



**Health Benefit Exchange Authority Executive Board Meeting  
MINUTES**

**Date:** Wednesday, July 18, 2018  
**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: 735 892 093

**Members Present:** Henry Aaron (via telephone), Nathaniel Beers, Diane Lewis, Kate Sullivan Hare, Khalid Pitts (via telephone), Tamara Watkins (via telephone)

**Members Absent:** Leighton Ku, LaQuandra Nesbitt, 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 five voting members present (Dr. Aaron, Dr. Beers, Ms. Sullivan Hare, Ms. Lewis and Mr. Pitts).

**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. Sullivan Hare, Ms. Lewis, and Mr. Pitts 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. Sullivan Hare, Ms. Lewis, and Mr. Pitts voting yes.

Ms. Lewis noted that due to August vacations, there will not be an August board meeting for HBX. The next regularly scheduled meeting will be on September 12, 2018.

As a reminder, the board voted at the June 13<sup>th</sup> meeting to hold Annual Executive Board Officer Elections on September 12, 2018, consistent with the HBX Executive Board by-laws. The positions that will be voted on are:

Chair  
Vice-Chair  
Secretary/Treasurer

We will take nominations on September 12<sup>th</sup>. 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.

Ms. Watkins entered the meeting via telephone.

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

**REMINDER:** We are not having an August Board Meeting. Our next Board Meeting will be Wednesday, September 12<sup>th</sup>. As always, information about our board meetings are posted on the HBX website at: [hbx.dc.gov](http://hbx.dc.gov).

**NEW STAFF ANNOUNCEMENT:** Ms. Kofman introduced Eliza Bangit, who has joined HBX as our Marketplace Innovation Policy and Operations Director. Eliza joins us from serving the last eight years in the US Department of Health and Human Services. She began there as part of the original ACA implementation team as the Deputy Director of the Consumer Support Group. There she managed a large team of 50 employees and directed and executed the development of policies, regulation, guidance and implementation strategies to strengthen access to affordable health insurance options. Eliza started with us on July 9, 2018 and we are excited to have her on the team.

**BUDGET SUPPORT ACT:** The Budget Support Act (BSA) was passed on second reading on June 26, 2018. That legislation includes the Individual Responsibility Requirement for the District as well as the extension of our independent procurement authority for an additional five years. The Emergency legislation was passed on July 10<sup>th</sup>. It is before the Mayor for her signature.

**CONGRESS AND THE DISTRICT'S LOCAL INDIVIDUAL RESPONSIBILITY REQUIREMENT:** The House Rules Committee is scheduled to meet on the appropriations bill that includes DC. At least two amendments have been filed at the Rules Committee in order to offer amendments on the floor to that bill that would prohibit District implementation of our local individual responsibility requirement. We are closely monitoring this and working with and supporting the efforts of the Mayor's team.

## **PROPOSED 2019 RATES:**

**FILED JUNE 1:** As a reminder: carriers filed proposed rates with DISB on June 1 for the 2019 Plan Year. Oliver Wyman, our outside actuaries, has been reviewing the filings. The Insurance Committee will be brief by Oliver Wyman.

**AUGUST DISB RATE REVIEW HEARING:** Commissioner Taylor plans to hold a second rate hearing on 2019 proposed rates. It is currently scheduled for Tuesday, August 14<sup>th</sup>. We will be alerting our enrollees of this opportunity to testify.

## **FEDERAL ACTIONS:**

**RISK ADJUSTMENT PAYMENTS FOR 2017:** On Saturday, July 7<sup>th</sup>, the Trump Administration announced a freeze on federal risk adjustment payments for the 2017 plan year. (See my email for additional details). This is another example of federal actions that cause substantial uncertainty and risk – in other words drive premiums up and cause some insurers to leave markets due to the uncertainty.

**NAVIGATOR FUNDING:** The Trump Administration is reducing funding for navigators in states that use Healthcare.gov to \$10 million total spending -- down from \$36 million for the last open enrollment, and \$63 million prior to that. This will impact enrollment especially in communities that navigators serve -- underserved communities and minority communities in states. In addition, the Administration is pushing Navigators in FFM states to promote non-ACA coverage options – like short term limited duration plans and association health plans – or junk insurance as many people refer to those products. This ongoing federal assault is yet another example of the importance to the District that its leaders chose to implement a state based marketplace where we can avoid the negative impact of many of these decisions. In DC, we are continuing our same level of funding as in prior years and DC Health Link Navigators assist residents with comprehensive quality health insurance coverage and Medicaid.

