



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

Date: Wednesday, April 1, 2020
Time: 5:30 PM
Location: By Conference Call Only
Call- in Number: 1-650-479-3208; access code: 731 476 505

Members Present: Henry Aaron, Leighton Ku, Diane Lewis, Khalid Pitts, Tamara Watkins, Karima Woods

Members Absent: LaQuandra Nesbitt, Wayne Turnage, Laura Zeilinger

I. Welcome, Opening Remarks and Roll Call, *Diane Lewis, Chair*

Ms. Lewis started by recognizing we are meeting in extraordinary times. HBX continues to operate, although fully remotely, and similarly, we the HBX Executive Board members will meet by telephone only, and only as needed during this emergency. Therefore, we have a particularly long agenda tonight as we attempt to act on anything for the foreseeable future. The HBX website will be updated with future meeting dates or cancellations as it is determined. Thank you for joining us today.

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 Mr. Pitts voting yes.

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

It was moved and seconded to approve the minutes of February 12th, 2020. The motion carried unanimously, with Dr. Aaron, Dr. Ku, Ms. Lewis, and Mr. Pitts voting yes.

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

Ms. Kofman welcomed Yi-Ru Chen to our executive leadership team. She has many years of executive management experience and dove right in and is helping us move forward in this new environment.

ACA 10-year anniversary was on March 23 – we had to postpone our celebration. The ACA is now a lifesaver – people can get either Medicaid or private coverage.

Mayor Bowser declared a Public Emergency and Public Health Emergency:

- On Sunday, March 29th, MOTA requested Boards, Independent Agencies with Boards, and Commissions not to meet during the emergency. If a meeting is necessary, then only have a telephone/video meeting. Today's meeting is necessary to get your decision and signoffs.
- HBX participates in a variety of the City's COVID-related activities, including committee meetings, HSEMA cabinet update calls, and daily activity reports
- Council budget hearings postponed, including HBX's

DCHealthLink existing customers and potential new customers:

- **We are busy getting people covered:** Uninsured District residents can enroll in private health insurance through DC Health Link. We have made it as easy as possible for residents to enroll. On March 20, we deployed an important IT operational change to dhealthlink.com and so now just like during open enrollment people can do everything online without calling us or having to submit special enrollment documentation prior to enrollment. We have also changed the way effective date of coverage works. If a resident enrolls anytime in March, their effective date of coverage is April 1. During open enrollment, if a resident enrolls between the 15th and the end of a month, the individual has to wait for a month before coverage becomes effective. To help residents get coverage fast, we worked with CareFirst and Kaiser and changed our IT for an earlier effective date.
- To give you a sense of increased volume, as of March 31, we had 1,521 SEP enrollments. At the same time last year, we had 925 people. So 600+ more people have taken advantage of the SEP. We do not have Medicaid data but understand those numbers are up as well.
- **Updated DCHealthLink website on COVID19:** Created a new Coronavirus Webpage and launched March 13th focuses on how coverage works for COVID19 and how to get enrolled
- **Worked with all carriers to eliminate barriers to care:** All our carriers worked proactively with us to provide coverage for testing and associated visit costs with no cost-sharing.
- **DISB action:** Using authority provided under the Mayor's Public Emergency and Public Health Emergency Order, DISB issued an emergency order to require carriers to cover treatment without cost-sharing as well as to prohibit terminations of coverage during the emergency (among other consumer protections).
- **Communications with enrollees:** Initial communications went out on March 6th to share information about our operational preparedness. Four subsequent communications updated our enrollees on our work with DC Health Link carriers and their actions to help eliminate barriers to care for COVID19. All communications and summary of benefits for COVID19 is at <https://www.dhealthlink.com/coronavirus>.

- **Guidance to carriers:** HBX provided guidance to carriers eliminating cost sharing for catastrophic plans. CMS subsequently also provided guidance. IRS provided guidance for HSA-compatible high deductible health plans.
- **Call center issues:** Call volume has been high. After COVID19 public awareness began, we received many calls about COVID19 that should have gone to the District's COVID19 City-wide line. Also at the same time there was an increase in calls from residents and businesses needing coverage. Wait times were as high as one hour similar to what we saw back in 2013 and 2014. We mitigated the wait times by opening the online system to eliminate the requirement to call us for a special enrollment period. We created a webform for residents to submit their requests, and we changed our outgoing message to let residents know what number to call for information on COVID19. Finally in less than two weeks we took our call center to full telework status (the goal here was to reduce people calling out because they are afraid to travel). We also instructed our Vendor to recruit and train additional call center representatives. We will continue to monitor and take steps to reduce wait times.
- **Business Outreach Strategy:** For DC Health Link Small Businesses that are reducing their workforce, we have a special outreach to get their workers enrolled. Also, DOES (unemployment benefits agency) has posted information on its website so that when people apply for unemployment benefits, they see information about DCHealthLink.

