect data from CACs. Whether to collect data from CACs is optional for the SBEs. It appears that the FFM will begin to collect data from CACs in the next year and a half.

On Network Adequacy, CMS had proposed some broad standards but largely did not finalize them at this time, to allow states time to adopt the NAIC Model Act on Network Adequacy. CMS stated it expects states will adopt and implement the NAIC Model Act. CMS will monitor and revisit this issue in regulations in the future.

There is a new notice requirement being required in the FFM. CMS will require carriers to provide a notice to consumers within 30 calendar days of being notified by HHS of a plan or benefit display error that impacted consumers in choosing a plan. The carrier must notify consumers of SEP rights arising as a result of the error.

Ms. Kofman stated that regarding network adequacy, the Insurance Market Working Committee will be convening a public meeting. One of the items will be the NAIC Model on network adequacy.

Ms. Sullivan Hare noted that CMS also set forth requirements on substantiation of SEP eligibility. She asked whether HBX would do the same.

Ms. Kofman stated that in the past, HBX could not track SEP reasons through input of certain codes because of the way the system was built. We are now in a better place. HBX will be tracking the self-reported reasons for a SEP. For certain SEPs, self-attestation is required. Other SEPs require documentation. She noted that HBX has an extensive internal appeals process to review SEP denials. To require documentation for all SEPs would be an enormous burden on staff resources; it had been done previously but could not be justified in terms of drain on resources and little return. HBX always reserves the right to audit SEPs. HBX relies heavily on carriers during this SEP review process as well.

SHOP DENTAL

Ms. Kofman reported that we are on target to go live with SHOP dental plans later this month.

IRS REPORTING

Ms. Kofman stated that in addition to CMS reporting requirements, there are also IRS reporting requirements. The annual report (H41) was filed in mid-February for 2015. The last monthly report (H36) was also submitted in mid-February.

PRODUCER ADVISORY COMMITTEE

The Committee has not been active recently, but is being re-engaged to address a variety of policy questions that have arisen. Some of the questions concern broker recertification. In this regard, the National Association of Health Underwriters (NAHU) will be conducting in-person broker training in March. It is free to brokers and they can get continuing education credit for attending.

OPEN ENROLLMENT DEBRIEF

HBX is in the process of active debrief after the close of open enrollment to determine what worked, what did not work, what we can improve, etc. HBX hosted a debrief session earlier in the day with our business partners, with Ms. Hicks representing the Board and Ms. Wharton-Boyd representing staff. Ms. Hicks said it was a very productive meeting. She anticipated giving a more thorough report at the next Board meeting.

SELF-AUDIT

Ms. Kofman reported that HBX staff has launched an internal audit of HBX policies and procedures, and what we still need to develop. HBX staff is also taking a close look at various audits and findings that have been done, and as a way to prevent findings in the future, and has initiated an internal audit to review various parts of the system to ensure that things are working as intended and that we are fully compliant with the law.

ENROLLMENT STATISTICS

Ms. Kofman reported the following:

HISTORICAL DCHL CUSTOMERS SERVED	
PROGRAM	LIVES
QHP	33,911
SHOP	27,209
Medicaid	150,640
TOTAL	211,760

** Totals as of March 6th, 2016 and include future coverage start dates.*

Ms. Kofman said HBX went back to look at new customers this past open enrollment to see how many had paid the bill to effectuate the policy. About 80% of the new customers have effectuated, for either January or February. HBX intends to survey the customers who did not effectuate to find out why.

Ms. Zeilinger joined the meeting during the Executive Director's report.

Dr. Ku asked about the 80% effectuation rate and how it compared to other states. Ms. Kofman reported that she had heard as low as 70%, but she believed it was similar to other states. There are any number of reasons why people did not effectuate – they moved, gained job-based coverage, did not realize they needed to pay the bill, etc. She thought the information she gathered from the 20% that did not effectuate would be very helpful. She said she would find out from other states and follow up.

