



Health Benefit Exchange Authority Executive Board Meeting

DRAFT MINUTES

Date: August 8, 2016
Time: 5:30 PM
Location: By Conference Call Only
Call- in Number: 1-877-668-4493; access code 732 616 982

Members Present: Henry Aaron, Nancy Hicks, Leighton Ku, Diane Lewis, Kate Sullivan Hare, Tamara Watkins, Laura Zeilinger

Members Absent: LaQuandra Nesbit, Khalid Pitts, Stephen Taylor, Wayne Turnage

I. Welcome, Opening Remarks and Roll Call, Diane Lewis, Chair

Chair Diane Lewis called the meeting to order at 5:33 pm. A roll call of members confirmed that there was a quorum with five voting members present

II. Approval of Agenda, Diane Lewis, Chair

It was moved and seconded to approve the agenda. The motion passed unanimously, with Dr. Aaron, Ms. Hicks, Dr. Ku, Ms. Lewis and Ms. Watkins voting yes.

Ms. Sullivan Hare entered the call.

III. Approval of Minutes, Diane Lewis, Chair

It was moved and seconded to approve the July 11, 2016 minutes. The motion passed unanimously, with Dr. Aaron, Ms. Hicks, Dr. Ku, Ms. Lewis, Ms. Sullivan Hare and Ms. Watkins voting yes.

IV. Executive Board Officer Election Date, Diane Lewis, Chair

Ms. Lewis announced that pursuant to the Board's Bylaws, the Annual Executive Board Officer Elections are to be held in the third quarter of the year for three positions:

- Chair
- Vice-Chair
- Secretary/Treasurer

A majority of board members must agree on a date. Based on the scheduled board meetings and the notice requirements, staff recommends the board elections be held at the regularly scheduled September meeting of the Executive Board, September 28, 2016.

If accepted, we will take nominations on September 28th. Voting and non-voting HBX board members may make such nominations. Only voting members may serve as officers.

A nomination must be accepted or rejected by the nominee at the September 28th meeting, either orally or in writing published through another Board member physically present at the meeting where the vote is to occur.

It was moved and seconded to set the date for Board Officer elections for September 28, 2016. The motion passed unanimously, with Dr. Aaron, Ms. Hicks, Dr. Ku, Ms. Lewis, Ms. Sullivan Hare and Ms. Watkins voting yes.

V. Executive Director Report, Mila Kofman, Executive Director

SCHEDULING UPDATE

Ms. Kofman reminded the Board that the September meeting had been moved to September 28, 2016. Thereafter, the meetings will return to the regular schedule of the second Wednesday of every month.

ASSESSMENT UPDATE:

The HBX Assessment Final Rule was published in the D.C Register and is effective on July 22, 2016. For this year, the Notices of Assessment were sent out July 25, 2016 and are due September 6, 2016. A health carrier has until September 8, 2016 to contest the assessment. The estimated assessment total is \$30.5 million, which is the funding source for the Council-approved budget.

WEBSITE MAINTANANCE AND UPGRADES

Ms. Kofman said that over the weekend, some Curam code updates will be deployed. During the deployment, certain features of the DC Health Link website will not be available to some of our customers: Medicaid customers and those applying for APTC. Other customers, including small businesses and their employees, will not be affected.

PRESCRIPTION DRUG FORMULARY TOOL UPDATE

Consumers' Checkbook performed a demonstration for the Standing Advisory Board (SAB) at its recent meeting on July 26, 2016, and continues to meet with other stakeholders for input. It will be live in Beta testing form in a few weeks. Ms. Kofman thanked the Board members, as well as the SAB members, who took time out of their schedules to provide helpful feedback.

CCIIO MTG WITH STATES

Ms. Kofman reported that two weeks ago, there had been a meeting with the Center for Consumer Information & Insurance Oversight (CCIIO) with the state-based marketplaces (SBMs). It was a meeting of the Directors of the SBMs plus one senior staff with CCIIO colleagues. The meeting allowed the SBMs to share information among themselves and with CCIIO staff. It was a very good meeting.

