Small Business Health Insurance Pool
Governing Board Meeting
September 9, 2005

Members Present:
Jim Edwards
Gail Briese-Zimmer
Cliff Larsen
Christian Mackay
Bob Marsenich
Kate Wilson

Members Excused:
Connie Welsh

Staff Present:

Erin McGowan	Emily Sirota
Todd Lovshin	Kim Benjamin
Christina Goe	Alicia Pichette

Members of the Public Present:

Marilyn Daumiller (LFD)	Malinda Shafman (MLA)
Webb Brown (MCC)	Jimmy Senterfitt (NWHS)
Frank Cote (AHIP)	Jim Vanvig (BCBS)
Riley Johnson (NFIB)	Tanya Ask (BCBS)

Meeting was called to order at 8:30 AM

Minutes from the August 8, 2005 board meeting were corrected to include a roster of members who attended. The minutes were presented to the board Marsenich offered a motion to approve the minutes as amended, Wilson seconded. Minutes were approved as amended.

Meeting suspended to allow the Sub-Committee groups to meet at 8:47 a.m.

Meeting reconvened at 9:47 a.m.

Lovshin presented the RFP Sub-Committee Report:
RFP Subcommittee discussed the recommended standard Plan design options that would be included in the RFP. Included in the discussions were: the lifetime maximum benefit, exceptions to the deductible, whether the plan should include a basic dental plan and varying ranges for plans bid. The RFP should include enough flexibility so insurers can be creative in their plan designs, as long as the board will be able to compare the plans on an equal footing.

Time line submitted – Insurers must be chosen by the board to be available to participating employers by January 1, 2006.

- September 16-- The RFP will be released to the board for review
- September 19 – The RFP will be released to the public
- October 3 -- Pre proposal conference if needed
- September 30 -- Questions from vendors due answers will be posted on the website no later than October 7
- October 21 -- RFP responses due. The responses will be opened at 2 p.m.
- October 28 -- Subcommittee review will take place and be open to the public
- November 10 – Purchasing Pool Board will meet – score the proposals. Plan to invite whole board for RFP scoring, RFP Sub-Committee will do the scoring. This will also be open to the public
- Best and final offers will take place the week of November 14.

Including health savings accounts into the RFP was discussed. The board was asked to remember that the employer is choosing the plan for employees, but if the deductibles are set high to provide HSA choices then employees may not be able to afford to participate.

Wilson offered a motion to use the Standard Plan Design Options offered by the RFP Subcommittee, Larsen Seconded. The motion passed.

Larsen offered a motion to authorize the Board to delegate the responsibility of the process to the RFP Subcommittee. The subcommittee will review, and accept the initial offerings and forward recommendations to the full board. The full board will review and approve the final participants. Briese-Zimmer seconded the motion. Motion approved.

McGowan presented the Plan Design Subcommittee Report:
Premium Assistance with Purchase Pool

The Subcommittee vote on the various models will be held the week of September 12th during a subcommittee meeting. Plans will consider at a minimum designs that will address employer wages, family income levels and dependents.

DPHHS is considering seeding HIFA waiver to supplement purchasing pool incentive dollars and eligibility criteria for the participants must be included in the plan design to make Montana's HIFA application eligible.

125 Plans were discussed but no particular focus was put on this option at this point.

Subcommittee members reminded the board that the intent of HB 667 is to provide affordable health insurance to small employers…this is not an entitlement program. Larsen inquired about the consultant information provided and wanted to have clarification for the coming subcommittee meeting.

Public Comment
Tanya Ask – Blue Cross/Blue Shield

Ask reminded the Board to “remember the population being served with average age of employee. Look for further analysis for a child to be on the “CHIP” program – below 150% of poverty level, and try to encourage parents to enroll child(ren) if they qualify.

Frank Cote - AHIP

Cote noted that The Association appreciates the work that is being done, thanks for your efforts. And further encourages carriers to list other options (60-40). Employees cannot afford $600.00 a month. Maybe 60/40 or 50/50 would be more accommodating, especially if employees cannot afford an 80/20 or 70/30 co-pay.

Riley Johnson – NFIB

Johnson had questions regarding whether the deductible was an individual deduction or for all four parts of the insurance?

He cautioned that the availability of cash, $3 million this year, when will it be available and what will happen after June 30, 2006.

Asked for emphasis be placed on preventative services, not per visit benefit consumer should control the cash, buying power. *(The plans have not been offered by the insurers at this point, so this cannot be answered until the RFP process is completed and the contracts negotiated)*

Johnson noted that his members should have the option of choosing a Health Savings Account component in the plans noting that – HSA valuable tools, one that employers may want to use.

125 programs – majority of his members do own books, it has to be simple only 62% of members have computers extra paperwork is a hardship.

Reminder to Subcommittee to investigate ongoing funding for the program, otherwise, the small businesses will have to drop insurance in the future.

Question: Will Purchasing Pool plans be available through licensed agents?

Melinda Shafman – MLA

Shafman asked if S corporations will be interpreted as “owner is the employee”? The response was “Yes.”

Next board meeting tentatively scheduled for November 10, 2005 from 8:30 a.m. –4:00 p.m. location to be announced.

Meeting was adjourned.