



## Health Benefit Exchange Authority Executive Board Meeting

### MINUTES

**Date:** May 11, 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](#)

**Members Present:** Henry Aaron, Leighton Ku, Ramon Richards, Diane Lewis, Gabriela Mossi, Karima Woods

**Members Absent:** Tamara Watkins, Khalid Pitts, LaQuandra Nesbitt, Wayne Turnage, Laura Zeilinger

#### **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, Mr. Richards, Ms. Lewis, present at the beginning of the meeting. Note Ms. Mossi joined later in the meeting.

#### **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, Mr. Richards, and Ms. Lewis voting yes.

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

It was moved and seconded to approve the March 9, 2022, minutes. The motion passed unanimously, with Dr. Aaron, Dr. Ku, Mr. Richards, and Ms. Lewis voting yes.

#### **IV. Executive Board Business, Diane Lewis, Chair**

Ms. Lewis announced that Leighton Ku will step in as the interim chair of the Standard Plans Advisory Working Group and thanked Dr. Ku for taking this on in Dania Palanker's absence.

Dr. Aaron asked if this was a temporary measure. Ms. Kofman confirmed that it is temporary.

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

**BUDGET OVERSIGHT HEARING:** The Health Committee held HBX’s Budget Oversight Hearing via Webex on March 21st. Board Chair Diane Lewis and Ms. Kofman responded to questions. Community support for the budget. The Health Committee held its budget markup on April 20. There were no changes to our budget. The Council will consider the FY23 budget later this month.

**MAYOR’S COVID RELIEF FUND:** The Mayor proposed an additional \$3.75 million to extend the premium arrears program established last fiscal year for \$15 million. If Council approves, it will mean qualified employers in DC Health Link could get their arrears paid through March or April of this year. We eagerly await to see what Councilmembers do with that proposal.

**AMERICAN RESCUE PLAN LOWER PREMIUMS:** Directors from SBMs are meeting with folks on the Hill to talk about the importance of extending the lower premiums that are due to expire at the end of the calendar year. In DC, we have doubled the number of people eligible for lower premiums thanks to the American Rescue Plan, and we estimate if it is not extended, people will pay on average \$5,600 more per year. That is not sustainable and will lead to many people losing coverage – premiums as low as \$11 per month will disappear, and the financial hit will be on sole proprietors, entrepreneurs, and residents who work for employers who don’t offer coverage, or residents who work multiple jobs where they don’t qualify for job-based coverage. All SMB directors are coming to town next week to meet in-person with Biden Administration officials as well as the Hill to talk about the impact of the American Rescue Plan and the repercussions if the lower premiums don’t get extended.

**2023 HEALTH PLAN RATE AND FORM FILINGS:** Rates have been filed with DISB. They were due May 2. We will be advocating for the lowest possible rates, and our actuaries from Oliver Wyman have started to look at the filings. We required standard plans to be offered on the small group side, and all standard plans have to cover services for Type 2 diabetes at no cost to the patient, those have all been filed.

**MASSACHUSETTS MOU:** On March 22, 2022, the Massachusetts Connector Board of Directors approved renewal of our partnership for another five years

**FEDERAL REGULATORY ACTIONS:**

On April 12, 2022, Secretary Becerra of HHS extended the COVID-19 Public Health Emergency to July 11, 2022. We are eagerly awaiting to see if it will be extended again. Once the federal emergency ends, Medicaid programs will begin making redeterminations for Medicaid eligibility. We are working closely with our Medicaid partners to plan for redeterminations that will eventually start happening.

**2023 NBPP:** The Centers for Medicare & Medicaid Services (CMS), released the 2023 Notice of Benefits and Payment Parameters (NBPP) Final Rule. This Final Rule finalized many of the provisions in the proposed rule including the modified standard for nondiscrimination for health plan design. We submitted comment indicating that we were concerned that if the standard relies on clinical evidence and research, that in itself could perpetuate bias and racism because, in much of the clinical research, there is a history of exclusions from these studies for women, communities of color, transgender people, and others). We felt the standard itself could perpetuate a bias. We greatly appreciate the change in the standard. The change reflects how seriously the Biden Administration is taking systemic racism and how committed it is to addressing the issue. In their final preamble to the regulation, CMS said “We recognize that systemic racism and bias are

pervasive and limit many aspects of medical research,” and they’re committed “to reducing the effects of such racism and bias.” and so they finalized nondiscriminatory plan design that has to be clinically based but without specifying that the plan design has to rely on current and relevant peer-reviewed medical journals, practice guidelines, and recommendations from reputable governing bodies or similar resources. They indicate that they expect that issuers will work with states to design nondiscriminatory plans, and they expect states to evaluate the clinical evidence for plan designs while also conducting their form reviews and providing other guidance. The point there being that our comments and other stakeholders weighing in made a difference on this. Ms. Kofman thanked the team at HBX who worked on extensive comments.

