



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

Date: Wednesday, September 12, 2018
Time: 5:30 PM
Location: 1225 Eye Street NW, 4th Floor, Board Conference Room
Call- in Number: 1-650-479-3208; access code: 732 641 462

Members Present: Nathaniel Beers (via telephone), Kate Sullivan Hare (via telephone), Leighton Ku, Diane Lewis, Khalid Pitts, Tamara Watkins (via telephone)

Members Absent: Henry Aaron, LaQuandra Nesbitt, Stephen Taylor, 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 (Ms. Sullivan Hare, Dr. Ku, Ms. Lewis and Mr. Pitts).

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

Ms. Lewis stated that the draft agenda needed to be amended to include a new item, the Marketing & Consumer Outreach Committee Report. It was moved and seconded to approve the amended draft agenda. The motion carried unanimously, with Ms. Sullivan Hare, Dr. Ku, Ms. Lewis and Mr. Pitts voting yes.

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

It was moved and seconded to approve the minutes of July 18, 2018. The motion carried unanimously, with Ms. Sullivan Hare, Dr. Ku, Ms. Lewis and Mr. Pitts voting yes.

IV. Annual Board Officer Elections

- a. Nominations and Votes for Chair, Vice-Chair, Secretary-Treasurer of Executive Board

Purvee Kempf, General Counsel & Chief Policy Advisor, stated that as a reminder, the board voted at the July 18th board 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 today are:

Chair
Vice-Chair
Secretary/Treasurer

The by-laws allow for any HBX voting board member to make nominations, including nominating themselves. Non-voting members are permitted to make nominations of voting board members. In order to be considered for the vote, a nominated voting member must accept the nomination. Once all nominations and declinations for a position are complete, there will be vote for each position. Elections for each officer shall be made by majority vote. Abstentions are not permitted.

Starting with the position of Chair, any nominations? Dr. Ku nominated Diane Lewis for another term as President. Ms. Lewis accepted the nomination. There were no other nominations.

Ms. Kempf stated that since abstentions are not permitted and there is only one nominee, this will be recorded as a unanimous vote for Diane Lewis for President.

Ms. Kempf asked for nominations for the position of Vice-Chair. Ms. Lewis nominated Henry Aaron for another term as Vice-President. Ms. Kempf stated that since Dr. Aaron could not join today's board meeting, consistent with HBX bylaws, he provided acceptance of this nomination in writing through an email on September 8th stating, "I am willing to re-up for vice-chair." Ms. Kempf stated that since abstentions are not permitted and there is only one nominee, this will be recorded as a unanimous vote for Henry Aaron for Vice-President.

Ms. Kempf asked for nominations for the position of Secretary/Treasurer. Dr. Ku nominated Khalid Pitts for another term as Secretary/Treasurer. Mr. Pitts accepted the nomination. There were no other nominations.

Ms. Kempf stated that since abstentions are not permitted and there is only one nominee, this will be recorded as a unanimous vote for Khalid Pitts as Secretary/Treasurer.

V. Executive Director Report, Mila Kofman, Executive Director

BUDGET SUPPORT ACT: The Mayor signed the Budget Support Act (BSA) on September 5th. The BSA includes the individual responsibility requirement and the renewal of HBX independent procurement authority for an additional five years.

CONGRESS AND THE DISTRICT'S LOCAL INDIVIDUAL RESPONSIBILITY REQUIREMENT: Since we last met, the House passed two riders as part of the DC

Appropriations bill that would limit local implementation of the District's individual responsibility requirement. The legislation then moved to the Senate. The Senate completed action on the Omnibus appropriations bill that included DC Appropriations. While Senator Cruz offered an amendment to prohibit implementation of the District's individual responsibility requirement, the amendment was tabled through bipartisan agreement. In other words, the Senate appropriations bill does not include any restrictions on the District implementing its own individual responsibility requirement. We anticipate that the appropriations bill will be incorporated into a continuing resolution. We are monitoring the issue closely.

OPEN ENROLLMENT REMINDER: Our open enrollment is November 1, 2018 – January 31, 2019. Earlier this summer, HBX was the first state based marketplace to announce that we will continue a three month open enrollment period – even though the federal marketplace reduced theirs to six weeks.

PROPOSED 2019 RATES: The Executive Board Insurance Committee was briefed in July by HBX outside actuaries from Oliver Wyman. In addition, Commissioner Taylor held a second public rate hearing on 2019 proposed rates on Tuesday, August 14th. Ms. Kofman testified at the hearing. The Insurance Committee provided input for that testimony. Although our outside actuaries from Oliver Wyman indicated that certain rate increases are actuarially justified, we advocated for lower rates based on public policy concerns that premiums will be unaffordable, healthy people will drop coverage, and the risk pool will be more expensive for everyone else. We did not make specific rate recommendations but encouraged Commissioner Taylor to consider public policy in addition to actuarial justifications. Testimony is posted at: <https://hbx.dc.gov/release/mila-kofman-testimony-plan-year-2019-proposed-health-insurance-rates>

In addition, we sent out numerous emails to our customers alerting them to the hearing and encouraging them to testify. Between 15-20 members of the public testified (mostly DC Health Link enrollees and two brokers). Residents who testified indicated that they support the ACA and the City's efforts to defend it but oppose the proposed increases.

