



**DC Health Benefit
Exchange Authority**

Standing Advisory Board Meeting

FINAL MINUTES

AGENDA

Date: Thursday, December 4, 2014
Time: 3:00 pm
Location: 1225 Eye Street NW, 4th Floor, Board Conference Room
Call-in Number: 1-877-668-4493; access code: 731 115 940

Members Present: Chris Gardiner, Laurie Kuiper (via telephone), Billy MacArtee (via telephone), Claire McAndrew (via telephone), Dania Palanker, Jill Thorpe (via telephone)

Members Absent: Kevin Dougherty, Stephen Jefferson, Luis Padilla, M.D.

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

Chair Chris Gardiner called the meeting to order at 3:10 pm. A roll call of members present to confirmed that there was a quorum with six members present: Mr. Gardiner, Ms. Kuiper, Mr. MacArtee, Ms. McAndrew, Ms. Palanker and Ms. Thorpe. Mr. Gardiner stated that the meeting was informational and no votes would be taken, except to adopt the minutes.

II. Approval of Minutes, Chris Gardiner, Chair

It was moved and seconded to approve the minutes from 10/27 meeting. The motion was unanimously approved by a roll call vote. Voting in favor: Mr. Gardiner, Ms. Kuiper, Mr. MacArtee, Ms. McAndrew, Ms. Palanker and Ms. Thorpe.

III. Executive Director Report, Mila Kofman, Executive Director

Ms. Kofman reported that Congressional open enrollment had begun on Nov. 8 and would continue until Nov. 7. Individual open enrollment would begin on Nov. 15. As of Nov. 11:

- 4,728 new accounts created
- 2,566 completed applications
- 1,230 plan selections made, including SEP (275) and OE (955)
- 29,155 unique visitors to the website
- 51,881 visits

Mr. Gardiner asked if the numbers reflected expectations. Ms. Kofman replied yes on new enrollees. Last year, the crunch came just before open enrollment closed, which will be Feb. 15, 2015 this year.

IV. Discussion Item

HBX FY 2016 Preliminary Staff Budget Presentation, *Mila Kofman, Executive Director*

Ms. Kofman reported that the Finance Committee of the Executive Board had reviewed the proposed FY2016 staff-proposed budget, but the first public discussion was occurring at this SAB meeting.

Ms. Kofman stated that the FY16 budget was organized by function (program) areas. The intent is to make it easier to understand what HBX does. The slide deck also identifies which activities are ACA-required. She also noted that HBX tries to leverage existing DC government agencies as much as possible, and it is reflected in the proposal. Third, HBX is trying to transition from the use of consultants to the hiring of full-time employees. The proposed budget is \$32,513,185.

Slide 2 reflects the program areas: Agency Management; Agency Financial Operations; Marketplace Innovation, Policy and Operation; Consumer Education and Outreach; and IT. She noted that the proposed budget has 73 FTEs; presently HBX has approval for 54 FTEs. The purpose of increasing FTE's is to save costs; even with fringe, FTEs are far more cost-effective than consultants.

Slides 3 and 4 give visuals on spending as outlined above. Slide 5 gives a visual on FTEs by program area.

The remainder of the slides goes deeper into each program area details (available [here](#)).

Ms. Kofman stressed that the budget is lean and conservative. There is no cushion; this is the bare minimum that will keep HBX running. Ms. Kofman stated HBX is keenly aware of the funding source, assessments on health carriers, and the cost that will be passed on to consumers.

Ms. Thorpe asked if we knew our census, that is, how many people are eligible for the two markets? Ms. Kofman replied that HBX is in transition on the SHOP side. All small businesses will be coming through DC Health Link for coverage. The groups will be transitioned into DC Health Link during 2015. By the time all businesses are converted, we should have between 80,000 and 100,000 lives. A further complicating factor is that in 2016, the definition of small employer rises to 100 employees or less (from 50). HBX does not have good data on the size of that market segment. An older study concluded that the addition of the 51-100 employee groups to the small group market would result in a total of 120,000 lives in that market. On the individual side, the individual market before DC Health Link was 20,000 covered lives total. Presently DC Health Link had almost 16,000 lives in the individual market. However, a lot of people came through DC Health Link were eligible for Medicaid.

