



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

Date: Wednesday, March 13, 2019
Time: 5:30 PM
Location: By Conference Call Only
Call- in Number: 1-650-479-3208; access code: 735 967 052

Members Present: Henry Aaron, Nathaniel Beers, Leighton Ku, Diane Lewis, Khalid Pitts, Stephen Taylor, Tamara Watkins

Members Absent: 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, Dr. Ku, Ms. Lewis, 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, 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 February 13, 2019. The motion carried unanimously, with Dr. Aaron, Dr. Beers, Dr. Ku, Ms. Lewis, and Mr. Pitts voting yes.

UPDATE ON BOARD MEETINGS SCHEDULE: Reminder that our meetings are every other month, not every month. The next regular Board meeting will be Wednesday, May 8th.

IV. Executive Director Report, Mila Kofman, Executive Director

SBM MARKETPLACE DIRECTORS MEETING: Last week, SBM Executive Directors met with Administration officials from HHS, DOL and CCIIO. In addition, the group met with Republican and Democratic staff on the Hill. These were productive meetings and it is always a good opportunity to learn from the experiences of our colleagues in other states.

PERFORMANCE OVERSIGHT HEARING: On, February 19, the DC Council Committee on Health held an oversight hearing on HBX. Ten witnesses testified in strong support of our work. Four of the witnesses are DC Health Link customers: two small businesses and two covered through the individual marketplace. The power point testimony is posted on our webpage.

FEDERAL GOVERNMENT SHUTDOWN: We have received requests from two individual market customers affected by the shutdown. Both are all set and continue to have health insurance. For SHOP customers we have identified 36 groups who did not pay their January and February premiums, and have emailed and called each employer several times. We reached 18 of the 36 groups and determined that two were impacted by the federal shutdown. We are working with one and one is all set.

1095A UPDATE: We issued 18,510 Form 1095As at the end of January. Customers can also download their 1095As securely from the DCHealthLink.com website. To date, we have received two requests for corrections from customers. Carrier-initiated corrections are due by the end of this week.

MAYOR'S BUDGET RELEASE: The Mayor's State of the District is scheduled for March 18th. She will submit her budget to Council on March 20th.

UPCOMING COUNCIL HEARING ON BUDGET: Our annual budget hearing is scheduled for 1:30 pm, Tuesday, April 23rd. Ms. Lewis always joins me at the Budget Hearing to provide testimony.

2020 HEALTH PLAN RATE AND FORM FILING: We are working with DISB to finalize the deadlines for carrier submissions for 2020 and will update you when deadline is finalized.

DC'S INDIVIDUAL RESPONSIBILITY REQUIREMENT: We are working closely with the Office of Tax and Revenue (OTR) on outreach efforts. OTR emailed a blog to tax preparers (available [here](#)); OTR published a second blog on March 5, 2019 that can be viewed [here](#). HBX also amplified the blog via social media. In addition, Capital Community News (publishes Hill Rag, Mid City DC and East of the River) ran a short article on our tax season SEP that can be viewed [here](#). We worked closely with DC Fiscal Policy Institute to get this done. In addition, Dr. Wharton-Boyd is coordinating local community events where we can educate residents about the new requirement.

During performance oversight hearing testimony, I spoke about the District's new individual responsibility requirement and during the question and answer period, Chairman Gray highlighted the new tax season special enrollment period and confirmed that if they hear from people who did not know there was an individual responsibility requirement in the District, to send them to the HBX call center for help.

HARDSHIP AND AFFORDABILITY EXEMPTION PROCESS: In addition to having developed and operationalized a new internal process for receiving and administering the exemptions in November, HBX has been working with CMS to clarify what CMS will continue to do for federal taxpayers. HBX will not be administering exemptions related to 2018 and prior federal tax years. CMS will continue to be responsible for 2018 and prior years. To date, three people have applied for exemptions through DC Health Link.

SMART AUDIT FOR THE 2018 PLAN YEAR: Auditors started this annual programmatic audit as required by CMS. The report is due to CMS on June 1, 2019. Our CAFR audit suffices for the financial part of the SMART audit.

FEDERAL ISSUES:

COMMENTS: On February 19, HBX submitted comments on the Annual Notice of Benefit and Payroll Parameters for 2020. We also signed on to a letter from SBMs to comment urging CMS not to prohibit auto-renewal and silver loading. Dr. Ku also submitted comments urging CMS not to prohibit auto-renewal.

NEW FEDERAL PROPOSALS:

- **RFI on Grandfathered Group Health Plans:** CMS issued a request for information on what the agency could do to make it easier for health carriers to continue grandfathered small group plans. Comments are due by March 27. We are reviewing and will be submitting comments.
- **Interoperability Proposed Rule:** CMS issued a proposed rule on interoperability to increase patient access to health information. The rule applies to qualified health plans in the federally facilitated marketplace (FFM), Medicare Advantage plans, and Medicaid and CHIP managed health care plans among others. The rule does not apply to qualified health plans in the State Based Marketplace. The proposal will require changes to carrier IT systems. We are reviewing and considering whether to comment.
- **RFI on Selling Health Insurance Across State Lines:** On Monday, March 11th CMS issued a new request for information about actions that could further facilitate selling individual health insurance coverage across state lines. This is based on a provision in the ACA that enables states to enter into state compacts – which no states have entered into to date. Comments are due by May 6. We are reviewing and will be submitting comments.

