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**Standing Advisory Board Meeting**

**MINUTES**

**Date: Tuesday, December 1, 2015**

**Time: 3:00 PM**

**Location: 1225 Eye Street NW, 4th Floor, Board Conference Room**

**Call- in Number: 1-877-668-4493; access code 737 378 157**

**Members Present:** Chris Gardiner (joined by phone), Claire McAndrew, Chile Ahaghotu, M.D., Billy MacCartee (joined by phone) Jill Thorpe (joined by phone) Laurie Kuiper (joined by phone)

**Members Absent:** Dania Palanker, Stephen Jefferson and Kevin Dougherty

**Welcome, Opening Remarks and Roll Call**, *Claire McAndrew, Vice Chair*

Claire McAndrew called the meeting to order at 3:09pm. A roll call of members present confirmed that there was a quorum with six members present: Mr. Gardiner, Ms. McAndrew, Dr. Ahaghotu, Mr. MacCartee, Ms. Thorpe and Ms. Kuiper.

**Approval of Minutes,** *Claire McAndrew, Vice Chair*

It was moved and seconded to approve the minutes from the November 2, 2015 meeting. The motion was unanimously approved by a roll call vote. Voting in favor: Mr. Gardiner, Ms. McAndrew, Dr. Ahaghotu, Mr. MacCartee, Ms. Thorpe and Ms. Kuiper.

**Executive Director Report,** *Mila Kofman, Executive Director*

Please remember that December 15th is a critical deadline. Individuals who want to select a new plan or switch plans have to do so by December 15th in order to have coverage effective January 1st. The next critical deadline is January 31st when open enrollment will close. I ask that each board member help spread the word so anyone who wants coverage or wants to change their plan does so by the deadlines.

Last year we asked you all for feedback about the staff proposed budget and it was very helpful and changes were made based on your recommendations. I’ll walk through each slide of the budget PowerPoint and you can ask questions during the presentation or hold your questions until the end. After we receive your feedback, HBX staff will meet with others to get there feedback on the proposed budget. Then the proposed budget will go to the Executive Board of HBX for discussion and they will finalize the budget, which will then go through the city’s traditional budget approval process.

**Discussion Item**

* [HBX FY 2017 Preliminary Staff Budget Presentation](http://hbx.dc.gov/sites/default/files/dc/sites/hbx/event_content/attachments/FY17STAFFPROPOSEDBUDGET_0.pdf) -- *Mila Kofman, Executive Director*

The presentation can be viewed at the link above, during the presentation, board members asked questions and that discussion follows:

Dr**.** Ahaghotuasked if these budgeted dollars on slide 3 are specifically for FTEs only?

Ms. Kofman stated that it includes the personnel and non-personnel costs. It is the total amount for the whole division. Non-personnel items include things like rent, consultants, telephones etc. Later on in the presentation you will see a breakdown of the amount that is allocated for personnel and non-personnel and also what categories include non-personnel items for each division.

Regarding slide 6, Dr. Ahaghotu stated that for the contact center there is $3.7 million allocated, but on the other slide the contact center or Maximus was listed as going from $3.0 million to $3.2 million. Mr. Ahagotu asked if Maximus was a part of the contact center costs?

Ms. Kofman stated that the contact center budget includes the vendor Maximus and rent, computers and the whole infrastructure. The Exchange was able to achieve significant savings, because of negotiating a 10% cost reduction on the Maximus contract. Ms. Kofman stated that HBX is also working through new cost allocations with Medicaid. Therefore, there will be resources spent, but not spent directly by HBX, which accounts for the cost difference noted in the contact center’s budget.

In reference to slide 10, Ms. McAndrew asked what the definition for member services is.

Ms. Kofman stated that several years ago when HBX tried to figure out what kind of internal support was needed, it was wrongfully assumed it would all be done online. However, brokers, assisters, and others need support. Therefore, escalated cases that the contact center can’t resolve get sent to an internal HBX unit called, Member Services. Member services perform a variety of customer support services like handling SEPs.

Also regarding slide 10, Ms. McAndrew asked what functions are uniquely categorized as SHOP.

Ms. Kofman stated the eligibility and enrollment team for SHOP is different than the team on the individual side. SHOP has account managers that perform some of the same functions as member services; however SHOP has unique needs and the rules are different, so it was important that people be specialized in one area.

Ms. McAndrew asked if there was a separate broken out budget for SHOP.

Ms. Kofman stated that it is on slide 16.