Ms. Thorpe wanted to concentrate on the individual market to address that uninsured. Has DC Health Link met its expectations for reaching the uninsured? Ms. Kofman stated that in 2010, data indicated 42,000 uninsured in the District. One year later the new estimate was closer to 35,000. (Medicaid was expanded after passage of the ACA.) Of those 35,000, it was estimated that maybe half of those 35,000 would be eligible for Medicaid. Then there are children eligible for SCHIP coverage. Ms. Kofman could not recall the exact figure, but the target population was relatively small. HBX post-open enrollment email survey and data cleanup indicates 50%-60% of individual enrollees were uninsured before DC Health Link.

Ms. Thorpe asked how we measured how successful we were with the Navigator and IPA programs. Ms. Kofman stated the Board could receive a presentation on the robust IPA program oversight and measurement process conducted by a third party outside entity.

Ms. McAndrew said it was important to hit the right targets in terms of enrollment and in particular to catch the people who are eligible for subsidies. She wondered if \$200,000 for outreach and marketing was enough. She also asked about the plan management section and what the new FTE would be doing. She also questioned whether the \$300,000 for quality rating compliance with federal requirements was over-budgeted as she thought the federal government would be developing the functionalities necessary for quality.

Ms. Kofman responded that the Insurance Market Committee was reviewing the certification requirements for health carriers and QHPs and determining when self-attestation no longer made sense. The new FTE in plan management will assist in implementing any new certification requirements. On quality ratings, Ms. Kofman's understanding was that SBMs would have responsibilities such as surveys and perhaps IT issues would arise from the federal requirements requiring some IT work on the portal. Since there are so many unknowns, the \$300,000 was staff's best attempt to estimate in a fiscally responsible way what HBX's needs would be. In general, the federal government has been issuing numerous rules and proposed rules, such that it is difficult to estimate in December 2014 the needs for FY2016.

Ms. McAndrew understood, but she was still struck by the fact that the quality budget number was higher than the marketing and outreach number. She was happy to hear of the additional staff for plan management as that was an essential function.

V. Public Comment

Wes Rivers (DC Fiscal Policy Institute) said that he thought the budget was well-planned and well laid out. He agreed with Ms. McAndrew that it was important to reach the still-uninsured and those eligible for subsidies. He wants to ensure that outreach and marketing has sufficient funds to find those people. He wanted to know how ESA uses the money budgeted for it and what oversight mechanism HBX has for that \$2 million. He noted the proposed budget reflects three new FTEs for eligibility services and he wondered about their duties. On the Contact Center, cost-allocated with DHS, he wondered if the staff would be able to take questions about MAGI Medicaid renewals and non-MAGI applications. He also asked if there was an actuary on staff. The budget reflects \$250,000 for consulting services which he believed was for actuarial services. He thought an on-staff actuary might be cheaper. He also mentioned that tax season is coming.

Ms. Kofman said there was not an internal actuary, and she would re-assess after any new certification requirements were in place. She also noted the difficulty of recruiting health actuaries, as many state departments of insurance experience. The eligibility FTEs were part of the SWAT team that helps serve customers when there are systems issues. On taxes, HBX is working with Intuit to see if there is any way for TurboTax to upload 1099s. On outreach, she noted that the proposed budget is for 2016, and in this year, FY 2015, the budget has considerable dollars devoted to outreach. On ESA, Ms. Kofman said that HBX has an MOA with ESA that has reporting and oversight elements. HBX relies on ESA to provide HBX with estimates on staffing for the various verifications. The budget amount is 99% staff. On the Contact Center, the answering options will have a "press 1" if you need help renewing your Medicaid coverage, etc. to get callers to the correct people as soon as possible.

Ms. Thorpe wondered if other agencies were reaching the uninsured population for other reasons. Is there anyone on the team that does outreach to other agencies? Ms. Kofman replied yes. Linda Wharton-Boyd leads the outreach effort, and she is in touch with all District agencies and ensures that HBX gets invited to other agencies' events. Ms. Thorpe requested that SAB hear from Ms. Wharton-Boyd at the next meeting.

VI. Closing Remarks and Adjourn

The meeting was adjourned at 5:09 p. m.