



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

**Date:** Wednesday, January 8, 2020  
**Time:** 5:30 PM  
**Location:** 1225 Eye Street NW, 4<sup>th</sup> Floor Board Conference Room or by Conference Call  
**Call- in Number:** 1-650-479-3208; access code: 731 476 505

**Members Present:** Henry Aaron, Leighton Ku, Diane Lewis, LaQuandra Nesbitt (via telephone), Khalid Pitts (via telephone), Tamara Watkins

**Members Absent:** 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 (Dr. Aaron, Dr. Ku, Ms. Lewis, 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. Ku, Ms. Lewis, and Ms. Watkins voting yes.

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

It was moved and seconded to approve the minutes of September 11th, 2019. The motion carried unanimously, with Dr. Aaron, Dr. Ku, Ms. Lewis, and Ms. Watkins voting yes.

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

**OPEN ENROLLMENT**

Open enrollment for individuals and families started November 1 and ends January 31. Our call center is open extended hours Monday through Friday 8 am to 8 pm and Saturdays 10 am to 5 pm. Important Reminders on Dates: enroll by 1/15 for 2/1 coverage; enroll by 1/31 for 3/1 coverage.

Healthcare.gov was supposed to end its open enrollment on 12/15 but experienced technical issues. CMS gave consumers three extra days to enroll. Although we did not have technical issues, to avoid confusion, we also allowed residents until 12/18 to enroll in 1/1 coverage.

- CONGRESSIONAL OPEN ENROLLMENT SUCCESSFUL (CLOSED): November 11 to December 9.
- SHOP OPEN ENROLLMENT: During open enrollment for SHOP, the participation (2/3 of eligible employees) and contribution (50% of premium) rules do not apply. Employers can enroll without contributing to the premium. There were 28 new employers that enrolled in 1/1 coverage covering 242 people.
- SHOP: Largest renewal month for SHOP customers was December 1 with 1,090 small businesses renewed for December 1, covering more than 20,600. For January 1 coverage, 544 small businesses renewed coverage covering nearly 16,500 people. We had 97 new employers (includes 28 open enrollment employers) small businesses for 1/1 coverage covering 997 people.

**New Open Enrollment Strategy:** Our new customer enrollment numbers are lower than last year. To address that issue, we initiated a new open enrollment strategy focusing inward and outward. Inward focus includes: residents with incomplete applications; residents who did not qualify for a special enrollment period; residents whose coverage was terminated; SHOP—didn't renew or terminated for nonpayment; callers to Contact Center; currently enrolled residents (Each One Link One – one email outreach for referrals). The new approach means that each person will have seven touches through email, texts, phone calls, and direct mail.

Through 12/31, HBX did the following:

- Sent 337,468 emails
- Sent 15,035 texts
- Sent 62,448 direct mail
- Made 2,594 phone calls

Business partners (DC Chamber of Commerce): 310 emails and 15 calls resulted in 17 businesses requesting on-site individual enrollment for workers (scheduled for January)

HBX did A/B testing on email subject line with 20% of target list in different categories. The highest open rate subject line was used for the remaining 80% for specific targeted populations. We are further segmenting A/B testing by age and will use more refined approach for January emails.

As a result of this new outreach, we enrolled 1552 new customers. In assessing the effectiveness of new targeted outreach strategy, we found that out of all targeted groups, the highest number of new customers are in the following categories:

- started but did not finish an application in 2019: 464 (out of 14,886)
- terminated coverage during 2019: 231 (out of 4,148)

- started but did not finish an application in 2018: 134 (out of 19,036)
- all other categories: 615 (out of 66,994)

Additionally, we surveyed all new customers to find out all the different ways they found out about us and what motivated them to enroll. The response rate to the survey was low, but the information is still useful. The primary motivation to enroll was the desire for quality health insurance. Others were the loss of employer-sponsored insurance and the desire to avoid the District's tax penalty. The primary way people learn about us is healthxcare.gov.

Dr. Aaron discussed the switches in metal levels among customers from 2018-2019. Ms. Kofman said staff would take a closer look at the numbers and try to decipher any trends.

**Update on Carlos Rosario and public charge:** As previously reported, we are partnering with organizations funded through Mayor Bowser's Immigration Justice Grants to have immigration attorneys at all of our one-touch events at Carlos Rosario. Through mid-December 2019, more than 40 people have used their services on site. In addition, the attorneys provide support to HBX staff, assistants, DHS staff, and brokers staffing one-touch enrollment events. Also, at these events we have professional interpreters for French, Amharic and Spanish speaking residents.

