

**Health Benefit Exchange Board
Meeting Minutes
Wednesday July 18th, 2012
9:00am-12:40pm
Seattle Airport Marriott Hotel, SeaTac**

Board Members Participants:

Margaret Stanley, Chair
Douglas Conrad
Steve Appel
Bill Baldwin
Don Conant
Ben Danielson
Teresa Mosqueda
Melanie Curtice
Commissioner Mike Kreidler, Insurance Commissioner

Board Members Present via Teleconference:

Doug Porter, HCA Administrator

Board Members Absent:

Phil Dyer

Exchange Staff: Richard Onizuka, Molly Voris, Michael Marchand, Michael Arnis, Brad Finnegan, Nelly Kinsella, Pam MacEwan, Curt Kwak

Welcome and Introductions

Margaret Stanley convened the Board meeting. She reviewed the [agenda](#) for the meeting and read the public notice comment.

Approval of June 13, 2012 Board Meeting Minutes

Margaret asked Board members if they had suggested edits to the [June 13, 2012 meeting minutes](#). There were no suggested edits.

Steve Appel moved to approve the June 13, 2012 meeting minutes and Don Conant seconded. The June 13, 2012 meeting minutes were approved.

CEO Report-Richard Onizuka

Richard commented that the half day Board meeting was due to the Board decisions made on QHPs and Premium Aggregation.

Richard made two personnel announcements including the introduction of Curt Kwak as the Exchange's new Chief Information Officer (CIO) and Pam MacEwan as the Exchange's Special Assistant to the CEO. He noted that Pam has been Executive Vice President at Group Health for several years and Curt has been the deputy CIO for Western Washington Providence. Both Pam and Curt start with the Exchange on August 6, 2012.

Pam expressed her excitement to join the Exchange staff. She shared that her background includes being a part of Group Health's senior executive team and that she helped with health care reform for Washington State in the 90's. She noted that she has a long commitment to access to care and reforming Washington's health care system. She is excited about the Supreme Court's decision and thrilled to join the Exchange team and Board.

Curt expressed that he is honored to join the Exchange staff and Board. He is excited about the venture and has already heard interest from peers as to what the Exchange envisions for Washington State. He shared his background is being Western Washington Providence's CIO for the last 5 years. He noted that he also has a wireless background with T-Mobile and Voice stream in technical management. He is excited to bring forth his efforts in building the Exchange.

Richard commented that the recruitments have taken place for the Chief Financial Officer and he is hoping to bring on a candidate soon. He added that the recruitments for SHOP Director are posted on the Exchange website and that the Exchange is using Dorothy Graham for executive recruiting. He also added that the Exchange is recruiting for Financial Analysts and Budget Managers. He introduced the Exchange's new legal support, Eric Nelson, from the Attorney General's Office. He noted that Melissa Burke-Cain had been supporting the Exchange and thanked her.

Eric Nelson shared that he has worked with the AG for 11 years representing the Mental Health Division, State Hospitals, Community Health Systems (Medicaid), and Vocational Rehabilitation. He noted prior to his AG experience he worked on policy with DSHS for the TANF and Work First programs.

Richard shared that the Exchange is on its own payroll system and that the first Exchange staff checks will be issued July 25. He commented that the Exchange is looking into long term space needs.

Richard provided an IT update. He shared that the QA Vendor contract had been signed with Blue Crane. He shared that he will coordinate with John Anderson so that QA Vendor updates are given at the Operations Committee and Board meetings. He noted that a successful IV/V consulting group had been identified from Boston and that the contract is being closed and the Exchange is aiming for a start date of August 1st. He shared that the joint application design sessions with Deloitte started July 9th and will go through October 2012. He also shared that 17 change requests have been submitted to Deloitte and 4 have been returned; the Exchange is expecting the remaining to be completed by next week.

Board members had the following comments and questions:

- Bill asked if the change requests came from Exchange staff.
 - Richard responded yes and that some were operational changes.

Richard shared that Deloitte provided 7 deliverables on time and they were approved. He noted that Deloitte is on schedule to complete the design phase. He added that the risks to the project are change requests that could slow down the process as well as the design to connect to the Federal hub.

