



DC Health Benefit
Exchange Authority

Health Benefit Exchange Authority Executive Board Meeting

MINUTES

Date: March 9, 2022
Time: 5:30 PM
Location: Via Web Ex/By Video or Conference Call Only
Call- in Number: 1-650-479-3208; Access code: 180 604 0392; Password: exchange
Join via Video: [Join meeting](#)

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

A roll call confirmed a quorum with four (4) voting members present: Dr. Aaron, Dr. Ku, Ms. Lewis, Mr. Pitts.

Howard Liebers in attendance on behalf of Commissioner Woods.

II. Approval of Agenda, Diane Lewis, Chair

It was moved and seconded to approve the agenda. The motion passed unanimously, with Dr. Aaron, Dr. Ku, Ms. Lewis, Mr. Pitts voting yes.

III. Approval of Minutes, Diane Lewis, Chair

It was moved and seconded to approve the January 12, 2022, minutes. The motion passed unanimously, with Dr. Aaron, Dr. Ku, Ms. Lewis, Mr. Pitts voting yes.

IV. Executive Board Business, Diane Lewis, Chair

Chair Lewis announced that Mr. Richards will replace Dr. Ku as Chair of the IT Committee, and thanked Dr. Ku, for serving as Chair.

V. Executive Director Report, Mila Kofman, Executive Director

Ms. Kofman provided the following updates:

COUNCIL/EOM

PERFORMANCE OVERSIGHT HEARING: HBX's Performance Oversight Hearing was held via Webex on January 24. It went very well with customers, business and community partners

testifying, as well as a broker describing the positive and forward-looking steps taken by HBX in response to the health and economic impact of the pandemic. In addition to Ms. Kofman's testimony, Ms. Lewis testified about the Social Justice and Health Disparities Working Group recommendations adopted by the board.

PEO LEGISLATION: The Health Committee held a virtual hearing on B24-0305, the PEO Registration Act, on March 7. Ms. Lewis and Ms. Kofman testified in opposition to the ACA exemption for the small group market in the proposed legislation. In addition, the following also testified in opposition: DC Chamber of Commerce, Greater Washington Hispanic Chamber of Commerce, and Restaurant Association Metropolitan Washington, CareFirst BlueCross BlueShield, Kaiser Permanente, American Heart Association, American Lung Association, DC Primary Care Association, DC Medical Society, and numerous brokers. Others such as Small Business Majority and consumer/disease advocacy groups sent in letters of opposition.

Commissioner Woods provided written testimony after the hearing, and the Executive Office of Mayor provided to the Chair for consideration a redline version of the legislation that reflected consensus changes worked on by HBX, DISB, and the Department of Employment Services.

UPCOMING HEARINGS: The Health Committee will hold a virtual Budget Hearing on **March 21**. Ms. Lewis and Ms. Kofman will testify.

MAYOR'S COVID RELIEF FUND: HBX continues to administer Mayor Bowser's emergency COVID relief fund for employers in arrears. To-date we have transmitted approximately \$14.6 million to pay off arrears. A total of 486 employers with 4,648 covered lives benefitted.

OPEN ENROLLMENT

Open enrollment ended **January 31**. There are still special enrollment opportunities for qualifying events, e.g., marriage, move. There is a disaster-based special enrollment for COVID-19, that mirrors the federal government's disaster special enrollment period.

TARGETED OUTREACH: We conducted targeted outreach by email and phone to groups that needed additional assistance. Dependents aging off their parents' plan, people with significant APTC change, and people who started an application but didn't complete an enrollment. In total we sent 560,449 emails and made 4,673 phone calls resulting in 550 enrollments.

VIRTUAL ONE-TOUCH ENROLLMENT ASSISTANCE: DC Health Link Assisters supported twice-weekly Virtual One Touch Enrollment Events that were very successful.

1095A FORMS: On January 31 HBX generated 17,237 Form 1095As – sent by mail and available on-line – for residents covered through the individual marketplace in 2021. We will also send the reports to the IRS and to DC Office of Tax and Revenue (for the local individual responsibility requirement).

OUTREACH: We did significant outreach before open enrollment ended, and we started to do outreach after open enrollment ended to focus on small business enrollment and special enrollment periods.

FEDERAL

PUBLIC EMERGENCY: The President announced continuation of the national emergency – it will extend to March 13, 2023. This will allow continued flexibility including in federal special enrollment periods applicable in DC’s SHOP and reporting of terminations.

