



**DC Health Benefit
Exchange Authority**

Health Benefit Exchange Authority Executive Board Meeting

FINAL MINUTES

Date: Wednesday, October 19, 2016
Time: 5:30 PM
Location: 1225 Eye Street NW, 4th Floor, Board Conference Room
Call- in Number: 1-877-668-4493; access code 730 150 257

If slides are used, they can be viewed on your computer here:

When it's time, [join the meeting](#).

Members Present: Nancy Hicks, Diane Lewis, Kate Sullivan Hare (via telephone), Tamara Watkins (via telephone), Laura Zeilinger

Members Absent: Henry Aaron, Leighton Ku, LaQuandra Nesbitt, 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 5:35 pm. A roll call of members confirmed that there was a quorum with four voting members present (Ms. Hicks, Ms. Lewis, Ms. Sullivan Hare, Ms. Watkins).

II. Approval of Agenda, Diane Lewis, Chair

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

III. Approval of Minutes, Diane Lewis, Chair

It was moved and seconded to approve the September 28, 2016 minutes. The motion passed unanimously, with Ms. Hicks, Ms. Lewis, Ms. Sullivan Hare and Ms. Watkins voting yes.

IV. Executive Board Business

Discussion and vote on Executive Board Committee Assignments, *Diane Lewis, Chair*

Ms. Lewis stated that based on Executive Board Member input, there is a proposal to change members of the Executive Board Finance Committee. The Executive Board Finance Committee would change by having Tamara Watkins take the place of Khalid Pitts. Ms. Watkins would serve with current members Ms. Lewis and Dr. Aaron.

The following committee assignments will remain the same:

Research and Data Analysis Committee
Insurance Market Committee
Business Operations Committee
IT Infrastructure and Eligibility Committee
Marketing and Consumer Outreach Committee

A vote was taken on Committee assignments and was affirmed unanimously, with Ms. Hicks, Ms. Lewis, Ms. Sullivan Hare and Ms. Watkins voting yes.

V. Executive Director Report, *Mila Kofman, Executive Director*

1. OPEN ENROLLMENT UPDATE

- For individuals: November 1, 2016 – January 31, 2017. To have coverage starting January 1, 2017, a person needs to select a plan by December 15, 2016. We are encouraging our current customers to shop. Last year people who shopped saved an average of 5% on their premiums. Note: 20 plans for individuals and 151 for small business customers for 2017 (an increase from 136 this year).
- Congressional Open Enrollment: November 14 through December 12.
- Note: people applying for Medicaid can apply year round. Employers can also enroll in SHOP coverage year round.
- Contact Center extended hours for Open Enrollment: regular hours are 8 am to 6 pm Monday – Friday. Extended hours are: 8 am to 8 pm Monday - Friday, 10 am to 5 pm on Saturdays, and select Sundays around key enrollment deadlines.
- Linda Wharton-Boyd will discuss open enrollment outreach in more detail.

2. APTC: We have new data in doing redeterminations for our APTC customers. Preliminary information: approximately 40% are fine and no further action is necessary; approximately 10% will likely be eligible for Medicaid; approximately 35% either did not give consent to check IRS data or have an issue with FTR (failure to reconcile). We have a comprehensive effort (similar to last year) which includes multiple outreach calls and a data driven email campaign (using our new email analytics tool). We are still reviewing the rest.

3. SYSTEM MAINTENANCE & UPDATES FOR OCTOBER: There were two major IT deployments on October 1 and during Columbus-day weekend. Both went well. I want to congratulate Laura Zeilinger and her DHS team for leading and having a complex and successful deployment.

4. UPGRADES TO DCHEALTH LINK SINCE LAST OPEN ENROLLMENT:

Both Shop And Individual Marketplaces

- Improved account creation user experience, including a checklist of requirements for new passwords.
- Password reset improvements
 - Emailed link option
 - Password reset calls to contact center down by 54%

Ms. Sullivan Hare asked whether we use multi-factor authorization with respect to login to DC Health Link. Rob Shriver, Director, Marketplace Innovation Policy & Operations, stated that for people with admin access, and brokers who are authorized to act for employers, there is a multi-factor authentication process. For customers accessing their own accounts, there is not. Ms. Kofman said that if the use of multi-factor authentication processes is where the industry is going, we are happy to look into it. Ms. Sullivan Hare thought that would be the way to go. She suggested bringing it before the IT Committee. Ms. Kofman agreed.

- New email tool that allows targeted messaging to customers and provides analytical reports. Will assist with outreach efforts.
- Self-service address change functionality added.
- The Business staff now has the ability to correct Dates of Birth and Social Security Numbers when the customer mistyped them. This previously required IT work to correct.

Individual Only

- Prescription Drug Formulary Look Up Tool added to Plan Match
- Renewal notices now appear in customers' accounts.

