Health Benefit Exchange Authority Executive Board Meeting
FIINAL MINUTES

Date: Wednesday, December 14, 2016
Time: 5:30 PM
Location: 1225 Eye Street NW, 4th Floor, Board Conference Room
Call- in Number: 1-650-479-3208; access code: 731 905 527
If slides are used, they can be viewed on your computer here: join meeting

Members Present: Henry Aaron, Kate Sullivan Hare (via telephone), Nancy Hicks, Leighton Ku, Diane Lewis, LaQuandra Nesbit, Laura Zeilinger
Members Absent: Khalid Pitts, Stephen Taylor, Wayne Turnage, Tamara Watkins

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

Chair Diane Lewis called the meeting to order at 5:34 pm. A roll call of members confirmed that there was a quorum with four voting members present (Dr. Aaron, Ms. Sullivan Hare, Dr. Ku and Ms. Lewis).

II. Approval of Agenda, *Diane Lewis, Chair*

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

III. Approval of Minutes, *Diane Lewis, Chair*

It was moved and seconded to approve the November 9 and 28, 2016 minutes. The motion passed unanimously, with Dr. Aaron, Ms. Sullivan Hare, Dr. Ku and Ms. Lewis voting yes.

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

Ms. Kofman reported on website usage and traffic:

	OE4 Nov 1 – Dec 11
Total Users	93,153
Total Sessions	253,522
Avg Daily Sessions	6,183

Additionally, Ms. Kofman reported that use of the "Plan Match" tool, powered by CONSUMERS CHECKBOOK, has increased from last year, with over 700 users per day using the tool to find the best coverage, including doctors and prescription drugs.

Contact Center Comparison:

	OE4 Nov 1 – Dec 11	**OE3 Nov 1 – Dec 11**
Calls Received	18,004	21,964
Average Wait Time	1:10	1:11
Average Handle Time	10:48	11:46
Abandonment rate	6%	6%

Ms. Kofman further reported on historical data and open enrollment data.

Dr. Ku asked about why more people were actively shopping rather than auto-renewing, and was it due to premium increases. Ms. Kofman said she did not want to make any assumptions about why people are choosing to shop, but rate increases were certainly a good reason to shop. Also, HBX has been, in its messaging in notices, etc. encouraging customers to shop for the best plan and price.

Dr. Ku asked if the CareFirst customers who auto-renewed were renewed into the most similar plan from CareFirst. Ms. Kofman said yes.

Dr. Aaron asked if customers could be randomly auto-renewed. Ms. Kofman said federal regulations precluded that practice.

Ms. Kofman also noted that the District insured rate is the highest ever – over 96% of residents have health coverage.

Ms. Sullivan Hare wanted to pause and reflect on that figure. All involved had done incredible work on outreach and enrollment. She gave kudos to the terrific performance.

OPEN ENROLLMENT REMINDERS:

- Open enrollment runs through January 31, 2017.
- To have coverage starting January 1, 2017, a person needs to select a plan by December 15, 2016.
- The Contact Center will be open until 9 pm on the 15th to help last minute customers. As in every year, anyone who leaves a voice mail or emails us seeking help will be able to have the January 1 start date.
- January 15, 2017 is the deadline for coverage starting February 1, 2017. For those who apply later in January, the coverage will begin March 1, 2017.
- Congressional Open Enrollment: closed on December 12th (one month November 14 through December 12, set by OPM).
- 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.

CURRENT CUSTOMERS OUTREACH: HBX had an **e**mail campaign encouraging using plan match to "shop and save." There was also an email and telephone campaign to current APTC customers (update IRS consent); email and telephone campaign to people aging off family policy, and new email and telephone campaign to customers with new assisted applications.

STATE-BASED MARKETPLACES MEETING: A number of the state-based marketplace EDs and their staff were in DC last week for the National Governors Association Meeting. We hosted a meeting of the states here at our HBX offices.

V. Finance Committee Report, *Henry Aaron, Finance Committee Chair*

Dr. Aaron reported that the Finance Committee met on Monday, December 12th this month. He and Ms. Lewis I participated with HBX staff.

ASSISTER/NAVIGATOR FUNDING UPATE: HBX staff informed us that one of our community organizations that has served as both a navigator and assister organization has declined continued participation in the program. The organization, 2nd District AME Red, had $60,000 in grant funds awarded to them. HBX staff recommended that those funds be transferred to another Assister organization also in the faith-based community that is already an Assister. The Finance Committee concurred with the HBX staff recommendation.