HBX Office Status

- Staff is 100% telework as of Monday, March 16th per the Mayor's designation for 100% telework.
- Staff have computers, cell phones, and access to all systems that they would have if they were in the office. Our transition to telework was smooth as many staff people routinely telework one or two days.
- WEBEX, free conference lines, and paid conference lines have periodic issues that add inefficiencies (delays) to staff's work.
- DCHealthLink contact center is 100% virtual since March 26.
- The three person executive senior leadership team meets with me every morning regarding COVID19 agency activities
- The HBX COVID19 leadership team has daily stand-up calls
- We had our first all staff video meeting (all staff meetings were once a month and now we will have every two weeks). We shared ideas on ways people can stay balanced and things we are doing to support each other.

FEDERAL UPDATE Public Charge Rule: The federal government will not consider diagnosis, testing and treatment of COVID19 by public programs for purposes of public charge inadmissibility.

CMS SMART AUDIT: CMS extended the deadline to August 1 instead of June 1.

ENROLLMENT DATA: Available [here](#).

Dr. Aaron asked if there has been a drop in productivity due to 100% telework. Ms. Kofman said no.

Dr. Ku said we would see some fluctuations in income with federal payments to individuals as well as unemployment compensation. Traditionally we do not have many people who qualify for APTC or CSR. He wondered if there were things we need to do to get the appropriate information to people and make it easier to get the aid.

Ms. Kofman said that these areas are challenging. HBX' legal team is researching how any monies received from the government are supposed to be counted for these purposes, as well as for MAGI regarding Medicaid.

Dr. Ku spoke about studies showing that hospitals may not have enough beds when the COVID19 surge hits. The District is said to reach its peak earlier than Maryland or Virginia. He was wondering if there might be artificial state barriers to treatment of District residents in those other states. He wondered if insurers had the ability to get people necessary treatment across state lines.

Ms. Kofman said that the issue is hospitals and what health plans will pay for in that regard. DISB's new order requires that patients be covered with no cost-sharing and patients being held harmless, including out-of-network facilities if the patient is forced to use them.

Dr. Ku also talked about the public charge rule and the bind it was creating for immigrants in that they are afraid to avail themselves of public services such as Medicaid. He is helping the N.Y. Attorney General's office to try to get a nationwide injunction.

Ms. Lewis wanted to acknowledge the partnerships we have with sister agencies helping to ensure coverage for District residents. Specifically, she said the work of DISB and the Insurance Commissioner with a very specific COVID order and the Department of Employment Services regarding unemployment coverage are noteworthy.

V. Finance Committee Report, Henry Aaron, Chair

The Finance Committee met on February 6 with all three Committee Members in attendance and on March 5th with Ms. Watkins and myself in attendance. We also had a number of communications with HBX staff with regard to investment decisions.

PROCUREMENTS FOR IT CONSULTING SERVICES: There are two contracts before the Board this evening. They are option renewals for two of the IT Services CBEs that HBX has been using for a number of years. Finance Committee approved option year renewals for both of these vendors: Networking for the Future and New Light Technologies.

AUTHORIZATION OF \$500,000 IN ADDITIONAL SPENDING, IF NEEDED, FOR CORONAVIRUS: Out of concern that there would be additional financial needs placed on

HBX due to Coronavirus, the Finance Committee authorized spending of up to \$500,000 on these expenses in excess of the budget. Our CFO has taken steps to have those funds added to HBX's budget so they are available as needed.

ASSESSMENT UPDATE: Our CFO Marjorie Edmonds updated us that we are down to two outstanding assessments totaling less than \$53,000 from the 2019 assessment. HBX staff will continue to work to make those final collections.

