

## **Insure Montana Board of Directors Annual Meeting**

### **August 12, 2008**

**Board Present:** Betty Beverly, Gail Briesse-Zimmer, Connie Welsh, David Kendall, Erin McGowan-Fincham, Bob Marsenich (via phone).

**Others Present:** Jill Sark (Director), Christina Goe (SAO), Patcharin Williams (Staff), Helen Taffs (Staff), Kristi Amestoy (BCBS), Chelsea Fagen (MT Chamber of Commerce), Webb Brown (MT Chamber of Commerce), Barbara Kamerzel (New West), Frank Cote (BCBS), Duane Grimes, Malinda Shafman (via phone), Daren Engellant (via phone).

Gail opened the meeting at 1:05 pm. Jill presented the minutes from the previous meeting. No changes were proposed. Betty moved the minutes be approved as written; Connie seconded, and the motion passed unanimously.

Erin McGowan-Fincham was introduced as the new small business representative on the Board.

**Election of Officers:** Erin suggested that the current officers (Gail-Chair, Betty-Secretary, vacant-Vice Chair) could be allowed to continue in their current positions. Christina advised that the rules require election of officers to take place at the annual meeting, or it could occur shortly thereafter. Connie pointed out that several Board terms are ending in January and suggested six month officer terms. Connie nominated Gail as Chair, Erin as Vice-Chair, and Betty as Secretary. Dave seconded the nomination, and the unopposed candidates were elected unanimously for a six month term ending December 31, 2008.

**Meeting Dates:** The Board of Directors has set the following dates for the next four Board meetings, time and location TBD: December 2, 2008; March 3, 2009; May 5, 2009; and the Annual Meeting will be August 11, 2009. Betty moved the Board accept these dates, Erin seconded, and the motion passed unanimously.

**Legislative Subcommittee:** Christina advised the Board that a Legislative Subcommittee is needed. The final draft of the Insure Montana bill is due by October 31, 2008. Bob, Erin, David, and Betty volunteered to serve on the Legislative Subcommittee. Jill will be responsible for organizing the meetings.

**Prenatal and Preventive Care:** Healthy Generations is now called Healthy Wonders. Five individuals have enrolled so far, and several others have expressed interest. Insure Montana will also be distributing information on the Employee Assistance Plan to members within the next few weeks.

**Newsletter:** Jill presented the recent newsletter to the Board and asked if the Board felt a schedule of two or three times per year for newsletters would work. Insure Montana has not distributed regular newsletters prior to the current one in nearly two years. The

newsletter is a useful tool to inform members of benefit changes and policy changes. Betty moved the newsletter be produced twice per year at staff discretion. Dave seconded the motion, and it passed unanimously.

**E-Mail:** Insure Montana is developing the capability to send electronic payment notifications. This could result in significant savings for the program. Insure Montana will request valid e-mail addresses from members at renewal this year. Having a valid e-mail database will also reduce printing and mailing costs for newsletter distribution.

**Experience Reports:** The loss ratio as of the most recent report is 72.43, including administration and paid claims. This is compared to nearly 82 at the same time last year. The pool has matured and stabilized. All the original enrollees have reached the end of their 12 month waiting period on preexisting conditions. Christina advised that the retention agreement calls for a return of funds if claims remain below 83% (75% + 8%).

**Rates and Benefit Designs:** Insure Montana must negotiate rates and plan designs with whichever carrier is awarded the contract from the RFP (Request for Proposals) in time to allow notification to members to be mailed by November 1, 2008.

**RFP (Request for Proposals):** The RFP Subcommittee will be scoring the proposals. Two proposals were received by the August 8, 2008 deadline, from Blue Cross Blue Shield and New West Health Services. The committee will recommend the highest-scoring proposal be awarded the contract, and the full Board must vote to approve it. Betty suggested the vote be handled via e-mail and then follow up with a conference call in early September. Connie proposed the work plan be as follows: RFP Awarded, contract negotiations, experience reports, finalize rates, presentation to full Board regarding trends.

The RFP scoring meeting will be held August 28 at the State Auditor's Office. Meeting information is posted on the Insure Montana website. The public is invited to attend but will not be permitted to comment. There will be no opportunity to attend by phone, and in cases of trade secret discussions, the public will be asked to leave.

