



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

Date: Wednesday, February 13, 2019
Time: 5:30 PM
Location: 1225 Eye Street NW, 4th Floor, Board Conference Room
Call- in Number: 1-650-479-3208; access code: 730 599 017

Members Present: Henry Aaron, Nathaniel Beers, Leighton Ku, Diane Lewis, Khalid Pitts (via telephone)

Members Absent: LaQuandra Nesbitt, Stephen Taylor, Wayne Turnage, Tamara Watkins, 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, Dr. Ku, Ms. Lewis).

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, Dr. Ku, and Ms. Lewis voting yes.

III. Approval of Minutes, Diane Lewis, Chair

It was moved and seconded to approve the minutes of December 12, 2018. The motion carried unanimously, with Dr. Aaron, Dr. Beers, Dr. Ku, and Ms. Lewis voting yes.

Announcing Ms. Sullivan Hare's Departure, Diane Lewis, Chair

Ms. Lewis announced that Kate Sullivan Hare has resigned from the HBX Executive Board after serving more than six years. Ms. Lewis thanked Ms. Sullivan Hare for her significant contributions to the board.

- She joined the board in July of 2012 as one of its original members and was reappointed by the Mayor in 2014, a term she just completed.
- Those were the days of working board members and she certainly did her part.
- She chaired the Plan Offerings and Benefit Standardization Working Group, the Health Plan Quality Working Group, and has been actively involved in the Standard Plans Working Group, specifically ensuring the offering of popular plan designs such as HSA compatible plans.
- She also served on the Executive Board Insurance Market Committee, IT Infrastructure and Eligibility Committee, and Marketing and Consumer Outreach Committee.
- She offered a strong consumer and small business perspective, having enrolled through DC Health Link on the SHOP side.
- We thank for her significant contributions getting HBX and DC Health Link up and running on a strong policy foundation.

Ms. Lewis stated that Board members will miss her as a fellow Board member and wish her the best in her new endeavors.

Ms. Sullivan Hare said she has taken a position with the Association of Clinical Endocrinologists that required her to leave the Board as per the enabling statute. She and her husband will continue with their coverage through DC Health Link. She enjoyed her service on the Board and will miss the interaction with fellow Board members.

Ms. Kofman offered her heartfelt gratitude to Ms. Sullivan Hare for all her contributions to HBX.

IV. Executive Director Report, Mila Kofman, Executive Director

Mr. Pitts entered the meeting via telephone.

OPEN ENROLLMENT UPDATES

Open enrollment is now closed. We ended this open enrollment slightly behind last year for new customers. This fact is consistent with many other state-based market places. This year we had 5,075 new customers compared to 5,486 last year. Anecdotally we heard from brokers and assisters that the proposed public charge rule had a chilling impact on immigrant families.

OPEN ENROLLMENT EXTENSION: We extended open enrollment through Wednesday, Feb. 6th at 11:59 PM. We did this in part due to bad weather and in part to longer than typical wait times at our call center. Coverage will start March 1 for people who enrolled after Jan 15. In addition to a press advisory, we partnered with Red Rocks Pizza again for Super Bowl Sunday pizza deliveries to include a DC Health Link enrollment message. We had assisters at the Mayor's Monday, Feb 4th Wilson Building Open House, Washington English Center, at several DMV locations, and had additional One Touch Enrollment sessions at Carlos Rosario.

The Office of Tax and Revenue also tweeted about our extended open enrollment deadline. In addition, OTR crafted a short blog directed at tax preparers to alert their clients to the extension. (<https://mytaxdc.wordpress.com/2019/02/05/dc-health-link-2019-open-enrollment-extended-to-1159pm-wednesday-february-6-dont-delay-enroll-today/>) We will also be coordinating with OTR to help message on the District's new individual responsibility requirement – including our proposed SEP that is before the Board this evening for your consideration.

OTHER INDIVIDUAL MARKET OPEN ENROLLMENT OUTREACH UPDATES:

- **DC HEALTH LINK JINGLE:** We have a new DC Health Link jingle that we used in radio ads and social media. We have used it in ads on WPGC, CBS Radio and Wash FM. These ads ran in late January and during the extension. We also used the jingle in a TV ad.
- **OUTREACH TO SMALL BUSINESS POINTS OF CONTACT:** On January 15, we sent an email from me to all our Small Business Points of Contacts (20,622 recipients) offering to help enroll employees who do not qualify for their group health plan. We had a 21% opened and 11% clicked through rate.
- **POSTCARDS:** In late January, we sent approximately 18,000 postcards to a list of likely uninsured residents to encourage enrollment by the January 31 deadline.
- **MEDIA APPEARANCES:** During the final push, our team generated one TV appearance for me: “Good Morning Washington” on WJLA 24/7: <https://wjla.com/features/good-morning-washington/protecting-every-opportunity-for-district-residents-to-obtain-affordable-health-insurance;and-two-radio-interviews>.