Dr. Ku asked if the presence of immigration attorneys helped or hindered with public charge issues. Ms. Kofman said she thought it helped in that experienced immigration attorneys tell people that having insurance is positive for them.

### **Annual open enrollment auto-renewals and eligibility verifications for enrolled customers**

**AUTO RENEWALS FULL PAY:** On November 1, auto-renewed 15,250 people compared to last year we auto-renewed 15,427 people. We sent notices apprising customers of automatic renewal and eligibility changes for 2020, and encouraging customers to shop to ensure they have the coverage that best suits them. We emailed required notices in November and December.

**RENEWAL FOR APTC:** Annual redetermination for eligibility for APTC/CSR.

- Confirmed eligible for APTC in 2020: 741
- Of 2019 APTC customers, 104 became newly eligible for Medicaid (16 due to meeting five year bar; 88 due to change in FPL (were just over the line for Medicaid in 2018) or change in income
- 63 moved to full pay (no APTC); of these 44 lost APTC due to failure to provide consent to check with IRS and 19 due to income changes.
  - **SPECIAL OUTREACH:** Targeted outreach (including emails, phone calls, texts, and coordination with other agencies) for populations who are at risk of losing coverage:
- 44 renewed without APTC due to lack of IRS consent. Federal law prohibits renewal of APTC unless a person has consented to authorizing HBX to check IRS data to verify income.
- Young adults aging off parents' plans: only one person aged off. We ensured the person is enrolled for 2020.

## **1095A**

We will be sending Form 1095A at the end of January to customers enrolled in individual health insurance on DCHealthLink. We will also send the reports to the IRS and to DC Office of Tax and Revenue (OTR)(for the local individual responsibility requirement).

## **SHOP UPDATE**

**SHOP AUTO PAY USAGE:** To date, 1,116 of our 5000 small business have signed up for the autopay feature we deployed this summer.

## **WEBSITE UPDATES**

- We deployed an HRA Affordability Tool, which we developed with stakeholders and other state-based marketplaces. The tool allows residents to see how the HRA offered by their employer impacts their eligibility for premium reductions. We also developed a new page on DC Health Link explaining HRAs and how an Individual Coverage HRA can be used to purchase private health insurance on DC Health Link. We developed and conducted online training for DC Health Link Brokers on HRAs and how to use HRAs with DC Health Link coverage.
- In the first quarter of 2020 we will deploy a new tool for employers called “Employer HRA Tool” to help small businesses to compare and understand options for contributing to their employees’ health coverage costs including offering an Individual Coverage HRA, offering small group coverage through DC Health Link, and increasing employees’ salary.

## **LEGISLATION TO PROVIDE HBX WITH PERMANENT INDEPENDENT**

**PROCUREMENT AUTHORITY:** The Chair of the Committee on Health, Councilmember Gray, and current and former members of the Committee on Health -- Councilmembers Cheh, Nadeau, Grosso, and Bonds – introduced and Councilmember Allen co-sponsored legislation to grant HBX permanent procurement authority with the introduction of B23-571. The Health Committee scheduled the hearing on this bill for January 15 (the same day as our performance oversight hearing). I will be testifying.

**COUNCIL HEARINGS:** January 15 -- Performance Oversight and B23-571. Budget hearing is scheduled for March 23 (ACA’s 10-year anniversary).

## **INDIVIDUAL RESPONSIBILITY REQUIREMENT**

- **PROPOSED REGULATIONS ISSUED:** On October 18, 2019, HBX, OTR and DISB issued a notice in the *District Register* of proposed regulations to implement DC’s Individual Responsibility Requirement. These regulations are similar to the federal ones. Comments on the proposed regulations were due on November 17, 2019. Final regulations are expected early in 2020.

- **AFFORDABILITY AND HARDSHIP EXEMPTIONS:** HBX is responsible for these exemptions. In 2019, we granted 17 hardship and three affordability exemptions. For 2020, we have granted two affordability exemptions to date.

**2021 STANDARD PLANS WORKING GROUP:** We are reconvening the working group to review standard plan designs for the 2021 plan year. As a reminder, these plans have to be updated annually to comply with the CMS Actuarial Value Calculator. This working group is chaired by Standing Advisory Board Member Dania Palanker.

## **FEDERAL**

### **HBX Comments Submitted:**

State Department Public Charge Comments: The State Department published a draft form it intends to use to implement the new public charge standard for people seeking a visa to enter the United States. On December 20, 2019 HBX submitted comments requesting that State withdraw its proposal on public policy grounds and on the grounds that the underlying public charge rule has been found by several courts to violate federal law and the U.S. Constitution. HBX also provided comments to improve the readability of the proposed form and eliminate unnecessary questions, if the agency proceeds with implementation.