V. **Finance Committee Report**, *Henry Aaron, Chair*

Dr. Aaron reported that Dr. Aaron reported that the Committee met on March 7, 2016 for its regular monthly meeting. He, Ms. Lewis and Mr. Pitts participated.

PROCUREMENTS: Ms. Kofman and HBX staff presented the procurements to the Finance Committee that are on the agenda for this evening's meeting. We walked through each of them in detail and approved them moving forward to the full Board this evening.

FINANCIAL RESERVES: Ms. Kofman updated the Finance Committee that HBX staff are in the process of developing a written reserves policy that will be brought first to the Finance Committee and then to the full Executive Board. As a reminder, since inception, it has been recognized that HBX must maintain reserves and in fact it does. What we do not have, just like other SBMs, is a written policy. The Finance Committee asked HBX staff to research reserve policies that other SBMs have as well as other District Government independent agencies. The Finance Committee plans to review staff research and approve a written reserve policy to bring to the full Board for the April meeting.

FINANCIAL REVIEW: The Committee reviewed FY 16 expenditures and noted that expenditures are as expected.

VI. **Standard Plans Advisory Working Group Update**, *Leighton Ku, Chair*

Dr. Ku reported that the Standard Plans Advisory Working Group was looking at the standard plans with respect to the 2017 actuarial value calculator (AVC). The actuaries have concluded that the bronze plan was noncompliant (over 62%) and needs to be adjusted. CareFirst ran the plans through its own models and the result was that the gold plan was noncompliant (also a little high). During the first conference call last Thursday, the group discovered the issue was a little more complicated than originally thought in fashioning a remedy for the gold plan.

This week, the working group will have another call to discuss the bronze plan noncompliance remedy.

It is hoped that the working group will have a recommendation by the next Board meeting. However, if it does not occur, the Board will need to have a conference call to consider the recommendation because the filing deadline is May 2, 2016 for plan year (PY) 2017.

Dr. Ku mentioned that the further effort for PY 2018 may need to go into more depth. HBX will consider standard plans for SHOP, and we will need to get the group carriers that are not in the individual market more engaged. Also, CMS recently issued its standard plan options for PY 2018 for the FFM, and the working group may want to consider its work, even though we do not need to follow the CMS options.

V. Move to Executive Session, Diane Lewis, Chair

Pursuant to DC Codes Sections 2-575(b)(2), (b)(4) and Section 3171.11, it was moved and seconded for the Board to move to a closed session to discuss contracting and litigation. The motion passed unanimously, with Dr. Aaron, Ms. Sullivan Hare, Ms. Hicks, Dr. Ku, and Ms. Lewis voting yes.

Time: 6:38- p.m.

VI. Reconvene Public Session, Diane Lewis, Chair

The public meeting reconvened at 7:48 p.m.

VII. Discussion Items

Ms. Kofman announced that all the following contracts have been considered by the Finance Committee and approved by that Committee to move to the full Board.

1. Carasoft Technology, Inc.

Annual Salesforce Software License Renewal through Carasoft Technology, Inc. The request is for 323 Salesforce licenses for one year at a total cost of \$626,489.64. Some of the work is cost allocated with DHS.

2. Enlightened, Inc.

This modification is to exercise a third option year for Enlightened, Inc., for IT consulting services with this CBE vendor to go to the DC Council for approval. The third option year would run from 4/30/16 through 4/29/17 with a ceiling of \$10,000,000. Some of the work is cost allocated with DHS.

3. Data Net Systems:

This modification is for an IT consulting services contract with a CBE vendor to go to DC Council for approval. The request is to increase the contract ceiling amount for this current year by \$7,900,000. Some of the work is cost allocated with DHS.

4. Obverse, Inc:

This modification is for an IT consulting services contract with a CBE vendor to go to the DC Council for approval. The request is to increase the contract ceiling amount for this current year by \$2,000,000. Some of the work is cost allocated with DHS.