CONGRESSIONAL ENROLLMENT: We held two enrollment fairs in the House of Representatives in January to assist new Members and their new staff. These fairs were organized by the personnel office in the House.

DENTAL INSURANCE: We ran ads for dental insurance on and in buses. In addition, we added information about dental insurance to flyers used for other open enrollment events.

FEDERAL SHUTDOWN UPDATE: While federal government has reopened, there are District residents and small businesses who continue to be impacted by the longest federal government shutdown in America's history. Some District residents who are federal contractors or work in service industries like restaurants and hotels had a permanent loss of income. We worked with all of our health plans to do everything we can to help people keep their health coverage. Health plans agreed not to cancel insurance of current customers because of nonpayment. We are working with the health plans and we will review on a case-by-case basis. In addition, for SHOP, we are monitoring nonpayment and will be contacting each business directly. Based on our January 16 report of nonpayment of January premiums by employers, we know there are over 300 businesses that did not pay their January premium. Businesses still have time to pay. The ones who do not pay, we will be reaching out to figure out if the non-payment is due to the federal government shut down and will work with business to help them keep their coverage.

Dr. Ku appreciated that the staff and health plans stepped up to help people who were adversely affected by the shutdown.

Note that we attended Congresswoman Norton's town hall meeting and had assisters there to help affected people enroll. Additionally we are participating in the Mayor's cross-agency initiative to assist residents and businesses impacted by the shutdown.

We are also monitoring the current status and will be prepared to assist if there is another shutdown.

DISB NETWORK ADEQUACY PROPOSED RULE: In December 2018, DISB published a proposed rule on network adequacy. Because this is in ongoing rulemaking, we are not asking Commissioner Taylor to discuss unless it is appropriate per his assessment.

Note that HBX has taken several actions in this area. Network Adequacy was one of the original working groups in 2013 and was chaired by Diane Lewis. That group recommended that for the first year, attestation by plans that they meet the five key ACA requirements, but then over the next two years, HBX would work to develop District-specific standards. That work proceeded through the Executive Board Insurance Market Committee where recommendations were made to update QHP certification standards on network adequacy that specifically addressed provider network adequacy and provider directories and the HBX Board passed a resolution to this effect. Then, in August 2016, the HBX Board passed a resolution encouraging the District to enact the NAIC Network Adequacy Model Act with modifications to meet District needs. The HBX Board adopted this resolution based on consensus recommendation by the Standing Advisory Board. Note that to have District-wide standards applicable to all markets, e.g. large group, regulatory and/or legislative action is necessary beyond our actions with certification of health plans.

The NAIC model, which the Standing Advisory Board considered, addresses many issues including surprise billing and was agreed to by many stakeholders including consumers, providers, and health plans.

After the NAIC adopted its network adequacy model, DISB established a working group of diverse stakeholders to work through details. We are standing ready to assist DISB as it moves forward, including assisting with any necessary legislative changes needed if there are areas not within DISB's rulemaking authority.

LEGISLATIVE UPDATE ON THE HEALTH INSURANCE MARKETPLACE

IMPROVEMENT ACT OF 2018: This legislation was developed by DISB and HBX to ensure that consumer protections applicable to short term limited duration plans and association health plans are codified to protect District residents from these junk plans. Mayor Bowser signed permanent bill on January 23, 2019. It is still undergoing Congressional review with a projected law date of April 4, 2019.

DC'S INDIVIDUAL RESPONSIBILITY REQUIREMENT: To help educate residents, our notices to customers for 2019 renewals included information about the new law; I've had several press interviews discussing how our law works and mentioned it during the most recent TV interview (WJLA); we are coordinating with the Office of Tax and Revenue to help educate Tax Preparers who are a key source of information for customers; we also have a proposed Special Enrollment Period that is on the agenda for the Board meeting that will enable customers to avoid paying a penalty if they act quickly this year.

UPCOMING COUNCIL HEARINGS: Our annual performance oversight hearing before the Health Committee is scheduled for Tuesday, February 19th at 1:30 pm. Our annual budget hearing has also been tentatively scheduled for 1:30 pm, Tuesday, April 23rd. Ms. Lewis always joins me at the Budget Hearing to provide testimony as well.