With regard to slide 15, Dr. Ahaghotu asked if the Exchange planned to possibly bring the health actuary firm function in house.

Ms. Kofman stated health actuaries are in high demand and not something that we are looking to bring in house. The company that HBX uses also reviews rates for the federal government. It is more cost effective to hire a firm than staff an actuary.

Ms. McAndrew agreed that health actuaries are very expensive and it is more cost effective to hire a firm.

Ms. McAndrew asked if there was a MOA between DCHL and DISB around certification of plans or reviewing rates.

Ms. Kofman stated that there is an MOA for our assessment.

Ms. Curtis (HBX staff), stated that there is no longer an MOA with DISB, because there isn’t an exchange of money with what DISB is doing around plan certification.

Ms. McAndrew asked if there was a clear distinction in roles of who is reviewing networks, benefits or rates.

Ms. Kofman stated because DISB traditionally reviews form filings and insurance products HBX relies heavily on them for their expertise. Ms. Kofman stated that the Exchange does have two people on staff that are experts in reviewing rate form filings and they both do quality checks for us. Furthermore, on the Summary of Benefits and Coverage the Exchange does significant review and every single SBC gets reviewed by HBX staff and DISB.

Ms. McAndrew asked if the Exchange staff does the work for the reviews rules put in place by the Exchange’s board or does DISB do some of that as well?

Ms. Kofman responded that DISB does most of that for the Exchange, but HBX spot checks and will review some things entirely.

With regard to slide 16, Dr. Ahaghotu asked if premium aggregation services an area that the Exchange has brought in house because the amount allocated for those services decreased.

Ms. Kofman responded that the Exchange negotiated a better rate for this year through a vender, but is discussing the potential those services in house in the future. Ms. Kofman noted that the Exchange will do a cost benefit analysis to see the staffing and IT needs that are required to perform premium aggregation services.

Also on slide 16, Dr. Ahaghotu asked if the money for general consulting services in place to supplement the premium aggregation services or are they performing different functions?

Ms. Kofman stated the line item for general consulting services is a general consulting bucket for any service the Exchange may need expertise or help with or help with performing. For example, we’ve learned to bucket some costs in that manner for unforeseen costs due to changes in federal regulations, guidance or law.

With regard to slide 18, Dr. Ahaghotu asked if NASHP provided data resources to the Exchange?

Ms. Kofman responded that NASHP does provide data resources and are very valuable to the Exchange. Ms. Kofman also stated that NASHP collects and shares information from the other State Exchanges, which have allowed us to negotiate better rates from vendors and learn about best practices.

With regard to slide 19, Dr. Ahaghotu asked if the Exchange had membership fees.

Ms. Kofman responded that the Exchange doesn’t have membership fees, but the Exchange has partnerships with the three largest chambers. The Exchange provides them with a grant to help with enrollment events and reaching their members and individuals in their communities.

Also on slide 19, Dr. Ahaghotu asked is there a way to evaluate the $800K that was spent on IPAs to see the value you receive from the program?

Ms. Kofman responded that the Exchange has evaluated the IPA program from the beginning. Ms. Kofman stated the Exchange has contracted with the Institute for Public Health Innovation as the grant administrator for the IPA program. IPHI provides monitoring and reporting for the IPA program and their findings can be shared with the Standing Advisory Board members. Ms. Kofman stated that some things are harder to measure because our Assisters reach consumers that the Exchange would never be able to reach, so that kind of value is harder to measure.

Ms. McAndrew asked there was an evaluation of the non-personnel service budget in the consumer education and outreach to determine the amount of money that each of the three initiatives (business partners, community outreach/ marketing and the navigator program) receives. Ms. McAndrew stated that each initiative is important, but it might be important to have knowledge going in before it is decided how much money is budgeted for each initiative. Ms. McAndrew stated that it was concerning that the navigator program receives the least amount of funding.

Ms. Kofman responded that community outreach and marketing is the funding that the Exchange needs to produce enrollment fairs, hold one-touch events, radio ads etc. Ms. Kofman stated it is very hard to measure that these efforts can turn into actual enrollments. Ms. Kofman stated that the Navigator program is also monitored by IPHI and we can share that evaluation with this board as well. The work that Assisters and Navigators perform is essentially the same, but the funding is different. Ms. Kofman stated because the Exchange could still utilize federal grant funding for the Assister program it made more sense to have a more robust Assister program versus the Navigator program, which is funded fully by the Exchange. The business partners also do similar work as the Assisters, but with the business community, and will a lot of times partner with IPAs and brokers to hold enrollment events.

