



RESOLUTION

EXECUTIVE BOARD OF THE DISTRICT OF COLUMBIA HEALTH BENEFIT EXCHANGE AUTHORITY

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To establish a transition process for individual and small business health benefit plan enrollees into the District of Columbia Health Benefit Exchange (“Marketplace Exchange”).

WHEREAS, the Health Benefit Exchange Authority Establishment Act of 2011, effective March 4, 2012 (D.C. Law 19-94; D.C. Official Code § 31-3171.01 *et seq.*) (“Act”) created the District of Columbia Health Benefit Exchange Authority (“Authority”), an independent authority of the Government of the District of Columbia, and its governing Executive Board;

WHEREAS, §7 of the Act (D.C. Code §31-3171.06) authorizes the Executive Board to take actions necessary to carry out the functions necessary to establish an American Health Benefit Exchange;

WHEREAS, on October 3, 2012, the Executive Board voted unanimously to create one large marketplace for the sale of individual coverage and small group coverage to businesses with 50 or fewer employees. One big marketplace means all individual and small group coverage is sold through one distribution channel – the Exchange. This does not apply to grandfathered plans;

WHEREAS, the Executive Board directed the Executive Director to consult with a broad array of stakeholders – insurers, employers, producers, consumer and patient advocates, and providers – to identify the optimal way to move from the current market to this new marketplace and return with a recommendation to the Executive Board;

WHEREAS, in addition to consultations with stakeholders, the Executive Director requested that the Standing Advisory Board provide recommendations to the Executive Director on the transition considering a one and two year transition period;

WHEREAS, the Standing Advisory Board held three public meetings to consider options for a market transition with the support of Linda Blumberg, PhD, an economist and senior fellow with the Urban Institute, who provided valuable information on market competition and transition options as well as pros and cons associated with the options;

WHEREAS, the Standing Advisory Board accepted written and oral testimony from a variety of stakeholders, including insurance carriers, brokers, employers, and consumer/patient advocates; and

WHEREAS, the Executive Director adopted the recommendations of the Standing Advisory Board after a review of the work of the Standing Advisory Board, a review of materials including testimony, Dr. Blumberg's written materials prepared for the Standing Advisory Board, and the majority and minority reports provided by the Standing Advisory Board. The Executive Director's recommendations were presented to the Board on March 7, 2013.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the following as recommended by the Executive Director, based on the majority recommendations of the Standing Advisory Board:

- In the individual market, consumers should enter the Marketplace Exchange in CY2014.
- New entrants to the small group market should enter the Marketplace Exchange in CY2014.
- Currently insured small businesses wishing to change carriers or stay with their current carrier should transition into the Marketplace Exchange over a two-year period. In CY2015, renewals will be through the Exchange web portal.
- All plans sold outside of the Marketplace Exchange during the two-year transition period should be required to comply with all of the requirements applicable to coverage sold through the Marketplace Exchange.
- Beginning in 2016, the small group market will expand to include businesses with 51 to 100 employees. The addition of this market segment should be addressed in subsequent years (assuming there are no related amendments to the ACA).

I HEREBY CERTIFY that the foregoing Resolution was adopted on this 13th day of March , 2013, by the Executive Board of the District of Columbia Health Benefit Exchange Authority in an open meeting.

Khalid Pitts, Secretary/Treasurer
District of Columbia Health Benefits Exchange Authority

Date