

## **Insure Montana Board of Directors Meeting August 10, 2010**

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

**CSI staff:** David Dachs, Renee Little, Helen Taffs, Jill Sark, Carol Roy

**Interested parties:** Ginger Lindsey, Malinda Shafman (by web), Frank Cote, Daren Engellant (by web), Kim Weisert, Christine Hultin-Brus, Riley Johnson, Howard Bouma (by web)

**Call to Order:** The meeting was called to order at 2:15 pm by Erin McGowan-Fincham.

**Guest Speaker:** Richard Miltenberger of Mountain West Benefits presented information on using benefits to recruit and retain employees in the wake of health care reform.

Health insurance is becoming a mandatory purchase. Small business tax credits will begin in 2010 for businesses with 25 or fewer full-time equivalent employees, and average payroll less than \$50,000, owners excluded. Business must contribute at least 50% of the employee-only premium, must be qualified. Tax credit will be 25% for non-profit businesses and 35% for for-profit businesses. Speaker provided a hand-out with additional information.

The legislation also creates a simplified 125 plan for groups fewer than 100 employees. Businesses must contribute matching dollars, or create a plan for everyone and contribute to everyone. HSA accounts are favored over FSA accounts in the new law.

Beginning in 2011, lifetime maximums are eliminated for essential benefits. 105(h) rules prohibit discrimination in favor of highly-paid employees.

Exchanges: employers must allow subsidy-eligible employees to take a voucher and purchase coverage from the exchange. There are concerns that allowing people to enter and leave the exchanges freely may lead to adverse selection.

Tax credits: Insure Montana participants in both the purchasing pool and tax credit programs are eligible to claim the federal credits. Montana Chamber of Commerce and the National Federation of Independent Businesses have calculators on their websites to allow members to estimate their credits.

**Approval of Minutes:** Betty moved and Dave seconded the motion that the minutes from the May 2010 board meeting and the June conference call be approved as written. The motion carried unanimously.

**Election of Officers:** Erin Nominated Jim Edwards for Chair. Betty seconded. Dave nominated Erin McGowan-Fincham for Vice-Chair. John seconded. Dave nominated Betty Beverly for Secretary. Erin seconded. The floor was opened for comment. Seeing none, the board unanimously approved the slate of officers for the 2010-2011 program year.

**Plan Renewal:** The negotiations subcommittee will consist of Betty Beverly, Katherine Buckley-Patton, Dave Kendall, and John Thomas.

**SB 135 Updates:** Technical issues are preventing staff from obtaining figures for savings generated by SB 135. This includes shifting eligible members to Healthy Montana Kids (formerly CHIP), Healthy Montana Kids Plus (formerly Medicaid), and excluding owners earning in excess of \$75,000 a year from premium assistance and tax credit benefits. Staff promised to have information for the board at the December meeting.

**RFP Update:** A conference call is scheduled for Thursday 8/12/2010. David, John, and Betty are on the subcommittee. The scoring for the bids to set up 125 plans will take place no later than September.

**Plan of Operation:** A packet of proposed revisions was provided to the board. Betty moved that the POO be passed as presented. David seconded the motion, and after no public comment it passed unanimously.

**Financial Reports:** The Tax Credit program is on track to expend the mandated budget amount. The Purchasing Pool has room for approximately 50 more businesses. IM staff mailed out 60 new business application packets in early August.

Based upon current experience reports, Insure Montana is on track to receive approximately a .75% rate increase.

**Legislative Issues:** Related employers... Insure Montana is proposing to follow small group law concerning affiliated businesses, rather than IRS code regarding related businesses. Renewals... currently program renewals take place during the month of October. IM is proposing that program renewals coincide with insurance company renewals, and allowing additional time to complete the renewal process. Funding... IM is requesting the program be fully funded over the next biennium, including a renewal of the one-time funding, which includes one FTE (full-time employee).

**Renewals:** Program renewals will take place in October. The renewals will be via an online process again this year. System testing is scheduled to begin August 31.

**Prenatal Vitamins:** Ginger Lindsey advised the board that the FDA ruled that generic vitamins are no longer generic as of July 1, 2010. Healthy Generations, the prenatal program for Insure Montana, has waived the deductible and copayment on the formulary list. This waiver only applies to members who are currently pregnant, not trying to conceive or post-natal.

**Audit Report:** David Dachs reported that many tax credit businesses were reporting spouses as subscribers. This could cause a miscalculation of credits should it boost the average age of the group to 45 or older, as those groups receive up to 25% more credit. This issue will be addressed at renewal in October, as for the first time the program is requiring participating tax credit businesses to submit a copy of their insurance bills to the program. The bill copy will also ensure that all reported participants are actually in the group plan, not just receiving an allowance for participation elsewhere.

Recent enhancements to the Insure Montana database have automated the benefit calculations for Qualified Association plans. This will eliminate the potential for human error.

**Meeting Schedule:** Board meetings for the next year will be on the following dates, from 1:00 to 3:00 pm, location TBA: December 7, 2010; March 8, 2011; May 10, 2011; August 9, 2011 (annual meeting); and December 6, 2011.

Betty moved the meeting adjourn. Erin seconded the motion and it passed unanimously. Meeting adjourned at 3:53 pm.