STANDARD PLAN WORKING GROUP

The working group will resume work in September. Dr. Ku will continue to chair, and Mary Beth Senkewicz, Associate General Counsel and Policy Advisor is the principal staff. The working group will be reviewing the annual updates of the standard plans in the individual market, reviewing the full range of plans to ensure we have the options our customers want, and to consider adding standard plans for the SHOP marketplace. The goal is to report back to the Executive Board by the November meeting.

CONSUMER OUTREACH & MARKETING COMMITTEE

There is interest in developing a comprehensive health literacy campaign. Under the leadership of chair Ms. Hicks, the Committee is embarking on an exploration of what such a campaign would look like. The exploration is in its very early stage. The Committee does plan to use the expertise of the health plans and other community resources in developing the campaign to ensure it is comprehensive.

ENROLLMENT DATA

Ms. Kofman reported the following:

HISTORICAL CUSTOMERS SERVED	
PROGRAM	LIVES
IVL	36,610
SHOP	36,350
Medicaid	171,573
TOTAL	244,533

** Totals as of August 1st, 2016, include future start dates.*

COVERED LIVES CURRENTLY ENROLLED	
PROGRAM	LIVES
SHOP	26,506
IVL	17,310
TOTAL	43,816

Ms. Kofman reported that staff continues to monitor people who enroll during SEPs. These enrollees continue to be younger than people who enroll during open enrollment. She cited the following example:

2016 IVL - AGE GROUPS	OE	SEP	OE %	SEP %
26-34	4,882	1,182	33.3%	44.3%

Ms. Kofman reported the following with respect to the currently enrolled population:

2016 IVL - METAL LEVEL	TOTAL	PERCENT
Catastrophic	897	5%
Bronze	4,670	27%
Silver	5,554	32%
Gold	3,472	20%
Platinum	2,717	16%
TOTAL	17,310	100%

Last, Ms. Kofman reported that the SEP population chooses a standard plan at a 43% rate.

VI. Finance Committee Report, Henry Aaron, Chair

The Finance Committee met by telephone on Thursday, August 4th with Diane and myself present.

Procurement Updates: Executive Director Kofman walked through several pending procurements to obtain Finance Committee approval so they could come to the Board this evening. I won't walk through all the details because we will do that late this meeting, but will confirm that the Finance Committee supports each of the following procurements being considered by the Board this evening:

- FY 17 Assister Grants
- FY 17 Business Partnerships
- Exercise the 2nd option year for 3 CBEs for IT Consultants in FY 17
- Identity & Access Management Software
- Notice Printing & Mailing Services

Additional Procurement Updates:

- **FY 17 Navigators:** Last year the Board approved a grant for three navigator organizations for \$150,000. The three navigator organizations are: Whitman Walker Health, DC Primary Care Association, and AME Second District Red). At that time, the Board also approved four option years on that grant. Ms. Kofman informed the Finance Committee that HBX will issue the option year grants with no changes.
- **FY 17 Training for Assisters/Navigators/CACs:** Ms. Kofman also updated us that she would be using her authority to execute a \$55,000 contract with Whitman Walker Health to continue to provide in-person training for our assisters/navigators and CACs in FY 17. In the past, this contract was more expensive and it came to the full Board, so she wanted to be certain we understand this service is still being utilized.
- **Contact Center:** Maximus is the HBX Contact Center Vendor and FY 17 will be the final option year in their contract. Staff is preparing that package to go to Council as it exceeds \$1 million. There is no action needed by the Finance Committee or the Board as we approved the base contract with all four option years initially.

Financial Review: The Committee reviewed FY 16 expenditures to date and noted that expenditures are as expected. In addition, our Chief Financial Officer provided updated information on assessment collections and balances.

VII. Research & Data Committee Report, *Leighton Ku, Chair*

Dr. Ku reported that all field work and data collection for all surveys for the four distinct populations has been completed. This includes surveys for:

- people enrolled in private health plans
- people found eligible for Medicaid
- people who applied but did not enroll in coverage
- employers offering coverage to their employees through DC Health Link.

The final response rates for the surveys were:

- people enrolled in private health plans – 13%
- people found eligible for Medicaid – 12%
- people who applied but did not enroll in coverage – 14%
- employers offering coverage to their employees through DC Health Link – 22%.

