

**STATEMENT OF MILA KOFMAN, J.D.
EXECUTIVE DIRECTOR OF THE HEALTH BENEFIT EXCHANGE AUTHORITY
COUNCIL OF THE DISTRICT OF COLUMBIA COMMITTEE ON HEALTH
COUNCILMEMBER YVETTE ALEXANDER, CHAIRPERSON**

**PUBLIC OVERSIGHT ROUNDTABLE ON THE
DISTRICT OF COLUMBIA HEALTH BENEFIT EXCHANGE AUTHORITY**

**Tuesday, June 25, 2013 – 11:00 AM
Room 123, John A. Wilson Building**

**Mila Kofman, J.D.
Executive Director
Health Benefit Exchange Authority**

Chairperson Alexander and members of the Committee, my name is Mila Kofman, and as the Executive Director of the DC Health Benefit Exchange Authority it is an honor to be here today to report to you on the progress we are making to create a strong, competitive, and affordable health insurance marketplace for the residents and businesses of the District of Columbia.

I want to thank you and the other members of this Committee for your strong support for our work. Without your efforts to help us with our legislation both on procurement and on our legislative package that passed unanimously, our work would not be possible. With your leadership and support we will continue to move forward and build the best possible exchange for people who live and work in the District – a model for the nation. Beginning October 1, residents and small business owners in the District will be able to shop for high-quality health insurance, compare different policies side by side, and choose the coverage that best meets their needs and their budgets.

First, I'm excited to tell you that after conducting research involving D.C. residents and small business owners, our Board has approved a new brand name for the Exchange – DC Health Link. This name was adopted following six focus groups with people reflecting the diversity of age, race, and income of the city. Two focus groups were with owners of small businesses and four with individual consumers. Their views were almost unanimous when it comes to the name “DC Health Link,” and told us that it shows the pride people have in living and working in DC, about health – improving the health of our people and our city – and about linking people and businesses to high-quality affordable coverage. We will use DC Health Link as the name for the Exchange portal. We also use a tagline: *Get the facts. Get covered.*

Today I will update you focusing on four areas: 1. choices of insurance companies, coverage options, and prices; 2. progress on exchange for small businesses; 3. progress on IT and contact center; and 4. partnerships with business groups, outreach, and education efforts.

1. Insurance companies, coverage options, and prices

Aetna, CareFirst BlueCross BlueShield, Kaiser Permanente, and United HealthCare – insurers reflecting almost 100% of the market – have submitted nearly 300 policies for approval to be offered for sale in the Exchange. This includes more than 260 policies for small businesses and nonprofit organizations and more than 30 health insurance coverage options for individuals and families looking for coverage in the individual market. These companies have been good partners and I appreciate their commitment to people and businesses in DC. Businesses and people who live and work in the District will have a wide range of choices of insurance companies and insurance policies through DC Health Link.

All insurance policies sold for 2014 coverage will have to cover a package of essential health benefits that includes doctor visits, hospital stays, prescription drugs, preventive services, maternity, lab and other services. And no one can be denied coverage or charged higher premiums just because they have a pre-existing medical condition.

In addition, insurance companies have submitted their rates for review by the insurance department. (A chart of sample proposed rates is attached to my testimony.) The proposed rates are competitive. In fact, we have started to hear from some brokers and small business owners that the proposed rates for older workers in small groups are lower than what is offered now in the market.

Here are a few examples of proposed rates:

- A bronze plan for a 27-year-old at \$124/month
- A silver plan for a 40-year-old at \$248.98/month
- A gold plan for a 55-year old at \$491/month
- A catastrophic policy at \$95/month

Many people in the District will be eligible for reduced premiums. For example, a 55-year-old with annual income of \$28,000 would pay half the charged premium, with tax credits covering the rest. The federal government would pay the insurance company directly and the consumer would pay the remaining portion.

Proposed rates for small businesses are also very competitive and in some cases better than today's prices. For example, a small business could insure a 27 year old employee for \$144 a month; could buy a platinum plan for a 55-year-old employee for \$572 a month.

Also important to remember that small businesses with 25 or fewer full-time employees and average wages of \$50,000 or less will also be eligible for tax credits from the federal government that would cover as much as 50 percent of the employer's premium contribution. For nonprofit organizations, the tax credit is up to 35 percent.

2. DC Health Link for Small Businesses

I also want to report that we are on track with DC Health Link for small businesses. While other states and the federal government have decided to delay implementation (in part or in whole) of an exchange for small businesses, the District is on time and on schedule. Once we are open, a small business or nonprofit organization will be able to come to the portal, decide what level of contribution they want to make to the cost of coverage for their workers, and decide the kind of choice they want to provide to their employees. Small businesses tell us that they like the ability to offer choices to their employees as long as they can determine how much to contribute. Through DC Health Link, employers with 2 to 50 employees will be able to offer employees:

- A choice of all insurers and all plans in a metal tier;
- A choice of all plans offered by an insurer of their choice in all tiers; or
- A single plan offered by the insurer of their choice – reflecting today’s market.

3. Progress on Information Technology

Key to our success is the development of the web-based portal technology. Because of your help earlier this year exempting us from PPRA, we are able to use a fast procurement process for our IT needs. We have been working around the clock. On June 20, the federal government notified us that we passed another major milestone in IT development, successfully completing the design phase of the project called the final design document review. This is required for state-based exchanges. This means that we successfully completed the design phase of the IT build. We are also making substantial progress in the development and integration phases.

Our IT build includes a portal for brokers and assisters. While other states have not devoted resources, we believe that broker and assister portals are critical to ensure that people and businesses have access to expert help. A broker portal is especially important to ensure that expert professionals can help answer questions about plan design and advise businesses and consumers on best options.