**PUBLIC CHARGE:** The federal government released additional guidance on Public Charge. HBX signed on to comments submitted by Protecting Immigrant Families (PIF). Dr. Ku worked on a public charge comment letter for Public Health and Public Policy Faculty, and he shared his insights on what that group of professors was recommending.

**FAMILY GLITCH:** April 5, the IRS/Treasury issued a proposed rule to fix the “family glitch” to strengthen the ACA. Currently, when coverage is provided through employer and is considered affordable for employee, then the family is ineligible for marketplace coverage with APTC. The IRS is taking steps to address that through this proposal, which would result in a family qualifying for APTC under a different affordability standard, i.e., not limited to the affordability for the employee. We will be discussing this later, and our Deputy General Counsel, Alex Alonso, is here to answer technical questions about what the IRS did. We have supported this for years, and we applaud what the Biden Administration is doing for moving forward with fixing it.

**APRIL 5 EXECUTIVE ORDER:** President Biden signed an Executive Order that reiterates the directives to strengthen Medicaid and the ACA. In addition to me, several of our DC Health Link customers were at the White House for the signing of the April 5 Executive Order. President Obama, Vice President Harris, and President Biden talked about the importance of the ACA and the need for Congress to extend expanded APTC to give affordability true meaning.

## **SOCIAL JUSTICE**

Ms. Kofman congratulated Ms. Lewis for having her article published on March 17, 2022, in Health Affairs (available at: <https://www.healthaffairs.org/doi/10.1377/forefront.20220315.92335>). Ms. Lewis highlighted the efforts of the Board on addressing health disparities and health equity. She also talked about specific recommendations of our Social Justice Working Group and the standards the Board adopted. She also presented at a State Health and Values Strategies meeting of state-based exchange marketplace communications and policy staff discussing our efforts.

As a part of HBX’s Social Justice Speaker Series, Maria Gomez, founder and former President and CEO of Mary’s Center joined us on March 23 in honor of Women’s History Month. On April 20 to celebrate Arab-American Heritage Month, Dr. Diana Abouali, Director of the Arab American National Museum (AANM) in Dearborn, MI was our keynote speaker. Diane Lewis joined us for both speakers. Diane also did a wonderful introduction of Maria Gomez emphasizing the incredible impact Maria had on the City, providing context of all the work she has done and contributions to the health care and the health of DC.

Dr. Aaron asked about care for Type 2 diabetes being done without cost-sharing but asked what was happening with Type 1 diabetes.

Ms. Kofman responded that Type 2 diabetes was identified as a priority by the Social Justice Working Group when looking at conditions that especially impact communities of color in DC. Type 2 diabetes was one of the conditions that was identified and was included in the recommendations. Those were adopted by the board last July as a first effort to eliminate cost barriers for core conditions that disproportionately impact communities of color and other groups that have been disadvantaged and experience disparate impact and health disparities.

Dr. Aaron asked about the basis for distinction between Type 1 and Type 2 diabetes.

Ms. Kofman noted that Type 1 diabetes still has cost-sharing associated with the treatment.

Dr. Ku noted that his understanding was that, when the change was first made on insulin pricing, it was based on CareFirst, and then Kaiser Permanente was willing to go along. Dr. Ku asked if, as the policies have changed, we have any sense as to whether other insurers are following on.

Gabriela Mossi joined – 5:54 pm

Ms. Kofman clarified that CareFirst had implemented \$0 cost-sharing for insulin as part of their equity work across all markets throughout the region. Kaiser Permanente has also done a lot of work around this.

Dr. Ku noted that CareFirst and Kaiser Permanente were already in the lead, but the changes we made under Social Justice go beyond what CareFirst and Kaiser Permanente were already doing, but they were willing to go along. Are they changing everything more broadly? And are United and Aetna going along, too?

Ms. Kofman answered, yes. The companies are all in. There is a whole lot of investment among the companies. SHOP carriers are all making these changes under the guidelines of the adopted standards. In our conversations, with each health plan, the plans made clear that these changes are not limited to just our individual and SHOP market. They are making it across their products, which is fantastic.