**Risk Audit:** Insure Montana underwent a Legislative Audit Division Audit Risk Assessment this spring. Suggestions included implementation of a strategic plan, enhancement of internal security controls, continued development of the policy manual, enhancing the computerized database system, conducting random case file audits, completing HIPAA training for employees, and the addition of a full-time employee to the program.

Anna Whiting-Sorrell joined the meeting at 2:00 pm via phone.

Christina advised the Board that Insure Montana is not a HIPAA covered entity, so employee HIPAA training is not mandatory. Insure Montana staff do have access to extensive financial information of members, so financial privacy training is a more immediate need than HIPAA training. Additionally, if the program is expanded, then the

database system enhancements gain importance because of the need to sustain and administer the program.

**Case File Audit Pilot:** Patcharin and Helen related findings from the July case file audit pilot. The audits resulted in adjustments of benefits in several cases, both increasing and decreasing benefits. Audit results will be used to improve and clarify applications and renewal forms.

**125 Plans:** The Board inquired how many participating businesses are participating in a 125 plan, to allow premiums to be paid with pre-tax dollars. Insure Montana contracted with Allegiance to set up premium-only plans for qualifying member businesses last summer. Many businesses did not qualify due to their entity type, such as Subchapter S Corporations. Every current eligible business has been offered the opportunity to set up a 125 plan, and no further Insure Montana investment is necessary for this issue.

**Collection of Overpayments:** Collection of overpayments of benefits, due to changes in or cancellation of coverage, has been very time-consuming for Insure Montana staff, and resulted in some uncollectible debts. Jill is researching the possibility of Insure Montana remitting monthly payments directly to the insurance carrier, rather than to member businesses and subscribers. This would eliminate uncollectible debt and significantly reduce administrative, mailing, and printing costs.

**Waiting List Renewals:** The renewal of the Insure Montana waiting list in May resulted in the removal of approximately 300 businesses from eligibility, primarily due to non-response. Insure Montana is anticipating the waiting list will be close to 700 by the end of the year.

**Budget Update:** Insure Montana expended 89.18% of its FY 2008 budget. FY 2008 only had eleven months in it. Previously, the payments for July had been charged to the prior fiscal year's budget, since they were generated in June. The determination was made that the payments for July needed to be charged to the new fiscal year's budget. Insure Montana is permitted by statute to commit up to 95% of the available funds. Erin inquired what would happen to the remaining 5% cushion. Christina stated that it was risky to expend 100% in case of budgeting errors, and the Governor could allocate the unexpended funds back to the program. Anna Whiting-Sorrell of the Governor's Office disagreed and stated the money may not be allocated back to Insure Montana.

**SHOP Act:** Three bills have been introduced on a federal level, HR 5918, HR 6210, and SB 2795, which would institute a program similar to Insure Montana on the national level. The Senate bill appears to be the vehicle. Insure Montana will monitor the progress of the national bills and evaluate what effects they may have on this program.

**Statistics:** Insure Montana is helping to cover over 8,000 lives.

**CHAT:** Jan Van Riper was unable to attend. The results report is in progress.

**MCA 33-22-2004 (2) (h):** This portion of the code would permit businesses to join the pool without subsidies, if the Board chooses to allow it. The Board will discuss potential impacts on the pool, such as adverse selection, at the December 2, 2008 meeting.

Gail left at 3:15; Dave Kendall took over as Chair.

**Employee Assistance Plan:** The EAP which is available through Insure Montana is not being utilized by most members. The Board was in favor of publicizing the availability of the plan. Insure Montana staff have included articles about the EAP in the last two newsletters. If the plan continues to be under-utilized, the Board may revisit the idea, and consider whether it is cost-effective to have.

**Mathematica Research Project:** Mathematica researchers were referred to producers and spoke to Jill and Erin. Their focus appeared to be on how Insure Montana obtained enrollment.

**Records Management:** Currently Insure Montana records are very paper-intensive. Staff are developing a records management plan to improve the process and ensure confidentiality, security, and compliance with records-management standards.

**Public Comment:** Members of the public were invited to comment. No comments were offered.

Dave requested additional information regarding Qualified Association Plans. Jill will provide it.

Erin moved to adjourn, Connie seconded, and the motion passed unanimously. The meeting adjourned at 3:30 pm.

Next full Board meeting will be December 2, 2008, time and location TBA.