

## **12/02/2008 Insure Montana Board of Directors meeting**

**Those present:** Betty Beverly, Erin McGowan-Fincham, Connie Welsh, Jim Edwards, Jill Sark, Patcharin Williams, Helen Taffs, Monica Lindeen, Walter Schweitzer, Karen Diehl, Kristy Amestoy, Christina Goe, Jan VanRiper, Chelsea Fagen, and John Morrison

**Present by phone:** Dave Kendall, Gail Brieze-Zimmer, Bob Marsenich, Daren Engellant, Malinda Shafman

The meeting was called to order at 1:14 pm.

Board membership: Betty's term ends 1/1/2010, not 2009 as previously reported. The vote on Board officers normally takes place at the annual meeting in August, but at that meeting the Board decided to postpone it until this one. Jim Edwards nominated Gail Brieze-Zimmer as Chair, Betty seconded. Betty nominated Erin McGowan-Fincham as Vice-Chair and Jim seconded. Dave Kendall nominated Betty Beverly for Secretary-Treasurer and Erin seconded. Betty moved the candidates be voted on as a slate and Erin seconded. By unanimous vote all officers were elected as nominated.

Approval of minutes: Betty moved and Bob Marsenich seconded the motion to accept the August 12, 2008 minutes as written. Dave clarified that he is with the Montana Healthcare Forum Project, sponsored in part by BCBS, and moved the minutes be amended to correctly reflect that clarification. Gail seconded the motion, and the minutes were approved unanimously as amended.

Public Participation: currently, meeting dates are posted to the internet as soon as meetings are scheduled. Approved minutes are also posted to the web. Public comment is requested during Board meetings. Betty suggested that public participation could be encouraged by offering comment periods immediately following each topic of discussion. Connie Welsh suggested including notices of votes on the agendas, and posting agendas to the web prior to the meetings. Dave suggested asking for comment prior to voting. Chelsea Fagen felt the agenda suggestions were useful. Christina Goe stated the meeting schedules should be posted annually, and changes should be posted as soon as they happen. Bob Marsenich requested agendas be posted three weeks prior to Board meetings, or as soon as they are ready. Jill Sark will add the Board recommendations to the Plan of Operation and submit the draft to the Board for final approval. No further comments were offered by the Board or the public. This issue will be revisited in the February meeting.

John Morrison joined the meeting and discussed the program's accomplishments. He introduced incoming State Auditor Monica Lindeen (Mr. Morrison did not run for re-election due to term limits).

Healthy Wonders: BCBS took over administration of the prenatal program. Currently 14 members are participating. Costs to the program so far include \$775 for ultrasounds, \$44

for prenatal vitamins, and five \$100 gift cards for individuals who have completed the program. As of January 1, 2009, the Insure Montana prescription drug benefit will cover prenatal vitamins, reducing program costs.

EMF Health Care Forum: Preventive care is an effective tool for reducing insurance costs. Possible preventive items include tobacco cessation programs, covering 100% of the cost of flu vaccinations, physicals, and waiving co-pays for preventive care. The Board requested that staff prepare information on Insure Montana's preventive benefits for presentation at the next meeting. Jill volunteered to find information on preventive care training. Christina Goe inquired if there was a limit on the preventive benefit. Jim Edwards suggested Insure Montana promote the Tobacco Quit Line. Jan VanRiper inquired if reduced rates could be offered to non-users of tobacco. Jim advised that tobacco use is a health status question and therefore is not permitted. Value Based Insurance Design (VBID): waive deductibles and co-payments for certain prescription drugs to encourage compliance, thereby resulting in overall cost savings. Information on VBID will be presented at the next meeting. Chelsea suggested that Insure Montana coordinate with the Tobacco Quit Line, so coverage through IM begins when the Quit Line coverage ends. Additional public comment was invited, and none was given.

