



Government of the District of Columbia
Vincent C. Gray, Mayor
The Health Reform Implementation Committee



GOVERNANCE OF THE EXCHANGE

The Mayor's Health Reform Implementation Committee

Tuesday, June 21, 2011 – 3:00 p.m.

Cleveland Park Library – 3310 Connecticut Avenue, NW – Washington, D.C.

Presenters

William P. White, Commissioner – Department of Insurance, Securities and Banking (DISB)
Ben Finder, Associate Director for Policy, Department of Healthcare Finance (DHCF)
Bidemi Isiaq, Legislative Analyst/COTR – Department of Healthcare Finance (DHCF)
Brendan Rose, Health Policy Analyst – Department of Insurance, Securities and Banking (DISB)

Facilitator

Katie Falls, Consultant – Alicia Smith & Associates, LLC

Attendees (with Organization Name, whenever listed)

1. Robert Axelrod – Kaiser Permanente
2. Abby Bonder – DMHHS
3. Clarence Brewton – Medstar Health
4. George Britton – InterHealth Medical Alliance
5. Dionne Brown – ANC
6. Roy Brown – Leadership Ins. & Finan. Group
7. Tami Brown – Merck
8. James Bulger – EOM
9. Jennifer Campbell – DHCF/DMHHS
10. Deb Carroll – DHS
11. Charles Cephas – Symantec
12. Ned Cheston – United Health Care
13. Chris Condeluci – Venable
14. Arlene Conover – D.C. DHS/IMA
15. William Darling – Strasburger
16. Dione Dillard – HMS, Inc.
17. Rachel Dolan – NASHP
18. Katie Dunning – AHIP
19. Terry Gardiner – Small Business Majority
20. Scott Garfing – URAC
21. Annalia Glenn – NASHP
22. Amy Gogle – RZL
23. David Grosso – CareFirst
24. Sarah Guerrieri – Children's Nat'l Medical Center
25. Artencia Hawkins-Bell – Raytheon
26. Lauren Hillian – DCHA
27. George Jones – Bread for the City
28. Katie Kairys – D.C. Action for Children
29. Carolyn King
30. Chris Lee – MSDC
31. Sallie Letterlough – Christian Sci. Legis. & Med.
32. Judith Levy – D.C. LTC Coalition
33. Atiba Madyun – The Madyun Group
34. Teresa Marcheti – National Kidney Foundation
35. Claire McAndrew – Families U.S.A.
36. James McSpadden – AARP D.C.
37. Candace Mitchell – Chartered Health Plan, Inc.
38. Lucy Newton – Legal Aid
39. Khalil Nuri – PHRMA
40. Justin Palmer – D.C. Council Committee on Health
41. Benita Pennino – American Cancer Society
42. Justin Peters – URAC
43. Geraldine Pierre – CareFirst
44. Norah Schindler – Legal Aid of D.C.
45. Oliver Sloman – Legal Aid Society
46. Douglas Stringer – HMS, Inc. / The Session Law Firm
47. Ron Swanda
48. Jeff Tindall – CIGNA
49. Wayne Turner – D.C. Appleseed
50. Susan Walker – D.C. Coalition LTC
51. Damon Watkins – Raytheon
52. Dorinda White – Department of Healthcare Finance
53. Karen Williamson – Cider Group
54. Jennifer Witten – American Heart Association
55. Kevin Wrege – Pulse Issues & Advocacy, LLC
56. Kevin Yang – CareFirst

Staff support: Michelle Phipps-Evans, Tanya Bryant, Lucy Drafton-Lowery, DISB

I. Welcome and Introductions

The June 21 public stakeholder meeting on “Governance of the Exchange” was officially called to order by Mr. Ben Finder at 3:04 p.m. Mr. Finder then introduced Mr. William P. White, Commissioner of the Department of Insurance, Securities and Banking (DISB), who provided brief remarks.

Mr. White welcomed everyone to the session, and commented he anticipates a robust conversation with helpful input from public stakeholders.