SHOP Only

- SHOP Dental (April 2016)
- General Agency portal (April 2016)
- Employer Portal:
 - Employer auto-renewals for SHOP groups
 - Employer roster reflects historical enrollments and future renewal enrollments
- Billing/Invoicing:
 - System-generated first invoice for initial employers and conversion employers
 - Current and historical invoices available online
 - Automated processing of paper lockbox payments (file feed from bank into financial management system)
- Conversion:
 - Importing employer and employee data from carriers, including processing of ongoing updates during the employer's renewal process.

- Employee accounts are pre-setup for auto-renewal (i.e. account creation not required for broker to be able to complete enrollment on behalf of employees)
- Broker certification management integrated into the system which allows HBX to send notices to brokers if training is missing, carrier appointments are not up-to-date, etc.

Coming Soon:

- BOTH: Functionality to allow customers to complete the “non-self-attested” SEPs on-line, rather than having to do them through the Contact Center
- BOTH: More admin tools for the Business staff that allow them to serve customers without needing IT support
- SHOP: Plan Match (including the prescription drug formulary tool)
- SHOP: Automated COBRA enrollment functionality
- SHOP: Broker Quoting Tool (help prepare quoting packages)

- 5. COUNCIL CONSTITUENT SERVICES BRIEFING:** Each year HBX does a pre-open enrollment presentation for Council Constituent Service managers. Staff presented that information last week. The presentation makes Council constituent service managers aware of key dates for the upcoming open enrollment period, reinforces our commitment to quality customer service for their constituents, re-establishes our relationship with these key staff, and provides an opportunity for us to update Council staff on our outreach and marketing strategy and enlist their ongoing help to find and get people enrolled.
- 6. FY 18 STAFF BUDGET DEVELOPMENT:** Division heads are finalizing FY2018 budget proposals. The staff recommended budget will first be reviewed by Finance Committee. Staff will then seek input from the Standing Advisory Board. We are trying to finalize the recommended budget for Executive Board consideration at the November 9th Executive Board Meeting.
- 7. MOVE UPDATE:** Our move to additional space on the 11th floor is complete. Also, the move of IT to L’Enfant Plaza, and the relocation of the Call Center at L’Enfant Plaza, have been completed.
- 8. ENROLLMENT DATA:**

Ms. Kofman reported on current [statistics](#).

VI. Finance Committee Report, Diane Lewis, Finance Committee Member

The Finance Committee met on October 13th. Henry Aaron and I were present with HBX staff and Khalid joined by phone.

QUARTERLY FINANCIAL REPORT REVIEW: HBX contracts with an outside accounting firm to prepare quarterly financial reports. This is done for two reasons: their expertise is helpful, and it provides another impartial look at our finances. Kara Onorato, HBX CFO, provided the Finance Committee a walkthrough of HBX’s third quarter financial report. Ms. Onorato also informed us that the year-end financial report for FY 16

should be available for Finance Committee review in December. Timing is due to the need to close out the books, accrue funds, etc.

SUPPLEMENTAL FINANCE COMMITTEE MEETING: The Finance Committee will hold a second October meeting in order to review and approve the FY 18 Staff proposed budget. That meeting is scheduled for October 31st. And, as a reminder for Board Members, we will consider the FY 18 Proposed Budget at our next Executive Board Meeting on Wednesday, November 9th.

FINANCIAL REVIEW: The Committee reviewed FY 16 expenditures to date and noted that expenditures are as expected.

RESERVE RECOMMENDATION FROM FINANCE COMMITTEE: The Finance Committee discussed the reserve policy and funding reserves. As you will recall, the Board adopted a financial reserve policy on April 6, 2016. The Finance Committee worked with HBX staff to develop that policy and we stated at that time that the Committee would return soon after the close of the Fiscal Year to make the decision about how to fund the reserve.

Please refer to the “reserve recommendation” document and flip to the second page where the HBX Reserve Policy is attached. I’m now going to turn the discussion over to Kara Onorato, the HBX CFO, and Purvee Kempf, the HBX General Counsel, to summarize the HBX board approved reserve policy for us.

Ms. Kempf reviewed the existing responsibilities of the Office of the Chief Financial Officer (OCFO) and HBX. OCFO is responsible for:

1. Ongoing calculation and recommendations regarding the reserve balances,
2. Notifying HBX regarding the amount of reserves needed, if any, to balance the current year as determined through quarterly financial reviews of expected expenditures, and
3. Present the final reserve balance to the HBX Executive Director by the first HBX Executive Board Finance Committee meeting after the completion of the Comprehensive Annual Financial Report (CAFR).