Richard shared that the Supreme Court decision allows the Exchange to continue moving forward. He noted that there have been many discussions around the Medicaid expansion. He also shared that feedback was received from the Federal government's review of the Exchange's design. The Federal feedback was that the Exchange is on track to meet requirements. He added that the Federal government released its blueprint and the Exchange was able to check off some of the requirements.

Richard noted that he'd like to address the concern around the GMMB selection. He explained that the recruitment for a consultant vendor was a competitive bid. He noted that there were 32 responses to the communications RFP and that GMMB was procured through a competitive process. He noted that questions could be directed to Michael Marchand.

Richard shared that he has continued to meet with stakeholders and partners. He shared that he is working with a consultant on an executive level dashboard to track Exchange progress. He shared that a high level timeline for policy decisions was filed in the Board materials. He noted that as implementation progresses, the Exchange has started to discuss a 2.0 version. He also noted that there is a list being formed for what the 2.0 version looks like.

Board members had the following comments and questions:

- Ben asked whether there is a timeline for the 2.0 list.
 - Richard responded that the first objective is create a realistic 2.0 list. Once a 2.0 list is developed then the work plan will be developed.
- The Commissioner asked when Blue Crane will be prepared to start reporting to the Board or Board committees.
 - Richard responded that he has shared the Board's interest to have conversations with the QA Vendor and that there will soon be a way that conversations are relayed to the Board.
- Melanie asked whether a SHOP TAC has been recruited for.
 - Molly responded that the Exchange has discussed the timeline of the SHOP TAC and that it makes sense to wait. Beth added that it will depend on the timeline of hiring a SHOP Director. Richard added that a SHOP TAC is on the to-do list.
- Melanie asked about the changes on the Exchange website. She asked whether the Exchange website will be moved from HCA soon and if all the content is still listed on the website.
 - Richard responded that as the Exchange transitions away from HCA some things will remain under HCA. He shared that Nelly worked with the HCA Web Team to redesign the site so that information is easily accessible. He noted that the Exchange's employment opportunities are now more prominently displayed. He expressed that one of Curt's jobs will be working with Deloitte and the infrastructure of the Exchange to further separate from HCA. He shared that the AG's office is looking at branding for the Exchange.
- Melanie asked about how the Exchange thinks the market is changing and how payment for services will be addressed.

- Richard responded that the Exchange is keeping an eye on those changes. He expressed that there are a lot of challenges with the current healthcare system and it will be challenging to address them.
- Doug commented that in addressing the concerns what is fundamental is access.
- Margaret commented that as the Exchange moves closer to implementation there will be a lot of inquiry from the public. She asked who the appropriate contact is for fielding questions. She asked whether the new website will list FAQs.
 - Richard commented that the Exchange has been working close with the Governor's Office and Office of the Insurance Commissioner. He noted that questions can be fielded to the appropriate office depending on the content and scope. He commented that the Exchange can consider a website so that all resources could be linked.
- Bill asked whether the AG's office has a trademark expert working on the Exchange's trademark.
 - Richard responded yes.
- Melanie asked when the Exchange trademark will be provided.
 - Melissa responded that the application date for the trademark attorney is July 23rd. After that date Exchange staff and Eric Nelson will interview candidates and collaborative select a special assistant to help with the trademark search.
- The Commissioner commented that there are areas where dual responsibilities fall. He noted that at some point there may be a way to track the duties divvied out to various players in the Exchange.

Board Business-Re-vote on Dental TAC WDS Member- Margaret Stanley

Molly shared that when the recommendations on the Dental TAC were brought to the Selection Committee there was a staff error for the Dental TAC nominees from Washington Dental Service (WDS). The Exchange staff had listed 2 representatives from WDS and there should have only been one. The staff is asking for a technical correction to replace Laura Smith with Tom Gates as WDS representation.

The Commissioner also requested to change the OIC *ex-officio* member from John Hamje to Beth Berendt.

Doug Conrad moved to approve the WDS representative correction and OIC *ex-officio* change and Steve Appel seconded.

All Board members were in favor and the motion to replace Laura Smith with Tom Gates for WDS representation and replace John Hamje OIC *ex-officio* with Beth Berendt OIC *ex-officio* was approved.