Mr. Finder then introduced Ms. Katie Falls as the facilitator of the June 21 public meeting.

II. Exchange Planning Process

Ms. Katie Falls, Consultant with Alicia Smith & Associates, LLC, served as facilitator of the June 21 public meeting on “Governance of the Exchange.” Ms. Falls explained two types of public meetings will be held. The first set will provide detailed information on the structures and goals of the Exchange. These meetings will be held in June 2011 and are typically not of interest to the general public. The second set of meetings will be held in July 2011 and will be geared toward the general public – those individuals and businesses who will be utilizing the Exchange to secure health insurance. Meeting dates, times, and locations will be placed in local newspapers and on the www.HealthReform.DC.gov web site.

Ms. Falls reminded attendees to sign in if they had not already done so. This will guarantee their receipt of information about future meetings and updates concerning the Exchange.

Ms. Falls then encouraged attendees to either write their questions and comments on the index cards provided so that answers can be provided during the Discussion/Question & Answer Session; or to step up to the microphone and orally provide their input during the Discussion/Question & Answer Session.

III. Governance of the Health Insurance Exchange (HIX)

Ms. Falls explained that the purpose of the June 21 public meeting was to gather input from public stakeholders concerning governance – specifically the principles for the HIX and the guiding principles developed with input from D.C. stakeholders.

Principles for the D.C. Health Insurance Exchange

The Health Insurance Exchange must be:

A. Consumer Friendly

Be easily accessible to everyone; use appropriate language, taking into account literacy and cultural competency; be fully coordinated with Medicaid and D.C. Healthcare Alliance

B. Affordable

Provide outreach to all individuals and businesses to develop a large risk pool; employ policies that reduce the risk of adverse selection

C. Quality-Driven

Focus on quality improvement and performance; offer accredited plans based on clinical quality measures and customer satisfaction; offer prevention services aimed at reducing health disparities

D. Transparent

Individuals and businesses should be able to make choices driven by transparent information concerning cost, services, quality, and customer satisfaction; individuals and businesses should be able to make clear choices amongst a strong provider network

Guiding Principles Developed with D.C. Stakeholders

The Governing Body (sometimes called the “Governing Board” or “Executive Board”) should:

- A. Be composed of members with a high-level of diverse expertise with qualifications both identified by stakeholders and compatible with the Patient Protection and Affordability Care Act (PPACA)
- B. Include those who are committed to working for the community as a whole, and especially for residents who are the most vulnerable
- C. Possess an active commitment to decision making that benefits the community, not a member’s personal interests or needs

The Advisory Board should:

- A. Be established to ensure stakeholder participation and representation while avoiding conflict of interest on the Governing Body
- B. Provide significant, strong, meaningful consumer representation, serving as “Experts by Community” who are equal members with healthcare experts

Additional Input from D.C. Stakeholders Concerning Guiding Principles:

- A. The Executive and Advisory Boards must be transparent – conducting open meetings, and posting minutes, decisions, and other key items on the Web for public review.
- B. The Executive and Advisory Boards must always keep cost in mind – keeping administrative costs low, and providing compensation for Board members only for actual expenses associated with Board participation.

IV. Discussion/Question & Answer Session on Governance

Ms. Falls explained that the discussion/question and answer period will revolve around the following 12 questions:

1. Who should serve on the Exchange Executive Board?
2. What experience and qualifications should be required of Board members?
3. How should appointments to the Executive Board be made?
4. Should the Mayor appoint members with the confirmation of Council?
5. Should the Mayor and the Council have a set number of appointees?
6. Should some department heads be permanent members of the Executive Board?
7. Among the Executive Board, who should have a binding vote?
8. What groups should be represented on the Advisory Board(s)?
9. How should appointments to the Advisory Board(s) be made?
10. Should the Executive Board have to consult with Advisory Board(s) before issuing policies?
11. Should members of the Executive Board be compensated?
12. Should members of the Advisory Board(s) be compensated?

The discussion/question and answer period then began as follows. (If no response is noted, no reply was granted by the presenters or Ms. Falls.)