Dr. Ku noted that hopefully we can create leverage through what we do. Dr. Ku suggested it might be worth additional digging and writing a piece for publication to lead a broader change. If we can influence, with our 100,000 lives, while we are not a majority, we can leverage and multiply our effect. This is a story that's worth telling and knowing about.

Ms. Kofman stated she was glad this was highlighted. Right now, everything is anecdotal. There is a report that will be submitted to the Board in the July meeting. We have developed a template for health plans to use to tell us what they have done in year one. We will compile the information and provide an aggregated (de-identified) report to the Board. Once we are done with that, we will have a way to talk about the impact with evidence.

Dr. Aaron asked if we have \$0 for sickle cell and other conditions, and if not, why not?

Ms. Kofman: We started with a list of conditions the working group identified based on how prevalent the different conditions are in different communities of color in the District.

Dr. Aaron commented that because sickle cell is a disease confined to populations of people of color, but just because it is not as large an item, the same logic would call for no cost-sharing there, as well as for other conditions that disproportionately affect particular populations. I understand the background, but the logic seems a little wobbly.

Dr. Ku disagreed, noting that he was understanding Dr. Aaron to say that if we're doing it for one, why not consider it for all, but it is the case and there is demonstrable evidence that diabetes is a particularly common, serious, and economically burdensome disease. Sickle cell disease, as far as on the evidence of comprehensive degree of harm, it is there, and there are other diseases that have racial orientation, but diabetes is definitely number one.

Ms. Lewis noted that what we are trying to do is move through the list with the carriers to make sure that we can work it through the plan design – you'll remember the struggle that committee had to make sure the initial effort they made would work in terms of all of the equations and cost-sharing and other issues. I don't want us to think this is the only thing we are doing. There are a number of other diseases that we are looking at, and this is the first. To Dr. Aaron's point, sickle cell is a major issue, and has an unbelievable impact on the black community, but we started with diabetes, which is critical on its own, but also has other issues in terms of its impact on cardiovascular issues and kidney health. It is huge in terms of the impact on communities of color. Ultimately, it was a place to start, but it is not the last thing we are going to do.

Dr. Aaron noted that what Ms. Lewis said makes sense, and he wanted to clarify why the basic position doesn't make sense: sickle cell is devastating and while it does not impact a lot of people, it impacts a significant proportion of the African American population, and the burden for an individual rivals that of diabetes. Type 2 diabetes has a behavioral component to it, and sickle cell does not. Freeing people with sickle cell disease from cost-sharing would be comparatively inexpensive, and would spare people, who, through no fault of their own, get a bad hand to play. Dr. Aaron noted that what Ms. Lewis is raising is a different issue – by freeing people with type 2 diabetes from costs, the treatment will be better and will spare people and society from costs and the ancillary diseases that flow from diabetes will also be reduced. This merits further looking at.

Ms. Lewis noted that there have been a number of discussions around sickle cell. Diabetes was the first, but not the last.

Ms. Lewis turned the discussion to Dr. Aaron for the Finance Committee Report.

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

Dr. Aaron reported that the Executive Board Finance Committee met on April 21, 2022, and May 5, 2022. All three committee members were in attendance on April 21. Two members were present on May 5.

The Committee reviewed and approved for Board consideration option year 3 for the IdeaCrew IT contract, which covers services with a total potential cost up to \$10.8 million. It is our biggest single contract. Dr. Aaron asked for an intermediate level explanation of what the contract bought and where it fits into HBX operations. Ms. Kofman provided an explanation that helped Dr. Aaron answer the question about what \$10.8 million buys.

We decided not to use a large IT vendor for our DC Health Link IT system, instead using a small, local business, IdeaCrew, for development, operations, and maintenance. We prefer them to a large vendor because they are local and because large vendors are comparatively expensive. Given our budget limits, our system wouldn't be able to afford as many innovations as we can now do. The IdeaCrew contract covers most of our system operations and maintenance. In addition, IdeaCrew implements much of our three-year IT development road map. Our internal staff perform some operations and maintenance, and that helps lower our overall costs because the per-hour cost from a consultant is higher than it is if we can do those things internally.

IdeaCrew contract covers all IT work for the Massachusetts partnership and includes operations as well as maintenance. We are reimbursed by Massachusetts for all of that work.

Dr. Aaron confirmed that this is a decent explanation for spending a substantial amount of money on this contract.