Requirement for Segregating Abortion Funds: CMS published a notice on a Paperwork Reduction Act (PRA) package related to a change to the requirement for qualified health plans to segregate funds related to non-Hyde abortions and send two separate bills to consumers with abortion coverage. The PRA package itself was never published by CMS. On November 26, 2019, HBX resubmitted the comments submitted on the Program Integrity Rule.

### **Final Federal Regulations:**

Program Integrity Rule: On December 27, 2019 the Centers for Medicare and Medicaid Services (CMS) published the final Program Integrity Rule. This rule will require QHPs to issue two separate bills for premiums one for medical services and a separate one for non-Hyde abortion services. Insurers will be required to begin issuing separate bills and asking consumers to make two separate payments beginning on or before the first billing cycle following June 27, 2020. The rule also finalized changes related to periodical data matching and financial and programmatic audits. CMS estimates that it will cost half a billion dollars to implement the change regarding two separate bills.

### **Legal Updates:**

ACA Case: The 5<sup>th</sup> Circuit issued its decision in the Texas v. United States Case on December 18, 2019. The court found that the individual mandate is unconstitutional. However, the appellate court remanded to the district court for a severability analysis. On January 3, 2020 the Coalition

of states defending the ACA (including the District) filed a petition asking the Supreme Court to review the decision. HBX will continue to monitor this case.

Update on DOL AHP Rule court challenge: The U.S. Court of Appeals for the District of Columbia Circuit held oral argument on November 14. No decision yet. As a reminder, the US Department of Labor appealed the District Court's decision striking down the DOL AHP final regulations. HBX will continue to monitor this case.

## **CONGRESSIONAL UPDATES**

The end-of-the year spending bill for Congress included elimination of three ACA tax provisions.

- Health Insurance Tax: This tax is permanently repealed starting 2021. Congress had acted intermittently in certain previous years to not collect it, but it is in effect for 2020 which means that the rate increases are 2-3% higher than they would otherwise be (as insurers pass this tax through premiums to customers).
- Cadillac Tax: Permanently repealed and never went into effect.
- Medical Device Tax: Permanently repealed and never went into effect.

**Congressional Limits on Health & Human Services/Centers for Medicare & Medicaid Services:** The end-of-the-year spending bill for Congress also included two prohibitions on the Trump Administration. The first prohibits the Administration from banning auto-renewal for the 2021 plan year for the federal marketplace states. The second prohibits the Administration from interfering in state decisions to silver load for 2021. Both of these prohibitions only apply to 2021 plan year.

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

### **V. IT Committee Report, Leighton Ku, Chair**

Last November HBX staff briefed the IT Committee on its work over the prior period and elicited feedback and advice on its recommendations for new software development during the coming four year period.

- Staff provided an update on HBX IT ongoing operations:
  - Since FY17 HBX has converted several security and website contractor roles into HBX employee roles, resulting in significant annual savings
    - For example, in FY18 HBX spent \$447,000 on IT consultants to maintain and update the DC Health Link web pages. By hiring an additional employee, HBX reduced that expense to \$120,000 in FY20.
  - Staff have reduced the resolution time of customer support tickets from 33 days in FY18 to 14 days in FY19.
    - Staff reported that this is a result of new development and improved operational processes to increase efficiency.

- Staff provided an update on FY19 and FY20 software development projects:
  - 18 projects were completed and delivered
    - Examples include:
      - An improved employer payment portal that enables employers to set up recurring payment;
      - Upgrading the DC system to the same, more advanced, code developed for MA;
      - Providing staff with an online tool to edit and update automated notices
  - 13 projects are currently in progress
- Staff shared its IT strategic roadmap for FY20 through FY23, and a discussion ensued with the IT Committee members:
  - Staff presented its recommendation to focus software development budget in the near term on projects that will automate manual process and reduce reliance on contractors;
  - Staff shared its recommendation to focus in the longer term (FY21-FY23) on major undertakings to improve the customer shopping experience and enhance overall end-to-end enrollment processes.
- The Committee expressed that it had a clear sense of the remaining issues that staff has identified as opportunities to address through new development, and that the roadmap presented by staff seemed reasonable.
- The Committee asked to be updated on cost savings HBX realizes as a result of its new development and operational process enhancements as the year progresses.

## **VI. Finance Committee Report, Henry Aaron, Chair**

The Finance Committee met several times since our last Board meeting.

