



Health Benefit Exchange Authority Executive Board Meetingⁱ

MINUTES

Date: June 24, 2024
Time: 5:06 PM
Location: Via Zoom/By Video or Conference Call Only
Meeting Link: <https://rb.gy/q6klrs> password: 3a+\$FTq4

Members Present: Henry Aaron, Leighton Ku, Diane Lewis, Gabriella Mossi, Karima Woods

Members Absent: Ramon Richards, Tamara Watkins, Khalid Pitts, Wayne Turnage, Laura Zeilinger, Dr. Ayanna Bennett

Welcome, Opening Remarks and Roll Call

Chair Lewis - Chair

A roll call confirmed a quorum with 4 voting members present (Dr. Aaron, Dr. Ku, Ms. Lewis, Gabriela Mossi).

Approval of Agenda

Chair Lewis – Chair

It was moved and seconded to approve the Draft Agenda. The motion passed with Dr. Aaron, Dr. Ku, Ms. Mossi, and Ms. Lewis voting yes.

Approval of Minutes

Chair Lewis – Chair

It was moved and seconded to approve the Draft January 8, 2024 and February 15, 2024 Minutes. The motion passed with Dr. Aaron, Dr. Ku, and Ms. Lewis and Ms. Mossi voting yes.

Executive Board Finance Committee Report

Henry Aaron, Chair

In February, the Finance Committee discussed and approved adding \$6 million to the Capital Reserve which was at \$6.65 million, which was well below the cap at that time, \$20 million. Pursuant to this decision, \$4.5 million that was liquid has been added to the Capital Reserve and another \$1.5 million was added in April when investments matured.

In April, we discussed and approved \$11 million of the Capital Reserve to be invested in 6-month T-bills and \$26 million of the Operating Reserve in 6-month T-bills. Of the Assessment Investment Account, we approved investing \$13 million in 3-month T-bills and \$12 million in 6-month T-bills. Our goal has been to maximize safe yields consistent with ready liquidity. Usually, one can increase yield with lengthier maturities. But that isn't the case today as the feds have continuing concerns about inflation and their intended reticence about lowering interest rates meaning that by sticking with short maturities, we ran little risk of missing out by not investing now in longer term Treasury securities.

Discussion Items

Certified Business Enterprise (CBE) IT Consulting Services Contract for IdeaCrew and Nimbus Solutions – Mila Kofman, Executive Director

M. Kofman - I'm just going to go very fast because there are lots of approvals we need from the full board. So, the first one is IT support contract services. We did this through competitive bidding, we limited the bids to CBEs only. We issued the RFP on March 25, 2024 for operations and maintenance development work and IT staffing services support. The RFP bidding process for the initial bids closed on May 17, 2024.

We received eight submissions, and three were disqualified and five were evaluated. Staff proposed going forward with two vendors. The first one being IdeaCrew for operations and maintenance development, and IT staffing support. The second CBE that staff is proposing is Nimbus Solutions as the provider for IT staffing support services. All of this the staff first provided to the IT committee and then it went to the board's Finance Committee for approval, and now to the full board for consideration.

For IdeaCrew, the contract amount is all not-to-exceed amounts, and these are task order-based contracts. There's no guarantee that we will be spending this much, but this is authority to spend up to the ceiling. For the base year, which starts FY25, it's \$8.5 million for IdeaCrew, \$2.7 million of that is for work that the vendor will do for the Massachusetts Health Connector, which is their SHOP (to which we provide support). So FY25 is the base year. This would include four option years. FY26 would be up to \$8.9 million, \$2.9 million of which would be for Massachusetts work for FY27, up to \$9.3 million, about \$3 million of that would be for Massachusetts work. For FY28, the contract ceiling would be \$9.8 million with \$3.2 million, for Massachusetts, and for FY29, the contract ceiling would be \$10.3 million with approximately \$3.3 million for Massachusetts. If you approve, this will then have to

go to the Council because this CBE contract will exceed the \$1 million threshold, and it will require Council approval.

For Nimbus Solutions, for FY25, staff recommends up to \$800,000 for FY26; up to \$820,000, for FY27; up to \$850,000 for FY28; up to \$880,000; and for FY29 up to \$920,000. This will not require Council approval if, after the full board approves.

Center for Study of Services Contract (Consumers' CHECKBOOK) Decision Support Tools Contract - Mila Kofman, Executive Director

The next contract spending that we would need approval for from the full board is for Consumers' CHECKBOOK. The formal name of that non-profit organization is Center for the Study of Services. Consumers' CHECKBOOK provides our consumer decision support tools, which allows for anonymous shopping, browsing and comparison, health plan comparison, dental plan comparison, looking up providers, physicians in the network, and looking up the formulary. The decision support is both for small group market as well as the individual and family market. That contract is done this year as well. We need a new contract with Consumers' CHECKBOOK and staff proposed a base year for FY25 of \$735,750. And then that contract also would have four options years not to exceed \$739,350 through FY29. So, staff will need full approval from the board. And this first went to the Finance Committee, and the Finance Committee approved moving this forward to the full board.

