Insure Montana Board of Directors Meeting August 17, 2011

Voting Board present: Jim Edwards, Amanda Harrow, John Thomas, Katherine Buckley-Patton (by phone), Betty Beverly (by phone), David Kendall (by phone)

Non-Voting Board members present: Jessica Rhodes

CSI staff: David Dachs, Renee Little, James Oster, Helen Taffs, Patcharin Williams, Jill Sark

Interested parties: Mark Eichler (MAHCP Montana Association of Health Care Purchasers), Collette Hanson (BCBS) Ginger Lindsey (BCBS), Howard Bouma (by phone), Daren Engellant (by phone)

Call to Order: The meeting was called to order at 1:05 pm by Jim Edwards.

Approval of Minutes: John moved that the minutes from the meetings of February 28, 2011 meeting, May 10, 2011 meeting, and May 19, 2011 conference call all be approved as written. Amanda seconded the motion. Public comment was invited. Seeing none, a vote was held and the motion carried.

Election of Officers: The term expires for the current slate of officers as of this meeting, as officers serve one-year terms. Currently Jim Edwards is the Chairperson, Erin McGowan-Fincham is the Vice-Chair, and Betty Beverly is the Secretary. Jim nominated Erin McGowan-Fincham as Chairperson. John seconded the nomination. No additional nominations were made, and the board elected Erin as Chairperson. Jim nominated John Thomas as Vice-Chairperson. Dave Kendall seconded the motion. No additional nominations were made, and the board elected John as Vice-Chairperson. John nominated Betty Beverly as Secretary. Betty declined the nomination, as her second term on the board is ending within the year and she will not be eligible for reappointment. John nominated Amanda Harrow as Secretary. Jim seconded the nomination. No additional nominations were made, and the board elected Amanda as Secretary.

New Staff Member: Jill Sark introduced the new Insure Montana staff member James Oster, who will be serving as a full-time Auditor. The 2011 Legislature authorized and funded the hiring of additional staff. James came highly recommended and will be a great addition to Insure Montana. As David Dachs' duties have shifted towards Business Analyst functions, James will be able to increase the number of case audits completed.

BCBS Presentation: Collette Hanson and Ginger Lindsey from Blue Cross Blue Shield of Montana presented information on the new free wellness program being offered by BCBS to all members. Many key triggers to poor health are controllable. 50% of health care costs today are attributable to lifestyle choices. Previously, wellness plans primarily rewarded participation without regard to outcomes, but BCBS has developed a new plan which focuses on outcomes. To ensure regulatory compliance, an alternative reasonable standard is offered to participants unable to meet benchmarks, and data is aggregated into a single "Health Score," which is based on a number of factors and does not contain clinical information. The new program focuses on tobacco use, blood pressure, glucose, cholesterol, height, weight, and Body Mass Index. Points toward health scores will be awarded for progress toward target metrics and members will be given customized information on how best to reach their targets.

Employers will see scores only, not clinical data. Incentives are based on points and member premium contributions will increase or decrease based upon member health scores. Employers can also earn a premium discount if at least 75% of their employees participate, and/or they attain acceptable generic Rx dispensing rates. Spouses would also be able to participate. Renee pointed out that some small employers have very high turnover rates and asked if this would be taken into consideration when applying incentives. Collette indicated that the most current data would be used in calculations.

The basic process: Employee completes health screenings, either with his/her primary care practitioner or at a health fair or screening. BCBS will collect and aggregate the data. Based on the data, BCBS identifies risk, and a Care Coordinator will contact at-risk members to facilitate early intervention. Individual employee health scores are reported to groups, and incentives are then applied accordingly. This entire process has no cost to Insure Montana. Insure Montana can also receive association-level reports of data, which can be used to improve member health and reduce costs.

Questions and Answers: John asked about employee refusal to participate. Would Care Coordinators contact those members who did not participate? BCBS indicated that the outreach and education would likely be at the employer level, not the member level. Amanda suggested motivational interviewing and other similar techniques could bring in more members. Helen stated that many groups are owners-only, so it might require direct contact with members to motivate them to come. Katherine asked if the state of Montana employee benefits plan is participating in the new program. John answered that the employee plan is not currently participating, but does have a similar health screening program in place. Renee asked if BCBS would be collecting the data or if that would be provided by an outside vendor. Collette responded that BCBS would provide a form indicating the data needed but does not practice medicine, so the screenings would be done by either primary care doctors or by vendors in a health fair setting. Dave Kendall asked how Insure Montana would deploy this program. Jill indicated this question is premature as Insure Montana staff has not been directed or authorized by the board to begin working on this project. Board approval would be required to move forward. Collette indicated that BCBS would provide extensive support which could include mailings, webinars, and education. Jim asked what agents could do. Howard indicated agents could meet with groups over pizza (then amended that to fruit!) and educate them on the benefits. Collette added that agents will be critical to the success of this program with small groups, and that BCBS will include information on this wellness program in the third quarter agent training. Dave K asked if BCBS could make it simpler for employers to apply/provide incentives. Jim asked Howard where his small groups currently obtain well care. Howard indicated that while some members travel to Great Falls for care, many obtain it in their home towns. Howard asked if BCBS would be willing to meet with smaller groups in remote areas like Conrad, Augusta, and Choteau. Collette indicated this would be possible. Jim asked if data from the vision screenings recently approved by Insure Montana could be included in the data analysis and the point scores. Collette said yes. Jill reminded the board that members and spouses participating in vision screenings will receive a $15 incentive for doing so.

