



**DC Health Benefit  
Exchange Authority**

**Standing Advisory Board Meeting  
Minutes**

**Date:** Wednesday, August 26, 2020  
**Time:** 2:04 PM  
**Location:** Via WebEx/Conference Call only  
**Call- in Number:** 1-650-479-3208; access code 160 161 8121;  
or follow this link to join via computer:  
<https://dcnet.webex.com/dcnet/j.php?MTID=mc1bb956859f2d53ec381360c4b4621db>

**Members Present:** Chris Gardiner, Rebecca Barson, Dania Palanker, Dock Winston, Claire McAndrew, Dave Chandrasekaran, Robert Metz, Margarita Dilone, Jodi Kwarcianny (joined late)

**Members Absent:** None

**I. Welcome, Opening Remarks and Roll Call, Chris Gardiner, Chair**

Mr. Gardiner called the meeting to order at 2:04 p.m. A roll call of members confirmed that there was a quorum of the Standing Advisory Board (SAB) with nine members present. The meeting took place over WebEx and conference call.

**II. Approval of Draft Agenda, Chris Gardiner, Chair**

It was moved and seconded to approve the agenda. The motion passed unanimously by voice vote.

**III. Minutes, Chris Gardiner, Chair**

HBX staff will provide the December 2019 minutes at the next SAB Meeting.

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

**TELEWORK STATUS:** We have been in 100% telework status since March 2020, and we will continue our 100% telework status through February of 2021. Open Enrollment starts November

1st and closes January 31st, 2021. We want to mitigate the risk of spreading the virus and do what is best for the health and safety of our staff and community, so we will continue with telework status 100%. We will be hosting Open Enrollment events virtually. We had a very successful PowerUp DC for small businesses in June this year. We had 400 people registered and the event was very successful. The event was recorded and you can find the recordings for the event and the breakout sessions on our website.

**COVID -19:** Our focus is to figure out ways to get people insured, and get rid of financial barriers to get care. Special shout out to CareFirst and United who gave small businesses more than \$4 million in premium credits to help make coverage more affordable.

Deferring Premium Payment: At HBX, on the small business side, we are deferring premiums for employers up to 60 days after the public health emergency ends. Small businesses do not need to apply for this deferment, and will be automatically deferred if they are not making payments.

DISB Order: DISB Commissioner, Karima Woods, issued an order stating that every insurance consumer in DC will have at least a year to pay back full premiums for all insurance types, which is very helpful for small businesses, both nonprofit and for profit. For anyone who is in arrears, we are not terminating their coverage on the small business side and they will have a year to pay back past premiums once the public health emergency ends. We do not charge late fees or interest for late payment and we always work with small businesses. We never like to terminate anyone's coverage and will do everything to make sure they stay insured.

COVID SEP: With the help of SAB, HBX made COVID-19 SEP effective through September 15th. More specifics will be discussed in the later staff proposal discussion to extend that further.

**DISB RATE HEARING:** DISB is holding its rate hearing on proposed 2021 rate on September 1st at 5pm. Ms. Kofman will be testifying on behalf of HBX arguing for the lowest possible rates.

Ms. Dilone asked if we are sending invitations for the DISB hearing so people can sign-up to testify. Ms. Kofman responded that we sent emails to points-of-contact for small businesses, individual enrollees, and brokers letting them know when the hearing is scheduled. Ms. Kofman offered that we can also circulate hearing information to SAB members.

Ms. Barson asked a question about whether we have a sense of the numbers for enrollment through COVID-19 SEP. Ms. Kofman responded that we have the numbers, and can get them, noting that we have been trending up on individual market side, with substantially higher numbers than the same time of last year. Ms. Curtis noted that she will explain and discuss the data during the discussion items.

V. **Discussion Items:**

- a. Consideration of staff proposed special enrollment opportunities (SEPs) – *Debbie Curtis*

Mr. Gardiner turned the meeting over to Ms. Curtis for consideration of special enrollment opportunities. Ms. Curtis noted that Ms. Kwarciany joined the meeting at this time.

1. Extension of COVID-19 SEP for IVL and SHOP, *Debbie Curtis*

Ms. Curtis introduced a proposal for [Extension for COVID-19 SEP](#) for both the individual market and the small business market. Ms. Curtis addressed Ms. Barson’s question from the executive report section earlier regarding numbers on enrollment via COVID-19 SEP. Ms. Curtis noted that we have very high coverage in the District with almost 97% of our residents covered. Ms. Curtis compared this year to the same time last year, and noted that if you compare the beginning of April, we have 71% more people through SEPs this April 5th than last year, and stayed high through April and early May. Ms. Curtis added that through the year, we are still 20% higher than last year at the same time, a clear indicator that COVID-19 has a real impact and that people have greater needs.

Ms. Curtis explained that on the small business side, we opened up this opportunity in mid-March for groups, and that some people did not take coverage when their employer offered, maybe because they did not think they would need it. So HBX wants to give employees the opportunity to get covered. Ms. Curtis explained that 719 people got covered in that way so far from 343 different employers, and the total number of employees who have gotten covered is 446, plus their dependents, making the total 719 people.

