

5-5-09 Insure Montana Board Meeting

Attending: Karen Diehl (BCBS); Kristy Amestoy (BCBS); Ginger Lindsey (BCBS); Barbara Kamerzel (New West); Ryan O'Connell (New West); Chelsea Fagen (MT Chamber); Walter Schweitzer (SAO); Monica Lindeen (Commissioner of Insurance and Securities); Laura McGee (SAO); Helen Taffs (SAO); Patcharin Williams (SAO); Jill Sark (SAO); Betty Beverly (Board); Erin McGowan-Fincham (Board); Jim Edwards (Board); Gail Brieze-Zimmer (Board)

Present via Phone: Lori Holmquist (Glacier Insurance); Daren Engellant (Glacier Insurance); Bob Marsenich (Board); David Kendall (Board); Malinda Shafman (Agent, MLA)

The meeting was called to order at 1:05 pm.

New meeting protocol: as per the agenda, each agenda item will have a time limit. Public comment will be solicited after each agenda item, prior to voting. Items requiring a vote are starred on the agenda.

Approval of minutes: Minutes for the March 3, 2009 meeting were included with materials. Betty moved the minutes be approved as written. Erin seconded the motion. The motion passed unanimously.

Advisory Group: As per her campaign promise, Commissioner Lindeen is forming an advisory group for Insure Montana. Its mission is to review the program, structure, funding, sustainability, and provide recommendations for the next Legislature. It will be comprised of approximately 15 members, including 2 state Representatives (one Democrat, one Republican); two state Senators (one Democrat, one Republican); one representative from a Qualified association plan; 2 Insure Montana Board members; 2 providers; 2 program participants; 1 Governor's appointee; 1 nonprofit; and one Commissioner's appointee. Jill Sark will coordinate. Erin suggested adding an agent. Bob suggested a doctor or hospital, and perhaps the Montana Hospital Association should be included. The question was raised regarding reimbursing travel for the Legislators. Betty suggested this should start in the fall and the Board should schedule some joint meetings with the Advisory Committee.

Legislative Update: Additional program funding of \$3 million per year was approved. Representative McChesney and Senator Larsen carried the bill. Jill put in many hours testifying and coordinating supporters, Walt located a funding source. Bob requested that copies of letters of support for the program be forwarded to the Board. Jill will forward copies of the Legislative packet. Monica indicated that the support in the Senate Finance Committee was overwhelming. Walt stated that the tobacco tax revenue fund is growing slowly, and will be sustainable for a minimum of 10 to 20 years with no changes. The biggest challenge this session was helping Legislators to understand the program and reasons for it, as there were many misconceptions.

Enrollment: Helen reviewed current enrollment numbers with the Board. Jim asked why the plan lacked a Medicare supplement. Legislative approval would not be required to add one. Daren stated that existing groups which drop out of the program should be interviewed. Erin suggested that the Board might want to look at increasing premium assistance before enrolling new groups; subsidy levels are frozen at 2007 subsidies while the premiums have increased approximately 16% since then. Walt felt it would be better to enroll waiting list groups first, as some have been waiting over two years, and then look at what the budget would sustain in increased subsidies. Part of the legislation included the addition of a full-time Auditor position, which will assist the program in getting an accurate view of participant incomes.

Updates: Insure Montana is working with BCBS to develop a new payment procedure as previously approved by the Board. Rather than paying participants directly, subsidies will be remitted to insurers, who will apply those subsidies as bill credits. The goal is to test in June and make the first payment for September in early August.

New group enrollment will be combined with waiting list renewals. Groups currently on the waiting list will receive enrollment materials and go through the enrollment process to enable the program to make accurate budget projections and enroll as many groups as possible. If funding is insufficient to enroll all groups wishing to do so, those remaining groups will be moved back to the waiting list.

Insure Montana is working toward an online renewal process, which should be in place in time for October renewals. Additionally, the program is working on issues related to SB 135, including coordinating with CHIP and Medicaid. Two new full-time staff members have been approved: an Auditor position, and a Purchasing Pool Program Specialist.

Premium assistance and Incentive Payments: Currently the program only subsidizes the employer costs at the minimum contribution level of 50% employee and 0% dependents. If an employer contributes more, the employer does not receive an increased subsidy payment, however, since the employee premium costs are reduced, the employee premium assistance payment is reduced or eliminated. This creates a disincentive for employers who might contribute more toward coverage, and it creates problems for small husband-wife businesses which may co-mingle business and personal funds. The proposed solution is to subsidize employer contributions above 50% at 25% subject to 2007 caps. The projected cost of increasing the subsidy is \$70,000 per year. Dave stated this is a temporary solution and the advisory committee might be able to propose a better one. Bob moved that the proposal be implemented effective July 1, 2009. Betty seconded the motion and it passed unanimously.

Clarification of gross income: many small businesses have substantial cash flow but very small net income. For purposes of calculating premium assistance, the staff has requested the board clarify which figures to use. The recommendation was typically use the sum of all lines 22 of the Federal 1040 (or line 36 Schedule F) for the previous year for all household members, with leeway for staff to permit look-ahead. Dave moved to

implement the recommendation immediately. Jim seconded the motion and it passed unanimously.

Budget: in addition to the \$70,000 projected for the premium incentive increase approved by the Board at this meeting, \$100,000 has been budgeted for system enhancements, including online renewals.

Based upon current trends, the anticipated rate increase for 2010 is currently 6.55%.

Other Business: Jim advised the benefits committee, comprised of himself, Connie, and Gail, should meet soon. Karen informed the Board that Kristy would be leaving the BCBS Marketing department and Ginger would be assuming her duties.

Next meeting is scheduled for August 11, 2009.

Meeting adjourned at 2:48 pm.