



DC Health Benefit  
Exchange Authority

**Health Benefit Exchange Authority Executive Board Meeting**

**FINAL MINUTES**

**Date:** Wednesday, February 8, 2017  
**Time:** 5:30 PM  
**Location:** 1225 Eye Street NW, 4<sup>th</sup> Floor, Board Conference Room  
**Call- in Number:** 1-650-479-3208; access code: 730 667 161

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

<https://dcnet.webex.com/dcnet/j.php?MTID=mba54fb9c517e561b60916dc9f4aa04c8>

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

**Members Absent:** LaQuandra Nesbit, Laura Zeilinger

**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 five voting members present (Henry Aaron, Kate Sullivan Hare (via telephone), Nancy Hicks, Leighton Ku, Diane 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, Ms. Hicks, Dr. Ku and Ms. Lewis voting yes.

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

It was moved and seconded to approve the January 11, 2017 minutes. The motion passed unanimously, with Dr. Aaron, Ms. Sullivan Hare, Ms. Hicks, Dr. Ku and Ms. Lewis voting yes.

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

Ms. Kofman reported on the following:

##### **PRESIDENTIAL EXECUTIVE ORDER ON ACA (January 20, 2017)**

It has no direct impact currently.

##### **OPEN ENROLLMENT DATA ROUND UP**

The data information is [posted](#) on our website. The Board engaged in conversation with Ms. Kofman about how the quality of the data has improved dramatically over time and is more reliable.

##### **EMAIL/PHONE OUTREACH TO CUSTOMERS**

This year HBX used a new tool called Emma. It helps monitor which HBX emails are opened and if the links are clicked. It helps HBX understand our customers. We really wanted to encourage shopping, especially among those customers that were facing a steep premium increase. We also wanted to reach the APTC population that was at risk of losing APTC for failure to file or reconcile. We wanted to reach young adults that were aging off a parent's policy. We wanted to reach customers whose auto-pay information needed to be updated. Of all the emails sent, the click rate was 15%. The open rate was 43%, and according to the tool, is considered good. As expected, emails sent around deadline dates were the most likely to be opened.

Mr. Pitts entered the meeting.

##### **FINAL OPEN ENROLLMENT OUTREACH UPDATE**

As I hope board members saw, the Washington Post wrote a lovely article out our outreach effort. In addition, we were quite active with community partners this final week. The Board then viewed a short video put together by the communications team.

Ms. Watkins entered the meeting.

##### **1095-A UPDATE**

The deadline to send out the 1095-As was January 31 and we met it. We generated 18,736 1095-As. All are available to customers on-line, the same as last year). All were also mailed. HBX has received three requests for corrections (domestic partner premium left off, termination date that was processed after forms were generated, added a social security number for a customer upon his/her request).

##### **IRS ANNUAL AND MONTHLY REPORTING UPDATE**

We submitted our annual report to the IRS. The IRS uses this report to validate APTC amounts that are reported or not reported by taxpayers on tax returns. As a reminder, we submit monthly APTC reports to IRS.

## **CLEAR CHOICES AWARD**

DC Health Link ranked first in the nation among all State Based Marketplaces and the Federal Marketplace for consumer shopping tools. Clear Choices is a coalition of insurers, consumer groups, pharmaceutical companies and others that support transparency in health care information for consumers. The [scorecard](#) with all exchange rankings is posted on the website.

## **UPCOMING COUNCIL HEARINGS**

The Council has announced dates for our annual performance and budget oversight hearings. Dates are subject to change: Wednesday, March 8 at 11:00 a.m., Performance Oversight; Friday, April 28 at 11:00 a.m., Budget. The Health Committee members for this year are: Chair, Council Member Vincent Gray, and Council Members Brianne Nadeau, Mary Cheh, Brandon Todd and David Grosso.

## **FEDERAL REGULATORY UPDATES**

There is a draft CMS Regulation to stabilize the health insurance market reported to be at the federal Office of Management and Budget (OMB); once issued we will analyze it.

## **UPDATE ON OPERATIONS AND MAINTENANCE OF DCAS TRANSITION TO OCTO**

Last year it was decided that the Operations and Maintenance (O&M) for the DCAS system should be managed by OCTO. The primary agencies relying on DCAS are DHCF and DHS. HBX's reliance is minimal because most of our functionality is now in the cloud and not in DCAS. DC Health Link SHOP and private health insurance coverage shopping and enrollment are in the Cloud (agile and open source) and is not in the DCAS system. What is in the DCAS system is the rules engine shared with Medicaid for APTC. There are also a few operations (e.g. user authentication and on-line storage for 1095As) that we are transitioning to our Cloud-based system. These functionalities are scheduled to be transitioned completely this year.

The HBX-led O&M team for DCAS has smoothly transitioned to OCTO. OCTO is now the lead as of February 1, 2017 as planned.

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

Dr. Aaron reported that the Finance Committee met twice so far this month. In both meetings, all committee members, Ms. Lewis, Ms. Watkins, and himself participated by phone with HBX staff.

The first meeting occurred on February 1<sup>st</sup>.