HHS OIG SURVEY: HBX responded to HHS-OIG’s Marketplace Enrollment Experiences During the COVID-19 Public Health Emergency Survey. HHS OIG surveyed state-based marketplaces.

LEGAL

PUBLIC CHARGE: On February 17th, the U.S. Citizenship and Immigration Service (USCIS) proposed to reinstate its long-standing interpretation of a policy, used to decide whether immigrants who have relied on certain public benefits can receive legal permanent status or certain visas. The proposed rule clarifies that the use of disaster assistance and pandemic assistance will not count against immigrants. There is a 60-day comment period. We are reviewing that.

Ms. Kofman noted that Dr. Ku does a lot of work on this area and is an expert in some of the litigation that is going on.

SOCIAL JUSTICE

On February 7th, Ms. Lewis represented HBX at a small group in-person discussion to kick-off Health Affairs February 2022 Issue, “Racism & Health.”

As a part of HBX’s Social Justice Speaker Series, Reverend Dr. Willie Wilson, Senior Pastor Emeritus of the Union Temple Baptist Church, joined us on February 16th for Black History Month. He recounted his career and work at the intersection of religion, politics, and activism in the civil rights movement.

AGENCY OPERATIONS: On January 24, 2022, DCHR announced that beginning February 15, 2022, all District government employees must be fully vaccinated and boosted. There continues to be a religious and medical exemption but no “test out” option.

HBX welcomed staff back to the office on February 14 three days per week with two telework days. Beginning March 1, following Mayor’s guidance, HBX is not requiring masks in the office for vaccinated and boosted staff. Those that are not fully vaccinated/boosted will need to continue masking in the office.

PERSONNEL:

Allen Gutierrez, Director of Business Development left HBX on February 25 for the private sector. We will miss his work.

MaryBeth Senkewicz is retiring on April 1st. She worked on the District’s implementation of the ACA through DISB. While at HBX she staffed many Board committees and working groups. In her career, she also served as Florida’s Deputy Insurance Commissioner and Senior Health Policy Counsel at the National Association of Insurance Commissioners. She has made huge contributions to the world of insurance regulation and consumer protection, and here to help us be successful is quite significant. We will miss her.

Chair Lewis offered her thanks to Ms. Senkewicz for her service.

The Chair acknowledged that LaQuandra Nesbitt and Gabriela Mossi joined the meeting.

VI. Executive Board Finance Committee Report, Henry Aaron, Chair

The Finance Committee met on February 3, 2022, with two committee members, and March 3, 2022, with all three Committee Members in attendance.

Reviewed and approved for Board consideration three contracts:

1. Modification of the A&T Systems contract for the current contract year of \$105,000, and the final option year, for an additional \$230,000.
2. Mercer contract not to exceed \$175,000 for the base and 4 option years.
3. Contact Center contract not to exceed an amount specified while the review process is underway – there is hope that they will come in under the approved amount.

Auditors performed fiscal year 2021 comprehensive financial report. The auditors presented a clean unmodified opinion and volunteered that they found interactions with HBX staff to be excellent, and that left us feeling good, especially the accounting staff.

The Finance Committee Reviewed FY2021 year-end budget tracker and the monthly budget tracker and spending reports for each of the two months. The Committee found nothing of concern.

VII. Discussion Items

- a. Standard Plans Working Group Report – *Dania Palanker, Chair, Standard Plans Working Group*

Ms. Palanker provided the following report.

As reported during the November 10, 2021, Board Meeting, the Standard Plans Working Group reconvened to address proposed changes to the federal Actuarial Value Calculator (AV Calculator). The Draft 2023 Calculator was released on December 30, 2021, and the actuaries at Oliver Wyman ran our plan year 2022 plans through the draft version with mixed results, but, significantly, there was a need to change both silver and gold standard plan design. In response to the 2023 Notice of Benefit and Payment Parameters Proposed Rule and the Draft 2023 Actuarial Value Calculator, HBX raised concerns that the proposed actuarial value standards would hinder state efforts to address health equity initiatives and pose challenges for our ongoing equity work.

Stakeholders, including health plans, commented and raised concerns about the actuarial value and/or de minimis variation. HBX specifically requested that CMS allow a higher de minimis range for both gold and silver metal levels. The working group assumed the worst-case scenario for the calculator when adjusting our standard plan designs for plan year 2023 using the proposed 2023 calculator as drafted to make determinations about cost-sharing changes. As a personal note, this is a difficult year because of the large changes. We have made really great strides in DC in designing plans that fit specific actuarial value that provide first-dollar coverage, and we have always worked well as a work group of various stakeholders that want to design good plans that fit within the constraints. It was very hard this year. While we would have preferred not to have to make these increases, a lot of thought went into how to comply with the calculator.