Policy Committee Meeting Summary- Teresa Mosqueda

Teresa summarized the Policy Committee July 16, 2012 meeting minutes.

Board members had the following comments and questions:

- Margaret commented that she understood the consumer rating system factors 6 and 7 to be part of the plan services description.
 - Teresa responded, encouraging clarification from staff, that how it is displayed is still a question but that the 6th and 7th factors would be included in the covered benefits. She

noted that they may not be displayed in the consumer rating system but it is important that they remain as included factors.

- Molly noted that Teresa was correct and that the information would be included in the benefits listing.
- Don commented in his conversations with others the issue of cost is the major factor in the consumer rating system. He noted that he hopes it will remain on the table for discussion.
- Teresa noted that the Policy committee members are interested in a general conclusion of what the anticipated cost to consumers is.
- Doug commented that he found the public comment was helpful and that the Consumers Union report was excellent. He noted that the challenge will be how premiums are aggregated and keeping consumer costs transparent. He expressed that the conversations have been constructive.
- Ben commented that the GMMB research shows that quality, cost and benefits are all important to consumers.
- The Commissioner added that discussions about how health plans are rated will be interesting. He commented that the new idea is for health plans to insure the healthy not the sick and the Exchange will encourage service, quality, and affordability for consumers.

Operations Committee Meeting Summary- Melanie Curtice

Melanie shared that there is no meeting to report on. She shared that the Operations Committee will be meeting after the Board meeting 1:30-3:30. She noted that the main focus will be the presentation from Wakely Consulting on self-sustainability. She noted that the Exchange self-sustainability report is due to the Legislature in December.

Advisory Committee Meeting Summary- Molly Voris

Molly summarized the Advisory Committee July 11, 2012 meeting minutes. She noted that two rating factors from the consumer rating system were addressed. She shared that the Exchange staff informed the Advisory Committee that the Board and Board committees want them to be the consumer lens for issues being deliberated. The Exchange staff has been developing questions for Advisory Committee meetings and will pass them along to the Board for additional input. Molly encouraged participation from Board members in this process.

Board members had the following comments and questions:

- Doug shared that he appreciates the reiteration of the Exchange objectives at each meeting. He appreciates staff for keeping everyone's focus on the end result.
- Don commented that limiting the discussion to what is in the carriers control is important.
- Teresa noted that Washington State will add to the national dialogue and data about what is important to consumers as the Exchange is built.

Navigator Program- Michael Marchand

Michael Marchand presented the [Navigator Program PowerPoint](#).

Board members had the following comments and questions:

- Margaret commented that the presentation was an exceptional overview of the Navigator Program.

- The Commissioner commented that the OIC has experience of building a start-up program. He noted that there will be a huge influx of enrollees and it will be important to focus on the goal when the push for enrollment is over. He commented that gearing the program down will be a challenge. He noted that, in his experience, the primary place people will gather information from will be agents and brokers. He also noted that the short timeline is a big challenge to make the program successful. He encouraged utilizing the SHIBA program.
 - Michael expressed that the Exchange has a unique opportunity. He noted with the ACA being enacted, the Exchange being built, and other Medicaid programmatic changes, the market as we know it will change. He agreed that the challenge is the timeframe. He commented that there are networks and existing frameworks to engage with. He noted that it is fortunate that in Washington consumers are supportive of the Exchange and want success.
- Melanie commented that the Exchange will need to consider the Navigator program funding separate from the Exchange self-sustainability. She noted that there will be large start-up costs for Navigators and they will level out later.
 - Michael thanked Melanie for the distinction. He noted that there will be organizations who request compensation up front and other existing organizations that already have a Navigator structure in place who will receive compensation for results.
- Melanie asked whether the Exchange has identified funding for Navigators. She also asked whether the focus for the Navigators is to assist with enrollment.
 - Michael responded that the ACA outlines Navigator duties to include public education for QHPs, to distribute fair and impartial information and facilitate enrollment.
- Melanie asked where the distrust comment arises from.
 - Michael responded that the Exchange can dive deeper into data from surveys to see if there is underlying distrust. He commented that trust will come up with any new program and since the Exchange is asking consumers to change behaviors distrust will be a natural reaction. He noted that consumers trust information from family, friends, and community members and the Exchange will be asking people to trust this new program with their private information.
- Ben commented that he listened to the Consumer Workgroup call and it is obvious that there is distrust in the healthcare system. He commented that the Exchange is trying to build a system that interferes with varied layers and could create a conflict of interest. He noted that distrust should be better understood and that historically the existing system has instilled distrust. He noted that listening to the advisory groups will be key. He commented that Navigators will be the Exchange's first face and exposure to consumers. Navigators will be a key component in getting information out to consumers.
 - Michael responded that the top three foundations for the Exchange will need to be trust, respect, and communication. He commented that the Exchange could coordinate an awareness day to capture multiple populations. He added that these "how" conversations are still in their infancy and there will be a lot the Exchange can do to prepare for success.
- Don commented that he likes the notion of having Navigator organizations and Navigator representatives and that it is important to define each of them. He commented that what prevents an individual from becoming a Navigator will still need to be fleshed out. He also noted