I want to applaud Commissioner Taylor for holding public hearings. Last year was the first ever and this year Commissioner Taylor held two. Final rates for Plan year 2019 are expected to be announced later this week.

CENSUS DATA: Ms. Kofman asked Dr. Ku to give a brief overview of the new Census Bureau report. Dr. Ku reported that the Census Bureau had released new health insurance and income and poverty data earlier in the day. Generally speaking, it presents status in 2017. At the national level, income is up and poverty is down, but health insurance coverage rates have stalled. For the District, the rate held steady. We are second or third among the states in the lowest rate of [uninsured](#); Massachusetts is in first place and DC and Hawaii are second/third. Other data include that the states that expanded Medicaid are in better shape in that regard than the states that did not expand Medicaid.

CHILD AND MATERNAL HEALTH SUMMIT: Mayor Bowser convened this first summit to focus on child and maternal health. Other mayors from around the country attended and conveyed what was being done in their cities. Local experts from around the country held panels to discuss what was working in their communities. Ms. Kofman reported that the experience was energizing and motivating, and that HBX would be looking at ways we can help with the effort.

PR AWARDS FINALISTS: These are annual communications awards recognizing outreach and media and communications strategies, sponsored by PR News. HBX is a finalist in platinum PR agency elite award category for multicultural campaign. The winner will be announced in late September. For PR News Healthcare Communications awards, we have been named a finalist in the following categories: community relations; cause-related marketing; event marketing; and PR News WOW award. These categories will be awarded in late October. She congratulated Dr. Linda Wharton-Boyd, Director, Communications & External Affairs, and her team for their accomplishments.

UPDATE ON FEDERAL RISK ADJUSTMENT PAYMENTS FOR 2017: In early summer CMS announced it was halting federal risk adjustment payments for 2017 because of a ruling on a New Mexico court case. Subsequently, CMS published an interim final rule and announced it will resume risk adjustment payments.

FEDERAL LAWSUIT UPDATES:

- **TX LAWSUIT TO INVALIDATE ACA:** Twenty Republican State Attorneys General brought a legal action in Texas challenging the validity of the ACA based on the fact that Congress zeroed out the individual responsibility requirement. Seventeen Democratic State Attorneys General (including Karl Racine) are defending the ACA. The Trump Administration is siding with the Republican Attorneys General looking to strike down the ACA and all consumer protections under the ACA. The hearing was last week. A ruling is expected this fall.
- **AHP LAWSUIT:** Democratic state Attorneys General (with DC as one of the lead states) filed a lawsuit against the U.S. Department of Labor to challenge the association health plan final regulation. The legal challenge asks the court to strike down the regulation on several grounds, including that the regulation is contrary to law, the regulation unlawfully attempts to override the ACA market structure, and the regulation is arbitrary and capricious. On August 23, 2018, the state AG's filed a Motion for Summary Judgment, with supporting declarations from numerous experts, including from Executive Director Kofman and Commissioner Taylor.

SHOP FOCUS GROUPS: HBX conducted focus group research. The three focus groups included small business owners, employees of small businesses, and brokers. Mike Perry, from PerryUndem, will present findings later at this meeting.

PRODUCER ADVISORY COMMITTEE APPOINTMENTS: The Standing Advisory Board met in August and is making recommendations to the Executive Board for new appointments to

the Producer Advisory Committee. Thanks in advance to Chris Gardiner, Chair of the Standing Advisory Board, who has joined us for that business tonight.

NEW STAFF: Marjorie Edmonds is our new interim CFO.

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

VI. Finance Committee Report, *Diane Lewis, Finance Committee Member*

The Finance Committee did not meet in August because the August Board Meeting was cancelled. We last met on Thursday, September 6th by phone with HBX Staff. Tamara, Diane and I were all present.

NEW INTERIM CFO: We had our first introduction to Marjorie Edmonds who is the Interim CFO and welcomed her to the team.

INVESTMENT OF OUR CAPITAL AND OPERATIONAL RESERVES: We are pleased to report – as we’ve been updating the Executive Board for some time on this – that the Operational and Capital Reserves are now invested as directed by the Finance Committee. Again, the capital reserve of \$5 million is fully invested in two-year Treasury notes as we do not intend to access those funds in the near future. We laddered the investments in the operational reserve of \$25,890,950: mixing six month, one year, eighteen month, and two year Treasury bills and notes. This means that investments will be coming to maturity every six months. In our estimation, this maximizes our yield, while preserving enough liquidity to address any need to access those funds. Treasury invested the maximum amount allowable, based on the unit price as of August 24. The remaining funds are invested in liquid interest bearing accounts. For the Capital Reserve, that amount is approximately \$4,700; for the Operational Reserve it is approximately \$185,000.