FEDERAL ISSUES:

COMMENTS TO FEDERAL REGULATIONS: Since the December Board meeting, we have submitted comments on: 1332 Waiver Proposed Guidance; Health Reimbursement Arrangements Proposed Regulation; and Program Integrity Proposed Regulation, including a proposal for separate invoicing for non-Hyde abortion services.

NEW FEDERAL PROPOSED REGULATIONS:

- **AV Calculator:** CMS issued proposed 2020 Actuarial Value Calculator and Methodology on January 17, 2019. The delay in issuing has made it more difficult for health plans across the country to prepare for products for 2020 and for our working group to update the standardized plans to comply with AV requirements.
- **Annual Notice of Benefit and Payment Parameters for 2020:** CMS published the proposed rule on January 24, 2019. Comment period ends February 19, 2019. The Administration is soliciting comments on auto-renewal indicating possible regulations in the future (2021) that could limit or end auto-renewal in the individual market. We will oppose that proposal strongly. Nowhere in any insurance product is a person required to do anything to auto-renew, as long as premiums are paid. Dr. Ku said he would be happy to send out a notice and get people to comment against the proposal.

SBM MARKETPLACE DIRECTORS: In early March, state-based marketplace directors will hold a meeting in Washington, DC to collaborate as we do each year. This meeting will include visits with the Administration (HHS, CMS, etc.) as well as visits to Capitol Hill to meet with Majority and Minority staff.

COURTS: On January 24, 2019, the United States District Court for the District of Columbia heard arguments in the matter of *State of New York et al. v. United States Department of Labor et al.* related to the U.S. Department of Labor's Association Health Plan regulations. The state of New York, representing the 12-state coalition, which includes the District of Columbia, argued that the AHP regulations are contrary to law and that the regulation should be struck down. The

parties asked for a decision to be issued as quickly as possible, with New York arguing that the longer the regulation is allowed to remain in force, the more harm can result to the states and their markets.

PR AWARD: In January, our own Linda Wharton-Boyd was recognized as a finalist for PR News' "Top Women in PR".

V. Finance Committee Report, Henry Aaron, Chair

As a reminder, although we have moved our board meetings to an every other-month schedule for 2019, the Finance Committee is still meeting each month. The Committee met on January 18 and February 7. Diane, Tamara and I all participated in both meetings.

CAFR AUDIT: We were briefed by the auditors who conducted the city's "Comprehensive Annual Financial Report" for FY 18. HBX received a clean audit and so I do not think much more needs to be said. HBX publicly posts these audits on the website as well at www.hbx.dc.gov.

INVESTMENT REVIEW: We also got an investment review from our CFO, Marjorie Edmonds. As of December 31, 2018, we've collected approximately \$121,000 in interest and our initial 6-month Treasury Bill will mature and be converted into a two-year Treasury note. Once that happens, we'll have investments maturing every six months just as we had planned. We have collected about \$121,000 in interest from the Treasury bills and notes.

IT BUDGET REVIEW: In both January and February the Finance Committee spent significant time reviewing the IT development budget with staff. We will continue to monitor this closely with the help of HBX staff to ensure spending remains as planned.

CONTRACT APPROVALS: In February, the Finance Committee reviewed and approved the following contracts for consideration by the Executive Board this evening. As they will be discussed in detail later, my description is intentionally brief.

Carahsoft/Salesforce licenses: This is the annual purchase of our software licenses through which we manage our customer assistance. This is a contract we cost share with DHCF as we have some shared licenses and we get a volume discount by merging our purchases.

CBE IT Vendors: There are two CBE contracts before you for approval this evening: Networking for the Future and New Light Technologies. These are the CBE firms that do both our IT Operations and Maintenance and Development work and do this work on behalf of Massachusetts as well.

FINANCIAL REVIEW: The Finance Committee reviewed the monthly budget and spending report each month and the Purchase Order reports and found nothing of concern.

VI. Discussion Items

- a. Time-limited SEP related to the District of Columbia's new Individual Responsibility Requirement – *Claire McAndrew, Vice Chair, Standing Advisory Board*

PROCESS BACKGROUND: As a reminder, the HBX Executive Board has tasked the Standing Advisory Board with review and first consideration of staff proposals to create new Special Enrollment Opportunities when warranted. The Standing Advisory Board (SAB) was presented this staff-proposed special enrollment period (SEP) in a public meeting on January 30, 2019 and voted unanimously in support of forwarding this SEP to the HBX Executive Board for your consideration -- and hopefully passage.

BACKGROUND ON THIS SEP: The Federal government effectively repealed the federal individual responsibility requirement in *the Tax Cuts and Jobs Act of 2017*. Much media attention focused on that repeal.

Then, in order to fill the void left by the federal government and to maintain lower premium increases, the District of Columbia implemented its own local individual responsibility requirement that became effective January 1, 2019.