Vision RFP Update: VSP was awarded the vision screening contract. As a justice agency, the Commissioner of Securities and Insurance, Office of the State Auditor (CSI) requires employees and contractors to undergo a background check including fingerprinting. Currently CSI is negotiating with

VSP regarding which of their employees will be required to complete the background check. The screenings are scheduled to begin January 1, 2012, and the cost is $1.32 per member per month. Members will have no copayment when accessing the vision screening benefit. The estimated cost of the program is $86,000 which will be paid from the $1.1 million reserve account. As this is paid from reserve funds, which came directly from purchasing pool premiums, this benefit is only offered to purchasing pool members; Qualified Association Plan participants are not eligible. Marketing tools are being developed when the contract is finalized, and will include agent training and outreach.

Data Analysis RFP: The board voted in May 2011 to approve the data analysis RFP, with an estimated cost of $10,000. Because BCBS is now offering this service at no cost to Insure Montana, the question arose: does the board wish to proceed with this RFP or accept the free BCBS services? John indicated he would prefer to continue to move forward with the RFP so all options can be analyzed. Dave Dachs pointed out that the claims data is owned by BCBS so a BCBS data analysis would be more comprehensive than one from a vendor without access to that proprietary information. John and Jim pointed out that 60% of claims are coming from 2.4% of members, 24% of members have no claims at all, and 45% have claims under $500. Therefore, claims data misses a very large piece of the population; the vision and health screenings will provide more useful information. $10,000 is not a significant expense compared to even one large claim which could be prevented by early intervention. Jim stated BCBS should have access to all the screening data regardless of whether they are awarded the analysis contract. Dave K moved to go forward with the RFP for data collection and analysis. Katherine seconded the motion. Public comment was invited. Seeing none, the board voted and the motion carried.

The data analysis subcommittee will consist of Jim Edwards, Dave Kendall, and Jessica Rhodes. Jessica was granted voting authority for this subcommittee. John Thomas indicated he would be unable to participate in this RFP do to prior association with the Montana Association of Health Care Purchasers. Renee Little will assist with this RFP, and Jill Sark agreed to draft it.

Health Screening RFP: Jim Edwards recused himself from this vote and discussion due to a conflict of interest. The anticipated cost of the health screening will be $235,000. As this is paid from reserve funds, which came directly from purchasing pool premiums, this benefit is only offered to purchasing pool members; Qualified Association Plan participants are not eligible. This is a high number based on 90% participation. Katherine reminded the board that public perception requires transparency, so a competitive bidding process for this is necessary. Collette stated BCBS does not provide health screenings, so this would need to go to an outside vendor. Dave K moved to go forward with the health screening RFP. Katherine seconded the motion. Public comment was invited. Seeing none, the board voted and the motion carried.

The health screening subcommittee will consist of Jessica Rhodes, Erin McGowan-Fincham, and Amanda Harrow. Jessica was granted voting authority for this subcommittee. Renee Little will draft this RFP.

Wellness Programs, Website, etc.: Renee Little was prepared to present the new Insure Montana website and information regarding wellness programs, however due to time constraints this presentation will be at the December board meeting. Board members are encouraged to access

http://insuremontana.org later this month to see the new user-friendly site. Renee has taken on the website project and vastly improved the user experience.

Carrier RFP: Only one bid was received for the Insure Montana purchasing pool carrier contract, from Blue Cross Blue Shield of Montana (the current carrier). This bid will be reviewed by the subcommittee on Wednesday, August 24, 2011 in the Insure Montana conference room. If the subcommittee finds the bid acceptable, rate negotiations with BCBS will commence during the last week of August. After the rates are negotiated, vote of the full board will occur via a conference call which Jill will schedule. If the board approves the contract, it will be forwarded to Commissioner Lindeen, who has final authority to approve or deny the contract.

Other Agenda Items: Time constraints have prevented the completion of remaining agenda items, including the 125 plan enrollment results and the financial reports. Any urgent questions should be directed to Jill Sark; other concerns may be addressed at the December board meeting.

Next Insure Montana board meeting will be Tuesday, December 6, 2011 at 1:00 pm.

2012 Board Meeting Schedule: Meetings for 2012 are scheduled for Wednesday, March 14, 2012; Tuesday, May 1, 2012; Tuesday, August 14, 2012, and Tuesday, December 4, 2012. All meetings will be from 1:00 to 3:00 pm in Helena, location to be announced. Please mark your calendars.

Adjournment: Jim Edwards closed the meeting at 3:14 pm.