



Standing Advisory Board Meeting Minutes

Date: November 10, 2022

Time: 3:00 p.m.

Location: via Zoom video conference

Join Zoom Meeting:

<https://dchealthlink.zoom.us/j/84360668740?pwd=Q0d5dmJhcXJFL3JsSFNVV1hjc2JzZz09>

Meeting ID: 843 6066 8740

Passcode: 352763

Members Present: Margarita Dilone, Chris Gardiner, Claire McAndrew, Dave Chandra, Robert Metz

Members Absent: Rebecca Barson, Dania Palanker, Dock Winston, Jodi Kwarciany

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

A roll call confirmed a quorum with five voting members present (Ms. Dilone, Ms. McAndrew, Mr. Chandra, Mr. Metz)

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

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

III. Approval of the Draft Minutes, *Chris Gardiner, Chair*

It was moved and seconded to adopt the draft minutes of the November 8, 2021 SAB meeting. The motion passed unanimously by voice vote.

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

Inflation Reduction Act. Congress passed the **Inflation Reduction Act**, which President Biden signed in August, and that means DC residents can get health insurance premiums through us for as low as \$11 a month. That's a really big deal, especially given all the other financial pressures



that people face. So, we're encouraging all residents who are enrolled for us on the individual and family marketplace side, as well as residents who are uninsured, to visit our webpage and -- in less than 60 seconds -- find out if they qualify for lower premiums.

Health Care for Child Care program update: The other update I want to give you is about a super exciting new program. It's called health care for child care. And we have partnered with the Office of the State Superintendent of Education (OSSE) to provide either free or very low cost health insurance premiums to early child development workers. And the lower premiums and the free premiums are available to the employer providing coverage through us, or if they're not providing coverage through DC Health Link yet, they can sign up. The premiums will be reduced that the employees pay. And for workers who are District residents, that they can get completely free health insurance premiums for themselves and their families when they enrolled through our individual marketplace. And the free premiums are for the standard silver plan from CareFirst, Blue Cross Blue Shield HMO, as well as the PPO option, and Kaiser Permanente. Those are three completely free premium plans. We are super excited, we think it's at least 4,000 people who will benefit, and about around 450 employers, and many of them currently don't offer health insurance. And free premiums or low premiums are guaranteed for the entire calendar year 2023. I can't tell you how happy this makes our team that that this workforce that tends to be lower or moderate income, some do not qualify for public insurance called Medicaid, and are uninsured currently, or really struggling to keep their insurance. This will essentially help them have affordable quality health coverage. And I just want to highlight that Margarita is one of the brokers who has agreed to help us with this program and will work directly with employers to help sign them up. Thank you, Margarita. Any questions?

Pediatric Mental Health and Standard Plans Working Group. The last update is, it's really more of a thank you. Many members of the Standing Advisory Board, including Jodi, Claire, and Dave, all participated in the Standard Plans Working Group that recently completed its work, focusing on how to eliminate financial barriers for children when they need mental and behavioral health services. I want to acknowledge Jodi being vice chair of that working group and other standing advisory board members serving on that. Rob, I know we missed you, but some of your colleagues from CareFirst BlueCross BlueShield served on that, and helped develop a really fantastic policy that will eliminate significant financial barriers that prevent many children, especially black and brown children, from accessing the kind of care they need. Yesterday, that policy was approved by our Insurance Market Committee unanimously, voting for a policy to reduce copays to \$5 for mental health visits as well as medication. The next step is it will go to the full board for their vote on Wednesday. So, thank you to those who served on that Standard Plans Working Group.

That concludes my report. I'm happy to take any questions and we can move straight into the budget presentation.

V. Discussion Item: Proposed HBX FY 2024 Budget Presentation, *Mila Kofman, Executive Director*

For FY24, [our proposed budget is](#) about \$37.5 million. And after we net out all the savings from various revenue sources for assessment purposes, our proposed budget is slightly over \$36.1

million. All of the increase is driven by increased personnel costs. We've found ways to mitigate some of those increases by reducing our non-personnel expenses. For instance, we got rid of our L'Enfant Plaza space and all of the associated costs. We also were able to renegotiate some of our contracts for lower cost.

In terms of what it means for an assessment: in FY 23, we reduced our assessment on the health carriers. To fund the FY24 staff-proposed budget, we would need to increase the assessment just slightly. It would be .82%. A very small increase, still lower than prior years.

This is a comparison of what was approved for FY 23 and what we are proposing for FY 24. You can see very small changes in all of our divisions. IT, being the largest division, because it is always the largest increase. The overall change is about 5.24%.

This is just how we were able to achieve some cost savings for the assessment budget purposes: through the Massachusetts partnership, they are funding 6 FTEs. We also collect administrative fees for our services. They contribute to the cost of the contact center. They fully pay for mailing and postage that we do for them for required notices. Also, they pay for additional cloud security services that we provide.

We also anticipate having some investment and interest earnings. So that's how the assessment budget is \$36.1 million as opposed to the full proposed budget, which is \$37.5 million.

