

11-13-07 Insure Montana Subcommittee Meeting

Board Present: Cliff Larsen, Betty Beverly, Gail Briese-Zimmer

Staff Present: Jan Van Riper, Lisa Crowley, Erin McGowan-Fincham, Helen Taffs

Others Present: Webb Brown (Montana Chamber), Joe Garza (Governor's Office), Kim Browne (Allegiance)

The meeting informally began at 1:10 pm. As three voting board members were present, we did not have a quorum. The purpose of this meeting was to review the Premium Assistance and Incentive schedules for Insure Montana.

Lisa presented budget figures. Based upon current enrollment numbers, the program will base a shortfall of \$273,992.97 for FY 09 if the assistance and incentive percentages increase to match the 12.6% rate increase. The program cannot roll surplus funds into the next fiscal year; any remaining funds in the budget will revert to the Special Revenue Account. The budget can sustain current assistance levels based on the 12.6% rate increase through the end of FY 08.

Lisa reviewed the current assistance schedules. The income guidelines are based on Federal Poverty Guidelines effective December 2005 and have never been adjusted. Betty suggested guidelines be adjusted each January 1. Lisa advised this would require participants to report income in November, and Helen added that verifying income at the same time as renewal would be difficult. Lisa suggested spring would be a better time as participants would be filing taxes around then and would have better knowledge of their financial situation. Gail elaborated that verifying in the spring would allow us to implement the adjustments effective at the beginning of the fiscal year. Helen suggested the board consider basing income tiers on household size instead of composition for clarity and accuracy. The premium assistance schedule is currently based on the Standard PPO plan with caps at age 54 and rate table 6.

Erin inquired whether Lisa had run numbers for possible assistance scenarios. Lisa responded that she'd looked at the numbers but would need direction from the board as to possible adjustments. Erin suggested the board might look at only adjusting the assistance percentages for the higher income levels. At this time Cliff asked what the board members at the meeting needed to do. Lisa clarified we need to have a plan in place to avoid a budget shortfall for FY 09. Cliff asked about tobacco tax collection variables. Betty brought up the fact there is a tobacco tax reserve account, but it required legislative action to access those funds. If we left the assistance levels at their current percentages, it would be possible to request additional funding from the 2009 Legislature. Gail said we should not count on that revenue, as it likely would not be accessible. Cliff stated there probably would be more funding available for the program. Joe said that it would require an appropriation.

Betty stated we need to examine the impact of the rate increase, particularly for low-income participants. Cliff pointed out that those receiving 80%-90% assistance would only experience a very minimal increase in premium costs. Lisa explained that groups

need to make their elections by December 1, and we would be sending out subsidy quotes next week. She also said that if the subcommittee felt that assistance levels should remain at their current percentages, matching the current rate increase for now, no board action was necessary.

Lisa then asked if the committee wished to continue basing assistance and incentive levels on the Standard PPO rates, as the plan designs had changed. She stated the committee could consider basing subsidies on the premier plan, as that plan seems in line with the board goal of accessible health care. Cliff reminded the group that the board also was charged with insuring as many people as possible with a limited budget. Betty wondered if we base the maximum assistance amounts on the Premier plan, would that move more of the population to Premier coverage? Gail recalled that Connie Welsh had suggested we try to encourage people to take the Standard plan, as it is less expensive for BCBS to provide standard coverage and this could help mitigate future rate increases.

Gail asked if Insure Montana held subsidy levels equal to the 2007 dollar amounts, would more groups be able to enroll, in light of the waiting list of over 650 businesses. Lisa stated holding assistance level would allow approximately 50 new groups, or about 150 new participants, to come into the program, however, it would also mean that 100% of the 12.6% rate increase would be borne by subscribers. Gail said that one of the board values is keeping people healthy, and insuring as many people as possible is in line with that value. Also, she was concerned about the impact of giving too much assistance in the short-term, then having to reduce it ~~for sustainability~~ **substantially later**. Cliff felt the best solution would be to be fiscally conservative now, then open up for new enrollments if we have a budget surplus. Gail pointed out that health insurance costs increase, and Insure Montana participants should not be totally sheltered from that.

Jan reminded the group that the board would need to make a decision regarding a participant survey or CHAT, to determine what the members actually want. Betty and Cliff also felt we should poll withdrawn and declined groups to see what needs they had that Insure Montana was not meeting. Jan stated that if the CHAT process is to be completed in time for the RFP, the board needs to make its decision very soon.

With regard to the assistance and incentive schedules, Cliff advised the group against taking radical action; a surplus should be conserved at this point. Lisa offered two options: 1.) keep the schedule as it currently is, resulting in a 12.6% increase in incentive and assistance payouts for the remainder of FY 08; or 2.) keep assistance amounts at their 2007 levels. Cliff prefers the second option because it is sustainable and allows for some new enrollments. Taking option 2 requires board action. Betty and Gail agreed with Cliff. Betty suggested the board should also make a decision on CHAT as soon as possible.

Those present agreed to set up a teleconference on Wednesday, November 14 from 8:00 am to 10:00 am to have a formal vote regarding the assistance and incentive schedules and CHAT.

Lisa advised that the board needed to meet in December, as minutes have not been approved since August. The minutes could possibly be approved via an e-mail roll call vote.

The meeting concluded at 2:24 pm.