



Health Benefit Exchange Authority Executive Board Meeting

DRAFT MINUTES

Date: Monday, November 9, 2015
Time: 5:30 PM
Location: 1225 Eye Street NW, 4th Floor, Board Conference Room
Call- in Number: 1-877-668-4493; access code: 736 009 237

Members Present: Henry Aaron, Nancy Hicks, Leighton Ku, Diane Lewis, Kevin Lucia (via telephone), Stephen Taylor (via telephone), Khalid Pitts, Wayne Turnage (via telephone)

Members Absent: Laura Zeilinger, Kate Sullivan Hare

I. Welcome, Opening Remarks and Roll Call, *Diane Lewis, Chair*

Chair Diane Lewis called the meeting to order at 5:35 pm. A roll call of members present confirmed that there was a quorum with five voting members present (Dr. Aaron, Dr. Ku, Ms. Lewis, Mr. Lucia, and Mr. Pitts).

II. Approval of Agenda, *Diane Lewis, Chair*

It was moved and seconded to approve the agenda. The motion passed unanimously, with Dr. Aaron, Dr. Ku, Ms. Lewis, Mr. Lucia, and Mr. Pitts voting yes.

III. Approval of Minutes, *Diane Lewis, Chair*

It was moved and seconded to approve the October 19, 2015 minutes. The motion passed unanimously, with Dr. Aaron, Dr. Ku, Ms. Lewis, Mr. Lucia, and Mr. Pitts voting yes.

Ms. Nesbitt (joined the meeting by phone) and Ms. Hicks joined the meeting in person.

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

- 1. Open Enrollment Progress Report:** Ms. Kofman reported that DC Health Link opened for open enrollment on November 1st for 2016 plans. There was a kickoff held on Sunday, November 1st. Ms. Kofman reported that the kickoff started with the faith based community and later that afternoon the principle event was held at MLk Library. Ms. Kofman stated that Secretary, Burwell from HHS,

Congresswoman Eleanor Holmes Norton, and Council Member Brandon Todd were all present to help kickoff the third open enrollment. Moreover, Nancy Hicks and Kevin Lucia from the board were present. The kickoff went very well and it was a great event. Once again Linda Wharton Boyd pulled off a small miracle with getting the event organized. Ms. Kofman reported, that Secretary Burwell, had the opportunity to walk around and see the entire set up where we had brokers, navigators, assisters, IT personnel, all there to help consumers. Ms. Kofman stated that she thinks the Secretary's favorite part was getting the chance to meet the IT team. CCHIO Executive Kevin Counihan and his CMS team members were also present to support the enrollment kickoff. It was a fantastic way to kick off the third open enrollment season.

2. **Key Dates/Info:** Ms. Kofman reminded people that if consumers are enrolling during open enrollment they have to make their plan selections by December 15th in order to coverage effective January 1st. Ms. Kofman stated to keep in mind that this year open enrollment ends January 31st and after that date unless an individual has a special enrollment, like moving into the District or getting married, they will have to wait until the fourth open enrollment to get coverage. Ms. Kofman reported that the IRS tax penalties have increased if you an individual is uninsured.
3. **Internal Survey Report:** Ms. Kofman reported that HBX administered several different surveys to enrollees asking them various questions about their enrollment. Ms. Kofman stated that even though the response rate for the surveys was low, around 10%, and that the survey results are not scientific according to all the random sampling requirements, they do let HBX know what people are saying and will inform the marketing and outreach strategy going forward. Ms. Kofman stated to please keep in mind that the results are not reflective of the entire population.

A. What happens to people when they disenroll: The survey looked at people who were once enrolled in a QHP, but no longer are enrolled. The survey showed that 49% of the people who responded switched to job-based coverage, 9% indicated they moved out of the DC area, 7% indicated that they could not afford the monthly premium, which is the most important number to pay attention to, 3% indicated enrolled in a family member's plan, 8% indicated they missed the payment deadline, which is another number that is of concern, 3% indicated they enrolled in Medicaid coverage, 6% indicated they enrolled in Medicare and 15% indicated other reasons not specified.

Dr. Aaron asked how many individuals responded to the survey.

Ms. Kofman responded that 320 people responded to the survey, which is about a 10% response rate that represents people who are no longer covered.

Ms. Kofman stated that the other question that this population was asked was whether or not they were currently insured, which is another very important question. Ms. Kofman reported that 81% of the people who responded indicated that they were insured while 19% indicated that they were not. Ms. Kofman stated that HBX will do a deeper dive on the population that who once were insured, but currently are not insured to see what factors, such as affordability, are the reasons why they

remain uninsured. Ms. Kofman stated that HBX wants to start building an evidence based case around affordability and when the opportunity comes up at the federal level to do policy intervention, like expanding APTC or expanding cost sharing reductions, that there is a good database case to be made for more affordability.