The zeroing out of the federal individual responsibility requirement was heavily covered by the media.

However, the enactment of District's local individual responsibility requirement has not gotten as much media attention. Consequently, there is concern that District residents may not find out about it until they are preparing or file their 2018 income taxes – which for most of us happens after the closure of the 2019 open enrollment period (which closed Feb 6, 2019).

Therefore, the goal of this proposed SEP is to provide uninsured individuals with an opportunity to enroll in coverage upon learning of the District individual responsibility requirement. This proposed SEP is consistent with an earlier time-limited SEP that was enacted by HBX, after review and approval by the SAB and the HBX Board, in connection with the implementation of the federal individual responsibility requirement on 2014 federal income tax filings.

MORE DETAILED DESCRIPTION: Board Members have the text of the resolution before them which lays out the specific details of how this SEP is operationalized. That resolution is also posted on the HBX website for the public.

To briefly describe the details: Uninsured residents who learn of the individual responsibility requirement when filing their District income taxes for 2018 would have a 60 day SEP to obtain health insurance and minimize the impact of the tax penalty.

If they contact DC Health Link before they file, the SEP starts the day they contact DC Health Link. If they contact DC Health Link after they file, the SEP starts the date they filed.

Since this SEP is just for those who are learning about the new law for the first time, individuals would only be eligible for this SEP once.

Enrollment is prospective only and would be the first of the month following plan selection.

Dr. Ku said he noted it was constructed for changes this year. He thought people might have issues next year as well.

Ms. Kofman said the SAB discussed one year versus two. It was determined to follow it closely and gather data, and to come back next year for another recommendation.

b. Standard Plan Offerings for 2020 – Dania Palanker, Chair, Standard Plans Working Group

The draft actuarial value (AV) calculator for plan year 2020 issued on January 17, 2019. . Oliver Wyman actuaries ran the 2019 plans through the draft 2020 calculator to see if they still fit within the required AV range. If they do not fit, it is usually due to medical inflation. Platinum and Bronze HSA-compatible passed, so the working group decided not to recommend any changes. Gold, silver and bronze copay plans did not pass. Gold was 1.01% over, silver was 1.16% over, and bronze copay was 1.24% over.

The working group has always made it a priority to keep as many services as possible pre-deductible. Also, the working group wanted to keep any changes in cost-sharing with habilitation and rehabilitation services as low as possible since people using those services generally require multiple visits.

The working group started with gold. The actuaries were able to devise an alternative that raises the maximum out-of-pocket cost-sharing (the MOOP) by \$650 to \$4,650. No other changes to the plan are necessary to bring it within the acceptable AV range (81.94%).

Other alternatives increase the MOOP less, but increases the copays for certain services. The working group agreed that in general it was preferable to raise the MOOP because it affects fewer people, the higher utilizers. The working group recommends this alternative.

On silver, cutting 1.16% off the AV involves making difficult choices and tradeoffs. However, members noted that a lot of services are pre-deductible so the increase, while not optimal and still creating a burden for some, still gives the patient options for services pre-deductible. Inpatient services, emergency room and transportation, outpatient surgery, and outpatient clinic visits are subject to the deductible.

The working group considered what cost-sharing changes would impact the smallest number of consumers while having smaller hits across the board. The working group expressed a desire to maintain present cost-sharing levels for primary care and specialist visits, and mental/behavioral health and substance abuse office visits.

The working group did coalesce around the alternative which increases the deductible to \$4,250 (a \$500 increase), but allows the prescription drug (Rx) portion of the deductible to remain at \$250. The MOOP goes to \$8,000 (a \$400 increase); primary care and specialist visits, and mental/behavioral health and substance abuse office visits remain the same. Lab goes from \$50 to \$60. X-rays go from \$70 to \$80, imaging goes from \$250 to \$300, and habilitation and rehabilitation services from \$50 to \$65. (Some of the proposals had much higher increases in these services.)

The A/V is 71.95%.

On bronze, as with silver, cutting 1.24% off the AV involves making difficult choices and tradeoffs. We first modelled plans with an \$8,000 MOOP versus the maximum \$8,200 allowed under the proposed rule. By not increasing the MOOP to the permitted maximum for bronze copay, working group members were not comfortable with the required rise in copays and coinsurance for a variety of services.

Working group members thought if reducing the Rx deductible from the initially modeled three alternatives by raising the MOOP would be helpful. Many people can manage chronic conditions with Rx and regular doctor visits.

Primary care and specialist visits are pre-deductible services under the existing bronze copay plan. Some thought that many people with health issues would wind up in the HSA plan, which has a lower MOOP.