Ms. Janice Davis, a public participant in the meeting, asked a question about an employer group (primarily a mixture of 30 blue collar workers), that wanted to contribute or start a health plan, but could not afford to. Ms. Davis asked if the group did not want to wait until January 1st to enroll, is there anything that the group could do if the group could not afford the 50 percent. The question was deferred until later in the meeting.

2. Consideration of a 2-Year Extension of SHOP Open Enrollment for 2021 and 2022 – *Purvee Kempf*

Ms. Kempf introduced [2-year extension of SHOP Open Enrollment](#). Ms. Kempf noted that in the past, in other months, if an employer cannot meet the SHOP

eligibility requirements (minimum participation and minimum contribution), it would have to wait to sign up in the January open enrollment. Ms. Kempf explained that in the earlier part of this year, HBX took the policy through the SAB and the full board to extend SHOP Open Enrollment for all of 2020. In effect this year, small businesses can newly sign up (without the limitation of 2/3 participation or 50% employer contribution). HBX proposes to extend the SHOP Open Enrollment policy for two more years (calendar years 2021 and 2022).

Ms. Kempf walked through some of the data and experiences in the [Summary of Discussion Items](#). Ms. Kempf addressed Ms. Davis' question regarding a group that wanted to offer coverage but could not afford the cost and did not want to wait until January of 2021. Ms. Kempf responded that if extended open enrollment were to end, the employer who signed up and did not meet minimum contribution and participation requirements would have one year of coverage. The next August, at renewal, eligibility would be checked again and if the employer did not meet the requirements then, the employer would not be eligible for SHOP. Ms. Kempf noted another option—if the group started in August, it could restart in January as a new group to be in the federal open enrollment period but the group would also be restarting their deductibles.

Ms. Kempf walked through the data in the meeting materials in [Summary of Discussion Items](#). Ms. Kempf explained that the data shows information for February through July of 2020 with 11 business taking advantage of extended SHOP open enrollment. Ms Kempf then walked through a comparison between three categories:

- 1) 11 groups enrolling through extended open enrollment
- 2) 56 businesses that were January enrollment that did not meet the eligibility requirements (all renewal groups – no new businesses that signed up in January 2020)
- 3) All other businesses that do meet requirements minus Congress

**By age:** Ms. Kempf summarized the first comparison by age and explained that we no longer have pre-existing condition exclusions, but sometimes it is helpful to figure out different impacts due to different policies so age can be helpful as a proxy for health status. Ms. Kempf noted that by age, you can see for individuals under age 18, the number is higher in 11 groups compared to January groups or the full market place. Overall , enrollees are younger in the 11 groups that signed up during the extended open enrollment period.

**By metal level:** Ms. Kempf explained that the 11 groups gear towards gold plans – not the most common plan for the overall SHOP market in DC. In DC, the most

common metal level is platinum, which is very different from other marketplaces. In this case, gold is the one that most of employees signed up for in the 11 groups.

**By group size:** the 11 groups were mostly the smaller groups.

Ms. Dilone asked if we extend open enrollment and the group renews in September 2022, does that mean that they have to restart in January of next year. Ms. Kempf responded that every group is getting coverage for one year so in that year, nothing changes. Ms. Kempf added that in 2022, they would keep that flexibility until 2023, and at that point, if the policy is no longer in effect, at renewal the group would have to meet eligibility requirements to stay eligible. Ms. Kempf noted that the other option is if they know ahead of time they will not want to do that, they can sign up in September, then discontinue in December, so that they can resign up in January, and their annual renewal date would be in January. Ms. Kempf concluded that there is a third option: do not sign up and wait until January; that way the group does not have to go through open enrollment twice.

## **VI. Public Comment**

Ms. Davis commented that with COVID, the revenue for one group is down but the employer still wants to offer coverage, and it would be helpful to be able to offer coverage even if revenue is down through the extended open enrollment policy. Ms. Kempf responded that when you look at COVID-19 overlay, there is a lot of uncertainty in the ability of an employer to contribute and we have a strong individual mandate requirement, and that this is a time when people want health insurance.

Bill Wehrle (Kaiser Permanente) is concerned about the proposal as it is written due to its length. Mr. Wehrle commented that allowing people to enroll at any point would result in grave problems when individuals and small businesses take advantage of opportunities to allow them to enroll only sick members or just provide coverage for a limited period of time. Mr. Wehrle also noted his concern that the analysis was not done with claims data to see if there are problems with adverse selection. Mr. Wehrle would be fine with the proposal if the extension is limited to a year to allow additional time to see the impact of the proposal with analysis of claims data from that year. Mr. Wehrle added that small businesses do have a chance to enroll if they meet the eligibility requirements and are not forced to drop coverage. Mr. Wehrle concluded that this extension could have unintended effects and over time small businesses might start dropping coverage due to their not meeting the contribution requirement.

