



Health Benefit Exchange Authority Executive Board Meeting

MINUTES

Date: June 13, 2018
Time: 5:30 PM
Location: 1225 Eye Street NW, 4th Floor, Board Conference Room
Call- in Number: 1-650-479-3208; access code: 735 125 653

Members Present: Henry Aaron, Nathaniel Beers, Diane Lewis, Tamara Watkins (via telephone)

Members Absent: Kate Sullivan Hare, Leighton Ku, LaQuandra Nesbitt, Khalid Pitts, Wayne Turnage, Laura Zeilinger

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

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

II. Approval of Agenda, Diane Lewis, Chair

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

III. Approval of Minutes, Diane Lewis, Chair

It was moved and seconded to approve the minutes of May 9, 2018. The motion carried unanimously, with Dr. Aaron, Dr. Beers, Ms. Lewis and Ms. Watkins voting yes.

IV. Executive Board Election Date, Diane Lewis, Chair

Ms. Lewis outlined the Board election process. Pursuant to the Board's Bylaws, the Annual Executive Board Officer Elections are to be held in the third quarter of the year for the three positions of Chair, Vice-Chair, and 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 12, 2018.

If accepted, we will take nominations on September 12th. Voting and non-voting HBX Board members may make such nominations.

A nomination must be accepted or rejected by the nominee at the September 12th 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 approve the date of September 12, 2018 for Board elections. The motion carried unanimously, with Dr. Aaron, Dr. Beers, Ms. Lewis and Ms. Watkins voting yes.

V. Discussion Items, Cloud Hosting Services Contract, A&T Systems – *Mila Kofman, Executive Director*

Ms. Kofman stated that the procurement was for the government cloud hosting services we use. The procurement was bid out. The annual contract ceiling is not to exceed \$550,000.00 per year for both HBX and MA cloud environments combined, with the HBX cost estimated at \$280,000 and the MA cost at \$270,000. There are also four (4) one (1) year option periods. The Finance Committee has approved the procurement.

VI. Public Comment

No public comment was proffered.

VII. Vote

- a. Cloud Hosting Services Contract, A&T Systems

It was moved and seconded to approve the Cloud Hosting Services Contract, A&T Systems. The motion carried unanimously, with Dr. Aaron, Dr. Beers, Ms. Lewis and Ms. Watkins voting yes.

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

STAFF CHANGES: Holly Whelan is our new Chief Operating Officer. She came to us from CCIIO in late 2013. She has had a number of duties with us, most recently as Deputy Director of the Marketplace Innovation Policy & Operations division.

Also, Rob Shriver, MIPO Director, is leaving the agency. He has led many initiatives and has been the head of the Marketplace Innovation Policy & Operations division for nearly four years, we thank him for his tremendous service and wish him well.

JULY BOARD MEETING DATE CHANGE AND CANCELLATION OF AUGUST MEETING: The July Board meeting is moved to Wednesday, July 18th and there will be no August meeting given summer schedules.

BUDGET SUPPORT ACT AND BUDGET: Council approved the budget and there were no changes to the HBX budget. The Budget Support Act (BSA) still needs final Council action; it passed first reading with no opposition. The BSA includes the individual responsibility requirement. Massachusetts was the first state, pre-ACA, to implement such a requirement; Vermont has recently enacted legislation to have a state requirement in 2020; and New Jersey recently enacted a state requirement effective January 1, 2019.

PROPOSED 2019 RATES:

FILED JUNE 1: DISB posted the rate filings here: [https://disb.dc.gov/publications-list?after%5Bvalue%5D%5Bdate%5D=&before%5Bvalue%5D%5Bdate%5D=&keys=HIRFAssigned&type=79&sort by=field date value&sort order=DESC&=Apply](https://disb.dc.gov/publications-list?after%5Bvalue%5D%5Bdate%5D=&before%5Bvalue%5D%5Bdate%5D=&keys=HIRFAssigned&type=79&sort%20by=field_date_value&sort_order=DESC&=Apply) Oliver Wyman actuaries have begun their review. Our preliminary review shows 25 plans for the individual market (down from 26) and 155 plans for SHOP (up from 151).

JUNE 5 DISB RATE REVIEW HEARING: Commissioner Taylor held a public hearing in order for the carriers to explain their rate filings and to hear from consumers and other interested parties about the rate review process and issues that he should consider when conducting his review. We emailed our individual market customers and the points of contact for our small businesses twice on the rate hearing. I also testified at the hearing.

INSURANCE COMMITTEE MEETING: On Monday the Insurance Committee met by telephone to receive a preliminary briefing on proposed rates. As Oliver Wyman actuaries conduct their analysis, the Insurance Committee will meet and will receive detailed information on assumptions and analyses.

AWS CITY ON A CLOUD INNOVATION AWARD FINALIST: HBX is again being recognized by Amazon Web Services. We were named a finalist in their City in a Cloud Worldwide Competition. AWS will announce winners on June 20 or 21.

ASSISTER GRANT ANNOUNCEMENT: A new solicitation is out for DC Health Link Assisters. Any organization -- including current assister and navigator organizations -- that wishes to perform assister services for HBX for Fiscal Year 2019 (with option years) needs to apply. This announcement was published in the DC Register (<https://www.dcregs.dc.gov/Common/NoticeDetail.aspx?NoticeId=N0070916>), on the HBX website (<https://hbx.dc.gov/node/556702>), and through an email bulletin from the DC Office of Partnerships and Grant Services. Note that while in the past there were two programs – one for assisters and one for navigators, we have now merged the two programs. Applications are due to

HBX no later than 2:00 pm on Friday, June 22nd. We anticipate making awards to grantees by August 1st.

