

**Small Business Health Insurance Program
Governing Board Meeting
November 10, 2005**

Roll Call:

Members Present:

Cliff Larsen
Jim Edwards
Kate Wilson
Christian Mackay
Gail Brieze-Zimmer
Connie Welsh

Members Excused:

Bob Marsenich

Staff Present:

Emily Lipp Sirota
Erin McGowen
Todd Lovshin
Christina Goe
Lisa Crowley

Minutes from the September 9, 2005 board meeting were presented to the Board. Cliff moved to approve the minutes and Kate seconded. Minutes were approved. Erin reviewed agenda for meeting.

Nomination and Election of Officers:

Erin began the meeting by recommending that the board nominate members for Chair, Vice-Chair and Secretary/Treasurer.

Jim nominated Cliff as Chair, Christian seconded the motion. Board approved Cliff as Chair.

Cliff spoke to nominate the Vice-Chair position on the board. Cliff nominated Kate. Kate then nominated Gail. Kate and Gail both spoke regarding the duties they could uphold if in the position of Vice-Chair. Cliff, Christian and Gail voted for Kate as Vice-Chair. Jim voted for Gail. Board approved Kate as Vice-Chair.

Kate nominated Gail for Secretary/Treasurer position on Board. Jim seconded the motion. Board approved Gail for Secretary/Treasurer.

Enrollment Update:

Todd reported on enrollment and program update.

Currently there are 614 applications for the purchasing pool. Review of the program rolling out in three phases with the first 150 businesses to be covered in January. The program will take on businesses conservatively as to not overextend the budget with Phase Two enrollment beginning in February 2006 and Phase Three enrollment beginning in July 2006.

Jim asked what the budget will be for the 150 businesses in Phase One. Todd advised that 70% of the budget for the purchasing pool will be expended in January. He explained that the average employee size per small business is 3.1 with the average employee age at 42.

Explanation of contract and progress with Health E Web.

Discussion of qualified association plans and that only the Non-Profit Association has submitted a proposal. 40 businesses are currently interested on association plans.

Currently there are 596 Tax Credit applicants and we expect to cover them all by July 2006. Todd explained that there is \$866,000 to expend on current enrollment applications. Stated that our goal is to let businesses know their tax credit amount prior to January 1st, hopefully by early December. Board discussion of amount of funding to be spent on tax credit and the option of moving funds to the tax credit portion of the program if the purchasing pool doesn't have enough take up. Further explanation of Board and State Auditor's approval to transfer funds.

Todd advised that the one-month extension was requested and granted from the State Auditor regarding reporting. He also reported on the decision to allow Non-Profits to participate in the purchasing pool. Overall 24 Non-Profits have applied, with 14 eligible for the Purchasing Pool.

A total of 1321 businesses have applied for the program and about 110 have not heard from the State Auditor's Office. Timeline was discussed for January 1st start date.

RFP Response Review:

Review of RFP meeting minutes from November 10, 2005 sub-committee meeting. There were two timely responses: One from Assurant, under John Alden and one from Blue Cross Blue Shield. Assurant was deemed non-responsive. Todd recommended to the Board that BCBS become our carrier. Jim moved the motion, Christian seconded. Motion carried to have BCBS as our vendor.

Cliff recommended inviting board members to negotiate with Blue Cross Blue Shield if they are interested.

Alicia Pichette from the State Auditor's Office presented complaint data from Blue Cross Blue Shield of Montana, Assurant and New West Health Services.

Todd recommended vote to go into negotiations with one carrier only at this time. Jim moved, Kate seconded and Board approved to go into single vendor negotiations.

Plan Design Discussion:

Discussion of a 50% threshold for employer contribution. Nomination from Kate for a 50% premium minimum contribution required per employee, Jim seconded the motion. Board approved motion for 50% minimum contribution required per employee. Cliff directed State Auditor's staff to work on and report.

Todd recommended to the Board to go with a standard plan so that if an employer goes with a richer plan they will have a set premium assistance amount. Discussion that premium assistance and incentives are based on standard plan rates. Todd also recommended that the Board decide on two plans to give to employees, with one being a standard plan. Board discussion on the amount of options to offer. Varying opinions from the Board regarding the number of plans to offer.

Meeting adjourned for a break at 10:20 a.m.

Meeting re-adjourned at 10:35 a.m.

Continued discussion of plan design by the Board. The board agreed to have the State Auditor's Staff go into negotiations with BCBS of MT looking for a standard plan and a few more depending upon BCBS's offers. Discussion of deductible levels began with a recommended \$1250 deductible on a standard plan from Todd. The Board discussed first-dollar benefits. Cliff recommended that the State Auditor's Office look at some sort of first-dollar benefit program while incorporating plan design goals.

Premium Assistance/Incentive Committee:

Erin explained the premium assistance program and tiers. She discussed a 6 tiered model for the most benefit and how to maximize family enrollment. Meeting for the sub-committee members was scheduled for November 17, 2005 at 3:00.

1115 Waiver Update:

Jeff Buska, senior policy analyst with DPHSS presented and explained HB667 to fund with Medicaid to help with premium assistance payments. He explained concept paper that was released September 30, 2005 for public comment. Erin offered to circulate concept paper to board members if they so desire.

Tax Credit Update, Budget Review:

Todd reported that we believe all businesses that have applied thus far can be covered in either January or July. Anticipated EFT testing in mid December and a November 30th online enrollment date as staff's goal with Health E Web. Advised will also continue to email the Board with updates.

SAO staff will be meeting with the Legislative Finance Committee either December 7th or 8th.

Public Comment:

Frank Cote- America's Health Insurance Plans (AHIP)

Stated that complaint record does not necessarily reflect legitimate insurance complaints or complaints that have been resolved with companies.

New Business Items:

No new business items

Next Meeting:

Next meeting scheduled for November 30th at 1:30 p.m.

11:30 Meeting Adjourned