Ms. Kwarcianny asked if there has been any fluctuation in enrollment with what we hear locally about business closures. Ms. Curtis responded that we have not seen a drop in the number of people getting coverage through SHOP. In fact, the numbers continue to increase. Ms. Kempf said that we are seeing more of a churn in the individual market with people coming out of the

large employer market and enrolling in the individual market, individual market people enrolling in Medicaid, or people switching from SHOP and enrolling in Medicaid or the individual market. Ms. Kempf explained that the overall numbers are trending status quo, and also noted that DISB has issued an order that required no termination of coverage for nonpayment during the public health emergency. So we are not seeing the kinds of drops in coverage as other markets. Ms. Kempf added that the way the order is written requires that people cannot be terminated during the emergency, and have 12 months to repay arrearages. Ms. Kempf also noted that the number of groups in arrears is greater than normal so we know businesses are struggling, but have not dropped out of the market.

Ms. Dilone responded to Mr. Wehrle's concern regarding people potentially taking advantage of the flexibility of open enrollment. Ms. Dilone commented that in Maryland, for the groups off exchange that do not have contribution or participation requirements, many groups still contribute 50% of the premium.

Ms. McAndrew asked Mr. Wehrle if he had claims data to indicate what has been happening in these groups. Mr. Wehrle responded that Kaiser does not know what the contributions are in Maryland and other states, but the HBX proposal would waive both, which is a stark departure. Mr. Wehrle said Kaiser can provide claims data, but it needs to be done by all the carriers to be meaningful. He noted that it would be best to proceed with a one-year extension and include claims data in an analysis. Ms. Kempf added that because we have an employer choice model, it would not be as meaningful unless we are able to have all carriers run analyses using claims data for us. As an exchange we do not have access to that data.

Ms. McAndrew commented that we do have data about age range, and would like to recognize the immediacy of the situation and work with the data we have. Ms. Kempf expanded on the thought process behind having a two-year timeline rather than one year as suggested by Mr. Wehrle. Ms. Kempf explained that the one-year extension was considered and often employers do not know employees' participation until the point of enrollment and may fail eligibility at that point in time. Ms. Kempf explained that the goal of providing a two-year extension is so that we could have a full clean year of data collection without an artificial cut-off due to eligibility.

Ms. Dilone asked for input from CareFirst. Mr. Metz agreed that the exchange cannot compel carriers to submit data. Ms. Kempf noted that we do not have access to claims data and an additional two years is helpful to see how participation and contribution levels really affect small businesses. Ms. Kempf added that we would want to determine whether carriers would provide the data. We also need to determine what the carriers could do for us because we do not have the IT infrastructure to accept that data. Mr. Metz stated that can be discussed in terms of what format and review is needed.

Ms. Davis suggested that we take a look from the employer side and that coverage is one of the most valuable benefits offered to employees. Ms. Davis noted that employers want stability and

would like to get a clarification on what they can tell their employees with certainty regardless of which way the extension goes.

Ms. Dilone commented that anecdotally, she only found one group to have gamed the system. Ms. Kempf offered another legal point that in our market we have a requirement that there is at least one non-owner employee that would still be in place and not waived in the new policy.

Finally, Ms. Kempf concluded that if members are looking to edit the proposal, we would not be in a place to guarantee anything related to claims data.

## **VII. Votes**

- a. Extension of COVID-19 SEP for IVL and SHOP SEP through January 31, 2021

It was moved and seconded to approve the Extension of COVID-19 SEP for IVL and SHOP as set forth above. The motion carried unanimously by voice vote.

- b. Extension of SHOP Open Enrollment for 2021 and 2022

It was moved and seconded to approve the Extension of SHOP Open Enrollment for 2021 and 2022 as set forth above. The motion carried unanimously by voice vote.

## **VIII. Closing Remarks and Adjourn, *Chris Gardiner, Chair***

As Mr. Gardner moved to adjourn the meeting, Ms. Dilone asked one more question. When group size grows to over 50, are groups being kicked out of SHOP and is there any chance of changing group size to 100 or less? Ms. Kempf responded that the requirement is that groups should have 50 or less Full Time Employees (FTEs) equivalent, not the number of people in order to be eligible for the SHOP marketplace. Ms. Kempf explained that by law, you can continue to grow, and stay within the market but groups cannot come in to market as new businesses with over 50 FTEs. Ms. Kempf added that the consideration to move up to 100 was previously discussed by one of the working groups, but that there is no active consideration at this time. Ms. Dilone asked if it is possible to put it back to consideration. Ms. Kempf explained that the HBX Executive Board has to specifically request the Standing Advisory Board to opine, or there are specific areas on which SAB has to act. Ms. Kempf noted that sometimes working groups can be created to tackle certain policy issues, but it is ultimately up to the Executive Board to decide what issues to prioritize.

The meeting adjourned at 3:14 p.m.