that employing Navigator entities removes the Exchange from having to hold Navigator representatives accountable.

- Don asked what the Exchange will require for Navigator initial and ongoing certifications.
 - Michael responded that there is no real guidance or ruling on this and there will be a certification training process for Navigators. He commented that Navigators will need to know where to meet populations that are uninsured.
- Don commented that the information a consumer will share is personal and consumers will need to trust Navigators. Don expressed concern that Navigators will have access to consumers' personal information. He asked whether the Exchange is concerned about information being kept secure.
 - Michael responded that it will be a part of the certification for Navigators. He noted that program integrity and confidentiality are required infrastructure of the Exchange.
- Teresa commented that she has heard that people want the insuring process to be seamless with Medicaid. She added that it will be a new world for insurance and trust will be built as there are successful experiences with the Exchange and with Medicaid. She noted that she is excited to hear more on this topic. She commented that there will be many areas that overlap and the definition of success will be consumers being routed to appropriate outlets for coverage. She asked how the Exchange will operationalize success with Medicaid. She also asked what the Exchange staff is requesting from the Board as discussions continue around the Navigator program.
 - Michael responded that seamlessness is spot on. He noted that if one part fails then the consumer reflection will be negative
 - Richard also added that it is within scope to be seamless with Medicaid. He noted that Medicaid and the Exchange will be webbed together. He also noted that DSHS has the system, the OIC has the regulations and history, and the Exchange will be the coordination between them. He commented that the Exchange is building the system to maintain these ongoing relationships.
- Margaret commented that the challenge with coordination is keeping in mind the consumer's point of view when going through the Exchange.
 - Richard responded that he thinks of that frequently. He expressed that the challenge is timing. He noted that with the 1.0 version of the Exchange it may not be completely seamless but it will kept in mind for 2.0.
- Bill commented that the ACA is a large and complex piece of legislation that will be ever changing. He commented that exposure to fraud should be kept in mind as the Navigator program is being developed.
- Doug commented that it will be helpful to see a job description of a Navigator. He noted that he would like to see a side by side comparison of agents/brokers and Navigators. He noted that the Navigators will not want to be a duplication of effort or create conflicts of interest.
 - Michael responded that there is a real value to build in existing referral networks since people will go to their trusted access points. He noted that as the definition of a Navigator is fleshed out it will be helpful to keep agents/brokers in that lens.
 - Molly added that there is a Role of Agents and Brokers TAC for such conversations and that this will be addressed separately from the Navigator discussions in the upcoming months.

- Steve commented that when the Exchange discusses gaining trust from consumers that approaching it as “this is the State or Federal government” will not work. He noted that consumers trust their families, friends, and agents. He noted that every population of people has trusted groups and outreach will need to be local.
 - Don agreed that the local component will not be an easy task but is important.
- Margaret asked whether there are lessons to learn from Massachusetts.
 - Michael responded that Massachusetts had a host of strategies for outreach among public and private entities.
 - Richard added that the Red Sox were an outlet for outreach in Massachusetts.
- Teresa commented that the Exchange could look at other state outreach strategies. She commented that the Exchange could do a focus group to find out what worked with the Apple Health for Kids campaign. In this effort, private and public entities joined to get information out.