**AHP UPDATE:** The U.S. Department of Labor published the final association health plan regulation on June 21, 2018. The final regulation becomes effective on August 20, 2018, but the provisions will be phased in as follows: Effective September 1, 2018 for fully-insured AHPs; effective January 1, 2019 for existing self-funded AHPs; effective April 1, 2019 for new self-funded AHPs. The Department largely finalized the regulations as proposed, with a few minor modifications. The impact here and in every state will be negative and significant.

**AWS CITY ON A CLOUD INNOVATION AWARD WINNER:** I am pleased to announce that HBX won AWS's Best Practices in Innovation Award by Large Government. Although this is the second time we won (the first was in 2016), this year there was only one winner in this category.

**STRATEGIC PLANNING SUMMIT FOR UPCOMING OPEN ENROLLMENT:** On July 10, 2018, HBX convened the Annual DC Health Link Strategic Planning Summit in preparation for the sixth (6<sup>th</sup>) open enrollment period. This day-long working meeting brought together DC Health Link assisters, community advocacy groups and small business partners. The goal of the

meeting was to brainstorm and strategize about the next open enrollment period. At the summit, leadership from the Mayor's office presented information outlining resources available through their respective offices, highlighted some of the Mayor's relevant initiatives and identified ways in which their offices could partner with HBX to maximize outreach during the upcoming open enrollment period. Staff from the Council and the national advocacy organization for young adults, Young Invincibles, also presented. The theme that emerged: need to shape culturally relevant messaging that speaks personally and directly to residents.

**SHOP FOCUS GROUPS:** HBX will conduct focus group research Thursday, July 26th. In particular, the focus will be on small business owners, their employees and brokers around the issues of plan choice, SHOP services and messaging. The goal of this research is to test messages and determine which will have the greatest impact to motivate business owners (decision makers) and brokers to offer plan choice. In addition, we will explore knowledge of plan choice options, barriers and motivations to choosing plan choice options, and check in on any "pain-points" they encounter while using DC Health Link.

**PRODUCER ADVISORY COMMITTEE APPOINTMENTS:** The process of reviewing applicants is ongoing. Once the Standing Advisory Board concludes its review and makes recommendations, you will be asked to consider and approve them. We believe the recommendations will be ready for the September meeting.

**CARRIER ASSESSMENT FOR PLAN YEAR 2019:** DISB on our behalf sent assessment letters to carrier on July 9, 2018. Payment is due by August 20<sup>th</sup>. The Appeal deadline is August 23<sup>rd</sup>.

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

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

The Finance Committee met Monday July 9<sup>th</sup> by phone with HBX Staff. Ms. Lewis, Ms. Watkins and myself were all present.

**INVESTMENT OF OUR CAPITAL AND OPERATIONAL RESERVES:** As reported last month, we are moving forward with investing both our capital and operating reserves. Our HBX CFO, Kara Onorato is finalizing account set ups with the Treasury Department and then the funds will be invested. Again, the capital reserve will go into two year Treasury notes as we do not intend to access those funds in the near future. And, we will ladder investments in the operational reserve, mixing six month, one year, and two year Treasury bills and notes. This 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.

**UPDATE ON A PREVIOUS PROCUREMENT:** Last June 2017, we approved a Cloud Security contract with SIRC that included a base year and four options years. HBX staff updated

us that they have been able to negotiate a reduced price for Option Year one, which started July 3, 2018. They negotiated a 34% reduction to the annual cost: from approximately \$854,000 to \$562,000. This reduction is possible because of HBX's ability to take work in-house on the IT side through the hiring of FTEs. This is also a contract where we share costs with Massachusetts.

