

Insure Montana RFP Subcommittee Meeting Minutes

March 18, 2008

Board Attendees: Jim Edwards, Connie Welsh, Anna Whiting-Sorrel

Staff Attendees: Jan VanRiper, Christina Goe, Jill Sark, Amy Sassano, Shawn Graham

Public Attendees: None

The meeting began with discussion of the 'issues' listed on the agenda. Connie questioned if the code required that there are multiple carriers. Christina clarified that the code required "up to" three. There can be one to three but no more than three. Jim questioned if the code required that the purchasing pool plan be fully insured. Christina clarified that the code did require the plan was fully insured.

The issue of multiple carriers was discussed. Jim stated that if IM offered multiple carriers it would have to be self-funded. He does not believe that it could be managed if not self-funded. He explained that if there were two carriers, at renewal the members would choose the carrier with the lowest premium. This would leave the carrier with the higher premium at a disadvantage. The two carriers would not know how to set their premiums and it would be a high risk to be involved in a contract with IM if there was more than one carrier involved. It would require that they charge enough to pay for the spread if they happened to be the carrier with the higher premium and losing members at renewal. Connie stated that it is possible that the RFP could include a retention plan to pay back for loss ratio but the carrier would still have to charge enough to pay for that spread. Jim stated that an option would be to require members to make a three year selection. Jim stated that with two carriers it could result in two different plans, such as one carrier at rate five and another at rate seven.

There was a discussion regarding qualified association health plans.

It was discussed that there is not time to complete an RFI. Connie stated that the RFP can be written to state that all offers may be rejected.

Jim asked if the interested carriers should be asked to meet and present what they might offer. Jan stated that carriers might be hesitant to discuss their offers in the presence of other carriers. Connie stated that it could be presented as asking for a menu of how they would design rates and tiers. She said it could be more of a listening session with an outside facilitator. The Board would be listening in to the carriers' responses to pre-set questions. It could be presented as the carriers' chance to get their input involved in the RFP planning.

Jim mentioned that we did need to consider the producer concern of the impact of possibly losing the relationship that has been built between the producers and members. This may be addressed by the pre-set questions.

Jan said that the CHAT report will be completed in a couple of weeks. This information will be helpful when developing the RFP.

There was a discussion regarding community rating.

It was decided to meet again in early April to develop the questions for the carrier meeting in mid April. Jill will schedule this meeting. Jill will also schedule a meeting for the carriers and send a "save the date" notice to all carriers. After the carrier meeting the subcommittee will meet to write the RFP with a target date of completion to be May 15th. Jill will update the timeline handout.