FY2025 DC Health Link Business Partner Grants - Mila Kofman, Executive Director

For our Business Partner Grants, the staff recommends for the DC Chamber of Commerce \$187,000, for the Greater Washington Hispanic Chamber of Commerce \$163,000, and for the Restaurant Association Metropolitan Washington \$155,800. These first went to the Marketing and Outreach Committee for their input and approval and then went to the Finance Committee, and the Finance Committee recommended moving this for a full board vote.

The staff recommended budget for each grantee is essentially what we have been doing for the last couple of years for the Business Partners.

FY2025 DC Health Link Assister Grants - Mila Kofman, Executive Director

For the DC Health Link Assisters, for Community of Hope \$161,365, for Leadership Council for Healthy Communities \$166,668, for Mary's Center \$92,967, and for Whitman Walker Health \$263,200. Again, these went through the Marketing and Outreach Committee, first, and then to the Finance Committee. And now, it's before the full board for your vote.

HC4CC Outreach & Engagement Program Grants – Mila Kofman, Executive Director

Last but not least, for the HealthCare4ChildCare Grants, there is the DC Early Learning Collaborative \$75,000 and Multicultural Spanish-speaking Providers Association \$75,000 for FY25.

HBX Reserve Policy Update – Marjorie Edmonds, Agency CFO

Most of the changes to the Reserve policy are minor, but we do have a few significant ones. Throughout the policy we have changed references to Agency Associate Chief Financial Officer and Agency CFO to reflect the correct title which is agency Chief Financial Officer or Agency CFO. So that's happened throughout the policy. We've also changed CAFR which was Comprehensive Annual Financial Report Annual Comprehensive Financial Report, the GFOA Government Financial Office Association changed that because the term CAFR was derogatory term, I think it was in South Africa, so they changed it to ACFR instead of CAFR.

Now, the first significant change is in section 1C. Under Policies And Procedures For Reserve Funds. It used to say operating reserves will be maintained in the same interest-bearing account that is the general operating bank account, Capital Reserves will be maintained in a segregated interest-bearing account. We're proposing that it say operating Reserves and Capital Reserves will be maintained in segregated accounts, each of which is separate from the general operating bank account. Each will be invested consistent with OCFO policies. This is actually the procedures that we have in place, and we've been following since 2018. We have had our investments and T-bills and money market funds and not actually in a bank account, and it has been separate from our operating account. The next change in section Two of procedures, Reserve Funds in section 2B. It used to read, Capital reserves will be calculated based on availability of funds after fully funded operating Reserve. We've now added or propose to add a Capital Reserve cap of \$20 million was established at adoption of the Reserve Policy. The cap is to be indexed by the Consumer Price Index, published monthly by the U.S Bureau of Labor Statistics beginning with the adoption of the policy in April 2016.

In the original policy, we didn't address the maximum amount until part Five of this section. So now we are identifying the maximum amount, and we also are now adding inflation. So we know that \$20 million in 2016 is not the same as \$20 million in 2024. So we're going to build in inflation automatically.

M. Kofman - I just want to make it clear the \$20 million cap or Capital Reserve was in the original Reserve policy the board approved in our early years. What Marjorie was saying that \$20 million cap didn't appear until later in the Reserve policy, and now it's just earlier on and the substantive difference is indexing the \$20 million. I wanted to make sure that was clear.

M. Edmonds - the next change is under Funding Reserves, section 3B. The original Reserve policy said, the Capital Reserve will be funded with available Unassigned Operating funds. We've added "including earnings on the operating and Capital Reserve investment accounts." So, we're earning a significant amount on the Reserve accounts and we can use that to increase the Capital Reserve.

The next substantive changes under section 5, Replenishment of the Reserve. It originally said the organization's goal is to replenish the Capital Reserve up to \$20 million based on the availability of funds and a fully funded operating Reserve. So this is where it referred to the \$20 million previously. Now it reads the organization's goal is to replenish the Capital Reserve up to the reserve cap established in section 2B of this policy based on availability of funds and a fully funded Operating Reserve. So now it references the section that allows us to use inflation to adjust the maximum amount for the Capital Reserve.

M. Kofman - The motivation for indexing the Capital Reserve amount was raised during the Finance Committee meeting by finance chair Dr. Aaron in that what originally the board did is not sufficient to make sure that we have a robust Capital Reserve. So that was initiated by Dr. Aaron in the context of a finance committee discussions. I just wanted to make sure that you had that information.