**Review of new budget reporting:** HBX staff presented the new financial report format that compares HBX spending to its budget – outside of the regular District government reporting system. This new format provides the Finance Committee, and HBX staff, with a better tracking mechanism to measure monthly spending against the HBX budget and is a valuable addition. The Committee will receive this report each month at our Finance Committee meetings going forward.

**FINANCIAL REVIEW:** The Committee reviewed the FY 17 expenditures to date and noted nothing out of the ordinary.

**PROCUREMENTS:** The bulk of the meeting was spent discussing pending procurement needs with HBX staff.

Two of these proposals are before the Board this evening. Those are the two procurements to modify the current year contract ceilings for two of our CBE IT consultant contracts with Enlightened and Obverse.

These are two of the CBEs that HBX has used to provide IT staffing for the operations and maintenance of the system. In the past, HBX managed these contracts and the work was cost allocated with DHS and DHCF. Going forward, OCTO, the District's technology agency, is managing O&M of the underlying system. These current modifications are needed to facilitate the transfer of O&M to OCTO. Ms. Kofman will discuss them further in the agenda. The Finance Committee approved both of these contract modifications.

The other discussion on procurements was preliminary and the Committee will be back to the Board with updates as HBX staff further develops these initiatives.

The Finance Committee also met on February 6<sup>th</sup>. At this meeting, we reviewed pending procurements to issue option year contracts to CBE vendors that provide IT professional services to HBX. At this meeting, HBX staff reviewed the need for these contracts with the Finance Committee. We will be meeting again this Friday, February 10<sup>th</sup> to complete consideration of those procurement requests.

**ANOTHER EXECUTIVE BOARD MTG NEXT WEEK:** Once Finance completes consideration of these option years for professional IT services, we will need to reconvene the Executive Board to consider and vote on those procurements next week. We'll set this up as an executive board meeting by phone only and Debbie Curtis will be in touch to schedule that at a time next week that works for the greatest majority of us.

**VI. Insurance Market Committee Report, Henry Aaron, Finance Committee Chair**

Standard Plans Advisory Working Group Non-Consensus Item: HSA-Compatible Gold Plan in Individual Market

As the Standard Plans Advisory Working Group did not reach consensus on whether to require the offering of an HSA-compatible Gold Plan in the Individual Market for Plan Year 2018, the Executive Board Insurance Market Committee was asked to consider that policy.

At our meeting on January 12, 2017 the Committee voted, 2-1, to send forward to the full Board the question of potentially requiring the offering of an HSA-compatible gold standard plan in the

individual market in plan year 2018. We have two carriers in our individual market: Kaiser Permanente and CareFirst. During the Advisory Working Group process, Kaiser had already said it was willing to offer an HSA Compatible Gold Plan in the individual marketplace voluntarily. CareFirst had a representative at our Insurance Market Committee and Executive Director Kofman asked him to investigate whether CareFirst would agree to offer such a plan voluntarily in 2018. The CareFirst representative committed to getting an answer to that question.

The Insurance Market Committee held another public meeting on February 2, 2017. At this meeting, both CareFirst and Kaiser stated their commitment to offering HSA-compatible gold level plans voluntarily in 2018. Given this development, the Committee voted to table the issue with respect to plan year 2018.

Therefore, there are no non-consensus items with respect to the Standard Plans Advisory Working Group for the Board to consider this evening. The Board will hear more details later in this meeting as Dr. Ku, Chair of that working group, leads us through the working group's recommendations for standard plan offerings in Plan Year 2018.

## **VII. Discussion Items**

### **a. Standard Plan Offerings for 2018 -- *Leighton Ku, Chair, Standard Plans Advisory Working Group and Mary Beth Senkewicz, HBX Staff***

Dr. Ku reported that there was a Resolution before the Board on the 2018 standard plans. An overview of the work of the working group is as follows:

The Standard Plans Advisory Working Group has held 6 conference call meetings, beginning on September 21.

- Issue: standard plan designs and conforming them to the federal A/V calculator for 2018.
- 2017 platinum and gold plans passed the new draft A/V calculator
- Silver and bronze did not.
- Standard Plans in SHOP
- HSA-compatible options (CareFirst had unexpectedly dropped its HSA-compatible options for plan year 2017)
- Simple Choice designation

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 changed so that it has a copay for specialty Rx, not a coinsurance.
- The working group reached consensus on a gold standard plan design that provides a copay for specialty Rx
- Nothing else changed 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 within 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%.

Final Payment Parameters rule allows the A/V in bronze to increase to 65%, as long as certain major services are covered before the deductible. Major services defined as primary care visits, specialist visits, inpatient hospital services, generic, specialty or preferred brand drugs, or emergency room services.

- 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.
- Notably, 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:

- CareFirst surprised us in its 2017 filings and eliminated all HS-compatible plans, so 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.
- At the silver level, consumer representatives did not want an HSA-compatible plan to be required:
  - It tends to be the second-lowest cost silver and

- Reduces the amount of APTC.
- The group reached consensus to not require an 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 was forwarded to our Insurance Market Committee. As you just heard, the Committee tabled the issue.

