

Insure Montana Board Conference Call Meeting Minutes
October 1, 2012

Board Members Present by Conference Call: Erin McGowan Fincham, David Kendall, and Katherine Buckley-Patton

Board Members Present in Person: John Thomas, Carol Roy, Jessica Rhoades, and Susan Witte

CSI/Insure Montana Staff in Person: Jill Sark, Christine Kaufmann,

BCBS Staff by Conference Call: Collette Hanson, Mark Walters

Erin called the meeting to order at 8:35 a.m.

Erin stated that the purpose of this meeting was for the Rate Negotiation Subcommittee to present their recommendations to the full Board for discussion and a vote to accept or modify the proposed rate increase for 2013.

Mark Walters from BCBSMT gave a brief review of the history of the Insure Montana experience since the program's inception in 2006. He provided an explanation of the calculation leading to a 9.5% increase in premium for 2013. He stated the projected claims for 2013 is \$12.5 million which requires \$15.6 million needed in premium. He said if the RSR accounts funds are used to pay for stop loss the increase in premium would be 5%. An additional option presented to the Subcommittee required a further payment from the RSR account of \$146,000 that would bring the increase in premium to 4%.

Erin reviewed the discussion from the Subcommittee meeting. She stated that the Subcommittee looked at the numbers from a premium increase of 3% to 5% and determined that a 4% increase was the best option. She stated that Insure Montana would realize a lower premium increase than other small groups and Mark confirmed that at 5% Insure Montana would have a lower increase in premiums for 2013. David stated that the ideas to make sure the people who contributed to the RSR balance would benefit from it by experiencing lower premium increases. Jessica asked what percentage is targeted to have in the reserve account. Mark stated that Insure Montana does not have a target amount. Some groups do save a certain percentage while others spend the full reserve funds from year to year. Mark said the Board should consider what the future of Insure Montana is anticipated to look like to determine what reserves, if any, should be held in reserves. David stated that likely the program will have a much smaller base and an issue leading to spend more of the funds now is that only 50% can be spent each year. John stated that he is concerned that the program could be spent into a hole. The decision to save reserves or spend now is a balancing act. Jill gave some statistics of the amount members would save with a 1% further reduction (to 4%). The average monthly savings would be \$10.15 and annually

\$121.87. Katherine stated that the savings were minimal but she still favors the 4% proposal.

John questioned if BCBSMT had any other options. Mark stated that there was a suggestion to make plan changes of removing the traditional plans. Jill stated that the subcommittee did suggest removing the traditional plans because they were not a benefit to the members. BCBSMT has agreed to allow an individual member to enroll in a traditional plan if needed due to the lack of network in Wyoming. Meeting adjourned. No other options were provided or suggested.

Jessica stated that she favors a lower increase for the members. David asked what would happen if the RSR account had a negative balance. Mark stated that BCBSMT would absorb the loss and Insure Montana would not be held responsible. He stated that negative balances are carried forward to the following year. Jill provided a history of the stop loss payments made from the RSR account since 2009 and the corresponding premium increase percentages.

John made a motion to accept the Subcommittee's proposal of a 4% premium rate increase by paying the stop loss of \$632,732 and an additional buy down of \$146,504 from the RSR account funds. Susan seconded his motion. Erin called for any public comment. No public comment provided. The motion passed unanimously.

David made a motion to remove the traditional plans as proposed by the Subcommittee. Katherine seconded his motion. Erin called for any public comment. No public comment provided. The motion passed unanimously.

Erin asked if there was any further business. Katherine asked what outreach had been made to the one member with anticipated ongoing high cost claims. Mark said that he understood that the member was in case management but he would have Ginger confirm. He stated that he did speak with the Rx Manager and the member is in the best program for the condition. Katherine suggested that the person be considered for disability and possibly Social Security Disability. Jill stated that she would ask Ginger to report on the issue at the December Board meeting.

No further issues cited. Erin adjourned the meeting at 9:09 a.m.