The Research Committee has reviewed the raw data and received the weighted data from Center for the Study of Services (CSS also known as Consumers' CHECKBOOK) this afternoon. The Research Committee will be reviewing the weighted results and will discuss plans and logistics for presenting the results to Board.

I. Discussion Items

Network Adequacy Resolution – *Henry Aaron, Chair, Executive Board Insurance Market Committee and Claire McAndrew, Vice Chair, Standing Advisory Board*

Dr. Aaron reported that since the DC Health Benefit Exchange Authority was created, we have been focused on network adequacy issues because of how important they are for our customers. A consumer having health insurance is not meaningful unless the consumer has the ability to access the medical providers and the care that are needed.

While we have taken our own steps through an initial working group in 2013 and enhancing plan certification standards in 2015, the fact is that network adequacy standards affect everyone with health insurance in the District – including those in the large group market that do not purchase coverage through DC Health Link.

Earlier this summer, the Insurance Market Committee was briefed on the National Association of Insurance Commissioners' Health Benefit Plan Network Access and Adequacy Model Act, Model #74, commonly called the NAIC Network Adequacy Model Act.

The Committee learned that the insurance commissioners had spent significant time working out this model law, which was negotiated among stakeholders who reached consensus on the model. It is also important to note that in final rulemaking on March 8, 2016, the Centers for Medicare & Medicaid Services specifically stated its “expectation that all States, including the FFE States, will actively implement these [NAIC Network Adequacy Model Act] provisions.” At present, the District of Columbia has no laws or regulations pertaining to network adequacy.

At the meeting, the Committee conducted a deeper dive into three key components of network adequacy: Network Sufficiency, Provider Directory Accuracy, and Surprise Medical Bills. In addition to understanding how the NAIC Model Act impacts each of these key points, we were briefed by Claire McAndrew of Families USA and Vice Chair of the Standing Advisory Board with regard to additional steps some states have taken in these three areas. Maryland has enacted legislation on network adequacy that builds on the NAIC Model Network Adequacy Act. As Maryland has many of our same insurance carriers, that was important to note. In addition, representatives from health insurance carriers in the District and AHIP, their national trade association, participated at this meeting.

The Department of Insurance, Securities and Banking (DISB) Commissioner Stephen Taylor also attended the Insurance Committee meeting and noted that his department is currently reviewing what steps it can take through its own authority to enact the NAIC Model Network Adequacy Act. The Commissioner also stated that DISB intends to move forward with this important work.

At the conclusion of that meeting, the Insurance Market Committee asked the Standing Advisory Board (SAB) to review the NAIC Model Network Adequacy Act and actions taken by other states, and to report back to the Insurance Market Committee with a recommendation. In particular, the Committee asked the SAB to focus on the same three key areas of Network Sufficiency, Provider Director Accuracy and Surprise Medical Bills. Claire McAndrew, Vice Chair of the SAB, led that work and has joined us on the telephone today. With this introduction of the topic, I would like to now turn to Ms. McAndrew to walk through the consensus recommendation from the SAB.

Dr. Aaron noted that HBX received a letter from AHIP regarding this resolution today. It has been distributed to Board Members and is posted on the website with the materials for today’s meeting.

Ms. McAndrew began by discussing the SAB process for reaching a consensus recommendation. She noted she had been at the meeting of the Insurance Market Committee, and had heard the deliberations of the Committee members on network adequacy. She was thus able to bring back to the SAB the discussions of the Committee.

The SAB held a meeting, at which the members of the SAB heard the same information that the Committee had heard and were able to talk through the issues. The SAB heard about other states’ laws, Georgia, Maryland and Florida in particular. There was a public comment period. The SAB members had a robust discussion about all the information, and came to consensus with a Resolution that is before the Board.

Ms. McAndrew than walked the Board through the Resolution. She noted that as charged, the SAB had focused on the three areas outlined by Dr. Aaron in his introduction, and that construct is reflected in the Resolution.