Unidentified Attendee: Can someone define what the roles and responsibilities will be for the Executive and Advisory Boards?

Response: Mr. Rose explained that, per the provisions of PPACA, the Executive Board will serve as the chief policymaking and rulemaking Board for the Exchange. Advisory Boards are flexible and can be created by the Executive Board to handle specific issues.

George Britton – InterHealth Medical Alliance: (1) If the Medicaid Director, Health Department Director, or an Insurance Director were included on any of the Exchange Boards of Directors, it would run the risk that the Boards become an extension of existing administration policy. (2) The Mayor and Council should not have final appointment authority or confirmation authority for individuals. An Independent Nominating Board should be created for this purpose. The Independent Nominating Board could be appointed by the mayor to play a limited role in receiving and evaluating nominations to achieve balance on the Boards. If you want to have autonomy and independence in decision making for the underserved and underinsured, the essential infrastructure needs to be rebuilt.

Terry Gardner – Small Business Majority: (1) Concerning expertise, two areas will be critical. First, who on the Boards will have experience concerning risk selection? Secondly, everyone involved should understand that creation of an Exchange will result in a marketplace and not a monopoly. Those involved should have experience without creating a conflict of interest. Without competition there is no marketplace. (2) Consideration should be given to creation of a Small Business Advisory Board, particularly for the purpose of representing those businesses with 10 employees or less who often do not have a Human Resources Department. (3) The cost to acquire insurance through the Exchange will be an important factor for most individuals and businesses.

Response: Ms. Falls informed everyone that there will be a meeting on the topic of “Small Business and the Exchange” at 6 p.m. on June 29 at the West End Library.

Benita Pennino – American Cancer Society: (1) The American Cancer Society would not be in agreement with compensation being provided to Board members. However, they would agree with Board members being reimbursed for actual expenses. (2) Because the role of Advisory Boards is to provide recommendations to the Executive Board, several Advisory Boards should be created specific to various industries. (3) The Board should have a binding vote. (4) Perhaps universities with public health schools can be consulted to lend experts to serve as members of the various Advisory Boards. (5) There should be no more than 12 members of any Board. (6) The American Cancer Society would be in agreement with the mayor making appointments to approve Council members.

Ron Swanda – Volunteer Advocate for D.C. Seniors: (1) Until we understand all dynamics of the Exchange, a Board cannot be expected to operate in a successful manner. (2) There should be no full-time Board members.

James McSpadden – AARP D.C.: One question that comes to mind for AARP D.C. concerning expertise and who should serve on the Boards is whether members should be District residents. AARP feels all Board members should be District residents with a deep knowledge of District systems. (2) AARP D.C. feels consumer representation should be broadly defined, not narrowly so.

Claire McAndrew – Families U.S.A.: (1) It is essential to have Board members who are familiar with various health insurance programs, and who understand the needs of those who will use the Exchange. (2) Consumer representation should be considered as not only those who will use the Exchange, but also as those who work with the insured to provide advocacy. (3) Compensation should be granted in an appropriate and balanced manner.

Chris Condeluci – Venable: While the Exchange was being developed, a bipartisan group of policy makers contemplated creation of an Advisory Board to serve as the Governing Body of the Exchange – including actuaries, IT professionals, consumer representatives, and individuals familiar with the insurance market, among others. However, a consensus was reached among the policy makers that those knowledgeable with insurance markets should be included on the Advisory Board.

Roy Brown – Leadership Insurance & Financial Group: A distinction should be made between the roles of the Advisory Boards and that of the Executive Board. Perhaps the Executive Board should be granted the authority to determine to what extent Advisory Boards are needed, as the Executive Board will know which areas require further assistance and expertise. (2) Those considered for membership on the Executive Board should have

diverse backgrounds and varying areas of expertise. (3) When considering whether it should be a requirement for Board members to be D.C. residents, perhaps a condition can be set that half of all Board members must be D.C. residents, while the other half can hail from other locations.