- B. Information on the number of people self-employed:** Ms. Kofman reported that there was a news article looking at the self-employed population and looking at their access to secure health care coverage. Ms. Kofman stated that secure health insurance opens opportunities for people who would otherwise be forced to remain in their jobs for health insurance reasons. Ms. Kofman stated that this survey was to understand the population better. The survey asked if the individual was self-employed and 48% indicated yes, 52% said no. The next question asked was if the individual was self-employed prior to gaining coverage through DC Health Link. The survey indicated that 45% said yes, 55% said no. Ms. Kofman stated that the last question in the survey asked if the individual was self-employed did obtaining coverage through DC Health Link help you make the decision to become self-employed. The survey indicated that 14% said yes and 85% said no. Ms. Kofman stated that the survey helps us to understand the population better and what services we can provide customers who are self-employed.
- C. Data Research on Silver Plans and Cost Sharing Reductions:** Ms. Kofman that the HBX team did a data analysis to look at customers who are eligible for cost sharing reductions. Ms. Kofman reported that to get to receive cost sharing reductions the consumer must enroll in a silver plan and if they don't they won't receive any cost sharing reduction benefits. The analysis examined how many enrollees eligible for cost sharing reductions actually enrolled in a silver plan. The data analysis didn't include the Native American population who qualify or the 5 year bar people who qualify. The analysis showed that 40% enrolled in a silver plan and actually receive the cost sharing reduction, 3% enrolled in catastrophic coverage, 30% enrolled in bronze, 18% enrolled in gold and 9% enrolled in platinum. Ms. Kofman stated that the analysis is very useful to HBX and informs the Exchange that they have to do a better job in educating their customers to maximize their federal tax credits and subsidies in order to make coverage more affordable. The data analysis also informs the Exchange on website design and how to display plans for customers who qualify for cost sharing reductions. Ms. Kofman reported that she asked HBX staff to come up with ways on how to present the information better for consumers who have cost sharing reductions. The result was that for consumers who are eligible for cost sharing reductions, the silver plans will filter first in the search and included text that lets customers know that if they enroll in a silver plan they can receive their cost sharing reduction. Ms. Kofman reported that the DC Health Plan Match tool that Consumer Checkbook developed built in the cost sharing reduction in the display already.

Mr. Ku asked if the HBX had a sense of how many people have been using the plan match tool to compare and shop for plans

Ms. Kofman reported HBX doesn't have that data, but it could probably be obtained and will get that data for the board. Ms. Kofman also stated that we could survey consumers after enrolling to see if they used the tool and if they thought it was helpful and what could be improved.

Ms. Kofman reported that new changes to the website made it mandatory to have an email address, which is the same requirement the federal exchange has. Ms. Kofman stated that email addresses helps with communicating important information to our customers.

Dr. Aaron stated that people aren't necessarily leaving dollars on the table if they choose a bronze plan even they are eligible for cost sharing, because if the customers doesn't think they are going to use any health service at all then the cost sharing reduction is worth anything to them.

Ms. Kofman stated that Dr. Aaron was correct.

- 4. ENROLLMENT DATA:** Ms. Kofman reported that, based on reconciliations done with the carriers, as of October 29th data there were 13,770 individual covered lives in the individual and family marketplace and 16,614 covered lives in SHOP (both of these numbers are point in time numbers for October 29, 2015).

Cumulative data: As of October 1, 2013 there have been 22,875 people enrolled through SHOP, 26,379 through the individual market and 130,936 have been determined eligible for Medicaid. In total that is 180,190 total people who have been served since DC Health Link opened for business.

Dr. Ku stated the October 29th number of 13,770 individual QHP enrollees means that they were enrolled before and have paid their premiums and not been dropped, but could include people who have stopped paying their premiums but are still in a grace period, so this is before the new enrollment but could include the people who came in last year under special enrollment.

Ms. Kofman stated that Dr. Ku's understanding was correct and added that the numbers could also include new special enrollment periods who have not paid their premiums yet but are still in their grace period. Ms. Kofman stated that, but on a point in time that day that is what we think was the covered population.

Dr. Aaron stated that half the people who are signed up were not signed up on that day.

Ms. Kofman stated that since October 1, 2013 we have had twice as many people to us, but based on the internal survey mentioned we know that at least half have left because they now have job based coverage.

Ms. Hicks asked was the biggest reason for not having coverage anymore besides moving and attaining job based coverage was due to affordability?

Ms. Kofman stated that 7% no longer had coverage because they couldn't afford the premium and 8% stated that they missed the payment deadline. Ms. Kofman stated that HBX needed to drill down more into reasons why people may have missed the payment deadline and if it was in fact due to affordability.

Ms. Hicks stated that we can should also do outreach around health insurance literacy, so people understand that they have to make a premium payment every month and messages like that could become a part of our outreach strategy.