The Network Sufficiency portion of the Resolution relies on a few factors that were used in Maryland, specifically in the recently-passed legislation HB 1318. In that law, the Maryland Insurance Commissioner is required to consult with stakeholders and adopt a regulation regarding network sufficiency that takes into account the factors, such as geographic accessibility, set forth in the Resolution.

The first portion of the Provider Directory Accuracy section of the Resolution sets forth requirements that are presently in place for DC Health Link carriers, as previously adopted by the Board through updating QHP certification requirements. This first portion deals with processes for consumers to report directory inaccuracies, and carriers to investigate, and if applicable, update the information in the directory. The second portion of provider Directory Accuracy recommends that the Commissioner review the NAIC model including drafting notes, and requirements in other states, and adopt policies that ensure accuracy.

The Surprise Medical Bills section of the Resolution is divided into two parts, emergency and non-emergency protection. In emergency situations, enrollees should be protected from costs beyond any in-network cost-sharing. In non-emergency situations, enrollees should be protected when they receive care at an in-network facility and does not have the opportunity and ability to choose an in-network provider.

Dr. Aaron thanked Ms. McAndrew for the summary.

Dr. Ku stated that his understanding of the Resolution was that the District should adopt network adequacy standards. Does that mean a recommendation to Council? And the associated work will be done by DISB, so he was unsure what the recommendation actually did.

Ms. McAndrew stated the Insurance Commissioner had expressed an interest in pursuing standards. He is presently exploring his authority to implement standards through regulations rather than submitting legislation to Council. Dr. Aaron added that the purpose of the Resolution was to put whatever energy we can behind the initiative. He said the Commissioner is to be applauded for moving ahead as far and as fast as he can to adopt standards through regulations. If for some reason it cannot be implemented through regulations, it stands as a statement to Council and resident of the District that the HBX Board believes that adopting standards in this area is crucial to the full implementation of the ACA and meaningful insurance coverage.

Dr. Ku said that the recommendation is more of an “atta boy” declaration because the Board does not have authority in this area, and asked if he was correct in his analysis. Ms. Kofman responded that she would clarify where the Board has authority and where it plays an advisory role. The Board has authority to set standards for the individual and small group coverage sold through DC Health Link. The private insurance market also includes large group coverage, and any standards set by the Board would not apply to those products. It is not a good policy decision to set standards for only portions of the market; network adequacy standards and protections should be available to all insurance market consumers. It is appropriate for DISB to lead the effort with respect to network adequacy, and for the HBX Board to support that effort.

Fourth Open Enrollment Period Contracts and Grants -- Mila Kofman, Executive Director

a. DC Health Link Assister Grants

Ms. Kofman reminded the Board that HBX has built \$500,000 for our in-person assister program as federal grants are no longer available to support this program. Ms. Kofman requested approval for \$500,000 for seven assister groups as follows:

Organization: Community of Hope

Proposed Grant Funding: \$85,000

Organization: La Clinica del Pueblo

Proposed Grant Funding: \$85,000

Organization: Mary's Center

Proposed Grant Funding: \$85,000

Organization: Whitman-Walker Health

Proposed Grant Funding: \$105,000

Organization: Unity Health Care

Proposed Grant Funding: \$ 70,000

Organization: Leadership Council for Healthy Communities

Proposed Grant Funding: \$50,000

African Methodist Episcopal Church Second District Religious, Educational and Charitable Development Projects, Inc (AME Second District RED)

Proposed Grant Funding: \$20,000

Ms. Kofman stated that HBX staff believes that funding at these levels will enable HBX to maintain the same level of service to help people get coverage through DC Health Link. Many of these groups are also certified as certified application counselors and have additional sources of funding. She noted that the Finance Committee had approved funding in these amounts.

b. Business Partnerships Grants

Dr. Ku wanted more information about the Restaurant Association Metropolitan Washington (RAMW) than was provided in the write-ups. Ms. Kofman said the Executive Director of RAMW needed more input from her Board members, so a write-up was not provided. Just before the start of this meeting, Ms. Kofman received confirmation from RAMW that it is willing to partner with us again.