HBX is responsible for:

1. Ensuring that the reserves are maintained and used as described in this Policy, providing regular reports to the Finance Committee and Executive Board of progress to restore the funds to the target balances, and review and consideration of recommendations of the OCFO/AFO calculated reserve balances, and
2. After consultation with the OCFO/AFO, submitting a recommended operating and capital reserve amount to the HBX Executive Board Finance Committee for review and discussion, and
3. HBX Executive Board Finance Committee submits to HBX Executive Board for review and approval as appropriate.

Ms. Kempf noted that what was occurring today was to approve an amount to be set as a reserve. When it comes to spending any reserves, a written request pursuant to the policy would be submitted to the Finance Committee and then the full Board.

Ms. Onorato stated that there are two types of reserves: operating and capital. The Operating Reserve is intended to provide an internal source of funds for situations such as for nonrecurring or unforeseen needs that arise during a fiscal year or new obligations created by Federal and District law or new health coverage needs or requirements that have been identified after the budget process has occurred. It is important to remember that Operating Reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. Operating reserves will be calculated based on 6 to 9 months of the previous year's Council approved operating budget. In this case, that equates to \$17.2 million and \$25.89 million.

Ms. Onorato noted that the Capital Reserve is intended to provide a ready source of funds for repair, acquisition, or development of IT, buildings, furniture, fixtures and equipment necessary for the effective operation of the organization and programs. They are calculated based on available funds after the Operating Reserve has been fully funded.

Ms. Lewis stated with that background, please see the Reserve Recommendation document which has been distributed to Board members and posted on the website. As this document highlights, HBX has an estimated assessment fund balance of approximately \$59 million.

Of that total amount, you have to subtract the Council Approved HBX FY 17 budget which is funded through the assessment. You also have to subtract planned IT development.

As you can see, HBX has approximately \$14.5 million that is available for designation as operational reserves.

In conclusion, the Finance Committee recommends to the Executive Board that \$14.5 million be designated as operational reserves for HBX. A vote will take place at the end of the meeting after public comment.

VII. Discussion Items

Open Enrollment Period Communications, Outreach and Marketing, *Nancy Hicks, Marketing and Consumer Outreach Committee Chair* and *Linda Wharton-Boyd, HBX Staff*

Ms. Hicks and Dr. Wharton-Boyd made a [presentation](#) on the upcoming open enrollment for year four (OE4) of the ACA.

Ms. Sullivan Hare said she had seen an ad for DC Health Link on CNN, but she did not recall the Outreach and Marketing Committee approving expenditures for cable television. She also did not recall seeing the script ahead of time. Dr. Wharton-Boyd said cable advertising had been discussed at a Committee meeting over the summer, and due to the distributor being used, advertising is appearing on some 17 cable outlets. She said she would be happy to share the script with Ms. Sullivan Hare.

Ms. Watkins asked how we set up and define goals for our strategies and tactics, and how we measure our success. She assumed that the conversations in committee are robust, but she would like to see a top line readout with respect to goals and measurement. Ms. Hicks thought it was a good idea. For SHOP, the Committee had devised a business-type plan, and tactics were devised within that framework. She would happy to provide that detail.

VIII. Public Comment

Chris Jacobs, District resident and DC Health Link customer, spoke about his HSA-compatible plan being discontinued and related issues around cancellations and the move toward standard plans only. He asked whether any DC Health Link customers were on the working group, and whether any Board members were customers. He thought DC Health Link could have done a better job communicating with its customers about the diminishment of plan choices, such as conducting a survey and soliciting input from customers after rate and form filings come in and plans are being terminated. He was also concerned about 7,000 customers receiving a surprise in the mail, and wondered what retention would be.

Ms. Kofman stated that HBX shared his concerns about the reduction in the variety of plans being offered and retention rates. She said when HBX developed standard plans, it was in the context of being one plan choice among a variety of plan choices. It was never the intent of HBX to have a standard plan as the only choice. When one insurer filed in the spring to offer standard plans only for plan year 2017, the working group was asked to reconvene and to look at that situation and discuss options with respect to what has occurred, including looking at what is not available that was previously available.

Ms. Kofman stated she welcomed Mr. Jacob's participation at any of the Standard Plans Working Group meetings, which are all public. She stated it is hard to get consumers to participate. She also noted that the other individual carrier offers an HSA-compatible plan.

Ms. Sullivan Hare noted for the record that she was a strong supporter of consumers having an HSA option, and noted that such options had been developed for discussion by the working group. She also noted that many people shop by price only, and do not create or fund an HSA account. She thought consumer education on the issue was very important. She noted that she had a plan through DC Health Link until very recently. She welcomed Mr. Jacobs' feedback and participation as well.

IX. Votes

Operating Reserve Amount Pursuant to Finance Committee Report

It was moved and seconded to approve the Operating Reserve Amount pursuant to the Finance Committee report. The motion passed unanimously, with Ms. Hicks, Ms. Lewis, Ms. Sullivan Hare and Ms. Watkins voting yes.

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

The meeting was adjourned at 6:47 p.m.