Ms. Kofman stated that a lot of lessons were learned last year when HBX automatically renewed people and we learned that some people missed paying their premiums in January and February. Ms. Kofman stated that they also learned that many people forgot to adjust their auto-pay for their monthly premiums; therefore the notices this year include information regarding premium payment and adjusting auto-pay.

Dr. Ku stated that he thinks that there is a certain subset of people who say they forgot to pay their premium as a less embarrassing way of saying I couldn't afford my premium.

Ms. Kofman stated that all the denials for special enrollments are reviewed by her and there have been people who are gone six months overseas and thought they setup their auto-pay or didn't do so correctly, so there are people who truly just miss the payment deadline. Ms. Kofman reported that therefore there are other reasons besides affordability that people don't have coverage, but most of the SEPs she sees people will come out and report they just can't afford the coverage.

Dr. Ku stated that even though your income maybe consistent your expenses and debts may not be consistent, meaning that a consumer may be able to pay one month but not the subsequent month.

Dr. Aaron asked if we have any way in nudging people to file tax returns since they get in trouble for not filing? The second question is whether I can afford health insurance depends heavily on how much penalty I will have to pay if I don't have insurance and if the penalty is bad enough people will find that the hardship of having coverage is less than paying the penalty. Do we have any way of educating people and communicating to people about the tax penalty if they go without insurance?

Ms. Kofman stated that in the SEP reviews and surveys from the consumers we get details from the consumers themselves as why they can't pay their premiums. We found that most report they just had another more important expense to take care of like paying rent; therefore it wouldn't matter how high the penalty is.

Dr. Aaron said he agreed and sometimes it varies and in some cases the penalty is not going to matter regardless of high it is because the need from other sources is too pressing. However, in other cases there is going to be an element of discretion and if you can reduce the number of people facing a tax penalty at the end of the year is a good thing.

Ms. Kofman stated that they definitely didn't want customers paying the IRS more than they have to.

Ms. Kofman stated that there are about 150 people who receive APTC, who didn't file; therefore won't qualify for APTC this year. We are encouraging those individuals to file taxes. The notice states that the consumer is receiving APTC and must file taxes even though they may have never filed before and if

they fail to do so they won't be eligible for APTC 2016. Ms. Kofman stated that if a customer decides to file HBX will provide them a letter of support to give to the IRS to accept the filing late and not penalize the customer.

Dr. Aaron stated that we need a strategy to get to people before the tax season starts to encourage them to file their taxes.

Ms. Kofman stated that the Exchange had a tax strategy last year that didn't seem too effective, so we will review and figure out what worked and didn't work. Ms. Kofman reported that even when the Exchange allowed for a SEP to come in if they didn't know about the tax penalty very few people took advantage.

Dr. Aaron stated that if we have information about people who have come through our system and currently don't have insurance is there a way to communicate with them to let them know they will face a penalty if remain uninsured.

Ms. Kofman stated that we could send an email to those individuals because we definitely don't want any of consumers being hit with a tax penalty.

Dr. Aaron stated that outreach to these people would be beneficial, especially since the tax penalty is getting to be real money.

Dr. Ku stated that this year the level of penalty is high enough that it is scary to people. In the first year it wasn't clear that they were scary to people.

Ms. Kofman stated that in the notices to customers there is information about APTC and tax returns and we were recently notified by the IRS that the initial draft of the notice was not approved. The notice is a lot more obtuse and less informative since we can't tell people that they have not filed a tax return.

V. Finance Committee Report, *Henry Aaron, Chair*

Dr. Aaron reported that we received that for the three remaining grants that one has been conditionally extended for 2015 and two are pending, but Mr. Aaron is optimistic that the other two grants will be extended as well.

Dr. Aaron reported that the fiscal year assessments were collected in the amounts to be expected, but there is a small amount of outstanding appeals totaling about \$125,000 that is still pending. Dr. Aaron reported that there was an update on our general finances and everything seemed to be moving ahead nicely. Dr. Aaron stated that at the next meeting they will begin examining the draft budget for the Exchange for next year.

VI. Marketing & Consumer Outreach Committee Report, *Nancy Hicks, Chair*

Ms. Hicks reported that the kickoff event was a success and we had received support from all our partner organizations. Ms. Hicks stated prior to the kickoff event we held a meeting with all our

business partner organizations and everyone is set to go with their part of the plan for the implementation of the third open enrollment marketing strategy that was shared with you at the last meeting. Ms. Hicks stated that the biggest push this year is our Each One Link One campaign, which is for everyone to reach out to someone they know, whether it be a family member, colleague etc. and help them get covered.

VII. Discussion Item

New DC HealthLink.com website demonstration, *Adriana Bratu, HBX Contractor*

Suzanne Peck provided a brief introduction prior to the demonstration.

