

Insure Montana Board of Directors *Approved* Meeting May 11, 2010

Voting Board present: Erin McGowan-Fincham, Betty Beverly, John Thomas, Jim Edwards, Katherine Buckley-Patton, David Kendall (by phone)

CSI staff: David Dachs, Renee Little, Patcharin Williams, Helen Taffs, Jill Sark

Interested parties: Ginger Lindsey, Malinda Shafman (by phone), Chelsea Culpon, Daren Engellant, Sarah Rhoades (by phone), Christine Hultin-Brus, Riley Johnson, Ginny Furshong

Call to Order: The meeting was called to order at 1:04 pm by acting chair Erin McGowan-Fincham.

Approval of Minutes: Betty moved that minutes from March 9 Board meeting, March 26 conference call, and April 14 conference call be approved as written. Jim seconded the motion and it passed unanimously.

New Board Members: John Thomas and Katherine Buckley-Patton have joined the Board. Since Gail Brieze-Zimmer has stepped down, the Board must elect a new President. Erin nominated Jim Edwards. Betty seconded the nomination. No others were nominated and there was no public comment. Jim was elected unanimously and assumed leadership of the meeting immediately.

Plan of Operation: Board members were presented with copies prior to the meeting. Changes are highlighted in red. The Plan of Operation has been updated to reflect the lifting of the 2007, age 54, and rate tier 6 subsidy caps. At Jill's request, Betty moved to delete item 3 on page 5 as it was duplicative. Erin seconded the motion. There was no public comment and the amendment passed unanimously. Katherine moved the Plan of Operation be passed as amended. Betty seconded the motion. . There was no public comment and the motion passed unanimously.

SB 135 Annual Savings: The passage of SB 135 has resulted in significant program savings. The rule excluding owners earning over \$75,000 per year has resulted in \$233,280 in savings in the tax credit program, and \$50,672 in the purchasing pool. Also so far \$6,604 has been saved by moving dependents to the Healthy Montana Kids program. That amount will increase as enrollment takes some time and enrollments are just starting to be reported. The savings so far have resulted in 33 new tax credit slots and 6 new purchasing pool slots becoming available. Also, the board now has the option of shifting funds to the pool from the tax credit program, so 30 more slots could become available in the pool if the board opts to shift funds. Approximately 30 families were found to be participating in both Insure Montana and Healthy Montana Kids Plus (formerly Medicaid) and SB 135 allows for HMK+ to possibly pick up some of the cost.

Katherine discussed increased citizenship and income verification requirements for Healthy Montana Kids. She stated approximately 1,000 children per month are being added to HMK/HMK+, with more qualifying for HMK+ than anticipated. She also noted that the three month uninsured period prior to enrolling in HMK is waived for Insure Montana participants.

Financial Report: Jill advised the board that the program is on track to spend mandated budget amounts for salaries and operating expenses. Claims and benefits are not on track for FY10 because pool businesses cannot be added retroactively. Many of the new businesses were added subsequent to July 1, 2009, so will not draw a full 12 months' benefits for FY 10. Jill stated there is room for about 40 new businesses in the pool. 84 have applied since January 1 and are on the waiting list. 821 businesses and 4,200 lives are currently covered and Jill estimates the pool will be full with 864 participating businesses. Jill anticipates the pool will expend the necessary 95% of budget for FY11.

In Process: Web applications will streamline the application and enrollment processes. Katherine asked how else the processes can be improved. Jill advised the advisory council is scheduled to meet on May 12. Several surveys will be developed, for businesses which declined coverage or dropped out, and for agents. Howard asked about possible re-wording of questions on the applications. David Dachs pointed out that incomplete applications are an obstacle and a time-waster. Jim suggested Jill bring current applications to the advisory council meeting, and inquired when the last agent training occurred. Jill will include Ryan at New West in the agent training loop, in addition to BCBS and Western Mutual reps. Betty and Jim volunteered for the subcommittee to review forms at the end of summer after the surveys are complete. Erin suggested we track how the increase in subsidies affects take-up.

Experience Report: Anticipated 2011 rate increase is approximately 6.02% based on Jim's calculations and the current loss ratio. BCBS reps confirmed this calculation is very close.

Cancer prevention: Ginny Furshong of DPHHS spoke to the board regarding how screening for cancer saves lives. The Centers for Disease Control (CDC) and state special revenue (tobacco tax) funds provide for preventive care. Colorectal screening is a challenge; people don't think they need it, doctors aren't recommending it, and Montana has availability barriers. In Helena and Great Falls there can be a six month wait for a colonoscopy. Some of the smaller towns have shorter wait times. Billing is also a challenge because the procedure could be coded either preventive or medical, depending on findings and the extent of the procedure. This could create a financial hardship for members with high deductibles if it isn't covered as preventive. The March 2010 Insure Montana newsletter included information on colonoscopy and prevention. Ginny offered to develop materials for distribution by Insure Montana. Jim Edwards suggested member notification on their 50th birthday. Betty expanded the suggestion to include 50+. Ginny will collaborate with Jill Sark on this project.

BCBS Health Care Management Report: Ginger provided information based on three months' data. 84% of the population had less than \$500 in claims. There were seven individuals with large claims. Betty inquired about hospital readmissions. Ginger stated that case management would have that information available. Ginger also committed to obtain information regarding the "Other" classification in the large claims analysis. Dave Kendall asked if the findings were indicative of doing things right, or simply luck. Ginger stated in-network utilization saves considerable money, plus there was a drop in inpatient claims.

RFP Subcommittee: John, Bob, Dave K., Renee, and Helen will attend the meeting. This subcommittee is for the Section 125 plan which allows pre-tax withholding of premiums.

Audit Report: David Dachs presented a written report on audit findings. Savings based on audits thus far could allow for two to three businesses to be added to both the Purchasing Pool and Tax Credit programs. Approximately 60 audits have been completed thus far. Dave K. inquired if some of the overpayments were the result of the program being too complex. Jill suggested forming a subcommittee on applications, and also surveying participants. Approximately 1/3 to 1/2 of audited groups have no changes resulting from the audit. The remainder of the groups have been roughly evenly split between increases and decreases in subsidy. Due to the small sample size, we are unable to project an error rate. The annual goal is to conduct 240 audits per year, or about 15% of the current caseload.

Federal Health Care Reform: Handouts were provided to the board. Participating Insure Montana purchasing pool businesses may be eligible to receive a Federal tax credit. Information is available at the <http://csi.mt.gov> website. Commissioner Lindeen's office is currently focused on the high risk pool, separate from Montana Comprehensive Health Association, through 2014. The pool will be compliant with Federal law. Additional documents are available at <http://bcbsmt.com> including information regarding BCBS changes.

Additional business: Chelsea Culpon announced that the Montana Healthcare Forum is scheduled in Helena for June 9-10. Information is available at <http://montanahealthcareforum.com>. Tax credit information will also be available on the Montana Chamber of Commerce website beginning May 12.

Next Board meeting is scheduled for August 10, 2010, time and location TBA. This is the annual meeting.

Meeting adjourned at 3:05 pm.