

Insure Montana
10/16/07 9:00 AM Phone Meeting

Present in Person:

Board: Jim Edwards, Connie Welsh, Kate McIvor

Staff: Christina Goe, Lisa Crowley, Erin McGowan-Fincham, Anne Pichette, Helen Taffs

Public: Daan Stordiau, Jared Short, Eric Schindler, Frank Cote, Todd Lovshin, Eric Deeg

Present by phone:

Board: Gail Briese-Zimmer, Cliff Larsen, Bob Marsenich

Lisa Crowley advised BCBSMT had proposed a 31.9% rate increase based on claims experience. There were 7 large claims over \$100,000 in addition to high utilization of benefits. The Board needs to explore options to minimize the impact of the rate increase. The Insure Montana budget can bear the rate increase at the current benefit level for the remainder of FY 2008, but changes will need to take place to remain sustainable for FY 2009.

Option 1: Adjust plan designs to reduce the rate increase. For example, changing the maximum member liability, deductibles, coinsurance and so on will affect the rates.

Option 2: Adjust assistance levels down to a sustainable level. This raises the concern that members will take a double hit with a rate increase and a benefit drop.

Lisa reminded the Board that unused program funds revert to the state and cannot be rolled over into the next plan year. With regard to attrition, so far 31 groups have cancelled coverage this year. We do not have any historical data for a renewal with a full pool and a rate increase, so we cannot anticipate what the attrition will be.

Jim pointed out that the Insure Montana Standard plan is richer than most other health plans available elsewhere, even with possible adjustments to benefits. He suggested the Board explore a third plan option with a lower benefit level. Connie asked how we could minimize the impact to our lowest income members. Erin stated that accessibility is a top priority.

Jim pointed out that 2.5% of the members accounted for 65% of the claims, 59% of members had claims under \$500, and 16% didn't make a single claim. He suggested that we need to focus on minimizing impact on the low users, and that managing premium cost was more important than maintaining high benefit levels. Christina stated increasing Maximum Member Liability would reduce the impact on low users. Jim asked if increasing the Rx deductible would have a greater impact. Christina encouraged the Board to keep the mission in mind.

Lisa suggested the subcommittee meet within the week to suggest alterations to plan designs and the 3rd plan option. Jim and Connie volunteered to meet with Lisa on 10/17/07, and an estimate will be requested from BCBS based on proposed changes.

The meeting adjourned at 9:50 am.