Bill Darling – Strasburger: If the Executive Board will be negotiating with insurance providers, its members will require a great deal of expertise. Otherwise, a passive Exchange would suffice.

George Jones – Bread for the City: Some decisions should not be made by the Executive Board without input from an Advisory Board. A process should be specifically crafted to determine how decisions will be made by the Executive Board, when the Executive Board can act, and when input from the Advisory Board is required.

Dionne Brown – ANC: (1) The majority of Board members should be appointed. (2) Ms. Brown expressed dismay that the genesis of the Executive Board is an extension of existing government agencies. Therefore the voice of citizens has been shut out. (3) Both citizens and businesses should be represented on the Executive Board. (4) Members of the Executive Board should represent the composition of the city and be residents of the District of Columbia. However, members of the Advisory Board can be non-District residents. (5) Ms. Brown is not opposed to compensation for Board members, but feels compensation should be commensurate with the level of expertise provided by the individuals.

Jennifer Whitten – American Heart Association: The Executive Board should have the power to make policy making decisions. Some members should be appointed by the government, but consumers should also be represented.

Ms. Falls then generally asked the assembly, “How big is too big for an Advisory Board?” The consensus was that 12 to 20 members are sufficient.

Next, Mr. Rose spoke briefly concerning the decision making process. Creation of the Exchange is a massive overhaul of the existing health insurance market – an undertaking that involves no less than five D.C. government agencies. Therefore the Exchange cannot be created without public input. The DISB is not simply paying lip service to the public by hosting the various meetings. Rather, it is listening carefully to all comments and suggestions being made. The DISB has been reaching out across the city during health fairs, at community centers, senior centers, and other venues to inform everyone how their insurance options will be affected come January 2014.

Atiba Madyun – The Madyun Group: Are there any plans to host a town hall meeting that will include the presence of the mayor or city council?

Response: Mr. Finder explained a town hall meeting will be held in each ward of the District, and a diverse engagement strategy is being planned. Everyone is encouraged to visit the www.HealthReform.DC.gov web site often.

Ms. Falls commented that attendees can submit written questions and comments to DISB and DHCF staff members if they are not comfortable providing feedback publically. Input can be submitted to Brendan Rose, Dorinda White, or Ben Finder.

V. **Brief Recess and Re-Adjournment**

A brief recess was taken at 4:13 p.m. The meeting was then re-adjourned at 4:24 p.m. with comments from Commissioner White.

Commissioner White emphasized no decisions have been made concerning the structure of the Exchange. Behind the scenes, consultants from various agencies are collecting the necessary information to ensure the Exchange is beneficial for everyone. Because part of the process is gathering input from public stakeholders, now is the time for everyone to speak up. All input, concerns, and ideas will be heard and considered.

VI. Discussion/Question & Answer Session on Governance (Continued)

Dionne Brown – ANC: Because the makeup of the Exchange has not yet been established, Ms. Brown would prefer to see it broadened to a Regional Exchange rather than a District-only Exchange.

Roy Brown – Leadership Insurance & Financial Group: (1) Putting the Health Insurance Exchange inside a D.C. agency would bring politics into the equation. Instead, the idea of a quasi-governmental agency to house the Exchange would be better, as that arrangement would incorporate the best of current systems and procedures while circumventing some of the areas where problems exist. (2) Based on recommendations to the mayor, can Mr. Rose express a “best guess” concerning whether Mayor Gray will submit a bill to approve the Exchange? (3) Interoperability between the technical Exchange with the insurer and the Department of Health & Human Services appears to be one of the biggest problems.

Responses: (1) Mr. Rose replied that it appears transparency and autonomy would be best suited for an arrangement with a quasi-governmental-agency. A stakeholder at the June 15th public meeting suggested that existing quasi-governmental agencies in the District should be consulted. However, leaning on the experience of other agencies may not be beneficial, as they have a specific sphere of focus while the HIX will involve multiple spheres. (2) Mr. White explained that he did not know whether the Mayor will submit a bill to approve the Exchange. However, a timeline is in place to keep the process moving forward, and the results of one phase will affect how the plan moves forward to the next phase. However, an infrastructure must be in place by January 2013. (3) Mr. Finder noted that we will be looking at the eligibility determination policy and technology decisions/issues throughout planning and implementation phases for the Health Exchange.

