

**Small Business Health Insurance Pool
Governing Board Meeting
August 8, 2005**

Welcome:

Governor Brian Schweitzer offered a message of welcome to the board. He thanked the board members for their leadership and service to implement this landmark program. The Governor also cautioned that the program must “live within our means” and remember the limitations of the available revenues. The board’s challenge will be to balance helping small businesses without over promising the available resources.

Introductions:

John Morrison introduced the State Auditor's employees who will be responsible to assist the board in their work (Erin McGowan Fincham, Health Policy Advisor, Todd Lovshin, Program Manager, Christina Goe, Legal Department and from the Governor's Office Emily Lipp Sirota, Economic Development Specialist) and then invited board members to introduce themselves.

The Commissioner also acknowledged members of the public in attendance who assisted with drafting and supporting HB 667 in the 2005 session of the Montana Legislature.

Update:

David Ewer, Director of the Governor's Budget Office addressed the board with a current status of the cigarette tax revenues. At this point the revenues are rebounding from the slow start in early 2005 and the budget office anticipates the \$25m threshold for meet the sustainability requirements to implement this program. Director Ewer reiterated Governor Schweitzer's commitment to preserve the “silo” for the HB 667, in the event that take up is slower than anticipated the first year and the allocated funds are not all used. He acknowledged the board's task as complicated to implement this innovative program but recognized this as an “outstanding group” who could address the task.

Summary:

John Morrison provided an overview of the HB 667 with a summary of the bill language. A timeline for rules adoption, rollout, and board tasks was presented along with a current status of projects already in progress.

Erin McGowan Fincham provided a “task list”, what the board must accomplish:

- The Act became law July 1, 2005
- Program Manager must be recruited and hired (done)
- Two support staff to the program must be recruited and hired (by October/January)
- Eligibility registration procedure must be established (September)
- Eligibility Registration Form created and available to small businesses (September)
- Rules filing (Draft filed August 1 – done)
- Rules Public Hearing (August 31, 2005)
- RFP for Purchasing Pool participating insurers must be completed by September 15
- Applications for Program Registration will be accepted October 1, 2005

Todd Lovshin was introduced as the new Program Manager for the program. He will also serve as staff to the Purchasing Pool Board.

Christina Goe State Auditor's Office Legal Department, who drafted both HB 667 and the Administrative Rules for implementation presented the rules draft. The rules as drafted provide:

- The Insurance Commissioner has a duty to establish the rules
- These are “start up” rules to establish the Purchasing Pool Board and begin implementation of the new Act
- Set the number of employees from 2-5 for employer eligibility criteria for participation in the program
- Definitions
- Purchasing Pool Board structure and tasks
- Defining Program Manager responsibilities
- Public Hearing Date: August 31, 2005
- Publication Date: September 22, 2005

Presentation:

David Kendall, Senior Fellow for Health Policy offered: “The Promise and Challenges of Montana’s Small Business Health Insurance Initiative” to the board. A summary of the presentation was included in the board packet.

Public Comment:

Frank Cote representing Americas Health Insurance Plans (AHIP) and Montana BlueCross/BlueShield offered congratulations to the board and a commitment from both AHIP and BlueCross/BlueShield to assist in any way needed.

Elections and Procedures:

Emily Lipp Sirota provided a list of suggestions for the board to consider regarding the board officer election process:

1. Establish a “search committee” of one to two board members to seek out the thoughts of the other members to identify who might be interested in the position.
2. Establish a temporary chairperson until the board members become better acquainted with each other and their varied experiences, and create a timeline for the identification of more permanent officers.
3. Open the floor for volunteers for the positions.
4. Any other board suggestions.

The board agreed that it was too early to hold an election at this meeting that Erin and Emily should continue to co-chair the meeting today and the next meeting until the board is ready for an election.

Discussion:

Board members and staff opened a discussion about the task list. Board members along with staff offered recommendations to execute timeline and work plan. A request was made for a calendar with “drop deadline” dates be prepared, and that staff would provide “discussion memos” in each board packet if a vote is needed. The memos would summarize the topic to be considered and provide background information with a staff recommendation.

Jeanne Wolf from the Department of Administration, Purchasing Department provided a short tutorial on the RFP process. This process will be used to select the insurers who will participate in the Small Employer Purchasing Pool. The process must

be completed no later than November 15, so participating insurers can be identified for eligible small businesses by December 1, 2005.

Sub Committee Assignments:

Board members broke into two subcommittees to begin working on the two most urgent tasks, preparation of the RFP and Premium Credit Design.

RFP Subcommittee

- Connie Welsh
- Jim Edwards
- Christian Mackay
- Gail Brieze-Zimmer

Premium Credit Design Subcommittee

- Bob Marsenich
- Jim Edwards
- Cliff Larsen
- Kate Wilson
- Gail Brieze-Zimmer

Subcommittee work will begin immediately, Erin and Emily will contact members this week to schedule work sessions.

Next Meeting:

The next meeting of the full board was tentatively scheduled for August 24, 2004 from 9:00 a.m. to 3:00 p.m. at a location to be announced later.