CONGRESSIONAL:

- **Energy & Commerce Hearing:** On March 6th, the House Energy and Commerce Committee held a hearing on three bills that would improve the ACA. The three bills are:
 - **HR 1425, State Health Care Premium Reduction Act:** To provide \$10 billion annually for states to use for reinsurance programs or to provide extra financial assistance to reduce out-of-pocket costs for individuals in qualified health plans.

- **HR 1386, Expand Navigators' Resources for Outreach, Learning and Longevity (ENROLL) Act:** Eliminate the requirement the Trump Administration put in place for the Federal Marketplace that required Navigators to promote Association Health Plans and Short Term Limited Duration plans as alternatives to ACA coverage. The legislation also provides \$100 million in new funds for Federal Marketplace States to fund navigators.
- **HR 1385, State Allowance for a Variety of Exchanges (SAVE) Act:** Would provide \$200 million in federal funds to states to establish state-based marketplaces. Two SBMs testified (CA and MA).
- It is likely these bills will move forward in the House, but it is unclear whether the Senate will consider them. We will provide updates as we learn more.
- **Surprise Billing Update:** It is being reported that bipartisan agreement may be reached on this issue in Congress and legislation could move forward this year.

Enrollment data is available [here](#).

Mr. Taylor said that with respect to the rate and form filings, dental plans will be due May 1 and QHPs on May 27. The first rate hearing will be the week of June 3. Binders will be due on August 2. The second rate hearing will be the week of August 6.

V. Finance Committee Report, Henry Aaron, Chair

The Finance Committee met yesterday, March 12th. Ms. Lewis and myself participated with HBX staff.

INVESTMENT REVIEW: As reported last month, we had a six-month Treasury bill that matured in late February that needed to be reinvested into a two-year Treasury note based on the Finance Committee investment plan for our financial reserves. Our CFO, Marjorie Edmonds, updated us that that transaction has now been completed by the Office of Treasury and Revenue. HBX investments will be maturing every six months just as we had planned.

ANNUAL SMART AUDIT: Staff reported that the annual CMS SMART programmatic audit has commenced. This audit is a federal requirement. There is a financial audit component and a programmatic audit component to the SMART Audit. The financial audit component is met by using our annual CAFR audit which is already complete and simply needs to be submitted to CMS by April 1. The programmatic audit must be completed by June 1. As always, we will be presented with the results and staff will post the audit on our HBX website as well.

IT BUDGET REVIEW: The Committee performed our monthly review with HBX staff and all appears to be in order.

FINANCIAL REVIEW: The Committee reviewed the monthly budget and spending report, and the Purchase Order reports, and found nothing of concern. In addition, HBX staff produced a

new addendum report that the Finance Committee will get each month that enables us to review overall contract values in addition to seeing the purchase orders.

VI. Ad Hoc Legislative Committee Report, *Tamara Watkins, Chair*

In December of 2018, the HBX Executive Board established the Ad Hoc Executive Board Committee on HBX Legislation, comprised of myself as chair and Dr. Aaron and Mr. Pitts as the other members. The Committee reviewed the HBX enabling legislation and discussed three areas of needed updates.

1. First, the committee discussed edits needed to ensure that if the ACA were significantly altered or repealed, the references to the Affordable Care Act in the HBX enabling legislation would not result in a loss of consumer protections or market rules and would ensure that the Health Benefit Exchange Authority continues as the District's exchange marketplace. These edits are critical given the continuous efforts to repeal parts or all of the ACA, either by legislation, the administration, or through the courts.
2. Second, the committee discussed edits to provide for permanent independent procurement authority for the agency. HBX was provided independent procurement authority twice previously by the Council, each time for five years. Consistency and stability are important in our ability to respond quickly to unexpected changes in the ACA and work with state partners, particularly on the IT side. Permanent independent procurement authority helps provide that consistency and stability.
3. Third, the committee discussed updating the conflict of interest and ethics provisions applicable to HBX Board members and staff. When the Health Benefit Exchange Authority Establishment Act of 2011 was being developed, debated, and passed, it was prior to the current DC Ethics Act being in place. As a consequence, our ethics provisions are not consistent with the rest of District government and that creates difficulties in enforcement. For example, our law permits gifts up to \$250, but BEGA limits it to \$10. In addition, the HBX conflict of interest standard includes specific restrictions on five types of entities, including a prohibition on HBX Executive Board members and staff representing or otherwise being affiliated with insurers, brokers, health professionals, health care facilities, and health clinics. As HBX has matured, it is becoming more clear that we would benefit from expertise in areas like medicine.

The Committee has asked HBX Standing Advisory Board for input on all of these areas.

VII. Public Comment

No public comment was proffered.

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

The meeting adjourned at 6:04 p.m.