The working group did coalesce around the fourth alternative which increases the deductible to \$7,800 (a \$550 increase); the MOOP goes to \$8,200 (a \$300 increase); office visits go to \$55 (a \$5 increase); outpatient surgery, outpatient non-surgical visit, emergency room, emergency transportation, inpatient mental/behavioral health and substance abuse treatment, maternity, skilled nursing care, durable medical equipment and hospice care go to 30% coinsurance (a 5% increase).

The A/V is 64.96%.

Dr. Aaron asked a factual question. When OW is calculating the impact of price changes, do they attempt to incorporate the induced changes in quantities used due to the price changes. Ms. Palanker said that within the A/V calculator itself, those things are taken into account.

Dr. Aaron said he heard a principle that the working group wanted to impact the least number of people. Ms. Palanker said it was not a principle but was raised at times in the context of changing copays for services rather than changing the deductible. It was one of the considerations in the course of the discussion, but was not prevailing.

Dr. Ku thanked Ms. Palanker and the group because he knew the difficulty and depressing nature of the task. In some ways the bronze HSA plan is more attractive than the bronze copay plan. Do we know which one is more popular? Mary Beth Senkewicz, HBX staff reported that there are 2,022 customers in the bronze copay plan, and 1,857 customers in the bronze HSA plan.

He also wondered if the plan display was effective in conveying the pre-deductible services available in the bronze copay plan. The bronze HSA plan may seem more attractive, but depending on what services a consumer needs, the bronze copay plan might be better even though the deductible is higher. Ms. Kofman appreciated the question; staff is always looking at more effective ways to convey information. Staff is also thinking about how to educate consumers on accessing care.

Dr. Ku asked if the calculator was draft, what happens if the final changes from the draft? Ms. Senkewicz said while the calculator had not changed from draft to final in recent years, if it did, the working group would reconvene and consider the other options that were modeled, and would be back to the Executive Board with new recommendations.

c. Salesforce License Renewal, Carahsoft Technology, Inc. – *Mila Kofman, Executive Director*

These are the annual Salesforce licenses we use in a number of ways to track customer requests, including the Contact Center. The request is for \$965,089.76, of which \$211,352.92 is an HBX expense, \$22,758.45 will be reimbursed by MA, and \$730,978.39 will be reimbursed by DHCF. The Finance Committee has approved the request.

d. Exercise Option Year for a Certified Business Enterprise (CBE) Contractor, Networking for the Future, for IT Consulting Services – *Mila Kofman, Executive Director*

This firm is a CBE that does both our IT O&M and Development work and do work on behalf of Massachusetts as well. The request is for \$9.2 million, and will need to go to Council for approval. The Finance Committee has approved the request.

e. Exercise Option Year for a Certified Business Enterprise (CBE) Contractor, New Light Technologies, for IT Consulting Services – *Mila Kofman, Executive Director*

This firm is a CBE that does both our IT O&M and Development work and do work on behalf of Massachusetts as well. The request is for \$4.2 million, and will need to go to Council for approval. The Finance Committee has approved the request.

VII. Public Comment

No public comment was proffered.

VIII. Votes

- a. Resolution -- Time-limited SEP related to the District of Columbia's New Individual Responsibility Requirement

It was moved and seconded to approve the Resolution -- Time-limited SEP related to the District of Columbia's New Individual Responsibility Requirement. The motion carried unanimously, with Dr. Aaron, Dr. Beers, Dr. Ku, Ms. Lewis and Mr. Pitts voting yes.

- b. Resolution -- Standard Plan Offerings for 2020

It was moved and seconded to approve the Resolution -- Standard Plan Offerings for 2020. The motion carried unanimously, with Dr. Aaron, Dr. Beers, Dr. Ku, Ms. Lewis and Mr. Pitts voting yes.

- c. Salesforce License Renewal, Carahsoft Technology, Inc.

It was moved and seconded to approve the Salesforce License Renewal, Carahsoft Technology, Inc. as set forth above. The motion carried unanimously, with Dr. Aaron, Dr. Beers, Dr. Ku, Ms. Lewis and Mr. Pitts voting yes.

- d. Option Year for CBE Contractor Networking for the Future and Option Year for CBE Contractor New Light Technologies

It was moved and seconded to approve the Resolution -- Option Year for CBE Contractor Networking for the Future and the Option Year for CBE Contractor New Light Technologies as set forth above. The motion carried unanimously, with Dr. Aaron, Dr. Beers, Dr. Ku, Ms. Lewis and Mr. Pitts voting yes.

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

The meeting adjourned at 6:50 p.m.