INSURANCE REGULATORY TRUST FUND BUREAU AUDIT: As a reminder, the Insurance Regulatory Trust Fund Bureau has authority to audit HBX. This started out as an annual requirement, but the Trust Fund Board moved it to a bi-annual audit. The Bureau reached out in February to initiate the audit with us. This month, the Bureau did offer to delay it given the state of emergency, but the OCFO has the ability to access files remotely so we have told them it is fine to proceed.

INVESTMENT UPDATE: Much of our meetings over the past two months involved discussions on our investments. An 18 month, \$6.5 million Treasury note matured February 29, 2020 in our Operating Reserve. HBX staff worked with the OCFO DC Investment Manager to monitor yields on short and long term investment options. Yields were unstable at that time and the best option was the 4-week Treasury bill, with a 1.39% yield. The maturity date for the 4-week treasury was March 24, 2020.

Since then, due to Coronavirus, all treasury yields have dropped. HBX has been advised by the OCFO DC Investment Manager to maintain these funds in the money market fund at this time. The Finance Committee concurred with that advice via email.

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

VI. Discussion Items

a. Standard Plan Offerings for 2021 -- Dania Palanker, Chair, Standard Plans Working Group

Ms. Palanker reported that the draft federal actuarial value calculator for Plan Year 2021 was issued December 20, 2019. The final AVC was issued March 6 and did not change from the draft. After running the 2020 plans through the draft calculator, the platinum plan was the only plan that did not need modifications. The working group is not recommending any changes to the platinum plan.

Gold

- The gold plan required only minor modifications.
- Generally speaking, one gets the most “bang for the buck” with respect to the plan AV by increasing deductibles and maximum out-of-pocket (MOOP) limits.

- The working group discussed that a major objective of the gold plan was to keep as many services as possible not subject to the deductible, and to keep the deductible low.
- One option was to increase the MOOP by \$300 to \$4,950. No other changes to the plan are necessary to bring it within the acceptable AV range.
- Other alternatives modeled by the actuaries increase the MOOP less, but increases the copays for certain services.
- Consistent with prior years, the working group thought it was preferable to raise the MOOP because it affects fewer people, the higher utilizers.

Consensus: Recommend a gold standard plan that increases the MOOP by \$300.

Silver

- One of the modeled alternatives raises the MOOP from \$8,000 to \$8,250.
- The second alternative increased the MOOP by \$150 but also increased the deductible by \$100.
- The working group quickly coalesced around raising the MOOP only and keeping the deductible the same.

Consensus: Recommend a silver standard plan that increases the MOOP by \$250.

Bronze Copay

- The choices became more difficult, as always, with the bronze copay plan. We had to shave 1.48% off the AV to get into compliance.
- The carriers noted that they both had “Value” plans in Maryland that put the specialist visit after the deductible. The working group had the actuaries model that scenario.

The working group had a robust discussion:

- Working group members asked about the costs of specialists, and whether ob/gyn was a specialty that is not pre-deductible in the Value plans, and asked about the actual cost versus cost-sharing. Carriers noted that the copay can never exceed the actual amount and also noted that many specialists in the District are associated with hospitals and therefore are more expensive.
- The working group also discussed the cost of generic drugs and carriers noted that most were under \$20. If you make them subject to the deductible, members will pay more. The levers in the AVC make generics play a large piece in the AV calculation. It lowers the AV such that you can have lower copays.
- The chair’s big issue was with a major policy shift if the group went with a Value plan because of the move to an integrated deductible and specialist visits after the deductible. As noted in last year’s report, “having primary care and specialist visits pre-deductible encouraged appropriate care and did not create a barrier to access. The members also believed it was a positive to retain consistency from the prior year in that regard.”
- The working group did coalesce around an alternative outlined below.

Consensus: Increase the deductible to \$8,350 (a \$550 increase), the MOOP to \$8,550 (a \$550 increase), office visits to \$60 (a \$5 increase), and a specialist visit to \$125 (a \$25 increase).

Bronze HSA-compatible

- The actuarial value of the 2020 Bronze HSA-compatible came in 0.72% over the allowed maximum.
- The actuaries modeled two alternatives.
 - One raised the deductible by \$150 to \$6,350 and the MOOP by \$350.
 - The second alternative raised the deductible by \$50 but raised coinsurance on services to 30%, a 10% increase.
- Given how lean the benefits are in bronze, and considering that a significant amount of dollars need to be expended before reaching to deductible, the working group coalesced around the first alternative.