PROCUREMENT APPROVAL: HBX staff presented us with a contract for Metro Bus ads for FY 19. These are the Individual Market Open Enrollment Bus Ads as well as the SHOP ads which run later in the year. The procurement amount is almost the same as last year and maintains our same advertising presence. Mila will present more details of this later today, so I’ll stop by noting that Finance Committee approved this procurement.

FY 19 ASSESSMENT UPDATE: FY 19 ASSESSMENT UPDATE: HBX staff updated us on collection of the assessment for Plan Year FY 19. As previously reported, assessment letters were mailed to carriers on July 9th, 2018 and payment was due by August 20, 2018. As of August 29th, \$26,667,824 has been collected of the \$29,477,334 that was assessed. That leaves us with approximately \$2.8 million outstanding and HBX will work with DISB, who conducts the assessment collection for us, to pursue those outstanding funds. Carriers also have the right to appeal assessments. Appeals were due by August 23. We’ve had 16 appeals, 4 of which were late and did not receive decisions on the merits. The appeal process is not yet completed, but to date, HBX has issued decisions that will result in \$33,631.81 in refunds and we’ll report back next month with what should be a final number on refunds issued for the year.

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

VII. Marketing & Consumer Outreach Committee Report *Khalid Pitts, Chair*

Mr. Pitts thanked Dr. Wharton-Boyd for her help in energizing the committee and getting committee members involved in more outreach activities. The committee meets regularly with staff to discuss issues:

- Working with staff during the enhancement of the online glossary
- Participating in the small business partner grantee process
- Participating in biannual review of small business partner grantees
- Receiving and reviewing monthly small business activity reports

Committee members have been invited to numerous activities including the open enrollment period 6 (OE6) strategic planning summit and the recent focus groups with employers, employees and brokers. The outreach and enrollment strategic plan for OE 6 will be presented at the next board meeting.

Finally, the committee is proud that DC HBX is being recognized by PR News as a finalist in a number of categories.

VIII. Discussion Items

a. Producer Advisory Committee Membership – Chris Gardiner, Chair, Standing Advisory Board

Mr. Gardiner stated that as a reminder, the HBX Executive Board assigned the responsibility of recommending candidates for the three standing advisory committees to the Standing Advisory Board. Those committees have two-year terms, or members serve until new selections are made. Per resolution by the Executive Board, committee membership must be at least seven and not more than 11. Until now, we had not updated their memberships.

Today, we have before you a resolution for a new slate of participants for the Producer Advisory Committee – which is the standing committee that provides input on issues impacting brokers and general agents. The Standing Advisory Board also voted on a Chair and Vice Chair of the Committee.

With regard to participation in the Producer Advisory Committee, HBX staff posted and circulated the notice and application for participation on the Producer Advisory Committee this summer. In addition, outreach was done to the broker, general agent, health plan, and consumer advocacy community as well – as it is important to have broad

representation among those groups on the committee. Finally, past involvement with HBX was considered as a factor in consideration for committee membership.

The Standing Advisory Board voted unanimously on the following slate of participants for the Producer Advisory Committee, including Chair and Vice Chair as I will note:

- Yodit Abebe, Community of Hope
- Ben D’Avanzo, Asian & Pacific Islander American Health Forum
- Cheryl Fish-Parcham, Families USA
- Sheebani Patel, Kaiser Permanente
- Nabila Rahman, CareFirst
- Ileana Jarrin, Crawford Advisors
- Tamara Pearsall, Employee Benefits Corporation of America
- Lee Bethel, Comprehensive Benefit Services Inc. (Chair)
- Stephanie Cohen, Golden & Cohen
- Margarita Dilone, Crystal Insurance Group Inc.
- Janet Trautwein, National Association of Health Underwriters (Vice Chair)

b. FY 19 Metro Bus Ads – *Mila Kofman, Executive Director*

Ms. Kofman stated that every year, HBX has ads on Metro busses, both inside and outside the busses, and also digital ads. This year, the total proposed to be spent is \$355,356.50. The proposal was first reviewed by the Marketing & Consumer Outreach Committee for input, and then was approved by the Finance Committee. It is within our approved budget. We have found bus ads to be an effective way of reminding residents and business in the District of open enrollment, and they effectively cement our brand. As a reminder, there is only one firm through which to place Metro ads.

c. DC Health Link SHOP Focus Group Presentation – *Mike Perry, Partner, PerryUndem*

Mr. Perry’s presentation is available [here](#).

IX. Public Comment

No public comment was proffered.

X. Votes

a. Resolution -- Producer Advisory Committee Membership

It was moved and seconded to approve Producer Advisory Committee Membership as outlined above. The motion carried unanimously, with Dr. Beers, Dr. Ku, Ms. Lewis, Mr. Pitts and Ms. Watkins voting yes.

b. FY 19 Metro Bus Ads

It was moved and seconded to approve FY 19 Metro Bus Ads as outlined above. The motion carried unanimously, with Dr. Beers, Dr. Ku, Ms. Lewis, Mr. Pitts and Ms. Watkins voting yes.

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

The meeting was adjourned at 6:49 p.m.