This is a good visual of where most of our resources go. Most of our resources go to our marketplace innovation policy and operations division. And the second largest division we have is IT, which is \$13.2 million. The other divisions, consumer education and outreach, that includes our paid media and all of their outreach activities.

This shows you FTE: how many full-time equivalent people we have budgeted for each division. And again, as you can see marketplace operations has the most, and it has the second most staff people. I do want to emphasize: for FTEs, currently, we are authorized to have 117. We are proposing an additional 6 FTEs, so that will make it 123 in total. Even if we were not proposing additional FTEs, our personnel budget would still be higher than it is for FY 23.

I'm just going to walk you through the non-personnel budget because that's where your input is most valuable. Marketplace operations has several major divisions, including our contact center, our Plan Management Division, or eligibility and enrollments, our small group marketplace operations, as well as performance management.

For the contact center, and just a reminder, we no longer run a joint Contact Center for Medicaid. Our contact center we used run a contact center for both private health insurance customers as well as Medicaid customers filling out a Medicaid application. We no longer do the Medicaid side; DC Department of Health Care Finance has their own contact center that handles Medicaid applications. Our contact center strictly does private health insurance applications. For the contact center, our total budget is \$3.9 million, you can see that's a slight reduction from the FY 23 budget, which was \$4.2 million. So that's about \$300,000, we were able to get a better price by doing an RFP and significant negotiations with the vendor for the contact center.

Next, individual marketplace eligibility and enrollment. The non-personnel budget is \$463,000. A slight decrease from FY 23. Essentially, we have an MOA with the Office of Administrative Hearings to do eligibility appeals. We are required by the Affordable Care Act to do certain notices, so we have a budget for the notices. We also have a small budget for translation of those notices. And then the consulting services that we always have and help us with federal new federal standards

Plan Management. We have non-personnel services of \$831,000, \$175,000 of that is actuarial services. Those are really important to us. Not only did they help us figure out if once health plans filed proposed rates, the actuaries help us figure out whether those rates are actually supported. But the same firm helps us support the work that for instance, the standard plans working group engaged in. The actuaries also support some of our other works and when we estimate somehow particular regulations or legislation may impact DC's market.

Plan management also includes the plan match tool, as well as the doctor directory, the formulary, lookup tool, drug lookup tool, and dental plan match which all is supplied to us by Washington Consumer Checkbook. We did negotiate a slightly lower price with them as well. Small Business marketplace: the proposed budget is about \$900,000. And that includes premium aggregation. That's a required function under federal law. We collect premiums from employers, and then we send the right amount to the carriers. Our price tag for that used to be substantially more expensive. Because of our Massachusetts Health Connector partnership, our cost is reduced by about \$370,000.

Performance management: We have a partnership with the National Association of Health Underwriters, they help us with our broker training every year, we have a budget for staff training, computer refresh, internal survey software.

Consumer Education Outreach: as I mentioned, this is where we find our DC Health Link assisters. And our partnerships with the various chambers and are paid media paid marketing budget. All of that is included in the consumer education outreach budget. For outreach and enrollment for our navigators and assisters, there's a small increase over FY 23, and then pretty much everything else remained stable. For non-personnel services, our IT budget is increasing. And some of these costs are for licenses that are getting more expensive, for example, and some of the consulting services are getting more expensive as well.

I just want to explain extra care. What we've discovered through the years is when we do deployments, sometimes there are technical hiccups -- or things we didn't discover during testing. So we always want to make sure we have enough IT support to handle an influx in cases that a new deployment may generate. We used to bury it in our budget. But we thought it's just more transparent to call attention to it. It's additional resources that we use after we make deployments, especially major deployments.

Next, agency management. The higher budget there is mostly driven by higher personnel costs. Pretty much everything is similar to FY23. We continue to have fixed costs like rent, telephone services. We also have a Capital City Fellows program we participate in, which is a district-wide program. We have an MOA with DISB: they figure out the assessments, they assess companies,

and they do all of the notices. Contract appeals board. That's if our vendors have a dispute with us, they ultimately have a right to appeal everything to the contract appeals board. We are our legal expenses include access to Westlaw, for example. And consultants when we need them. We also have an employee training budget. We have memberships and subscriptions, small budget for consulting services, and then a lot for computer refresh. And there's local travel in there as well, as well as an out of state travel in that admin budget.

Agency financial operations, it's very similar to last year. We built in a budget for Audit Services, we pay to be audited. We have a small employee training travel in there as well as a computer refresh. I think that takes care of it.

This is this is my favorite slide. And this is what it all pays for. We cover about 100,000 people. And as all of you know, since we've opened for business, DC continues to rank to be ranked number two in the nation for the lowest uninsured rate. So we're very proud of that. And for 2023, we're going to have 211 Small Group health plans and 27 Individual and Family Health Plans.

VI. Public Comment

No public comment was proffered.

VII. Closing Remarks and Adjourn, *Chris Gardiner, Chair*

The meeting was adjourned at 3:58 p.m.