



Health Benefit Exchange Authority Executive Board Meeting
FINAL MINUTES

Date: Wednesday, April 12, 2017
Time: 5:30 PM
Location: 1225 Eye Street, NW, 4th Floor, Board Conference Room
Call- in Number: 1-650-479-3208; access code: 733 914 814

To view the demonstration remotely, follow this link from your phone or computer:
<https://dcnet.webex.com/dcnet/j.php?MTID=mf1883159d664924694f6f189bbfd0eb9>

Members Present: Henry Aaron, Nathaniel Beers, Kate Sullivan Hare (via telephone), Leighton Ku, Diane Lewis, LaQuandra Nesbit, Khalid Pitts, Tamara Watkins, Laura Zeilinger (via telephone)

Members Absent: Stephen Taylor, Wayne Turnage

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

A roll call of members confirmed that there was a quorum with five voting members present (Dr. Aaron, Ms. Sullivan Hare, Dr. Ku, Ms. Lewis, and Ms. Watkins).

II. Approval of Agenda, Diane Lewis, Chair

Dr. Beers entered the meeting.

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

III. Approval of Minutes, Diane Lewis, Chair

It was moved and seconded to approve the March 8, 2017 minutes. The motion passed unanimously, with Dr. Aaron, Dr. Beers, Ms. Sullivan Hare, Dr. Ku, Ms. Lewis, and Ms. Watkins voting yes.

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

ACA UPDATE: While we won the first battle with the failure of the American Health Care Act (AHCA) in the House, we know that the fight over the future of the ACA is far from over. The House Rules Committee on Thursday, April 6 further amended the AHCA bill to include small amount of federal funding to subsidize enrollees with costly medical conditions. While no formal analysis has been done, it appears that this amendment will not make a dent in protecting people from losing coverage and 24 million people are still expected to lose coverage. It is unclear what the next steps will be in the House, although President Trump has tweeted his preference for repeal.

It is also unclear what the Trump Administration will do on the regulatory front. Very broadly, the Administration has the power to make problems for the private markets in many states. We are concerned about the final “insurance market stabilization” rule, which could be released by mid-April. It is now at OMB. If standards in the proposed rule are adopted, the rule will have adverse consequences for our marketplace. As an example, the proposed rule allows carriers to require back payment from customers who were terminated for nonpayment of premium before issuing new coverage during open enrollment. In our marketplace, 42% of customers terminated for nonpayment of premium were between the ages of 26-34.

Ms. Kofman that uncertainty on whether carriers will be paid the cost sharing reductions (CSRs) they are owed (approximately \$7 billion) by CMS is creating havoc for carriers and providers. If the CSRs are not paid, estimates put premium increases at 15% or more. Another concern is enforcement of the individual mandate by the IRS. The uncertainty surrounding enforcement is forcing carriers to review their assumptions around rates and may also affect premiums.

Board members discussed the timetable for a decision on CSRs. Ms. Kofman said the best timetable would have been a decision was made already. She reminded the Board that carriers can re-file rates in response to government actions which lead them to change the assumptions underlying the rates.

2018 HEALTH PLANS: May 1 rate and form filings are due to DISB. HBX staff will continue to work with DISB staff and carriers. Dr. Beers asked if HBX had heard from any or our carriers that might be contemplating withdrawal from the market due to all the uncertainty. Ms. Kofman said all our carriers plan to submit their rates and forms by May 1, but any action by the federal government could cause a carrier to change its mind.

SMALL BUSINESS MOBILE APP FOR APPLE AND ANDROID DEVICES: The app is now available for employers and brokers in beta testing. Any feedback from users will be incorporated into it app.

FY 2018 BUDGET: The Mayor has submitted her budget to Council. There was a slight change to the HBX budget – about an \$18,000 increase– due to a change in the computation of fringe benefits.

COUNCIL HEARINGS: HBX Performance Oversight Hearing on March 8, 2017 went very well. We had many groups testifying in support of our efforts. I also testified in support of legislation introduced by CM Todd focusing on Health Literacy. This was a joint hearing by Health and Education Committees where I emphasized the importance of improving health insurance literacy in the District. I shared data from our customer survey last spring to show that health insurance literacy is something we have to continue to work on. Our Budget Oversight hearing is scheduled for May 10. As always, Ms. Lewis will join me at that hearing and will provide short testimony as Board Chair.

SHOP ADS: Ms. Kofman said people may have noticed SHOP ads on Metro busses. HBX is leveraging its outreach and media budget to spread the word about SHOP and opportunities for small businesses to enroll. She welcomed input on the ads.

POWER-UP DC: With the Washington Business Journal, we are co-sponsoring the second annual Power-Up DC event on May 5, during Small Business week.

1095-A UPDATE:

- We have had 33 total correction requests from customers. The top reasons for correction include updating SSNs, coverage end dates and missing enrollment data of a dependent.
- We have issued 447 total initial, corrected and voided forms based on new data received from carriers.

In response to a question from Ms. Watkins, Ms. Kofman said that with the improvements to systems by both HBX and the carriers, the number of corrections were much fewer this year.

MASSACHUSETTE UPDATE: The project is on schedule for launch of the pilot phase of the project on August 1. HBX Business and IT teams had a two-day in-person meeting on March 9-10 in Boston. Massachusetts Business and IT staff visited DC on April 6 to tour the contact center and discuss case handling procedures. Staff completed work on a joint project plan. Accenture is on-site in MA, helping us manage day-to-day activities of implementation.

