

**INSURE MONTANA  
Governing Board Meeting  
February 27, 2007**

BOARD PRESENT: Chair Kate McIvor, Lewis & Clark Co. Cooperative Health Center  
Gail Briese-Zimmer, Dept of Public Health and Human Services  
Christian Mackay, Prudential Floberg Realtors  
Connie Welsh, State of Montana Department of Administration

STAFF: Emily Lipp Sirota, Office of the Governor  
Erin McGowan, State Auditor's Office  
Lisa Crowley, Insure Montana  
Wendy Theodore, Insure Montana  
Helen Taffs, Insure Montana

OTHERS: Tanya Ask, Blue Cross Blue Shield  
Mary Kay Puckett, Blue Cross Blue Shield  
Christina Collins, Blue Cross Blue Shield  
Webb Brown, Montana Chamber of Commerce  
Darren Engellant, Montana Retail Association  
Chelsea Band, MT HCBD  
Diane Arave, MT HCBD  
Chelsea Fagen, DPHHS  
John Thomas, MT-HCBD

THOSE ABSENT: Jim Edwards, Mountain West Benefit Solutions  
Bob Marsenich, Mountain West Benefit Solutions  
Cliff Larsen, Allegiance Benefit Plan Management

Chair Kate McIvor called the meeting to order at 1:07 pm.

The Board reviewed the minutes for 11/9/06. Christian pointed out "re-adjourned" should be amended to "reconvened," Gail moved to approve the minutes as amended, Connie seconded the motion, and the motion was carried unanimously.

Chelsie Fagen of the DPHHS Workplace Wellness program presented information on wellness programs. Paper copies of her Power Point presentation have been provided to the Board. Mary Kay of BCBS pointed out that the Purchasing Pool creates an opportunity to collect aggregated data which protects the anonymity of individual participants.

Connie Welsh reviewed the implementation process of the State of Montana's wellness program. In the beginning, it was mainly member-centric, with programs like Spring Fitness, and Health Risk Assessments. In 2002, the state began to analyze and aggregate claims data, using predictive modeling and using claims data for case management, for the Well on the Way program (pg 26 of the Montana HCBD 2007 booklet). Chelsea Fagen asked if this could violate patient privacy under HIPAA. Connie responded that as the letter sent to the individual does not contain any protected information, and participation is voluntary, it is not a violation. Erin asked for more clarification. Connie explained that the data help the program to know which employees

to target with an invitation to participate. Connie then explained the state's Why Weight program.

Connie advised the state is intending to incorporate sick leave data into the screening process. One of the big challenges for Insure Montana will be tracking the return on investment for a wellness program. Mary Kay asked about "presenteeism," or sick employees coming to work anyway. Connie stated that such data is difficult to track. Lisa Crowley inquired about the cost per participant. John Thomas advised it costs \$69 per employee for the Health Risk Assessment screening. Kate McIvor inquired what the cost savings of providing the screenings are. Diane Arave stated it is cost-effective, and Connie elaborated that the minimum rate of return is 2:1, but could be as high as 7:1. Erin inquired how many communities the State of Montana is providing screenings in. Diane responded approximately 20 of the larger communities, and John elaborated that the goal was to avoid having people need to travel more than 40 miles for a screening. Erin pointed out that geography is a barrier to a meaningful wellness benefit, especially comprehensive follow-up. Connie suggested enlisting county health clinics and colleges as venues for screenings. Small business size can also be a barrier, as individuals may not be able to leave for a screening without closing the business. John pointed out that with the average group size of about 3 employees, if one major medical event was averted, the return to that individual group is huge. Darren Engellant inquired if the Wellness Benefit will be offered to the Purchasing Pool only, or if Tax Credit participants will be able to participate. Kate and Erin responded that no decisions have been made regarding the implementation of a wellness benefit as the legislation which would provide for that opportunity is still pending.

