CHARTER FOR THE HEALTH BENEFIT EXCHANGE AUTHORITY

PREAMBLE

The Health Benefit Exchange Authority of the District of Columbia is an independent authority of the District of Columbia government responsible for the centralized, transparent insurance marketplace through which individuals and small business owners will have access to comprehensive, affordable health insurance.

ARTICLE I NAME

The District of Columbia Health Benefit Exchange Authority ("Authority)."

ARTICLE II PURPOSE

The purposes of the Authority shall include:

1. Enable individuals and small employers to find more affordable and easier-to-understand health insurance;
2. Facilitate the purchase and sale of qualified health plans;
3. Assist small employers in facilitating the enrollment of their employees in qualified health plans;
4. Reduce the number of uninsured;
5. Provide a transparent marketplace for health benefit plans;
6. Educate consumers; and,
7. Assist individuals and groups in accessing programs, premium assistance tax credits and cost-sharing reductions.

ARTICLE III FUNCTIONS OF THE AUTHORITY

The Authority shall have the following Authority, Duties and Powers:

1. Establish the American Health Benefit Exchange to assist qualified individuals in the District with enrollment in qualified health plans;
2. Establish a Small Business Health Options Plan (SHOP) through which qualified employers may access coverage for their employees and shall enable any qualified

employer to specify a level of coverage so that any of its employees may enroll in any qualified health plan offered through the SHOP Exchange at the specified level of coverage;

3. Certify plans as qualified health plans;
4. Have independent personnel authority to hire, retain and terminate;
5. Have procurement authority independent of the Office of Contracting and Procurement;
6. Publish the average costs of licensing, regulatory fees and any other payments required by the Authority, and the administrative costs of the Authority, on a website that is publically accessible, to educate consumers on such costs;
7. Implement procedures for the certification, recertification and decertification of health benefit plans as qualified health plans;
8. Provide for the operation of a toll free telephone hotline to respond to requests for assistance;
9. Provide for enrollment periods, as provided under section 13 (c) (6) of the Federal Act;
10. Maintain a publically accessible website, through which enrollees and prospective enrollees of qualified health plans and dental plans may obtain standardized comparative information, including health plan quality and performance, for such plans;
11. Assign a rating to each qualified health plan offered through the exchanges in accordance with the criteria developed by the Secretary under section 1311 (c) (3) of the Federal Act, and determine each qualified health plan's level of coverage in accordance with regulations issued by the Secretary under section 1302 (d) (2) (A) of the Federal Act;
12. Use a standardized format for presenting health benefit options in the exchange including the use of the uniform outline of coverage;
13. Conduct eligibility determinations in accordance with section 1413 of the Federal Cat for the Medicaid program under title XIX of Social Security Act or any other applicable District program pursuant to the policies and procedures established by the Department of Health Care Finance;

14. Establish and make available, through a website that is publicly available, a calculator to determine the actual cost of coverage after application of any premium tax credit under section 36 B of the Internal Revenue Code of 1986 and any cost-sharing reduction under section 1402 of the Federal Act, and, if feasible, the calculator shall be designed to provide consumers with information on out of pocket costs for in-network and out-of-network services, taking into account any cost sharing reductions;
15. Grant a certification, subject to section 1411 of the Federal Act, attesting that, for purposes of the individual responsibility penalty under section 5000A of the Internal Revenue Code of 1986, an individual is exempt from the individual responsibility requirement or from the penalty imposed by that section;
16. Transfer to the Secretary of the United States Department of the Treasury information necessary to determine individual eligibility for premium tax credits;
17. Provide to each employer the name of each employee of the employer who ceases coverage under a qualified health plan during a plan year and the effective date of the cessation;
18. Perform the duties required of the Authority by the Secretary, or the Secretary of the United States Department of the Treasury, related to determining eligibility for premium tax credits; reduced cost-sharing or individual responsibility requirement exemptions;
19. Select entities qualified to serve as Navigators in accordance with section 1311 of the Federal Act, and standards developed by the Secretary, and award grants to enable Navigators to conduct public education activities; distribute fair and impartial information about enrollment in qualified health and dental plans; facilitate enrollment in qualified health and dental plans; provide referrals to the office of Health Care Ombudsman; and provide information that is culturally and linguistically appropriate to the needs of the population served by the exchange;
20. Review the rate of premium growth;
21. Consult with stakeholders relevant to carrying out the activities required under the act;
22. Meet established financial integrity requirements;
23. Determine, review, and recommend operational policies for the Authority.