In the summary provided, you will see changes from plan year 2022 standard plans in track mode. First, the recommended list of \$0 cost-sharing services for Type 2 diabetes that was adopted during the November meeting was incorporated into the analyses provided by Oliver Wyman. This policy is noted in the standard plan grids using asterisks, and is in track mode on the version provided for this meeting, because it is a change from the 2022 plans, even though the Board has already gone through the process of approving them:

- Health Care Provider’s Office or Clinic visit: *PCP visits, dilated retinal exam (1x per year), diabetic foot exam (1x per year), and nutritional counseling visits (unlimited) with a primary diagnosis of Type 2 diabetes are provided with no cost-sharing.
- Laboratory Tests: **For a person with a primary diagnosis of Type 2 diabetes, the following lab services are provided with no cost-sharing:
 - Lipid panel test (1x per year)
 - Hemoglobin A1C (2x per year)
 - Microalbumin urine test or nephrology visit (1x per year)
 - Basic metabolic panel (1x per year)
 - Liver function test (1x per year)
- Drugs to treat Illness or Condition: *** A select list of diabetes supplies and medications within the diabetic agents drug class, as defined by the carrier, are provided with no cost-sharing. A carrier is not required to change the drugs that are on the carrier’s formulary.

As previously stated, proposed changes to the AV Calculator methodology resulted in the need to change cost-sharing in silver and gold standard plans for plan year 2023. Our actuaries modeled several options for gold, silver, and bronze. CareFirst also submitted several options for the working group’s consideration in the gold, silver, and bronze metal levels. We talked about both and merged some in some cases. As we deliberated, the group kept the following in mind:

- How high a maximum out-of-pocket (MOOP) is acceptable, particularly for silver?
- Besides any change to the MOOP, should we spread the increase across all services, with smaller increases over almost everything, or should we limit the increased services to the deductible applies to (including inpatient services, outpatient surgery, and skilled nursing).
- If we spread out the increases in cost-sharing, are there some services that should have no increase or a lower increase in copay?

Proposed AV Calculator changes, however, also resulted in an opportunity to reduce copays in the bronze copay plan. The actuaries provided some options for increasing the MOOP and lowering office visit copays for PCP, mental health and substance use disorder, and specialist visits.

The resulting changes to the 2023 standard plans are as follows:

- Platinum: 88.99% to 89.89% actuarial value. No changes were made.
- Gold: 81.95% to 81.92% actuarial value with the change made. The working group consensus was to increase the MOOP by \$850. This decision centered around input from the actuaries and issuers that a small percentage of gold enrollees reach their MOOP. The actuaries used an internal model to determine what percentage of gold members would reach their out-of-pocket max. Based on their modeling, a range of two to four percent of members would hit the MOOP. We know that is still not great, but that there had to be an increase to some cost-sharing. In addition to having it be on a smaller percentage of consumers, working group members noted that it would create less confusion for consumers if changes were limited to one element. We are aware that this is a large increase for people who do hit the MOOP.
- Silver: 71.96% to 71.95% actuarial value (AV). In order to maintain the AV within the allowable de minimis range, the working group was required to make changes to medical

and prescription drug deductibles, MOOP, and increases in copays for imaging, generic prescriptions, and emergency room and transport.

The actuaries modeled several options for review. We asked for several models, including MOOP increases to the allowed maximum amount of \$9,100. The working group determined that this would not be an acceptable solution. The working group also felt that it was important not to increase the pharmacy deductible by a large amount; however, the change to the AV calculator required quite a few adjustments. This was, by far, the hardest hit plan design based on the new AV calculator. And while the working group settled on several cost-sharing increases that were relatively small, we also acknowledge that this change is not insignificant for silver plan enrollees. There is unfortunately no way around it.

- Bronze: 64.95% to 64.91% actuarial value. By increasing the MOOP, we were able to decrease the PCP and Mental health and substance use office visit copays, as well as the specialist copays. Working group members thought it important to reduce copays for office visits to support routine care and try to reduce cost as a barrier to access. We have been thinking about this for a number of months because we want to make sure people had meaningful access to services in a pre-deductible benefit, and we know that the reasonable and customary amount the insurance would pay is actually less than the copay. Those copays had snuck up and gotten quite high, so this was a way to make sure people actually are able to access those office visits and have a pre-deductible benefit.
- Bronze HSA: 64.99% to 64.56% actuarial value, no changes to design

The Working Group will be reaching out to stakeholders, such as advocacy groups that represent patients with specific diseases, i.e., disease groups, and other affected parties to explore the best ways to address future cost-sharing changes. The Social Justice and Health Disparities Working Group will also be implementing the expansion of the \$0 cost-sharing program to other diagnoses that disparately impact communities of color. I want to stress that eliminating cost-sharing for diabetes care only added .03-.05 to AV, so the issue is the AV calculator not our program regarding Type 2 diabetes. This working group will work with the Social Justice and Health Disparities Working Group to incorporate further recommendations.