I am reporting to you tonight that the $60,000 in grant funds that were previously approved for 2nd District AME Red are being reassigned to the Leadership Council for Healthy Communities. That means that LCHC will have an increase from $50,000 to $110,000 in their grant funds for this Fiscal Year. Again, no new funds are being spent; this is just moving funds previously approved by the Board to maintain the resources in the faith-based community.

NEW FINANCIAL REPORTING: Management and Finance committee have relied on traditional OCFO reporting structure for our financial condition. The CFO was asked to begin to provide the information differently. We received the new report in addition to the traditional OCFO report. Dr. Aaron said that the new presentation format will enable easier understanding of the HBX finances, especially moving forward as the federal grants are finished and we have only locally-based funding.

FINANCIAL REVIEW: We reviewed FY 17 expenditures to date and noted that expenditures are as expected.

VI. <u>Standard Plans Working Group Report</u>, *Leighton Ku, Standard Plans Working Group Chair*

The Standard Plans Advisory Working Group began working on revising the standard plan options for Plan Year 2018 in September of this year. The working group has held 6 conference call meetings, beginning on September 21.

The discussion started with the standard plan designs and conforming them to the federal actuarial value (A/V) calculator for 2018. The 2017 platinum and gold plans passed the new draft A/V calculator, while silver and bronze did not.

Platinum – the working group reached consensus that the platinum plan should remain the same for 2018.

Gold – consumer groups expressed an overwhelming desire that the gold plan be changes in one respect: that it have a copy for specialty Rx, not a coinsurance. The working group reached consensus on a gold standard plan design that provides a copay for specialty Rx, but did not change anything else from the 2017 plan design.

Silver – the A/V of the 2017 plan under the new draft A/V calculator is 75.36%, well over the maximum allowable A/V of 72%. This discrepancy required increasing copays for some services to get with the allowable A/V range. The working group reached consensus on a silver standard plan design that increases the copays for primary care and specialist visits, office visits for mental health and substance abuse providers, lab tests and x-rays, and provides a copay for specialty Rx.

Bronze - the A/V of the 2017 plan under the new draft A/V calculator is 66.89%, well over the maximum allowable A/V of 62%. However, the draft Payment Parameters rule allows the A/V in bronze to increase to 65%, as long as certain major services are covered before the deductible. The working group reached consensus on a bronze standard plan that has a 64.81% A/V. To reduce the A/V to that level required an increase in cost-sharing for some services. Notable, a specialist visit increases from $50 to $75. However, one option was to increase the specialist

visit to $100, which many working group members thought was too high and would act as a deterrent to receiving care.

HSA plans – since CareFirst surprised us in its 2017 filings and eliminated all HSA plans, the working group took on the issue for discussion. The working group reached consensus that the carriers should be required to offer an HSA-compatible plan at the bronze level. In order to be HSA-compatible, the plan only has first dollar coverage for preventive services. It has an integrated medical/drug deductible of $6,200 and a maximum out-of-pocket (MOOP) of $6,550.

At the silver level, consumer representatives did not want an HSA-compatible plan to be required, as it tends to be the second-lowest cost silver and reduces the amount of APTC. The group reached consensus to not require and HSA-compatible plan at silver.

At the gold level, the working group did not reach consensus about requiring an offer of an HSA-compatible plan. This issue will be forwarded to our Executive Board Insurance Market Committee.

With respect to HSA-compatible plans, Ms. Sullivan Hare said she looked forward to the discussion at the Insurance Market Committee meeting. She did not feel as if the working group had adequately balanced viewpoints during the discussion. The group did, however, have a potential plan design for an HSA-compatible gold plan which will be helpful. She commended Dr. Ku for his work in chairing the group.

Dr. Aaron asked if we knew who was buying bronze and HSA plans. Ms. Kofman said that this year, a CareFirst HSA bronze was the most popular plan. Dr. Aaron asked if we had breakdowns by age. He wondered if family coverage meant a spouse or child. Ms. Kofman said that information would be provided at the next meeting. Dr. Aaron said he would be particularly concerned if there was a lot of family coverage for kids at this level because kids would not have good access to care. Dr. Aaron thought it was good to look into this issue carefully. Ms. Sullivan Hare agreed. She has been told that families do not buy a bronze HSA plan due to the high deductible. Dr. Ku noted that due to CHIP eligibility, we probably do not have many kids in the individual market.

Dr. Ku said the bronze plan, HSA or otherwise, is not in his view a very desirable plan. However, it is popular. He thought we did need better education with respect to the value of an HSA plan and an accompanying savings account. It is about people having choices, even if one might think it is not a good choice. Ms. Hicks said as long as it an informed choice it was fine.

