

## **Insure Montana Board of Directors Conference Call Meeting May 19, 2011**

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

**Non-Voting Board members present:** Jessica Rhoades (by phone).

**CSI staff:** Jill Sark, Helen Taffs.

**Interested parties:** Ginger Lindsey (BCBS).

**Call to Order:** The meeting was called to order at 2:01 pm by Jim Edwards.

**Carrier RFP:** The board met to address the question: Should Insure Montana put the purchasing pool program out for RFP for a January 1, 2012 start date?

Betty indicated she felt it would be better to extend the existing BCBS contract for one year, in light of the recent legislative developments surrounding funding. Jill recapped the final legislative results. HB 612 in its final form would have excluded businesses eligible for a federal tax credit under the Patient Protection and Affordable Care Act from participating in the Insure Montana tax credit program. Governor Schweitzer vetoed HB 612 after the legislature had adjourned, so there was no possible way to amend HB 2 (the general appropriations bill) to restore the funding which had been removed as a result of HB 612. As such, Insure Montana is currently facing a \$2.6 million annual budget shortfall at current enrollment levels for the 2012-2013 biennium. Jessica reiterated that the Governor was unable to amend funds into HB 2; he only could remove them by veto. Jill prepared a proposal for Commissioner Lindeen which recommends reducing the tax credit amounts by 30% for all Insure Montana tax credit program participating businesses. Combined with attrition, the 30% cut is anticipated to be sufficient to balance the budget through 2012. This proposal has not been approved yet.

Betty pointed out that Insure Montana is currently actively working on three RFPs: Vision Exams, Health Screenings, and Data Analysis. A carrier RFP is a huge project and may be more than the board can handle, particularly at this late date. David asked if Insure Montana did go out for RFP, would it be possible to obtain a better deal, save money, and potentially enroll more members? Erin asked what the projected rate increase for 2012 is at present. Jim answered it currently is at 10.38% due to some large claims. Jim indicated he was leaning in favor of an RFP since the last one was in 2008. Jill asked the board if they would like to put out an RFI first and then consider an RFP with a contract start date of January 1, 2013. Ginger stated that rates are renegotiated annually, and extending the contract would not take away the board's ability to negotiate with BCBS for a better rate.

David indicated that since the exchange goes live January 1, 2014, and the transition would begin in 2013, it would be impractical to do an RFP for a single year. Jill pointed out that it is not a foregone conclusion that Insure Montana will disappear when the exchange goes live. Jim stated he felt the RFI was unnecessary.

Betty moved to postpone discussion on the RFI and RFP issues until the December board meeting. Katherine said that motion would render the whole question of an RFP for 2012 moot. Betty withdrew her motion to postpone and moved that the BCBS contract be extended for one year. After much discussion, no one seconded the motion, and the motion failed.

David asked if anyone would submit a bid other than BCBS, in light of the recent news regarding the possible sale of a large portion of New West's book of business to BCBS. Allegiance and Cigna are possible contenders. Allegiance responded to the Insure Montana RFI in 2008, but did not submit a bid. David said he favored the RFP at this time. Katherine agreed and added that next year Insure Montana will be in a similar position. John pointed out the large scope of the carrier RFP. In order to allow sufficient notice of a potential carrier change to the pool members, the RFP will need to be written by June 1 and awarded by September 1. Katherine reiterated her opposition to doing a carrier RFP for the program's final year. John asked if it would be possible to extend the current BCBS contract by six months. Jim reminded the board that the enrolled members must be offered a one year rate guarantee and it is unlikely that the current carrier would extend the current rates. Rate negotiations begin in September. Jill advised the board that the Insure Montana program could continue once the exchange is in place. David indicated that the Insure Montana subsidies are lower than those for the exchange, and the rates depend on a smaller pool and are therefore more likely to fluctuate, so Insure Montana is probably less appealing to consumers than the exchange will be.

Amanda requested information on what tasks are involved with an RFP. John explained the RFP must be written with the involvement of the Procurement bureau. Then the RFP is put out for bids. Vendor questions must be answered officially. All the bids must then be scored, and finally the contract is awarded. If the carrier changes, the transition will require notification of the membership and extensive IT tasks. Jill saved her notes from the 2008 RFP so a lot of the material could be re-used. Jim indicated that to streamline the RFP process, the board should form a small subcommittee and require mandatory attendance of all meetings for the subcommittee members.

David moved that Insure Montana put the carrier out for RFP. Amanda seconded the motion. Public comment was invited, however, no public comment was made. The motion passed unanimously. The subcommittee for the RFP was appointed: Jim Edwards, David Kendall, Amanda Harrow, and Erin McGowan-Fincham will serve on the RFP subcommittee, and John Thomas will serve as an advisor to the committee.

Next Insure Montana board meeting will be August 11, 2011 at 1:00 pm. This is a change from the original scheduled date of August 9 and was agreed upon by the board. Jill will be responsible for scheduling the location and having the website updated. The board members are reminded to bring their calendars as the meetings for the next year are scheduled at the August meeting.

The Carrier RFP Subcommittee will meet at 9:30 a.m. Thursday, May 26, 2011, in the upstairs conference room at the CSI office, 840 Helena Avenue.

Adjournment: Jim Edwards closed the meeting at 2:43 pm.