Amendment of Bylaws – Mila Kofman, Executive Director

The board had its strategic planning meeting last month, early May. And one of the areas the board discussed had to do with the frequency of the board meetings each year. And essentially the proposed change to the bylaws which is moving board meetings from every other month to four times per year reflects the discussion that board members had at the Strategic planning session. So the proposed change to the bylaws is to move board meetings from every other month to four times per year.

Public Comment

Chair Lewis asked for public comments.

H. Aaron – I think that if a quarterly meeting suffices for the staff to carry out its functions adequately, I'm all for it. But I think it reasserts and enforces the obligation we all have in my view to be present at those meetings and adjusting calendars to do whatever is necessary to be there. Now, I recognize that as somebody whose demands on time is much less than probably all other members of the board, this is an easy comment for me to make, but it's one that I think all of us should honor. If we have agreed to serve on the DC Health Exchange board, something, I think we've all done because as residents of the District, we recognize we have an obligation as relatively privileged residents, to serve the community, and if we're to honor that, it really isn't too much four times a year to commit an hour and a half or so, sometimes less to the board's business in a formal meeting. My own feeling is that if I as an individual, felt that I could not honor that commitment, I would resign and

enable the Mayor to appoint somebody else who felt that he or she could honor that appointment. I would hope that others on the board have a similar sense of commitment.

Vote

Certified Business Enterprise (CBE) IT Consulting Services Contract for IdeaCrew and Nimbus Solutions

It was moved and seconded that the Board approve the contracts. The motion passed unanimously with Dr. Aaron, Dr. Ku, Ms. Mossi, and Chair Lewis voting yes.

Center for Study of Services Contract (Consumers' CHECKBOOK) Decision Support Tools Contract

It was moved and seconded that the Board approve the contract. The motion passed unanimously with Dr. Aaron, Dr. Ku, Ms. Mossi, and Chair Lewis voting yes.

FY2025 DC Health Link Business Partner Grants

It was moved and seconded that the Board approve the grants. The motion passed unanimously with Dr. Aaron, Dr. Ku, Ms. Mossi, and Chair Lewis voting yes.

FY2025 DC Health Link Assister Grants

It was moved and seconded that the Board approve the grants. The motion passed unanimously with Dr. Aaron, Dr. Ku, Ms. Mossi, and Chair Lewis voting yes.

HC4CC Outreach & Engagement Program Grants

It was moved and seconded that the Board approve the grants. The motion passed unanimously with Dr. Aaron, Dr. Ku, Ms. Mossi, and Chair Lewis voting yes.

HBX Reserve Policy

It was moved and seconded that the Board approve the revised Reserve Policy. The motion passed unanimously with Dr. Aaron, Dr. Ku, Ms. Mossi, and Chair Lewis voting yes.

Amendment of Bylaws

It was moved and seconded that the Board approve the amendment. The motion passed unanimously with Dr. Aaron, Dr. Ku, Ms. Mossi, and Chair Lewis voting yes.

Move to Executive Session

Diane Lewis, Chair

Closed Session pursuant to DC Official Code Sections §§ 2-575(b)(4A) and 31-3171.11 to obtain legal advice. It was moved and seconded to move to Executive Session. The motion passed unanimously with Dr. Aaron, Dr. Ku, Ms. Mossi, and Ms. Lewis voting yes.

Resumption of Public Session

Diane Lewis, Chair

The meeting resumed at 6:31 p.m.

Executive Director Report

Mila Kofman, Executive Director

In May the board held that strategic planning meeting. And at that meeting the board members reviewed the past 10 years of accomplishments and identified, priorities for the future. And I just want to highlight that board members reaffirmed HBX's commitment to continue to work on health equity and also added a focus on research and evaluation of the equity initiatives. Also board members reconfirmed the need to continue to rely on the current board committees and importantly, board committees and working groups. All the community members have been working with us on all of the various committees and working groups the board has established. Your work is appreciated and will continue to inform the board's policies. Switching to Council for FY25 budget. On June 12th, the Council voted to approve, the city's FY25 budget, and the HBX budget was included as part of that. Also noteworthy, the council restored the Pay Equity Fund of up to \$70 million dollars and \$12 million of that is specifically designated for HC4CC. The Council also allocated \$175,000 for FY 26 and \$245,000 for FY27. Right now, CCIIO under CMS, is reviewing the District's application to update the District's EHB benchmark plan to include infertility services.

Closing Remarks and Adjourn

Diane Lewis, Chair

The meeting was adjourned as of 6:53 pm on Monday, June 24, 2024. Our next meeting is scheduled for September 2024.

This meeting is governed by the Open Meetings Act. Please address any questions or complaints arising under this meeting to the Office of Open Government at opengovoffice@dc.gov.