Ms. Kofman stated that HBX has had business relationships with the following DC area business groups since the beginning of HBX: Greater Washington Hispanic Chamber of Commerce (GWHCC); DC Chamber of Commerce (DCCC); and Restaurant Association Metropolitan Washington (RAMW). Three hundred thousand dollars (\$300,000) was built in to the FY 2017 budget to continue these relationships. That figure is a reduction from prior years, when federal grant funds were available.

These three expenditures first went to the Marketing and Consumer Outreach Committee for input, and then to the Finance Committee. The request is as follows:

Greater Washington Hispanic Chamber of Commerce (GWHCC) - \$ 170,000

DC Chamber of Commerce (DCCC) - \$115,000

Restaurant Association Metropolitan Washington (RAMW) - \$15,000

Ms. Kofman said that the GWHCC has been involved heavily in individual enrollment events. It assists in employer enrollment as well. It has been active in outreach to hard-to-reach communities. Ms. Hicks said that in reviewing the business partnerships, the Marketing and Outreach Committee looked at the goals of each organization with respect to the business partnership, and all had performed well in fulfilling the stated goals.

Ms. Kofman added that HBX strategy with regard to SHOP has become more honed. The Marketing and Outreach Committee believes that delegating responsibility to the two chambers gives HBX the broadest possible reach to individual customers, which includes self-employed individuals, as well as a very diverse business community.

Dr. Aaron asked about metrics for concluding that goals had been reached. Ms. Hicks replied that the goals for each organization were written and quite specific, such as the number of outreach events, the number of people reached, etc. Ms. Watkins appreciated the added background to help her understand why the partnerships should be continued. Ms. Sullivan Hare said that, as a member of the Committee, she was not going to approve the business partnership grants until very specific information about meeting performance goals was provided, and it was provided. Unfortunately, the system cannot track a “touch” at an enrollment event that was handed off to a broker, and whether that transaction resulted in coverage.

Ms. Kofman noted for the record that Mr. Pitts had recused himself from consideration of these business partnerships as a member of the Finance Committee.

c. IT Contracts—Mila Kofman, Executive Director

- I. IT Consultant Services CBE Contracts for FY 17
 - i. Analytica
 - ii. Data Net Systems, Inc.
 - iii. Obverse

Ms. Kofman said that HBX has three CBE option year contracts for the above companies that exceed \$1 million, will expire in the fall and will need Council approval. The request is for Board approval to exercise the option year for these CBEs to continue to provide the IT support they do presently. The three contracts are cost-allocated, with financial support from DHS and DHCF. The Finance Committee has approved the requests.

The request for Analytica is for up to \$2.6 million. The HBX portion is nearly \$87,000, DHS is about \$500,000 and DHCF is close to \$2 million.

The request for Data Net Systems, Inc. is for up to \$2.6 million. The HBX portion is a little over \$100,000, DHS is about \$1.2 million, and DHCF is a little over \$1.2 million.

The request for Obverse is for up to \$2.3 million. The HBX portion is a little under \$79,000, DHS is a little over \$110,000, and DHCF is about \$1.5 million.

Ms. Kofman noted that all three contracts are task order based, so a vote of approval is not an obligation to spend all the funds.

Dr. Aaron asked which agency owned the contracts, and the answer is HBX.

Ms. Zeilinger said that her agency was in agreement with the cost-allocated amounts, and the spending would be certified.

II. Identity & Access Management Software, New Light Technology, Inc.

This contract is for quasi-open source software called ForgeRock, which provides security-based software in a cloud environment. HBX will be using it for identity and access management. Presently the software is provided by Oracle, and moving to quasi-open source software will assist with financial sustainability over the long term. The contract is for a base year and two option years. The base year is just under \$419,000, and the option years are under \$2,000. The base year expenditures are for development to deploy the software. The contract is not cost-allocated; it is 100% HBX-funded.

The Finance Committee has approved the request.

Printing & Mailing Service Contract – Mila Kofman, Executive Director

The request is to procure a new vendor for printing and mailing services. Ms. Kofman reminded the Board that when HBX was created, there was not enough time to have a solicitation for these services and the procurement was sole-sourced. Staff is now in the process of re-evaluating all sole-sourced procurements to save money, potentially, through a competitive bidding process. A solicitation has been issued for these services. Ms. Kofman clarified that these services are for all of the federally-required notices to consumers, not items such as brochures.

