

Insure Montana Board of Directors Meeting 8-7-2012

Voting Board Present: John Thomas, Amanda Harrow, David Kendall, Susan Witte, and Erin McGowan Fincham

Non-Voting Board members present: Carol Roy and Jessica Rhoades

Insure Montana Staff: Jill Sark, Ecko Edwards, Helena Breidenbach, Nancy Lightner, and Renee Little

Interested Parties: Ginger MacDonald (BCBS), Lois Steinbeck (phone)

- I. **Call to Order:** The meeting was called to order by Erin McGowan Fincham at 1:03 p. m.
- II. **Insure Montana Staff Introductions:** Jill Sark introduced Ecko Edwards as the new Business Analyst filling the vacant position. Erin McGowan Fincham introduced Susan Witte as a new voting board member replacing Jim Edwards. She also reported that this would be Amanda Harrow's last board meeting as she accepted a position with a new company.
- III. **Approval of Minutes** – Minutes from the May 1, 2012 meeting were approved with the amendment of adding Helena Breidenbach to the attendee list. John Thomas made the motion to approve the minutes with the amendment, David Kendall seconded the motion, the board voted unanimously in favor. No public comment was made.
- IV. **Election of Officers:**
 - a. For Chair John Thomas motioned to nominate Erin McGowan Fincham, David Kendall seconded the motion, the board voted unanimously in favor. No public comment was made. For Vice Chair David Kendall motioned to nominate John Thomas, Erin McGowan Fincham seconded the motion, the board voted unanimously in favor. No public comment was made. For Secretary/Treasurer John motioned to nominate David Kendall, Erin McGowan Fincham seconded the motion, the board voted unanimously in favor. No public comment was made.
 - b. Jill Sark also asked for a subcommittee for rate review and negotiation with BCBCMT in the upcoming months and asked for a few volunteers. Susan Witte, David Kendall, John Thomas, and Erin McGowan Fincham volunteered.
- V. **Financial Report**
 - a. **Current Budget** — The current budget was discussed by Jill Sark in which she explained the FY12 budget tracking document. For budget projection for FY13 Jill gave two options for the Purchasing Pool and Tax Credit benefit allocation. The first is a 60/40 split between the two programs which projects the percent expended at 105.20% for Purchasing Pool and 66.60% for the Tax Credit program. Jill suggested a second option of bringing the Purchasing Pool to 95% and increase the Tax Credit by \$500,000 which would slightly increase the Tax Credit spending to make up for the decrease to the program last fiscal year. After discussion of how legislation will affect the program it was agreed that the stabilization of the Tax Credit program would be the best option. David Kendall motioned to move

the \$500,000 to increase the calculated amount of Tax Credits and bring the Purchasing Pool to 95%, Susan Witte seconded the motion, the board voted unanimously in favor. No public comment was made.

- b. Experience Projection** -Jill Sark gave a brief description of the most current experience data. According to reports provided by Blue Cross Blue Shield, the Purchasing Pool utilization is down compared to where it was last year at this time. Ginger MacDonald from Blue Cross also reviewed some of the Purchasing Pool statistics giving the board an overview of what the claims experience is for the Purchasing Pool. Based on the information trending, the Purchasing Pool is on track for a possible 9% increase for 2013. Some stats given were that 83% of the covered individuals with claims had less than \$500 in claims, and one claimant is accounting for 7% of the claims with claims above \$100,000. Thirty percent of the population covered has had no claims for 2012.
- c. Enrollment Report** – Jill explained that the Purchasing Pool currently has 796 businesses and Tax Credit currently has 701 businesses; with a total of 7,675 covered lives.

- VI. Database Report** – Ecko Edwards reported that she has been working on the project of the conversion of the collection payment from an Excel spreadsheet to QuickBooks. It was explained how this would positively increase the collection efforts when an employee or business has been overpaid. Ecko is working with Steve at Axiom on new database functions including the online initial application. They are also working on a new tax credit report that will aid in determining the tax credit amounts for budget purposes.
- VII. Vision Exam Contract Update** – Jill Sark discussed that at this time IM has spent 27% of the budget and the anticipated percent of budget to be spent is 72.87%. To date in 2012, 390 employees, spouses and dependents have utilized the Vision Exam benefit.
- VIII. Case Management** – Ginger MacDonald reported that information derived from the VSP exams has found 12 cases and only one of which have been in case management before. Ginger went through the BCBSMT Healthcare management report and pointed out high level things that showed that the IM plan is running well. Most areas in the utilization statistics had negative change which is good. Ginger mentioned that 81.40% of drug claims are generic which keeps the costs of the IM plan down also. Ginger encouraged IM to do some education on mail order pharmacy as it is only being used 3.45% which would bring costs down even more. Ginger offered that if anyone wanted to go through this report more detailed that she would be happy to do that.
- IX. Audit Findings** – Helena Breidenbach gave a brief updated overview of the Targeted Audit findings and explained that the Auditors are currently performing tiers five and six household income tier audits. At this point the numbers are reflecting a loss of \$45,013.92 in tier six, which means that some employees reporting in tier six should have been in a lower tier and will receive more subsidies. Helena stated that the Audits for tier five and six will be finished up at the end of September. The overall annual cost savings of the targeted income audits totaled slightly over \$500,000. David Kendall questioned how to prevent misreporting from happening in the future. Jill Sark stated that income verification will be required at the time of the application when a new employee is added to the program.

- X. Insure MT Legislation-** Jill Sark discussed the thoughts for the preparation of the next legislative session. Jill gave an overview of the three possible changes to the program that are being considered by the Commissioner: 1) Remove the limit of spending only 95% of the allocated budget. If this change were to happen, the program could spend an additional \$487,000 annually, which could add 54 businesses to the Purchasing Pool program and 132 businesses to the Tax Credit program. 2) Remove the limit of only transferring funds from one program to the other when the program transferring is projected to spend at least 90% of its budget. 3) Increasing the number of eligible employees from 9 to 20 or 25. There may be funding available for larger businesses if the small businesses choose to go to the individual market through the Exchange.
- XI. Employee Assistance Calculation-** Jill Sark proposed that she wants to have the IM contractors quote the costs of changing the IM database to calculate the Purchasing Pool assistance payments based on household size and poverty level. It will cost IM just to get the quote. The consensus of the board agrees to have Jill move forward with getting the quote to make these changes to the database in preparation of the ACA. David Kendall questioned if the budget is for two years if we could use more money in 2013 and less in 2014. All were unsure if such could take place. Jessica Rhoades suggested having Monica Lindeen ask the question to legislators regarding how to spend the funds.
- XII. Next Meeting and next years schedule –** December 4th, 2012 from 1:00 - 3:00 p.m. It was discussed that at the next meeting next year's meeting schedule would be determined. It was suggested by all board members to invite Monica Lindeen to the next board meeting. Jill will follow up with board members regarding other state programs research.
- XIII. Adjourn –** Erin McGowan Fincham asked for any public comment, seeing and noting none, the meeting was adjourned at 3:10 p.m.