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, it was tabled.

Simple Choice designation – the federal marketplace is using this term. HBX can look into this as a display issue.

The full Report of the working group is [posted](#) on the website.

Mr. Pitts asked if we knew anything about the cost of the plans. Dr. Ku said no, but cost-sharing would rise on some of the plans. Dr. Ku hoped that 2017 was a correction year, and we would not see such rate increases in 2018.

Ms. Kofman and the Board members thanked Dr. Ku for agreeing to head this effort year after year.

**b. Contract Modifications for Existing Certified Business Enterprise (CBE)  
Contracts for IT Consultant Services – Mila Kofman, Executive Director**

- i. Enlightened
- ii. Obverse

Staff is asking for an increase in the contract ceiling amounts for CBEs Enlightened and Obverse. These CBEs provide IT support. The O&M team support is provided by these CBEs. OCTO plans to issue task orders using the HBX contracts. The rise in the ceiling is needed to ensure there is enough money in the contracts as the transition of these teams to OCTO is completed. For Enlightened the increase is \$950,000 and for Obverse it is \$500,000.

Ms. Kofman stated that the Finance Committee has approved both of these requests.

**VIII. Public Comment**

No public comment was proffered.

## **IX. Votes**

### a. Resolution -- Plan Year 2018 Standard Plans

It was moved and seconded to approve the resolution, “To adopt recommendations establishing qualified health plans at each of the four metal level tiers for plan year 2018, including a standard HSA-compatible plan at the bronze level.” The motion passed unanimously, with Dr. Aaron, Ms. Sullivan Hare, Ms. Hicks, Dr. Ku, Ms. Lewis, Mr. Pitts and Ms. Watkins voting yes.

### b. Contract Modification for Enlightened and Obverse

It was moved and seconded to approve the contract modification for Enlightened and Obverse as described above. The motion passed unanimously, with Dr. Aaron, Ms. Sullivan Hare, Ms. Hicks, Dr. Ku, Ms. Lewis, Mr. Pitts and Ms. Watkins voting yes.

## **X. Closing Remarks and move to Executive Session, *Diane Lewis, Chair***

Ms. Lewis, on behalf of the Board and HBX staff, expressed her thanks to Nancy Hicks for her service on the Board.

Nancy Hicks, our communications guru, joined the Board two years ago in January 2015. From the time she joined the board, she began working tirelessly to support the goals and ideals for which we stand. She immersed herself in the work of the Exchange and made the commitment to assist us in any way possible to be successful. When asked to serve as Chair of the Board’s Marketing and Consumer Outreach Committee, she accepted the call graciously and delved into making sure that our efforts in this area were productive. Nancy used her many years of professional expertise to work with our Communication and Outreach team in developing, planning and implementing a robust open enrollment outreach strategy to reach the District’s uninsured.

When the open enrollment periods were over, she participated in the Assister Evaluation and Assessment Summits to help determine the efficacy of our outreach and communication strategies. She also facilitated numerous Assister group discussions on messaging and media approaches.

Whenever Nancy was called, she would, without hesitation, review many of our communication materials and products and offer her skilled advice and critique. She assisted with crisis communication management and her contributions often reflected her “quick –wit” and wise guidance. She often provided “spot-on” messaging and crisis resolutions resulting in positive outcomes.

Nancy has been a stellar ambassador for DC Health Link, She has attended several stakeholder events representing DC Health Link and ensuring customers, business partners and others that we value their partnership. Always, Nancy actively sought to promote DC Health Link. One such example was her



willingness to feature our award-winning outreach activities and methodologies in the 2nd edition of *“Health Industry Communication: New Media, New Methods, New Message,”* a college textbook she recently co-authored.

Most recently, as Chair of the Health Literacy Steering Committee, Nancy spearheaded our collaborative efforts with critical partners to develop a campaign to improve health literacy among DC Health Link customers.

In sum, she has served as our treasured in-house, on-call resource for the Board and the staff always available no matter the time or day, helping to illuminate the work of the DC Health Benefit Exchange Authority.

Nancy’s service and dedication to both the Board and DC Health Link as a whole have been immeasurable. Know that you will be greatly missed. We applaud you for your talents and contributions and are delighted to present you with this gift of appreciation, which reads:

With sincere appreciation  
For your unwavering support of The District of Columbia  
Health Benefit Exchange Authority, which provides access to quality,  
affordable health insurance for District of Columbia residents and small businesses through  
DC Health Link, the online marketplace.  
Your wise counsel and relentless work in guiding our media and  
outreach strategy has helped us to succeed.

Presented by this day, Wednesday February 8, 2017

By the  
DC Health Benefit Exchange Authority  
Executive Board and Staff

Ms. Hicks said she was happy to be a part of the Board, and it had been one of the best experiences of her life. She was thrilled to have been of service to her city.

Pursuant to DC Code Sections 2-575(b) (2), (4) and (10) and 3171.11 the Board will move to a closed session for personnel, legal and contracting.

The public meeting ended at 6:40 p.m.