The solicitation has been posted on the HBX website and on the e-sourcing system. Bids are not yet due; however, since the next Board meeting is not until late September, we need to get the new vendor in place before then to be ready to issue notices in a timely manner. The request is to approve an amount not to exceed \$250,000. That figure is based on the 2017 budgeted amount, and what has been spent to date.

Ms. Zeilinger requested that her team be part of the final approval process. Ms. Kofman said that was the plan, and in fact, her team, and Mr. Turnage's team, had significant input into development of the solicitation.

II. Public Comment

No public comment was proffered.

III. Votes

I. Network Adequacy Resolution

It was moved and seconded to approve the recommendation of the Standing Advisory Board on network adequacy as outlined by Ms. McAndrew above and as set forth in the Resolution accompanying meeting materials and posted on the website. The motion passed, with Dr. Aaron, Ms. Hicks, Dr. Ku, Ms. Lewis and Ms. Watkins voting yes.

II. DC Health Link Assister Grants

- i. Community of Hope - \$85,000
- ii. Mary's Center - \$85,000
- iii. Unity Health Care - \$70,000
- iv. Whitman Walker Health - \$105,000
- v. La Clinica del Pueblo - \$85,000
- vi. Leadership Council for Healthy Communities - \$50,000
- vii. African Methodist Episcopal Church Second District Religious, Educational, and Charitable Development Projects, Inc. (AME Second District RED) - \$20,000

It was moved and seconded to approve the Assister grants as outlined above en bloc. The motion passed unanimously, with Dr. Aaron, Ms. Sullivan Hare, Ms. Hicks, Dr. Ku, Ms. Lewis and Ms. Watkins voting yes.

III. Business Partnership Grants

- i. District of Columbia Chamber of Commerce - \$115,000
- ii. Greater Washington Hispanic Chamber of Commerce - \$170,000
- iii. Restaurant Association Metropolitan Washington - \$15,000

Ms. Sullivan Hare requested an update on the RAMW grant. Ms. Kofman said no paperwork had been provided prior to the meeting because we had not received confirmation that it could participate again for another year. In particular, we are re-focusing and want to reduce the amount we spend substantially.

We just received confirmation of its participation before the Board call. We still want a small grant with RAMW as it will give us access to events it sponsors and to its members. It also assists with branding and keeping our name out in the public eye.

It was moved and seconded to approve the business partnership grants as outlined above en bloc. The motion passed unanimously, with Dr. Aaron, Ms. Sullivan Hare, Ms. Hicks, Dr. Ku, Ms. Lewis and Ms. Watkins voting yes.

IV. IT Consultant Services CBE Contracts for FY 17

- i. Analytica—\$2.6 million to go to the Council for approval
- ii. Data Net Systems, Inc. —\$2.6 million to go to the Council for approval
- iii. Obverse—\$2.3 million to go to the Council for approval

It was moved and seconded to approve the CBE contracts for FY 2017 as outlined above en bloc. The motion passed unanimously, with Dr. Aaron, Ms. Sullivan Hare, Ms. Hicks, Dr. Ku, Ms. Lewis and Ms. Watkins voting yes.

V. Identity & Access Management Software, New Light Technology, Inc.

Base year of \$418, 157

Option years include maintenance costs as follows:

Option year one (1) - \$1,820

Option year two (2) - \$1,820

It was moved and seconded to approve the New Light Technology, Inc. contract as outlined above. The motion passed unanimously, with Dr. Aaron, Ms. Sullivan Hare, Ms. Hicks, Dr. Ku, Ms. Lewis and Ms. Watkins voting yes.

VI. Notice Printing & Mailing Service Contract – Not to exceed \$250,000

It was moved and seconded to approve the Notice Printing & Mailing service contract as outlined above. The motion passed unanimously, with Dr. Aaron, Ms. Sullivan Hare, Ms. Hicks, Dr. Ku, Ms. Lewis and Ms. Watkins voting yes.

IV. **Closing Remarks and Adjourn**, *Diane Lewis, Chair*

The meeting was adjourned at 6:54 p.m.