First, we met on November 19 to review and approve funding for the additional IT development work as presented already by Dr. Ku. Ms. Lewis and I participated in that meeting with HBX staff. We approved an additional \$2 million for IT development for FY 20 and \$3 million each for years FY 21-23. We also requested that the Finance Committee continue to receive updates as the work progresses and recognize that needs may change for out years.

Our next two meetings were standard monthly meetings on December 5, 2019 and January 6<sup>th</sup>, 2020.

## **PROCUREMENTS:**

**CBE IT CONSULTANT SERVICES CONTRACTS UPDATE:** These three contracts were approved by the Board in November 2019. They received Council approval on December 26<sup>th</sup>, 2019 and the HBX contracting officer is in process of making the awards.

**SALESFORCE PROCUREMENT:** This is before the board today. It is our annual contract with Carahsoft Technology Corporation to renew the Salesforce licenses used for customer service. The licenses used by the Contact Center are cost-allocated with DHCF, and Massachusetts also uses a number of licenses as well. In the past, we also procured additional licenses for DHCF. They are going to do their own solicitation for those licenses this year. But, importantly, we are still receiving the volume discount as if we purchased them together. Mila will go over it in more detail. The Finance Committee approved the contract.

**ADVANCED CYBERSECURITY CONSULTING SERVICES:** This is also before the board today. It is a new contract to procure specialized cybersecurity consulting services. As Ms. Kofman will go over in more detail, most of our security services have been brought in house creating significant savings for HBX. This contract will permit HBX to obtain specialized services to enhance IT security. The Finance committee approved this contract.

**CAFR AUDIT PRESENTATION:** We were briefed by the auditors who conducted the city's "Comprehensive Annual Financial Report" for FY 19. HBX received an unqualified opinion, in other words, a clean audit. As soon as the CAFR is final, it will be posted on the HBX website at [www.hbx.dc.gov](http://www.hbx.dc.gov)

**ASSESSMENT UPDATE:** CFO Marjorie Edmonds updated us that we are down to less than \$200,000 outstanding from the 2019 assessment. HBX staff will continue to work to make those final collections.

**INSURANCE REGULATOR TRUST FUND BOARD PRESENTATION:** Each year HBX staff presents budget information to the Insurance Regulatory Trust Fund Board. That meeting took place on December 4<sup>th</sup> and went smoothly.

**FINANCIAL REVIEW:** The Finance Committee reviewed the monthly budget and spending report and the Purchase order report and found nothing of concern.

## **VII. Discussion Items**

- a. Consideration of new Special Enrollment Periods (SEPs) & SHOP Open Enrollment Extension for 2020-- *Chris Gardiner, Chair, Standing Advisory Board*

By way of background, a key responsibility that the HBX Executive Board has bestowed upon the Standing Advisory Board is to review staff proposed special enrollment periods. The Affordable Care Act sets an annual open enrollment window during which any eligible



individual can enroll in coverage. However, outside of that time period, individuals and families can only enroll in coverage if they have a qualifying life event that meets one of the designated special enrollment period categories. Many of these are obvious: moving to DC, losing employer sponsored coverage, getting married, and having a baby. But, as HBX staff work to ensure District residents have every opportunity to get covered, they learn of circumstances that thwart needed coverage. They bring their proposals to us for consideration and, if we support them, then they go to the HBX Executive Board for their vote.

I am here tonight to present three new special enrollment periods and a SHOP open enrollment proposal that the Standing Advisory Board considered and unanimously approved in December. I'll describe each proposal and provide time for discussion after each one. HBX Staff will assist with answering your questions.

- i. Individual Responsibility Requirement SEP
  - a. 2019 Tax Filing Season
  - b. Residency

As you know, when the Federal Government eliminated the individual responsibility requirement penalty, the District acted quickly to adopt its own individual responsibility requirement in order to help prevent instability in the health insurance marketplace which would have led to increased premiums. That penalty is first being collected on residents' 2019 taxes. The concern is that many people living in the District saw the news regarding the federal repeal which was widely publicized, but may not have heard that the District enacted its own requirement. In addition, people moving to the District are likely unaware of our local requirement.

To address those concerns, this SEP would provide those impacted individuals with the opportunity to enroll in the individual market upon learning of the individual responsibility requirement during the tax filing season this year. This would be a 60 day window tied to applicable tax filing deadlines. The second provision would provide new DC residents with a 60-day SEP to enroll in coverage upon becoming a District resident.