Payment Procedure: Jill advised the Board that currently Insure Montana issues individual payments to each member business and subscriber. This results in mailing costs exceeding \$20,000 per year. Staff requests permission to move forward with developing a plan to make a single payment to the Pool's insurer, currently Blue Cross Blue Shield. In addition to the cost savings related to mail, this would also reduce the amount of overpayments requiring collection. Gail stated this is an excellent idea, as it is practical and conserves program funds. The downside would be in public perception: the State of Montana would be paying BCBS, and individual Montanans would not receive a direct payment. Betty agreed that paying the insurer directly is a fiscally responsible move. Dave asked if statements would be mailed to business owners. Connie suggested quarterly statements be mailed advising what was paid to BCBS on their behalf. Christina raised a concern about privacy issues regarding household income. Jill advised employers already receive a statement advising them of subsidy amounts, and while the household income is not listed, it may already be possible for employers to deduce income ranges based upon the size of the assistance payment. Christina felt that individual participants should also receive periodic statements, not just businesses. As the payment procedure is not in the Plan of Operation, this issue does not require a vote. Daren Engellant inquired about possible tax issues. Connie stated that paying directly to BCBS will actually simplify tax issues, as the bills will reflect the actual post-subsidy premium cost. Bob Marsenich stated that if Insure Montana is able to make payments directly to the insurer, we should move forward with it. Jill advised she is meeting with BCBS reps and IT people in January to discuss the issue. A tentative target date is April 2009, but this could be affected by a number of factors. Connie requested that Jill prepare a plan and present it at the February meeting. Kristy Amestoy advised that BCBS is very positive about the idea and the Executive Team has approved it. Additional public comment was invited, and none was given.

Renewals: Currently the Insure Montana renewal process is paper-intensive. Staff wishes to move toward electronic renewals. Individual incomes were re-verified for the first time this year. Additionally, Insure Montana asked what the business contribution percentages are (this was not verified previously). Many assistance payments were adjusted down due to income, although some went up. Additionally, some businesses have corrected their payment practices to bring them into compliance with program requirements. Connie requested a report on the number of businesses affected. Christina stated there is a balance between assisting businesses and being accountable in the administration of funds. Dave wants to ensure we aren't forcing businesses to change their business structure to comply. Currently, premium assistance is a percentage of the employee cost; if the employee is also an owner, and intermingles business funds with personal funds, how can the program ensure fairness in the amount the state contributes? Jan suggested we specify options based on specific business structures. Daren asked for a clarification on what counts as income. Jan and Jill requested the Board form a subcommittee to define income; Connie added we should have the definition in place no later than the renewal for 2010. Business representatives should be invited to participate. Program goals should be kept in mind while formulating the policy. Volunteers for this project are Connie Welsh, Bob Marsenich, Dave Kendall, and Daren Engellant.

Experience Report: Kristy reviewed the new format with the Board. Jan inquired if there was a chance of funds being returned to the program via the retention agreement. Jim stated this was likely based on the experience reports. Additional public comment was invited, and none was given.

MCA 33-22-2004: Jill advised the Board that code permits the addition of groups to the purchasing pool without subsidies. This could increase the size of the pool, however, is the rich benefit package affordable without the subsidy? Few businesses would be likely to join. This also increases the possibility of adverse selection. Jim felt the overall impact would be minimal. Daren voiced opposition to the idea, based upon competition issues. Bob stated that he felt this was outside the scope of Insure Montana's mission. Jim also stated IM should not compete unfairly. Dave suggested opening the pool only to otherwise qualified waiting list businesses. This suggestion appears to conflict with code. Connie moved that the pool not be opened to additional businesses without subsidies, and that the issue be revisited in a year. Jim seconded the motion, and it passed unanimously. A statutory change would be required to permit businesses to qualify for eventual subsidies if they bought into the pool prior to a subsidy being available.

Jill Sark provided the 2009 rates to the Board.

Budget Update: Jill advised that the "Utilities" line item could be moved into the program budget. Once renewals are complete and figures are available regarding the cost of supporting current members, a limited number of new slots will become available.

Plan of Operation: proposed changes include clarifying incentive caps, and changing names of members of the legislative subcommittee. Christina advised the Board not to include the names of subcommittee members in the Plan of Operation to avoid the need

to amend as Board personnel turns over. Additionally, Healthy Generations is now Healthy Wonders on page 3. “Of” needs to be inserted on page 1 in the RFP section. Betty moved to accept all changes as presented. Erin seconded the motion and it passed unanimously.

Legislative update: Issues being addressed in upcoming legislation include creditable coverage, income caps for owners, Medicare/Medicaid/CHIP as prior resources, and transfer of funds between the pool and the tax credit program. Public comment was invited, none offered.

Jim Edwards presented information to the Board on how rates are calculated. A handout was provided.

Issues for the February meeting: Value work, pay for performance.

Betty moved to adjourn, Connie seconded, and the meeting adjourned at 4:15 pm.