In closing, Margaret noted that the Exchange is off to a great start and that there has been robust conversation for the Navigator program.

Dental Plans in the Exchange- Molly Voris and Brad Finnegan

Molly Voris and Brad Finnegan presented the [Dental Plans in the Exchange PowerPoint](#). Molly prefaced the conversation that the discussion by mentioning that the outline for the Dental plans is not ideal but that there are several complexities that are out of the control of the Exchange. She noted that including Dental Plans in the Exchange was not in the original scope of work for staff and was added during the 2012 legislative session.

Board members had the following comments and questions:

- Don commented that his understanding for the medical portion is that consumers at 300-400% federal poverty level would receive a tax credit.
 - Brad responded that consumers will have the option to apply all, partial, or none of the tax credit to their premiums. He added that the tax credit will be paid directly to carriers from the Federal government.
- Don asked whether dental is subsidized.
 - Brad responded that dental has a tax credit available. He noted that the tax credit will be apportioned part for medical and part for dental.
- Don asked whether the choice to apply all, some, or none of the tax credit will be transparent to consumers. He also asked if there is a reason for the choice to apply the tax credit.
 - Brad responded yes. When a consumer selects a plan they will see their eligibility for the tax credit and have the option to decide how it is applied to their premium. Brad noted that consumers may not want to pay the tax credit back due to income fluctuations or they may want a refund. This could affect their choice about how to apply the tax credit.
- Don asked if the Exchange can create a worksheet for consumers to estimate their income and what the costs/tax credit may be.
 - Brad responded that the Exchange could entertain the idea of creating a worksheet with an educated estimate of the amounts.
- Margaret commented that dental coverage is inexpensive in comparison to medical coverage. Since this is a requirement only for children at the 300-400% federal poverty level, it doesn't seem to be a good expenditure to build a complex structure. She asked whether there was a

way to simplify the process. She asked whether it was possible to establish a price for dental coverage and let carriers adjust their premiums to combine it with medical. She noted concern about how much time will be put into the effort and possible confusion it could cause for consumers.

- Molly responded that the Exchange is unsure if that is possible. She noted that staff is still awaiting Federal guidance. She added that the tax credit is simplified as it is tied to silver level plans and that there will not be tiered dental plans.
- Melanie asked whether stand-alone dental plans will be included in the Federal Exchange.
 - Molly responded yes and that the current understanding is that there has not been considerable development around stand-alone dental plans.
- Ben asked whether the Exchange knows how many individuals this will represent in Washington State.
 - Molly responded that Exchange staff can look into the exact number.
- Don commented that the project to offer dental plans in the Exchange mirrors the Federal Basic Health Plan option but only would generate about 1/10th of the revenue for the Exchange.
- Bill asked for clarification on the point that the Exchange is not allowed to incorporate offering dental plans in line with medical plans.
 - Molly responded that statute states that dental plans have to be offered and priced separately from medical plans. She noted that because of the complexities in offering dental the Exchange is recommending separating children's dental from adult dental. She commented that there may be opportunity to work out family coverage dental plans.
- Bill asked whether there could be two options; the first being coverage for the child and then the second being a family coverage option that would identify the child's subsidy.
 - Molly noted that the subsidy can only apply to the child's dental coverage.
- Teresa commented that she agrees the solutions are not ideal but dental coverage is just as important as medical. She noted the symbolic value of the Exchange being a one door approach for consumers to access coverage. She expressed her concern for the unintended consequences from HB2319. She shared that she is concerned consumers will drop off when they realize there is a separate shopping step for dental. She asked Richard to explain how the decision came about.
 - Richard responded that dental plans were not in the original scope for the Exchange. He noted that the discussion is more focused on the administration of dental plans. Richard commented that none of the discussion is intended to cast a low value of dental plans. He shared that the Exchange had the first change request to Deloitte and will receive a walk-through of the process to share at the next Board meeting. He noted that the process is going to be choppy and the staff has the same concerns as Board members.
 - Molly added that the Board's concerns and input will be taken to the Dental TAC. She noted that whatever is laid out will not be ideal with the 1.0 version.
- Margaret asked whether the medical subsidy for children will lessen the dental subsidy.
 - Molly responded no. She noted that the subsidy goes to both portions of coverage. She also noted that the dental subsidy is only for children.
- Margaret commented that it is clear that the Board and staff will need a lot of guidance from the Dental TAC. If they could dive into how to avoid huge administrative costs that would be significant.