During the presentation, Board members asked questions and those questions and answers are as follows:

Dr. Aaron asked if there was any overlap of metal tier prices, meaning do we know that the highest cost bronze is lower than the highest cost silver.

Ms. Kofman responded that there isn't any overlap, but it used to be that some bronze plans were more extensive than some silver plans on the individual side.

Dr. Aaron asked if the system checks if the street address is in the zip code.

Ms. Bratu responded that not at this time, but they system will check to make sure that the employer's primary address is in the District.

Mr. Pitts asked if you can cover different employees at different levels in terms of how much the employer subsidizes.

Ms. Kofman responded that if you have employees at a different site you can, but there are IRS based rules that prohibit favoring highly compensating employees, so there are some restrictions on how much an employer contributes to employees. However, there are no restrictions on how much and employers can contribute to family members. Ms. Kofman stated that if an employer maintains coverage for retirees the contribution for them can be very different.

Dr. Aaron asked if an employer has multiple sites with one being in the District can the employer register the other sites not located in the District with DC Health Link.

Ms. Bratu responded that an employer will be able to offer plans to employees located at other sites outside of the District and there are nationwide plans for that purpose.

Dr. Aaron asked if the social security number is the key way that the employee will identify him or herself as a worker.

Mr. Thomas (HBX Contractor) responded that the social security number is the way that the employee gets matched to the employer's roster.

Dr. Aaron asked what happens if the employee is not matched to the employer's roster.

Mr. Thomas responded that the system will alert the employee that a match was not found and will instruct the employee to reach out to their employer to make sure they have the right information on file.

Ms. Kofman stated that in the past we use to get a lot of unmatched employees because the employee may enter their middle name, but the employer may not have the middle name etc., so to reduce the possibility of data not matching up we use the social security number and date of birth only.

Mr. Pitts asked if we had any idea the level of contribution employers are providing to their employees.

Ms. Kofman responded she would get that data and follow up with Mr. Pitts.

Dr. Ku asked if the cost displayed refer to the monthly premium cost.

Ms. Bratu responded that is correct.

Dr. Aaron asked to see the details on the plan comparison.

Dr. Aaron asked that on the details page did one column represent in-network and the other out of network?

Ms. Bratu responded that the first column was the cost/co-pay and the second column represents any coinsurance.

Dr. Aaron asked if the first column is saying no co-payment, but there is co-insurance.

Ms. Bratu stated that his understanding was correct.

Dr. Aaron stated that "no charge" is misleading.

Dr. Ku agreed that "no charge" is misleading to customers.

Ms. Kofman asked if it should say not applicable instead.

Dr. Aaron stated it should say not applicable or no co-payment.

Ms. Kofman stated that they may want to do a focus group with some customers to see how they understand the page and make changes based on that.

Dr. Aaron stated that it may be most helpful to have one column that listed either the co-payment amount or coinsurance amount and have a second column that had out of network costs.

Ms. Kofman stated that for the focus group they would present the information in a couple of different ways and see which one people think is the best way to present the information.

Mr. Shriver stated that a lot of the design on this page is driven by how the forms are submitted by the carriers, because we are pulling the data directly from the template forms.

Ms. Kofman stated that Dr. Aaron is suggesting that the way the information is being presented is confusing so we will take a look at different ways to present the information better.

Ms. Kofman stated that the beauty of the new system is that changes to the system can be quickly.

Ms. Peck stated that the new system also allows the user to see exactly where they are and how much work is left to complete their application.

Ms. Lewis asked if a user can save and come back.

Ms. Bratu stated that the system saves automatically so that can be done.

Dr. Ku asked where in the process are the tools available for the employee or employer to use.

Ms. Kofman stated that the plan match tool and the doctor directory are currently only available to the individual and families marketplace, but will be available to SHOP later this year. Ms. Kofman stated that SHOP is a little more complicated because the results have to reflect the employer's contribution and there are a lot more plans.

Dr. Ku asked if being able to adjust the default level of APTC is too easy, especially knowing that last year the majority of people went in and opted to take 100% of their APTC.

Ms. Kofman stated that one of the issues last year was that even if a user seen the lower amount of APTC on the screen we discovered that due to a defect in the system 100% of APTC was being applied regardless.

Dr. Ku asked that regardless of the policy being 85% that is not what was implemented.

Ms. Kofman stated that the 85% was implemented, but the system would only allow for 100% of APTC to be applied.

Ms. Kofman stated if we knew 85% APTC was what the customer wanted the IT team corrected on the 834 before sending.

VIII. Public Comment

No public comment was proffered.

IX. Closing Remarks and Move to Executive Session, *Diane Lewis, Chair*

Pursuant to DC Codes Sections 2-575 (b)(4) and Section 31-3171.11, the Board will move to a closed session to discuss personnel and litigation.

The meeting was adjourned at 7:09 pm.