PRODUCER ADVISORY COMMITTEE: We are preparing materials (applications from candidates) for the Standing Advisory Committee to consider the candidates and make a recommendation to the Executive Board in time for the July Executive Board Meeting.

STATE BASED MARKETPLACES:

- On June 12 SBMs were in DC for meetings with leadership and key committee staff. The meetings went well.
- On June 1, SBMs, met with the Office of Management and Budget. We raised concerns with the proposed AHP rule, specifically its potential negative impact on state markets and issues with preemption.
- Also, former Kansas Insurance Commissioner Sandy Praeger and I have co-authored an OP-ED raising our serious concerns about AHPs. We are working now to get it published, but I wanted to give you a head's up.

CMS ANNUAL SMART AUDIT: The audit was submitted June 1 and posted on the HBX website.

DCHEALTHLINK.COM GLOSSARY: The Glossary has been changed to improve usability based on your feedback at the last Board meeting demonstration.

ENROLLMENT DATA: Data is available [here](#).

IX. Finance Committee Report, Henry Aaron, Chair

The Finance Committee met twice in June. The first meeting was with the District Office of Treasury (part of the Office of the Chief Financial Officer in the District) to further investigate investment opportunities that are available to us for our capital and operating reserve balances. That meeting was by phone and Ms. Watkins and myself participated along with HBX staff. Our second meeting was our regular monthly Finance Committee meeting on June 5th which was attended by Ms. Lewis and me, along with HBX staff.

INVESTMENT OF OUR CAPITAL AND OPERATIONAL RESERVES: Based on our discussion with Giulliano Camargos, Cash Investment Manager for the Office of Treasury for the District, we learned that while there are not a wide array of investment opportunities, there still are opportunities to obtain a higher yield, with negligible risk, on our capital and operational reserves than we are getting keeping the funds in a checking account.

After discussion with Treasury and on our own, the Finance Committee agrees – as does Ms. Kofman – that our capital reserve should be put into two year Treasury notes to receive a higher yield than other shorter term options. This option is a very safe one given that it is not our intent

to access those funds in the near future and our reserve policy calls for us to utilize the operational reserve before turning to the capital reserve.

For the operational reserve, we discussed laddering the investments, mixing six month and one year Treasury bills, and two year Treasury notes. This laddering would mean that investments would be coming to maturity every few months. In our estimation, this maximizes our yield, while preserving enough liquidity to address any need to access those funds. The Finance Committee did not finalize this decision as we are waiting for final information from Treasury on timing to access funds from different investment vehicles. Once we have that information, the Finance Committee will confirm the decision via email and then our HBX Chief Financial Officer will work with Treasury to move these investments forward.

PROCUREMENT APPROVAL: HBX staff presented a procurement for cloud hosting services for A&T Systems. As we reversed the order of our meeting, this procurement has already been discussed and voted on this evening.

CONSUMER CHECKBOOK OPTION YEAR REVIEW: Consumer Checkbook operates our DC Health Link consumer shopping tools – allowing customers to compare plans based on total out-of-pocket costs; research which plans their doctors participate in, and check on prescription drug coverage. These are important tools, but they are also costly – averaging approximately \$800,000 a year. Given the expense, when the Finance Committee and then the HBX Board approved the Consumer Checkbook Contract and option years, we asked that the Finance Committee receive a review of the service each year prior to HBX exercising the option year. Rob Shriver, HBX Staff, provided us that update this month. Mr. Shriver presented data that shows that the tools are being used more and more. And, with the recent expansion of Plan Match to Small Business customers in our SHOP marketplace, we expect to see further escalation in use this year. In addition, Rob reminded us that DC Health Link scored first out of all state based marketplaces – and the federal exchange – for our shopping tools in January 2017.

Equally important, Mr. Shriver reported that HBX has been able to negotiate reduced costs for this service from Consumer Checkbook. As a result of these negotiations, this year's contract should be lowered from \$890,000 to as low as \$763,800, with \$20,000 of those savings being dependent on HBX meeting development milestones that decrease costs to Consumer Checkbook's operations. Mr. Shriver also reported that HBX is on track to meet those deadlines. For next year's contract (10/1/18 – 9/30/19) we are forecasting a reduction from \$800,000 to as low as \$643,800, with \$30,000 of those savings being dependent on CareFirst providing a data feed to Consumer Checkbook with its nationwide doctor directory. We are still working with CareFirst to see if this saving can be achieved.

Given this report, the Finance Committee approved the option year contract. There is no action needed by the Board as the option year was approved pursuant to Finance Committee review in advance of it being implemented.

NAVIGATOR/ASSISTER GRANTS: As Ms. Kofman already reported in her Executive Director Report, we were updated on the issuance of the new navigator/assister grants.

FY 19 ASSESSMENT UPDATE: It is coming time for the assessment letters to be sent to health insurance carriers in the District. HBX staff provided us with an update that those letters will go out July 9th with an appeal filing deadline of August 23, 2018. Again, as a reminder, HBX lowered its carrier assessment this year from 1% to .9%. Based on the Department of Insurance, Securities and Banking, the estimated income from the assessment will be \$29.47 million. That is actually approximately \$340,000 less than the FY 19 assessment-based budget for HBX because the final DISB premium is lower than the projected number used to construct our budget.

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

X. Public Comment

No public comment was proffered.

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

The meeting was adjourned at 6:10 p.m.