SHOP standard plans - this issue was tabled for plan year 2018 and could be taken up again for plan year 2019. The working group clearly had mixed opinions on this topic and in light of the multiple issues that must be addressed, we are setting this aside.

The working group had some discussion about using the term “Simple Choice” instead of “standard.” The carriers are very concerned if they have to rename plans as that is a heavy administrative lift. It can just be a display issue on the website, and as chair of the Executive Board IT Committee, Dr. Ku was in favor of using Simple Choice as a name on the website display.

Dr. Aaron asked why having standard plans in SHOP was a contentious issue. Dr. Ku said the majority of the carriers did not want to have them. Kaiser was the only carrier in favor of it. Some consumers could see the merit in it, but did not have really strong feelings about it.

Ms. Kofman said this was an issue she did want the working group to discuss. There are 151 plans in SHOP. No matter how good our search engine or the broker community, it would be helpful to have apples-to-apples comparisons. Ms. Sullivan Hare agreed, particularly since so many employers are offering employee choice.

Dr. Ku said he told the carriers that having standard plans in SHOP might help them competitively, but they were of the opinion that it was just another administrative hassle.

Board members thanked Dr. Ku for all his efforts with regard to the working group, and noted its importance.

VII. Public Comment

Jodi Kwarciany (DC Fiscal Policy Institute) said the bulk of her work relates to insurance enrollment and eligibility, on both the private and public side. With all the changes coming, she thought it was important for her to tell the Board what a vital source DC Health Link was to the local community. DC Health Link was an excellent complement to the other public policies the District has implemented to reduce the number of uninsured people locally and impart a culture of health. You cannot have a culture of health without a strong system in place. People need accessible and affordable options to maintain such a culture. DC Health Link has been a strong part of building and maintaining that culture. People know that having coverage is important, and the District has provided a continuum of coverage options across all ages and income levels. The District needs to maintain its local exchange as the go-to place to find coverage options.

Dr. Aaron thought it worth noting that DCFPI makes a valuable contribution to the District and he hopes it maintains its visibility and advocacy efforts.

Erin Loubier (Whitman Walker Health - WWH) is a trainer for assisters, and WWH is an organization with its own assisters. She too wanted to take a moment and reflect and congratulate all in the great job the exchange has done in ensuring that we have coverage options in the District that meets the needs of its residents. Whitman Walker Health knows all too well what it looked like before we had a marketplace and people with chronic conditions faced barriers to coverage. Those people now have coverage and have made connections to local care providers,

and are in a much better place. The Board's has provided great leadership in its commitment to consumers generally, and she thanked the Board members for all their hard work.

Margaret Singleton (DC Chamber of Commerce) said the Chamber was delighted to be a business partner of HBX. There are some 60,000 businesses in the District. Along with the two other business partners (Greater Washington Hispanic Chamber of Commerce and Restaurant Association Metropolitan Washington), the Chamber's goal is to promote and help brand the exchange as DC Health Link in the eyes of employers. The Chamber promotes DC Health Link at every available opportunity, most recently at the Chamber's annual meeting. A lot of small businesses do not offer health insurance, and the Chamber is trying to educate them and get them engaged through DC Health Link. Part of the education process is having small employers learn that they can use the offer of health insurance as an employee recruiting tool. This year, the Chamber is instituting a broker tracker program, to help small business that started on the process in DC Health Link but did not finish. In summary, the collaboration with DC Health Link and its business partners has elevated DC Health Link and helps employers understand what DC Health Link is all about. The Chamber stands ready to assist DC Health Link post-election in any way it can.

Dr. Aaron thanked the Chamber for the energy it displays in trying to get businesses involved in health insurance. He also noted that, moving forward, the Chambers and small businesses are in the best position to talk to Congress and the new Administration to preserve the progress that has been made.

Ms. Sullivan Hare thanked Ms. Singleton for the Chamber's efforts and offered herself as a resource to expound on the value of local state-based marketplaces (SBMs). Our SHOP is what small businesses have been looking for, and is far superior to private exchange options.

Dr. Ku said that he was working on a project for the Oklahoma Chamber, which will talk about the benefits that accrue to an area when employers provide coverage.

Rob Poli (Insurance Marketing Center) is a general agent who has worked with DC Health Link from the beginning. He can say that DC Health Link has made his and other brokers' lives better as it has matured into an excellent site. He gave kudos to all for dedicating the necessary resources to the system and making it work so well.

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

The meeting was adjourned at 7:06 p.m.