Ron Swanda – Volunteer Advocate for D.C. Seniors: (1) Is the Exchange intended to replace Alliance or Medicaid? (2) What existing benefits will remain under the Exchange? (3) Will the Exchange offer long-term care, and under what conditions? (4) At what point will the Exchange be more attractive than Alliance or other insurance options? (5) Before the Exchange is implemented, everyone needs to understand the interchange of the various insurance programs.

Responses: (1) Mr. Finder explained that the Exchange will not replace Alliance or Medicaid. The Alliance program will remain in the budget, while the Exchange and Medicaid are linked. Of course Medicare will remain available to those over the age of 65. (2) The government will decide what is included in the benefits package. If D.C. decides to add other benefits beyond what is approved by the government, the District will be required to pay for the additional benefits with local funds. (3) Getting public input is essential to determining factors such as whether long term healthcare will be included as part of the Exchange. (4) Mr. Finder explained that as the Exchange draws closer to implementation, there will be a better sense of what benefits individuals are eligible for. (5) Mr. Swanda’s fifth comment was acknowledged by those present.

Chris Condeluci – Venable: (1) Medicaid and the Exchange each serve specific populations. There will be some overlap at various levels of the poverty line at certain income codes. (2) Some concern has been expressed around housing the Exchange in a government agency due to politics. However, some who are in favor of free market prefer a non-profit entity to house the Exchange. (3) Between now and 2014, many things need to be done to get the Exchange up and running. Therefore housing the Exchange in a non-profit entity might prove a more difficult option.

George Jones – Bread for the City: (1) It is appreciated that the District is putting forth an effort to gather community input concerning the Exchange implementation process. However, Mr. Jones believes the city already has an idea of the direction it plans to go, and should share those facts with the public in a forthcoming manner. (2) What consideration is being given to how the Exchange relates to the unique population that is insured by Alliance?

Responses: Mr. Rose reiterated the District’s outreach efforts. He then explained there were staff changes during the mayoral transition that delayed some of the work of the Exchange. Grant funds are being used to model various types of Exchange and pool sizes. Extensive modeling results will come forward in July and will be considered by the committee. It is hopeful there will be an initial set of recommendations to share with

stakeholders in August. (2) Mr. Finder explained that federal legislation does not allow undocumented residents purchase insurance through the Exchange. He foresees that the Alliance program will continue.

Claire McAndrew – Families U.S.A.: Ms. McAndrew understands there is no need to apply for a Level I Grant for the June 30th deadline. Can that be expounded upon?

Response: Mr. Finder responded that a planning grant is in place to get the process started. The next federal grant to be made available will be a Level I Establishment Grant that will provide funding for a one-year period. Next will be a Level II Establishment Grant to carry the Exchange through 2015 – the timeframe when the Exchange must be self-sustaining. Concerning the Level I Establishment Grant, the District can apply for funding on June 30th, September 30th and/or December 30th of this year. The District can submit several grant applications based on progress made and funding needs. Mr. Finder noted that the District is working to submit an application for Level 1 funding on June 30th but may also submit additional applications in September or December.

James McSpadden – AARP D.C.: Will the 12 questions posed to public stakeholders during the June 21st meeting be put to the public in a different manner to solicit more thorough feedback?

Response: Mr. Rose explained there will be a wide outreach effort. The plan is to pose these and other questions during all general public meetings with the hope of determining what would encourage individuals and businesses to enter into a Health Insurance Exchange.

VII. Closing Remarks and Adjournment

The June 21 public meeting on “Governance of the Exchange” was officially adjourned at 5 p.m.

The next public meeting is scheduled for Wednesday, June 29 at 6 p.m. at the West End Library, located at 1101 24th Street, NW in Washington, D.C. The topic will be “Small Business and the Exchange.”