- ii. Auto-pay Error SEP

HBX staff and carriers have noticed that issues with auto-payment, caused by changes in credit/debit card numbers or expirations dates and variations in rules by banks, have led to inadvertent terminations. This new special enrollment period (SEP) would provide individuals with a 60-day window to reinstate their prior coverage if their prior coverage was terminated due to a declined premium payment via a credit card or debit card auto-payment arrangement with the carrier. The individual must have successfully established the auto-payment arrangement. The SEP would not be available if the reason for the declined payment was that the individual voluntarily terminated the auto-payment arrangement or there was insufficient funds on the debit card. Reinstatement will result in continuous coverage in the same plan.

iii. Pregnancy SEP

A new SEP would be available to permit pregnant women to enroll in coverage within 60 days of a health care practitioner confirming the pregnancy. Enrollment would be available the 1<sup>st</sup> of the month of the confirmation of pregnancy by a health care practitioner or prospective enrollment following regular individual market or SHOP market enrollment rules as applicable. This SEP would bring the District in-line with other states – Maryland, Connecticut, Vermont and New York. Ensuring coverage for these populations assists with preventing costly and preventable health events.

Dr. Aaron asked if Council action was required. The answer is no. Dr. Ku asked for a clarification on whether a person had 30 or 60 days to enroll. The answer is 30 days in SHOP and 60 days in the individual market. Ms. Lewis asked if we could go to 60 days for SHOP, but per federal law, the answer is no.

iv. Consideration of a SHOP open enrollment extension for 2020 related to the Individual Responsibility Requirement – *HBX Staff*

The SHOP marketplace would extend the annual open enrollment period, where minimum contribution and minimum participation requirements do not apply, to small groups seeking to newly offer health insurance coverage to their employees for calendar year 2020. Under current SHOP rules, this annual open enrollment is only available for groups enrolling with a January effective date. This extended open enrollment period would be available to employers offering coverage going into effect during calendar year 2020.

Given District residents may not learn of the District's individual responsibility requirement (IRR) until it is applied to District residents filing their 2019 taxes, this extended open enrollment would give small businesses an opportunity to newly offer coverage if they learn their employees are subject to the IRR during the 2019 tax filing season. This would make it easier for small businesses to offer coverage if they are unable to meet the minimum contribution and minimum participation requirements, even if they miss the deadline for offering January coverage.

This would be a limited opportunity and any groups that take advantage of this extended open enrollment period and are unable to meet the minimum participation and/or contribution requirements would be offered the option to change their group's plan year to begin in January for the 2021 plan year so they can continue to take advantage of the annual open enrollment eligibility rules applicable to January 1 groups. Any group that elects to keep a non-January plan year would then have to meet minimum participation and minimum contribution requirements upon renewal.

The Board and staff had a discussion about outreach and working with the sister agencies on that effort.

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

Ms. Kofman said the software is used to track customer service tickets so it is used by the Contact Center and HBX staff. The price is cost-shared with DHCF for the Contact Center piece. The total cost for one year is slightly under \$400,000. It includes approximately \$144,000 from DHCF, \$224,000 that we pay and a small \$23,000 contribution from MA. The exact cost is \$390,465.97.

- c. Advanced Cybersecurity Consulting Services, MW Consulting LLC -- *Mila Kofman, Executive Director*

This solicitation was competitive for cybersecurity expertise. HBX staff recommend awarding a contract to the following CBE vendor: MW Consulting LLC. This is a fixed price contract based on labor hours. The price of the base period and each option period (total of four years) is not to exceed \$253,000.00. The specific skillset the vendor brings is cloud security engineer, vulnerability code analyst, senior penetration tester, and senior forge rock developer, all of which will supplement our in-house security system. We want an outside tester to validate our in-house testing.

#### **VIII. Public Comment**

No public comment was proffered.

#### **IX. Votes**

- a. Individual Responsibility Requirement SEP
- b. Auto-pay Error SEP
- c. Pregnancy SEP
- d. SHOP open enrollment extension for 2020

Ms. Lewis said that items a through d can be voted on en bloc. It was moved and seconded to approve Items a through d as noted above. The motion carried unanimously, with Dr. Aaron, Dr. Ku, Ms. Lewis, Mr. Pitts and Ms. Watkins voting yes.

- e. Salesforce License Renewal, Carasoft Technology, Inc.

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

f. Advanced Cybersecurity Consulting Services, MW Consulting LLC

It was moved and seconded to approve Advanced Cybersecurity Consulting Services, MW Consulting LLC as set forth above. The motion carried unanimously, with Dr. Aaron, Dr. Ku, Ms. Lewis, Mr. Pitts and Ms. Watkins voting yes.

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

The meeting was adjourned at 6:48 p.m.