**PROCUREMENT APPROVAL:** HBX staff presented us with a contract for premium aggregation services for the SHOP Marketplace for NFP. It is for a base year and four option years. Each year is not to exceed \$742,980, which is a reduction of \$111,000 from current cost. Both DC and MA share in these savings. This is a sole source contract. Sole source is necessary because HBX has invested significant dollars into customizing its system and developing additional customizations to NFP's system, to accommodate our business needs. Additionally, NFP is providing premium aggregation services to the Massachusetts Health Connector as part of our shared services arrangement with the Commonwealth of Massachusetts for their SHOP. This shared services arrangement has generated cost savings for DC and for MA. Finally, the Massachusetts Health Connector has just converted all MA small businesses onto the shared SHOP platform developed by HBX. A continuity of premium aggregation services by NFP for the new small businesses is vital to minimize risks of this deployment. Ms. Kofman will present more details of this later today, so I will stop by noting that Finance Committee approved this procurement.

**DC HEALTH LINK ASSISTER GRANT AWARDS AND BUSINESS PARTNER**

**AWARDS:** HBX staff presented us with the grant proposals for Assisters and the Business partners. The Committee approved the grant recommendations. Ms. Kofman will review these in greater detail later in this meeting.

**IT DEVELOPMENT UPDATE:** Jason Sparks, HBX CIO provided an update on the progress of ongoing IT development over the course of this fiscal year along with expectations for what should be completed by its end and provided an update on spending to date. We are under budget for IT development spending this year and if funds are not expended fully, they will contribute to development next year. I will note that the IT Committee received a more detailed briefing on this topic as well.

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

**VI. Discussion Items**

- a. FY 19 Assister Grants– *Mila Kofman, Executive Director*

Ms. Kofman we have \$650,000 in the budget for Assister grants. (The term "assister" also includes navigators.) A solicitation was issued; the responses were reviewed by a review panel (it included a person from a sister agency in addition to HBX staff). The recommendations of the review panel went to the Marketing Committee, then the Finance Committee. Both committees approved the recommendations, which are as follows:

- Community of Hope, \$110,000
- La Clínica del Pueblo, \$75,000
- Leadership Council for Healthy Communities, \$135,000
- Mary’s Center, \$80,000
- Whitman-Walker Health, \$250,000

b. FY 19 Business Partner Grants – *Mila Kofman, Executive Director*

Ms. Kofman said that HBX wanted to continue its business partnerships, and the recommendation for grants is as follows:

- DC Chamber of Commerce, \$120,000
- Greater Washington Hispanic Chamber of Commerce, \$165,000
- Restaurant Association of Greater Washington, \$15,000

All three have been our partners since 2013 and have been very helpful in education, outreach and enrollment. These recommendations were approved by the Marketing Committee and the Finance Committee.

c. Premium Aggregation Contract, NFP—*Mila Kofman, Executive Director*

Another contract was approved by the Finance Committee and is ready for Board approval. NFP Health does our premium aggregation work, which function is required by the ACA. Small businesses receive one bill, no matter how many carriers the business allows its employees to choose. NFP Health sends the bills to the small employers. The request is for a one year contract, plus four option years. We were able to negotiate a lower amount for the new contract. NFP Health also performs premium aggregation work for our Massachusetts Health Connector client. The amount requested for both HBX and MA \$742,980. The HBX portion is approximately \$426,000 and the MA portion is approximately \$318,000.

**VII. Public Comment**

Mr. Pitts, as Chair of the Marketing Committee, offered his compliments to Linda Wharton-Boyd, HBX Director of Communications & External Affairs and her team for their excellent work on the Assister and Business Partners partnerships. He also underscored the importance of outreach to underserved communities.

No public comment was proffered.

## **VIII. Votes**

### a. FY 19 Assister Grants

It was moved and seconded to approve FY 19 Assister Grants as outlined above. The motion carried unanimously, with Dr. Aaron, Dr. Beers, Ms. Sullivan Hare, Ms. Lewis, Mr. Pitts and Ms. Watkins voting yes.

### b. FY 19 Business Partner Grants

It was moved and seconded to approve FY 19 Business Partner Grants as outlined above. The motion carried unanimously, with Dr. Aaron, Dr. Beers, Ms. Sullivan Hare, Ms. Lewis, Mr. Pitts and Ms. Watkins voting yes.

### c. Premium Aggregation Contract, NFP

It was moved and seconded to approve Premium Aggregation Contract, NFP as outlined above. The motion carried unanimously, with Dr. Aaron, Dr. Beers, Ms. Sullivan Hare, Ms. Lewis, Mr. Pitts and Ms. Watkins voting yes.

## **IX. Public Comment**

No public comment was proffered.

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

The meeting was adjourned at 6:12 p.m.