

Insure Montana Program

Conference Call Meeting Minutes

April 14, 2010

I. Call to order

Erin called the meeting to order at 4:07 p.m.

II. Roll call

Board Members Present: Erin McGowan Fincham, Katherine Buckley-Patton, David Kendall and John Thomas

Non-Voting Members Present: Eve Franklin

Insure MT Staff Present: Jill Sark

III. Summary of Purpose for Meeting

Erin asked Jill to explain the purpose of the meeting. Jill is asking the Board for permission to remove the caps on the subsidy payments (2007 premium amounts, age 54 and rate tier 6) beginning July 1, 2010. Jill has provided the Board with the estimated 2011 budget that will allow 864 businesses on the program with the caps lifted and remain within 95% of the allocated budget. Currently there are 806 businesses participating in the program with the payment caps in place. This request was made at the March 26, 2010 Board meeting. At that meeting it was requested that the Board be provided with further information regarding the sustainability of the appropriations and have the opportunity to discuss the issue further.

IV. Open issues

- a) **Lift Payment Caps:** Jill discussed the two handouts provided to the Board on April 13, 2010. The first handout is a memo from Lois Steinbeck to the Legislative Finance Committee dated November 15, 2006. This memo is regarding the Health and Medicaid Initiatives Account Fund Balance. In this memo it states "The \$13.4 million ending fund balance and FY 2010 revenues will be sufficient to continue funding at the level included in the executive budget. However, the same will not be true in FY 2011." A second memo from Lois Steinbeck to Representative Dan Villa dated March 31, 2009 states "Tobacco revenues have grown slightly despite the tax increase (\$38.1 million in FY 2006 to \$39.8 million in FY 2008). To date annual revenues have exceeded annual costs."

Jill also noted that three businesses called the Insure Montana office in the past week stating that they had to terminate their policies due to cost. She mentioned that Insure Montana participants have realized slightly more than a

20% increase in insurance premiums since 2007 and yet the subsidy calculation is based on the 2007 premiums.

Erin stated that she had asked for a decision on this issue to be postponed at the last meeting so everyone had a chance to consider the implications of lifting the caps for the businesses participating or using the appropriated funds to add more businesses and the sustainability of the funding for the program. She said the memos from Lois Steinbeck were helpful.

Katherine said that in researching the program she noticed that the goal of the program was to provide accessible healthcare for families through affordable deductibles and copayments. It seems the program is getting further from the goal with the caps in place.

Jill stated that if the caps were not lifted the program budget would allow 1,136 businesses to participate in the program.

David questioned if the businesses participating in the program could take advantage of the federal tax credit, and if so, how many might qualify for the federal tax credit. Jill stated that the federal tax credit excludes business owners and their families and many of the Insure Montana participants are owners and their families. David asked if it could be determined how many businesses would qualify for the federal tax credit. Jill will research this issue.

Katherine stated that she had another meeting she must attend and before leaving would like to cast a vote to lift the caps.

Eve cautioned that the program is not sustainable with continued funding for the program. The funding source is “upside down”. She stated that there should be no expectation of any additional funding in the next budget .

David stated that if the funding was decreased or eliminated in the next legislative session the program would have to adjust at that time. He feels that the program should move forward to provide an affordable option for small businesses to provide health insurance to their employees.

David motioned to lift the caps. Erin requested any further comment. No further comment was provided. Erin seconded the motion. Erin requested a vote: Erin, David and Katherine voted in favor; John voted against. Motion passed.

V. Adjournment

Erin adjourned the meeting at 4:59 p.m.

Minutes submitted by: Jill Sark