Ms. McAndrew stated that while it may be difficult or even impossible to figure out, it would be helpful to know the relative impact of each of these initiatives. For example, how does it affect the marketplace giving $100K to one of the business partners versus giving only $150K to the entire navigator program?

Dr. Ahaghotu stated that the effect of that type of evaluation described by Ms. McAndrew really becomes important when the $800K in federal grant funding is no longer available. Dr. Ahaghotu stated that the Exchange doesn’t want to lose that relationship or credibility with these community based organizations so it is important to really evaluate each initiative especially since one is in jeopardy.

Ms. McAndrew stated that the sum of what she was saying is that due to having limited amount of funding in general, the Exchange needs to make sure that they are spending money on initiatives that actually work and not spending any money on initiatives with limited or no value.

Ms. Kofman stated that the Exchange is in complete agreement. Ms. Kofman stated that she could provide data from evaluations the Exchange does for the business partners, which is similar to what IPHI does for the navigator program.

Ms. McAndrew stated that she heard in other states that insurance companies were pulling their commissions for brokers who help assist individuals with individual market plans, because those plans aren’t profitable to the insurance companies anymore. The insurance companies are telling brokers to focus on SHOP customers. Ms. McAndrew stated that it may not be a problem here because of the market is closed, so I wanted to ask if that has been an issue reported by brokers here.

Ms. Kofman responded that HBX hasn’t heard any complaints from the broker community in regard to their commissions and all the carriers built in broker commission payments in their 2016 rate filings.

Mr. MacCartee stated that he hasn’t heard anything like that and the federal exchange continues to pay brokers’ commissions. Mr. MacCartee stated that in this area insurance companies don’t really have a sales force so rely heavily on brokers as a part of their sales force for that reason highly unlikely that it would happen here.

Ms. McAndrew stated the reason why this was happening is that the companies don’t want to sell products in the individual market period to avoid the risks, but given our market I understand it is highly unlikely to occur here.

Mr. MacCartee stated the CEO of United Healthcare came out and said they are coming out of the market altogether, so it would be more about a risk of a particular carrier coming out of the market versus a particular carrier stating they aren’t going to use brokers anymore.

Ms. McAndrews stated, correct, it is more about the product and not who is selling the product.

Ms. Kofman stated that if there are any issues reported here that to please let the Exchange know ASAP.

Mr. MacCartee stated that he was just at a meeting with some of the carriers and they are definitely pro brokers and HHS just came out and recommended that to carriers a long time ago.

In reference to slide 20, Dr. Ahaghotu asked if Director Kofman could comment on the delta with IT consultant costs and can he assume it is less than last year. It is interesting that it seems to be about a $3 million dollar increase in the overall IT budget, but it doesn’t seem like that is coming solely from the addition of new FTEs.

Ms. Kofman responded that it has been a little challenging to budget accurately for IT consultants in large part because the Exchange received new guidance on how existing grants from the federal government could be used. Recently we’ve been told that the Exchange could use those grants for some of the IT functions, but there is still some uncertainty on what those funds can and can’t be used for. Ms. Kofman added that that all federal grants are only good until the first quarter of FY 2017 and after that have to be funded with the assessment. Ms. Kofman also stated that although the Exchange is saving millions of dollars with the new open source code system, the Exchange still has to hire IT consultants or experts who know that code to make changes to the system.

Mr. Ahaghotu asked who did the audit on the federal side.

Ms. Kofman stated that the federal audit has to be provided to CMS on an annual basis. In addition, HHS and OIG does an audit on the financial and program side. Ms. Kofman stated that the recent HHS OIG audit on cost allocation resulted in no findings.

Ms. McAndrew asked if there were any remaining questions that people have about the staff proposed budget.

Ms. McAndrew asked what does the change represent for the consumer and outreach staff when it is noted that a half time staffer is leaving from consumer outreach.

Ms. Kofman responded that the Navigator/Assister program use to be housed under the consumer education and outreach program area, but it really always belonged with MIPO or the business/policy operations side of things. Ms. Kofman stated that the oversight of the program has been moved to MIPO, so the staff person has been moved to MIPO or half a staff person. Ms. Kofman stated that the budget is still within the consumer and outreach budget, but the FTE is within MIPO.

Ms. McAndrew asked if there were any other questions.

**Public Comment**

No public comment.

**Closing Remarks and Adjourn ,** *Claire McAndrew, Vice Chair*

Meeting adjourned at 4:40pm.