Lisa provided an enrollment update, stating that the Purchasing Pool is nearly full based on the current budget. Helen gave the Purchasing Pool stats. As of 2/26/07, 640 businesses have coverage beginning 3/1/07 or sooner; 4357 lives are covered, including 1772 employees with 2585 dependents. 82 businesses have received quotes but not made a decision; 181 total businesses are in the process of completing paperwork and deciding on the quotes. 1482 businesses have received enrollment packets, and 302 more are on the waiting list. The average assistance per employee is \$159; the average incentive per business is \$209. Christian asked if IM was in danger of a budget decrease. Lisa responded no, and estimated a maximum of 50 more groups can be added to the pool without a budget increase, which means 252 groups on the waiting list will not be able to be added at this time. The IM take-up rate is estimated at 43%. Erin asked what is the average take-up rate. Mary Kay stated it is 20% to 30%.

Wendy provided tax credit numbers. 704 businesses are enrolled, covering 2111 employees, 514 spouses, and 1004 dependents for a total of 3629 lives in 2006. The average tax credits for 2006 were 430.12 per month, and 5161.44 per year. The projections for 2007 with the current budget are 628 businesses currently enrolled (with room for approximately 91 more) and 91 on the waiting list as of 2/27/07. If IM receives the projected \$400,000 budget increase, then there will be an estimated 132 slots available.

Chair Kate called a recess at 2:41 pm, and the meeting reconvened at 2:59 pm.

Kate initiated a discussion of the current legislation affecting Insure Montana. Lisa advised SB 140 passed the Senate 49-0 and will move to the House in Transmittal. Lisa advised the Section 125/Flex Plan proposals were higher than expected, so the current

budget will not allow the implementation of those plans at this time. Highlights of SB 140 include making owners subject to the \$75,000 income cap for eligibility to receive incentive and assistance payments, increasing eligible group sizes to 1-15, and implementing wellness and section 125 plans. Christian asked if Association Plans were back in the Purchasing Pool. Lisa explained they were not, but 40% of the Governor's proposed \$1 million funding increase would be earmarked for tax credits for previously uninsured businesses who choose a Qualified Association Plan.

Insure Montana is also monitoring HB 766 but has not taken a position. Covering sole proprietors is an issue of public concern, and it is difficult to acquire data on sole proprietors. There are concerns about adverse selection, and the Board discussed implementing certain qualifications such as time in business, and if the business is the owner's sole or primary source of income.

Kate opened the discussion to the Insure Montana loss history review. Tanya Ask stated there is a 12 month window in which to submit a claim, the loss history data will not be final until 2008. Kate asked if the Distribution of Payments and Network Savings were accurate; Tanya stated the projections are close to the report. Kate asked if we could assume the statistical analysis was going to be typical of future claims. Tanya said no, because many preexisting conditions are still waived, groups are very new, and we don't have a stable population yet; we will have a better view of this in July. Christian asked about stop loss. Tanya responded that IM is a fully insured group and there is no stop loss at this time. Lisa pointed out the IM population is relatively young (average age 39) and lower income. Emily asked how many dependents would move to CHIP if the eligibility for that program expands to 175% of poverty guidelines from the current level of 150%. Lisa did not have an estimate. The largest claims so far appear to be traumatic and post-surgical. Tanya promised to provide more data. Christian asked about loss ratios; Tanya stated we don't have enough data yet, but they should stabilize much higher than 50% as the pool matures. Christian stated there didn't appear to be much adverse selection; Tanya responded it's too soon to tell but nothing is indicating a cause for concern.

Lisa discussed projections for 2007, and stated the Pool will be completely full by FY 08. Emily stated that the Governor's office and David Ewer are impressed with the fiscal responsibility of Insure Montana staff.

Kate asked for public comment. There was none.

Kate asked for an estimate on when the wellness benefit might be implemented. Lisa estimates late 2007 or early 2008. She stated the wellness benefit still needs a lot of work, and it should be addressed by the end of the year. Erin pointed out that the dates and benefit are flexible, as the wellness benefit is not mandated. Lisa stated it is up to the Board. Connie advised looking at the population and choosing goals with that population in mind, as well as examining contractual ability. Lisa suggested including the wellness benefit in the RFP process; she advised that the Board planning subcommittee could address it. The subcommittee could look at this in late March or Early April.

The next meeting is tentatively scheduled for May 14 or 15, in Helena. Lisa will handle the meeting request and scheduling.

Gail moved to adjourn, and the motion was seconded by Christian.

The meeting adjourned at 4:12 pm.