Contact/Call Center

In May we issued a request for proposals (RFP) to establish and operate a contact center that will provide expert help to residents and business owners 24 hours a day, seven days a week through the open enrollment period beginning this fall, and 8 a.m. to 8 p.m. Monday-Friday during the rest of the year. The call center will be located in the District – in Ward 8 (2100 MLK). In the RFP, there is a strong preference for hiring DC residents for the 40 to 50 jobs created by this project. The contract for the contact center will require Council approval as well as approval by CMS. We plan to open the call center in August to provide general information about DC Health Link and answer questions about what consumers and business can expect during the open enrollment period beginning October 1.

4. Outreach, Partnerships, and Education

To-date we have been building a strong foundation of relationships with leaders from across the District. We are working with leaders from business, the faith-based community, health care providers, patient advocacy organizations, community-based organizations, and many others to

make sure every eligible person and employer has the information they need and the help they need to access high-quality affordable health coverage through DC Health Link.

Board members, I and my team have held, participated in, and attended hundreds of meetings and events including events and meetings with small business owners, faith-leaders, health care providers, patient advocacy groups, insurance brokers, and local media. For example, Dr. Akhter and I have presented at an event for the Non-Profit Roundtable, a DC Chamber event, and the Philippine American Chamber of Commerce event (where I also met with the Chinese American Chamber president). A member of my board and I presented at a Restaurant Association of Greater Washington event, and just last week I spoke briefly at the Greater Washington Hispanic Chamber of Commerce event. Tomorrow I will be on the panel at another event hosted by the DC Chamber of Commerce that includes some of our partner insurers. The event will be moderated by Mayor Gray and will focus on the exchange. Thursday I am doing two sessions for nonprofits and small businesses. I have also spoken at church events and community association events. This is in addition to presentations at Broker and insurance company events. Earlier this month, at a presentation for the Federal City Council, Dr. Akhter and I discussed partnering with large employers to help get part time workers insured through DC Health Link. This is a small snap shot of our efforts – each Board member and the Board Chair have presented tirelessly.

While what we have done to-date is important, it is only the first phase of what we have planned. Our outreach and enrollment effort is comprehensive and multi-phased. Moving forward, we have three critical types of partnerships: 1. In-person assisters – diverse groups who will receive grants from us to educate and enroll people; 2. Business Groups – diverse business associations who are trusted sources of information for the small business community; 3. Partnerships with large employers, carriers, providers, and others willing to work with us on outreach and enrollment.

Assisters

We are providing grant funding to DC-based organizations to serve as in-person assisters. Faith-based groups, community health centers, patient and consumer advocacy groups, and other organizations with roots in our communities and strong relationships with the people we are trying to reach will receive grants. Once selected, they will have intensive training so that they can both answer questions and help people enroll. They also will team with brokers.

We issued the request for applications in May. On June 5, we held an informational meeting about the application process. More than 150 people attended. Yesterday was the deadline for submissions. We expect to award these grants at the end of July and begin training soon thereafter. Families USA, a nationally-recognized expert organization will be preparing the training materials. Whitman-Walker Health, one of the District's leading health care providers, will conduct the training.

Business Groups

We are also working closely with our partners in the business community to reach out to business owners who can use DC Health Link to obtain comprehensive, affordable coverage for their employees. The Executive Board for the Exchange has approved partnerships with the D.C. Chamber of Commerce and the Greater Washington Hispanic Chamber of Commerce. These influential associations have long-standing, trusting relationships with business owners and entrepreneurs and will be critical to our outreach and enrollment efforts. They will hold a series of educational seminars and other events for small business owners and their employees. We are also working to create similar partnerships with other organizations in the District including the Restaurant Association of Metropolitan Washington.

Outreach

We will continue to seek opportunities to speak at events hosted by others as well as plan our own meetings with community leaders and organizations. Our own planned direct outreach includes Town Hall meetings in each of the District's eight wards. We will need help from all the Councilmembers. We will partner with community-based organizations, Advisory Neighborhood Commissioners, as well as sister agencies including the Department of Health Care Finance and the Department of Human Services. We want to provide people with information and, more important, the opportunity to ask questions and get answers.

Fact sheets and brochures

We are developing a series of fact sheets with details on the new health care law and the DC Exchange. We have distributed more than 5,000 copies in English and in Spanish a brochure called "[Securing a Healthier Future for the District of Columbia](#)." Today, we are releasing a new publication, "What the New Health Law Means for You," that lays out the important basic details about the rights, benefits, and responsibilities for individuals and families. We will be translating this document into Spanish, as well, and will make it widely available throughout the city. We are working on similar educational materials for small business owners and insurance brokers.

Advertising and Media Outreach

We will launch an enrollment campaign this fall that will utilize every form of media to reach people all across the District. Our enrollment campaign will include a variety of elements including advertising in newspapers, radio, online, Metro stations, and outdoor locations including buses and bus shelters. We will work to be as creative as possible and utilize the many resources available to us in our city. We hope to work with large retailers to promote the availability of benefits through DC Health Link and hold "enrollment fairs" across the city to make it as easy as possible for residents to get the facts and get covered. And, of course, we will be reaching out to all of our sports teams to see how we can partner to reach their fans.

To help ensure successful outreach and enrollment, like all other state based exchanges, we will need assistance from a marketing and communications firm. We issued an RFP and yesterday was the deadline for submissions. The contract will require Council approval. Once again we will need your help. We will make every effort to get this to you asap but it may not be possible before the last legislative day in July.

Madam Chair, I thank you for your strong support for our efforts. With your continued support, we will succeed in building the best marketplace in the nation. Thank you. I'm happy to answer any questions.