Dr. Aaron noted that there is a big difference between bronze and all the other plans on childhood orthodontics – a \$2,400 difference in the cost. Was there consideration given to potential manipulation in order to maximize benefits?

Ms. Palanker noted that we did not look at this benefit this year, but in the past this has been discussed, and carriers were helpful in speaking up if there were things that would cause adverse selection.

Dr. Aaron encouraged the group to look into this in the future.

Dr. Ku noted that the criteria for orthodontics is medically necessary orthodontics, which is a very high standard, so medically necessary orthodontics are fairly rare. It's pretty severe.

Ms. Lewis thanked Ms. Palanker and the group for all of their work and acknowledged that the Social Justice recommendations would add work to the Standard Plan Working Group, and expressed gratitude for the group and Ms. Palanker's work.

Ms. Palanker thanked the Chair for the opportunity to be part of the equity work in DC. It is exciting to be part of.

b. Mercer for Actuarial Services – *Mila Kofman, Executive Director*

Ms. Kofman noted that the Finance Committee first considered this and recommended it go to the full boards for approval. We are in our last year of our contract with Mercer (Oliver Wyman) actuaries. We issued an RFP, and we had one vendor who submitted a proposal. After staff reviewed and negotiated rates, staff recommended that this be approved.

Request: To approve an amount of funding not to exceed \$175,000 to award a professional actuarial services contract for plan year 2022, with four (4) additional option years, to Mercer (Oliver Wyman). We are seeking approval as follows:

Base Year (Plan year 2022)	Not to exceed \$175,000
Option year 1 (PY2023)	Not to exceed \$175,000
Option year 2 (PY2024)	Not to exceed \$175,000
Option year 3 (PY2025)	Not to exceed \$175,000
Option year 4 (PY2026)	Not to exceed \$175,000

c. A&T Systems – *Mila Kofman, Executive Director*

A&T Systems provides Amazon Web Services (AWS) hosting services. Because our system has gotten more sophisticated and we are doing more development work, we need more space. The current contract ceiling is not sufficient.

Request: approval to increase contract ceiling: (1) HBX is requesting a \$105,000 increase in the contract ceiling from \$720,000 to \$825,000 for the current period which expires on June 23, 2022. Of this total, \$240,000 is for CCA and \$585,000 for HBX. HBX is also requesting that we exercise the fourth and final option year with a contract ceiling of \$950,000. A portion is for the Massachusetts side of what we do. The increase reflects HBX additional needs. This final option year runs from June 24, 2022, through June 23, 2023.

Finance Committee approved this and recommended it go to the full Board for approval.

VIII. Public Comment

No public comment was proffered.

IX. Vote

a. Resolution for Standard Plans Working Group PY2023

It was moved and seconded to approve the Resolution - Standard Plans Working Group PY2023 as set forth above. The motion passed unanimously, with Dr. Aaron, Dr. Ku, Ms. Lewis, Ms. Mossi, Mr. Pitts voting yes.

b. Mercer contract for Actuarial Services for \$175,000 for the base year and \$175,000 each for the four option years

It was moved and seconded to approve Mercer for Actuarial Services as set forth above. The motion passed unanimously, with Dr. Aaron, Dr. Ku, Ms. Lewis, Ms. Mossi, and Mr. Pitts voting yes.

- c. A&T Systems increase by \$105,000 for the current contract year, and exercise the final contract year with a ceiling of \$950,000, including work for HBX and Massachusetts

It was moved and seconded to approve the A&T Systems contract request as set forth above. The motion passed unanimously, with Dr. Aaron, Dr. Ku, Ms. Lewis, Ms. Mossi, and Mr. Pitts voting yes.

X. Closing Remarks and Move to Executive Session, *Diane Lewis, Chair*

Pursuant to DC Code Section 2-575(b)(2),(8), and 31-3171.11 to discuss contracts and system security. The public portion of the meeting closed at 6:21 p.m.