Dr. Aaron provided the following updates:

1. HBX is involved in the District's single audit related to fiscal year 2021 expenditures under the Mayor's \$15 million arrears program. The funding comes from the local and state funding from ARPA (the American Rescue Plan).
2. HBX has signed a memorandum of understanding with an agency called Lab at DC, a governmental activity under Mayor Bowser, to occupy the IT portion of our space at L'Enfant Plaza from April through the end of fiscal year 2022, which takes it from a net hit on our budget.
3. Monthly budget trackers were reviewed. No findings.
4. Capital Reserves of HBX were reviewed. We adopted a Reserve Policy in April of 2016, which calls for operating reserves equaling 6-9 months of the previous year's council-approved budget (half to three-quarters in dollar terms). In addition, the Board approves capital reserves of up to \$20 million for possible capital needs. In addition, the HBX reserve fund policy requires full funding of the operating reserves before any funding of the capital reserve occurs. To implement that policy, the HBX Executive Board first approved funding for capital reserve at a level of \$5 million on January 8, 2018, but that would only occur after the operating reserves topped its top target level. The operating reserve now exceeds three-quarters of our budget, and accordingly the HBX Board Finance Committee recommends increasing the capital reserve. Given inflation, one could justify purely because of the decline in the value of the dollar, increasing the reserve by \$800,000 – that is to \$5.8 million – and that is what the Finance Committee, on advice from staff, is suggesting that we do.

This concludes Dr. Aaron's report.

**VII. Discussion Items**

- a. HBX Reserves – *Henry Aaron, Chair, Executive Board Finance Committee*

Ms. Lewis noted that this was already discussed.

- b. IdeaCrew – *Mila Kofman, Executive Director*

Ms. Kofman noted, in addition to what Dr. Aaron discussed, that the Finance Committee approved, and we need full Board approval to exercise option year 3 with IdeaCrew for the contracted ceiling amount of \$10.8 million for this new option year, which starts October 1, 2022, and runs through September 30, 2023. This is an IDIQ contract, so we do not have to spend the full amount, but because the amount is above \$1 million, it has to go the Council for approval before we can execute it. That is the request to the full Board: to approve \$10.8 million for IdeaCrew for option year 3.

Dr. Aaron asked if it was time to vote on the option year.

Ms. Lewis asked if we should discuss affordability before voting on this issue.

c. Comments on Affordability of Employer Coverage for Family Members of Employees (Family Glitch) Proposed Rulemaking – *Mila Kofman, Executive Director*

Ms. Kofman asked if Board members have feedback for comments on the proposed regulations to fix the family glitch. HBX plans to submit comments, as we have advocated, like other advocates and other marketplaces, for the federal government to fix this. Now they are proposing to fix it, so we plan to submit comments in support. Ms. Kofman wanted to ensure the Board had an opportunity to weigh in. Ms. Kofman welcomed any points that need to be emphasized, or if Board members disagree on our policy position, they should let us know. HBX will share a written draft with Board members for input and an opportunity to weigh in on the written draft.

Ms. Kofman noted Gabriela Mossi's attendance at the meeting for the record.

**VIII.** Public Comment

No public comment was proffered.

**IX.** Vote

a. HBX Reserves

It was moved and seconded to approve the Capital Reserve Funding. The motion passed unanimously with Dr. Aaron, Dr. Ku, Mr. Richards, and Ms. Lewis voting yes. Ms. Mossi's vote could not be heard.

b. IdeaCrew

It was moved and seconded to approve to exercise option year three of the IdeaCrew, Inc. contract. The motion passed unanimously with Dr. Aaron, Dr. Ku, Mr. Richards, and Ms. Lewis voting yes. Ms. Mossi's vote could not be heard.

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

Ms. Lewis reported publicly one vote that was taken in Executive Session at the March 9, 2022, board meeting related to the Contact Center contract. The vote was to authorize HBX to enter into a contract with a vendor. The Vendor was TBD when the procurement process had completed. The authorization was for:

Base year total: \$3,800,000 and change (\$3,871,341)

Option year one total: \$4 million and change (\$4,052,535.88)

Option year two total: \$4 million and additional (\$4,062,736.51)

Option year three total: \$4 million and additional (\$4,060,807.43)

Option year four total: \$3,980,000 and change (\$3,983,347.87)

At the conclusion of business for the day, Ms. Lewis adjourned the meeting as of 6:17pm on Wednesday, May 11, 2022.