



Standing Advisory Board Agenda

10:00 am, Monday, June 10, 2013

By Conference Call Only

Minutes

Opening and General Updates

The meeting was called to order by Chairman Chris Gardiner and attendance was taken.

Members Present: Chris Gardiner, Claire McAndrew, Kevin Dougherty, Billy MacCartee, Dania Palanker, Barry Lewis, Karen Johnson, Stephen Jefferson (joined late)

Members Absent: Jill Thorpe

Health Benefit Exchange Staff Present: Debbie Curtis, Bonnie Norton, Hannah Turner

Approval of Minutes

Chairman Gardiner asked for approval of the minutes from the March 27th meeting. However, many committee members had not received them so it was agreed they would be recirculated and approval was postponed to the next meeting of the Board.

Chairman Gardiner then asked if Vice Chair Claire McAndrew would lead the discussion for the Committee and she agreed to do so.

Action Items

I. Selection of two new members to replace people who resigned from the Plan Management Advisory Committee

Ms. McAndrew explained that two members of the Plan Management Advisory Committee had resigned for various reasons and it is the responsibility of the Standing Advisory Board to recommend new members to the Executive Board. One of these members needs to be a broker and the other a representative of dental carriers.

A) **BROKER:** For the broker slot, the former member, Hannah Turner, resigned because she became a member of the Health Benefit Exchange Authority staff. She was the Vice Chair of the Committee. However, Dania Palanker, who serves as the Chair of the Plan Management Committee explained to the Standing Advisory Board that the replacement may or may not become the Vice Chair and that that would be a decision made by the Committee.

Ms. McAndrew presented Margaret Flickinger from Keller Benefits as the recommended new Committee Member. She has expressed an interest in serving, has been attending Plan Management Advisory Committee meetings as a member of the public already, and has served on other working groups and closely monitored implementation. Billy MacCartee recommitted his support for Ms. Flickinger's nomination and reiterated her credentials. Karen Johnson made the motion that she be nominated. She was unanimously supported to fill the open broker slot on the Plan Management Committee. Health Benefit Exchange Board Staff will communicate with her. The nomination will go to the Executive Board for their approval at their next meeting.

- B) DENTAL CARRIER: Ms. McAndrew explained that Delta Dental is already represented on the Plan Management Advisory Committee so there needs to be a different dental carrier to serve in the second slot. The second dental carrier slot was vacated when the dental carrier serving in it decided not to participate in the DC Exchange. It was discussed that, while CareFirst will be offering a stand-alone dental product, they are already serving on the Committee as a Health Plan representative and it was agreed that it didn't make sense to have them also fill a dental carrier slot. There was discussion about whether the optimal choice would be to pick the next largest dental carrier or to seek diversity and select a smaller carrier which might have a different perspective than Delta Dental – which is perceived to be one of the largest dental carriers. Health Benefit Exchange staff will gather information from DISB about the relative size of market share for the various dental carriers that have submitted letters of intent to participate in the DC Exchange. In the meantime, the consensus was to try to find a smaller carrier that would be willing to participate as a Committee Member. The Board was not ready to vote on this choice because communications are needed with the dental carriers to find out who is willing to serve on the Committee. Ms. McAndrew agreed to reach out to the dental carriers on behalf of the Board with the goal of finding a smaller carrier to participate and to bring it back for a vote of the Standing Advisory Board most likely on Friday, June 17th at 4 pm.

- II. Recommendation with regard to whether employers alone, or employers and employees together are responsible for absorbing the cost of changes in the employers' composite premium due to different take-up rates than originally estimated.

Bonnie Norton of the DC Health Benefit Exchange Staff reviewed this technical issue for the Advisory Board. A paper was distributed ahead of the meeting that summarized the issue. It can be found here:

http://hbx.dc.gov/sites/default/files/dc/sites/Health%20Benefit%20Exchange%20Authority/event_content/attachments/DCHBX_Employer_Contribution%20-Brief_for_Standing_Advisory_Board-5-31-2013.pdf. Review of this document is important for understanding the issue.

The short description of the issue is that a decision needs to be made about who should be responsible for the increased or decreased cost due to variation in enrollments from the pre-enrollment estimates. Because of technological limitations of the software being used to operate the SHOP exchange, we are limited in options. The two options that can be considered are whether employers should absorb that cost/savings or whether the cost/savings should be split between employers and employees.

Over a long discussion, it was agreed that it made sense for employers and employees to share in these costs or savings. That decision came about mostly because the Exchange staff explained that

technological limitations of our software require that we assign any costs or savings for mid-year changes in enrollment to the employer. Therefore, if employers have responsibility for the mid-year impact of changes, the Board voted by a significant majority that it made sense to share the upfront risk equally between employers and their employees.

VOTE:

Committee Member	VOTE
Chris Gardiner	Yes
Claire McAndrew	Yes
Stephen Jefferson	Absent
Kevin Dougherty	Yes
Jill Thorpe	Absent
Billy MacCartee	Yes
Dania Palanker	No
Barry Lewis	Yes
Karen Johnson	Yes
Final vote:	6 Yes, 1 No, 2 Absent

III. **Discussion Item:** Policy regarding credit card payments for health insurance premiums

Bonnie Norton of the Health Benefit Exchange Authority Staff explained that the Exchange intends to accept checks, withdrawals from banks, debit cards, money orders, and credit cards for payment for premiums for health insurance. However, there are significant fees – sometimes 4.5% or more – for certain credit cards depending on the company and whether the card is a rewards card. The question the Exchange staff is seeking guidance on is whether to pass along the cost of these fees to all consumers in the Exchange or whether there should be a surcharge for the ability to pay your premium via credit card (recognizing that there are no charges for the many other methods of payment).

Claire McAndrew raised serious concerns with making a surcharge approach. Barry Lewis raised that the number one concern for the Exchange should be its financial viability and if these costs have to be absorbed, they could be quite significant and that would increase costs to consumers as well as operating costs of the Exchange.

It was asked why the carriers can't simply be required to absorb that cost? That led to a discussion about how there is no way to require them to absorb it as it would be passed on to consumers through higher premiums in the end anyway. The fundamental question is whether the value of credit card payments by some is something that all should finance. It was also noted that this will be something we can monitor closely in 2014, learn from experience, and the decision made now is not necessarily the permanent decision.

Overall, the sentiment of the group was that the surcharge approach was reasonable given the high costs associated with credit card fees. However, that was by no means a unanimous position.

This topic was for discussion only and helped inform the Exchange staff of stakeholder opinions on this issue.

Closing Remarks and Adjournment

Chairman Chris Gardiner closed the meeting by reminding members that the plan is to reconvene via conference call on Friday, June 14th to select a dental carrier representative for the Plan Management Advisory Committee. The meeting adjourned at 11:28 am.