Consensus: Recommend the bronze HSA-compatible standard plan by increasing the deductible by \$150 and the MOOP by \$350.

Dr. Aaron asked if Ms. Palanker agreed with his instinct was that COVID-19 would blow the lid off these plans. Ms. Palanker said she did not know, and the working group did not anticipate COVID-19 when the plans were under discussion. Ms. Kofman said that the health plans in DC HealthLink and the large group market, via the Commissioner's order, are required to pay for diagnosis, testing and treatment for COVID-19 and COVID-19 related services without any cost-sharing of any kind and before the deductible has been met. So there is no cost to the patient. Dr. Aaron understood that for this year. But he wondered if the pricing for next year would be in the computation of AV next year. Dr. Ku said everyone expects that the COVID-19 costs will contribute to increased costs. When the effect becomes evident it will probably show up next year and the year after.

Ms. Kofman believed there were two issues with respect to what happens next after COVID-19 expenses are paid by the health plans. On the Congressional House side, there is discussion about how to address the proposed rates that may be coming for 2021. If Congress does nothing, COVID-19 expenses on the books of health carriers could result in much higher rates. If Congress does not subsidize COVID-19 claims, there will be impact to both premiums and separately by CMS with respect to the AV calculator.

b. Length of Current Individual Responsibility Requirement SEP – Mila Kofman, Executive Director

Ms. Kofman noted that the federal government decided not to create a SEP for COVID-19 on healthcare.gov. Almost all state-based marketplaces have created a new SEP for the pandemic. She turned to Purvee Kempf, General Counsel and Chief Policy Advisor.

Ms. Kempf said the Council had previously approved an individual responsibility requirement for the District. When that was passed HBX wanted to ensure that people who were learning of it would have the opportunity to enroll in coverage and not have to pay a tax. The Board approved a SEP for that circumstance in January. The original triggering event was April 15 (or October for those filing an extension), but due to the pandemic that the federal and District government have extended the filing deadline to July 15. That change has created unanticipated flexibility, and staff wants the Board's input on how to use that flexibility. There are a few different ways to construe what has occurred.

One way is to say that the April 15 date is what most people were expecting and is still operative and a person would have 60 days from that date to become insured, or June 15. A second way to construe it is that one has 60 days from July 15 to enroll. A third way is to say that the Board would like the flexibility to remain and allow staff to make a determination based on the facts and circumstances that present themselves.

Mr. Pitts asked if there was a reason we should not have a more liberal interpretation. Ms. Kempf said using the most liberal interpretation allows more people to enroll, but that leaves us in a practical way with essentially open enrollment through September. From a carrier perspective, there should be a time when enrollment is closed – we don't want people waiting until they get sick to enroll. However, across the country many COVID-19 SEPS have been created with varying timeframes, so more flexibility may be the way to go.

Dr. Aaron's reaction was what as far as health risks are concerned, this is a new era. While the concern with adverse selection remains, it is dwarfed by the desirability of making sure that people who may become sick have access to coverage. He thought we should use the July 15, but staff can come back and tell us that in its judgment, it is wise to continue beyond that date. So not April 15; give District residents maximum access to coverage.

Dr. Ku agreed. He said there are arguments the other way, but under the circumstances July 15 should be the new benchmark. Ms. Lewis agreed, as did Ms. Watkins and Commissioner Woods.

c. SHOP COVID-19 SEP—Mila Kofman, Executive Director

Ms. Kempf said there was a draft [Resolution](#) circulated with the meeting materials. The Board has heard the steps being taken on the individual market side. Many people have been offered coverage through their employer, but they have not enrolled for any of a variety of reasons. The proposed Resolution would allow employees to add themselves and their dependents to the employer coverage. The effective date would be the first of the month that they request coverage, or the first of the following month if the employee prefers. This Resolution attempts to mimic the individual market choices. The timeframe

for this SEP would be the same as the individual market side. Ms. Kempf noted that generally these recommendations come from the Standing Advisory Board, but under the circumstances, the SAB was not convened for a meeting so is coming to the Board directly.

d. Authority to Award Grants for DC Health Link Assister Organizations and Business Partners for FY 21– Mila Kofman, Executive Director

Ms. Kofman noted that these requests usually come to the Board in June or July, but under the circumstances, in case the Board cannot meet during those months, staff would like to get the Board's approval at this time for the amounts previously approved for FY 2020:

Community of Hope - \$145,000

La Clinica del Pueblo - \$25,000

Leadership Council for Healthy Communities - \$150,000

Mary's Center - \$80,000

Whitman-Walker Health - \$250,000

Restaurant Association Metropolitan Washington - \$15,000

DC Chamber of Commerce - \$130,000

Greater Washington Hispanic Chamber of Commerce - \$155,000

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

Ms. Kofman noted that the Finance Committee has recommended approval of two CBE contract by the full Board. Networking for the Future is option year 4, May 6, 2020 – May 5, 2021 for up to \$1.1 million. New Light Technologies is for option year 4, May 2, 2020 – May 1, 2021 for up to \$600,000. The first requires Council approval because it exceeds \$1 million.

f. Board Continuity of Operations Plan – Mila Kofman, Executive Director

Ms. Kofman said the reason for preferring a Board Continuity of Operations [Plan](#) is to plan for the worst while hoping for the best. This plan is for the Board and is separate from the agency's COOP plan. It is designed to enable the Board to function if some of the Board members become sick. It is designed to enable the Board to make critical decisions in contracting and policy. If two Board members of our existing five members are temporarily unavailable to carry out their duties on the Board or one if its Committees due to circumstance related to a declared public emergency this plan is activated. If there is a committee empowered to make decisions for the Board and only one member of the

committee is available then the one committee member is empowered to make decisions on behalf of the committee. If no committee members are available, then the Board would make decisions that the committee would otherwise have made. Regarding the Board itself, if only one member is available to carry out Board duties, then that Board member is empowered to make decisions for the Board. If no Board member is available, then the Executive Director is empowered to make decisions.

We hope we never have to use this plan, but if we do, we need a process.

VII. Public Comment

No public comment was proffered.

VIII. Votes

a. Resolution – Standard Plan Offerings for Plan Year 2021

It was moved and seconded to approve the Resolution – Standard Plan Offerings for Plan Year 2021. The motion carried unanimously, with Dr. Aaron, Dr. Ku, Ms. Lewis, Mr. Pitts, and Ms. Watkins voting yes.

b. SHOP COVID-19 SEP

It was moved and seconded to approve the Resolution - SHOP COVID-19 SEP. The motion carried unanimously, with Dr. Aaron, Dr. Ku, Ms. Lewis, Mr. Pitts, and Ms. Watkins voting yes.

c. Authority to Award Grants for DC Health Link Assister Organizations and Business Partners for FY 21

It was moved and seconded to approve the Authority to Award Grants for DC Health Link Assister Organizations and Business Partners for FY 21 as outlined above. The motion carried unanimously, with Dr. Aaron, Dr. Ku, Ms. Lewis, Mr. Pitts, and Ms. Watkins voting yes.

d. Option Years for CBE Contracts for IT Consulting Services:

It was moved and seconded to approve the Networking for the Future and New Light Technologies contracts. The motion carried unanimously, with Dr. Aaron, Dr. Ku, Ms. Lewis, Mr. Pitts, and Ms. Watkins voting yes.

e. Board Continuity of Operations Plan

It was moved and seconded to approve the Board Continuity of Operations Plan. The motion carried unanimously, with Dr. Aaron, Dr. Ku, Ms. Lewis, Mr. Pitts, and Ms. Watkins voting yes.

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

Dr. Aaron asked Mr. Pitts to give the Board a sense of what the world looks like on the ground for small business owners. The view of small business is grim. There is great concern about getting to the other side of the pandemic. District grants available were \$25 million for roughly 6,000 small businesses, which equates to about \$4,000 per business – a drop in the bucket. The federal CARES Act makes available money for loans that can be turned into grants. The Small Business Administration is not going to administer the program – banks are. The banks have to apply and submit paperwork. The small business has to retain or rehire 90% of its staff. Small businesses may not have the staff to rehire: in particular, many younger workers have moved back in with their parents and are not in the District, and may not return. It is all wait and see. Also, most small businesses are in the red now, and taking on more debt service under those circumstances is daunting. There is concern that one-half or more of restaurants in the District may not make it. The situation is the same across the country for small business in general.

Dr. Aaron said that in the case of workers who are no longer available, do they count against you with respect to the 90% requirement. Mr. Pitts said that question had not yet been answered because there are not any rules regarding the program at this date.

The meeting was adjourned at 7:24 pm.