- Doug commented that in addition to the Dental TAC members input consumer input and how this would affect their overall experience with the Exchange will be imperative.
- The Commissioner commented that there is a challenge of rating a stand-alone product. It can be done successfully, but there is conflict of State vs. Federal law. He noted that it would be a good topic for Eric to take on. He noted that Beth Berendt on the Dental TAC will provide the operational standpoint and input.
- Margaret asked the Commissioner to clarify the conflict.
 - The Commissioner responded that the State law for stand-alone dental may conflict with Federal law.
- Teresa asked for clarification on the Federal law. She asked if the Federal law outlines that a state can allow for stand-alone plans in 2014.
 - The Commissioner responded that there needs to be clarification about whether State law prohibits dental being combined with medical which would conflict with the ACA.
- Molly commented that a Legislative decision to change or throw out the dental portion would not be possible until May 2013 which by that time, dental plans will have needed to be filed by the Exchange. She noted that the Exchange has to go forward with the discussions and decisions even if this portion of HB 2319 gets delayed or thrown out. She noted that the Exchange will research more options that could be more seamless.
- Melanie commented that a few topics for Eric to research include who has jurisdiction, the definition of stand alone, and whether the Board has the authority to create rules on interpreting and applying stand alone plans.
- The Commissioner commented that the OIC will have to create a rate review in order for dental plans to be eligible as QHPs.
- Margaret commented that she feels a sense of anxiety for the Board to find ways to simplify the process for the consumer experience, and for staff time and administrative costs. She noted that creative approaches are welcomed. She asked if the Exchange is required by law to offer a choice of dental plans or whether they could be bid out to offer one plan.
 - Molly responded that by statute the Exchange is not required to offer a choice of plans.

In closing, Molly expressed that the dental plans will need to be priced separately than the medical plans. She added that there has been and will continue to be vigorous conversation. She stated that if Board members are interested in participating in the Dental TAC meetings staff will share that information.

Public Comment

Jeff Schwartz, community member representing himself, thanked the Board and Exchange staff for the content discussed and the distinction between the “what” and “how” process in the Exchange. He shared an issue important to his family which was the situation that four years ago his son was diagnosed with a rare Eosinophilic disorder. He stated that the insurance company denied the claims for an elemental formula that his son needed but that thankfully they worked with exceptional doctors who discovered the diagnosis. He shared that the elemental formula cost around \$900-1500 a month and for a middle class family that it was difficult to provide. His son was declared cured but he doesn’t want to see another family go through the fight his family did for coverage of the costly formula. He shared that this Eosinophilic disorder is classified as a rare disease and around 1 in 2000 are affected. He shared that

his understanding of the ACA is that plans will have to offer essential health benefits through the Exchange and he hopes that he hopes this can be the opportunity to expand coverage.

Tom Gates, Washington Dental Service, expressed that he enjoyed the discussion about dental plans. He commented that WDS shares the same concerns as the staff over the complexities around the dental plans. He is thankful for the opportunity to serve on the Dental TAC. He shared that WDS' objectives are to support improving oral health and overall health. WDS is still parsing out how they support and play in health care reform. He shared that dental disease is the first reason children miss school and have health problems. He noted that he is happy that the federal subsidy is being expanded to support dental coverage for children. He commented that adult dental emergencies are one of the top reasons for emergency room visits and that dental disease and chronic disease is linked. He commented that focusing on value from a standpoint of cost and also access to care will be important to keep it simple and transparent. He expressed that it is appropriate for dental plans to be held accountable for their actions. He hears and agrees with what has been discussed today regarding dental plans. He noted that the challenge will be how to get to the vision with limited guidance. He noted that it will be important to address how the subsidies are divided.

Next Meeting and Adjourn- Margaret Stanley

Margaret announced that the next in-person Board meeting would be August 15, 2012 at the Radisson in SeaTac.

The meeting was adjourned.