24. Create such standing and ad hoc committees as are deemed necessary to carry out the functions of the Authority.

ARTICLE IV MEMBERSHIP

The Authority shall be governed by an Executive Board whose membership shall consist of:

1. Seven voting members who are residents of the District of Columbia and appointed by the Mayor, with the advice and consent of the District of Columbia City Council.
2. Four non-voting ex-officio members, or their designees, who shall be the:
    a. Director of the Department of Health Care Finance;
    b. Commissioner of the Department of Insurance, Securities and Banking;
    c. Director of the Department of Health; and,
    d. Director of the Department of Human Services.
3. Members of the executive board, other than an ex-officio member, shall be appointed for a term of 4 years, except that:
    a. 2 of the initial appointments shall be for a term of 2 years;
    b. 1 of the initial appointments shall be for a term of 3 years;
    c. 2 of the initial appointments shall be for a term of 4 years; and,
    d. 2 of the initial appointments shall be for a term of 5 years.
4. Each person appointed to the executive board as a voting member shall have demonstrated and acknowledged expertise in at least 2 (two) of the following areas:
    a. Individual or small employer health care coverage;
    b. Health benefits plan administration;
    c. Health care finance;
    d. Administering a public or private health care delivery system;
    e. Purchasing health plan coverage;
    f. Prior experience in commercial insurance management;
    g. Actuarial analysis;
    h. Health Care Economics;

i. Human Services administration;
j. Health Care Consumer Interest Advocacy;
k. Public Health programs; or,
l. Enrolling individuals into health benefit plans.

ARTICLE V OFFICERS

1. The members of the Executive Board shall elect from within its membership officers of the Board. At a minimum the members shall elect a Chair, a Vice-Chair, and a Secretary.
2. The Chair shall be elected by majority vote of those present and eligible to vote, excluding abstentions, a quorum being present.
3. The Vice-Chair shall be elected by majority vote of those present and eligible to vote, excluding abstentions, a quorum being present.
4. The Secretary shall be elected by a majority vote of those present and eligible to vote, excluding abstentions a quorum being present.
5. No member of the Executive Board may hold more than one office concurrently.
6. The term of office shall be one year and vacancies shall be filled by special election (within 30 days of vacancy) and not exceed the term of the officer being replaced.

ARTICLE VI AMENDMENTS

This Charter may be amended by a majority vote of the members of the Authority.

ARTICLE VII District of Columbia Health Benefit Exchange Authority Fund

1. The District of Columbia Health Benefit Exchange Authority Fund shall be established as a nonlasping fund and shall be administered by the Authority in accordance with generally accepted accounting principles and shall be used solely for the purposes set forth.
2. At a minimum, the Fund shall consist of:
    a. Any user fees, licensing fees or other assessments collected by the Authority;
    b. Income from investments made on behalf of the Fund;

c. Interest on money in the Fund;
d. Money collected by the executive board as a result of legal or other action;
e. Donations;
f. Grants;
g. All general revenue funds appropriated by a line item in the budget and authorized by Congress for the purposes of the Authority;
h. Any other money from any other source accepted for the benefit of the Fund; and,
i. All revenue, income from investments, proceeds and other monies, from whatever source derived, that are collected or received by the Authority shall be deposited into the Fund.

3. All funds deposited into the Fund, and any interest earned on those funds, shall not revert to the unrestricted fund balance of the General Fund of the District of Columbia at the end of a fiscal year, or at any other time, but shall be continually available for the uses and purposes set forth without regard to fiscal year limitation.
4. The Chief Financial Officer shall invest the money of the Fund in the same manner as other District of Columbia money may be invested;
5. The Authority is authorized to charge, through rulemaking:
    a. User fees;
    b. Licensing fees; and,
    c. Other assessments on health carriers selling qualified dental plans or qualified health plans in the District of Columbia.