ENROLLMENT DATA: Ms. Kofman reported on enrollment [data](#).

Dr. Aaron asked when the transition to all small business buying coverage through DC Health Link would be complete. Ms. Kofman said the last groups are the ones with a June 1 start date, so we are almost done. We anticipate that when the transition is complete, there will be about 75,000 lives in the SHOP market, including Congress.

V. Finance Committee Report, Henry Aaron, Chair

Mr. Pitts entered the meeting.

Dr. Aaron reported that the Finance Committee met Monday, April 10th. All committee members – Ms. Lewis, Ms. Watkins, and myself participated by telephone with HBX staff.

CALL CENTER RFP: HBX staff informed us that they had received helpful feedback from OCTO and DHCF for the Call Center RFP which was developed by HBX in January, but has been on hold pending review by sister agencies. Feedback was incorporated as appropriate. The Finance Committee was briefed that the RFP would move forward with three options for the contact center which protects options for Medicaid. The Finance Committee agreed with the HBX staff recommendation to issue the RFP by COB on Monday as we are running out of time to complete the procurement process prior to expiration of the current contract.

MASSACHUSETTS PROJECT UPDATE: It was agreed that staff would provide a monthly update to the Finance Committee on the budget of the Massachusetts SHOP project so that the Finance Committee can appropriately monitor the finances of this partnership.

FINANCIAL REVIEWS: The Finance Committee reviewed both the monthly budget report and the monthly expenditures report and noted nothing out of the ordinary.

PROCUREMENTS: Via email, the Finance Committee also reviewed and approved three procurements: An actuarial services contract for Mercer (Oliver Wyman); a contract ceiling increase for Networking for the Future, one of our IT consultant CBEs; and a new option year for Cradle, an IT consultant CBE. As our Executive Director will be presenting them momentarily, I will let her get into the details with you.

VI. Discussion Items

- a. Demonstration of new DC Health Link Online Broker Quoting Tool – *Amanda Sussex, HBX Staff*

Ms. Sussex explained the new broker tool located in the broker portal, developed with the input of agents and brokers. The demonstration is available on this [page](#) under “Audio Recording of meeting” for April 12, 2017.

After the demonstration, Board members discussed possible business opportunities related to the new tool.

Ms. Kofman presented the next three procurements, noting that the Finance Committee had approved all three of them.

- b. Actuarial Services Contract Approval, Mercer (Oliver Wyman) – *Mila Kofman, Executive Director*

Ms. Kofman said that the procurement team issued a GSA schedule solicitation for actuarial services. Three vendors responded. HBX staff reviewed the responses and Oliver Wyman/Mercer was selected. The base year, to review plan year 2018 rates, is not to exceed \$250,000. There are four option years, all not to exceed \$250,000. The actuarial firm also helps the Standard Plans Working Group every year with actuarial values and benefits.

- c. Contract Ceiling Increase for Networking for the Future, CBE for IT Consulting Services – *Mila Kofman, Executive Director*

The contract ceiling for an existing CBE vendor, Networking for the Future, needs to be increased by \$250,000. The contract was entered into in May of 2016 and ends on May 5, 2017. The vendor works on IT development and Massachusetts work.

Dr. Ku asked what happens to NFF after May 5? Ms. Kofman said an option year had been approved previously and is before Council.

- d. Exercise Option Year for an Existing Certified Business Enterprise (CBE) Contractor (Cradle, Inc.) for IT Consulting Services – *Mila Kofman, Executive Director*

Cradle is another existing CBE vendor that does IT work for HBX. Ms. Kofman said we would like to exercise an option year starting May 2, 2017 and ending May 1, 2018 at \$1.5 million. This vendor performs IT security work and Massachusetts work. Since we do not have time to get Council approval, a two-step process is necessary and we will issue a purchase order under \$1 million.

The Board discussed the Cradle contract further, and took advice from Ms. Nesbit not to proceed with the two-step process as initially outlined. Instead, Ms. Kofman committed to investigating alternative methods to move this contract forward and would follow back up with the Board.

VII. Public Comment

No public comment was proffered.

VIII. Votes

- a. Actuarial Services Contract, Mercer (Oliver Wyman)

It was moved and seconded to approve the contract for Mercer (Oliver Wyman) as described above. The motion passed unanimously, with Dr. Aaron, Dr. Beers, Ms. Sullivan Hare, Dr. Ku, Ms. Lewis, Mr. Pitts and Ms. Watkins voting yes.

b. Contract Ceiling Increase for CBE Contractor Networking for the Future

It was moved and seconded to approve the contract ceiling increase for Networking for the Future as described above. The motion passed unanimously, with Dr. Aaron, Dr. Beers, Ms. Sullivan Hare, Dr. Ku, Ms. Lewis, Mr. Pitts and Ms. Watkins voting yes.

c. Option Year for CBE Contractor for IT Consulting Services, Cradle, Inc.

It was moved and seconded to approve the option year for Cradle, Inc. to be modified as discussed. The motion passed unanimously, with Dr. Aaron, Dr. Beers, Ms. Sullivan Hare, Dr. Ku, Ms. Lewis, Mr. Pitts and Ms. Watkins voting yes.

IX. Closing Remarks and Move to Executive Session, *Diane Lewis, Chair*

Pursuant to DC Code 2-575(b)(4) and (b10) and 3171.11, we will move to closed session for legal advice and personnel.

The public portion of the meeting ended at 6:55 p.m.