5. CBE Contracts for IT consultant services for advanced development work

HBX published a solicitation for an indefinite delivery, indefinite quantity procurement for IT consulting services via E-Sourcing on January 27, 2016. Bids were due on February 18, 2016.

- 28 companies applied.
- 25 of those were responsive,
- 9 of the 25 were selected and are before you for board approval.

Six (6) of the nine (9) proposals are for over \$1 million. For contracts that are over \$1 million, it is a Board vote to go to the DC Council.

1. Networking for the Future (NFF) – one year for \$7,500,000 to go to the Council for approval; not cost-allocated
2. Courage LLC – one year for \$6,500,000 to go to the Council for approval; not cost-allocated
3. Cradle Systems – one year for \$6,500,000 to go to the Council for approval; not cost-allocated
4. Data Net Systems – one year for \$3,000,000 to go to the Council for approval; not cost-allocated
5. FWG Solutions – one year for \$3,000,000 to go to the Council for approval; not cost-allocated
6. New Light Technologies – one year for \$3,000,000 to go to the Council for approval; not cost-allocated
7. ICT Mondial – one year for \$1,000,000; not cost-allocated
8. Enlightened, Inc. – one year for \$1,000,000; not cost-allocated
9. THIHA - one year for \$1,000,000; not cost-allocated

6. Deloitte Consulting LLP Data Analytics Contract

HBX recommends approval of a one-year contract with Deloitte Consulting LLP for \$2.1 million to go to the DC Council for approval. This contract is for data analytics capability that builds on work Deloitte already did for the Rhode Island marketplace. Deloitte would be customizing the RI work for the District. Another state's contract, which was competitively bid, is being used for this contract.

VIII. Public Comment

No public comment was proffered.

IX. Votes

a. Annual Salesforce Software License Renewal

It was moved and seconded to approve the Annual Salesforce Software License Renewal through Carasoft Technology Inc. The motion passed unanimously, with Dr. Aaron, Ms. Sullivan Hare, Ms. Hicks, Dr. Ku, and Ms. Lewis voting yes.

b. Contract Modification for Data Net Systems, Inc., Contract Modification for Obverse Inc. and New Option year contract for Enlightened, Inc.

Ms. Lewis stated that contract Modifications for CBEs Data Net Systems, Inc. and Obverse, Inc. and exercising the option year three for Enlightened will be considered en bloc unless someone objects to this approach. Hearing no objections we will move forward with en bloc voting as presented in discussion to send these to the Council for approval:

1. An increase of \$7,900,000 for Data Net Systems, Inc.
2. An increase of \$2,000,000 for Obverse, Inc.
3. A third option year for \$10,000,000 for Enlightened, Inc.

It was moved and seconded to approve the Contract Modification for Data Net Systems, Inc., the Contract Modification for Obverse Inc. and the Option year contract for Enlightened, Inc. The motion passed unanimously, with Dr. Aaron, Ms. Sullivan Hare, Ms. Hicks, Dr. Ku, and Ms. Lewis voting yes.

c. Contracts for Nine (9) CBE vendors under the IDIQ solicitation for IT consulting services

Ms. Lewis stated that the Contracts for the nine (9) CBE vendors will be considered en bloc unless someone objects to this approach. Hearing no objections we will move forward with en bloc voting for the nine (9) CBE vendor companies and amounts as recited earlier by Ms. Kofman.

It was moved and seconded to approve the Contracts for 9 CBE vendors The motion passed unanimously, with Dr. Aaron, Ms. Sullivan Hare, Ms. Hicks, Dr. Ku, and Ms. Lewis voting yes.

d. Deloitte Consulting LLP Analytics Contract

It was moved and seconded to approve the Deloitte Consulting LLP Analytics Contract. The motion passed unanimously, with Dr. Aaron, Ms. Sullivan Hare, Ms. Hicks, Dr. Ku, and Ms. Lewis voting yes.

X. Closing Remarks and Adjourn, Diane Lewis, Chair

The meeting was adjourned at 8:00 p.m.