

Small Business Health Insurance Program
Governing Board Meeting
December 13, 2006

Roll Call:

Members Present:

Cliff Larsen

Kate Wilson

Gail Briese-Zimmer

Connie Welsh

Christian Mackay

Members Excused:

Jim Edwards

Bob Marsenich

Staff Present:

Todd Lovshin

Erin McGowan

Emily Lipp Sirota

Lisa Crowley

Christina Goe

Cliff began the meeting with the roll call of members and turned the floor over to Todd to introduce new program staff. Introduced Lisa as the Purchasing Pool Program Specialist and Wendy Theodore as the new Tax Credit Program Specialist starting with the program at the end of December. Kris Wilkinson was also introduced as the representative from the Legislative Finance Committee.

Insurance Plans/Insurer:

Todd discussed previous board approval to negotiate with Blue Cross Blue Shield of Montana. He advised that negotiators have been in agreement on all contract aspects. There are two plans that the program is moving forward with. Todd then reviewed the insurance contract and stated that they have coordinated plan design goals of the RFP. He advised that the products will be marketed as Insure Montana. He then discussed the benefits of the Standard plan, with 70/30 coinsurance, \$1000 individual deductible as well as the preventative and dental services that are provided. He explained the Healthlink PPO option that will be offered with both the Standard and Premier plans. He stated that the Premier plan has coinsurance at 80/20 and a \$500 individual deductible with the preventative and dental also included. Cliff asked whether information will be presented to the public today. Cliff then advised that the board will need to have a closed meeting for 15 minutes for the board to discuss pricing and proprietary information.

Closed Door Meeting: 1:20-2:00

All public members re-entered the room at 2:00. Cliff advised the board needs to approve a 10 tier rating system. Kate motioned to approve a 10 tier rating system. Gail seconded the motion. Board voted in favor to approve a 10 tier rating system.

No public comment made.

Todd thanked the BCBS staff for moving quickly in negotiations. He advised that the State Auditor's Office and Blue Cross Blue Shield's attorneys are currently reviewing the contract. Todd encouraged the board to approve a contract/concept of contract through a motion. Cliff accepted the recommendation to accept contract. Christian motioned to accept and Connie seconded. Motion carried in favor to accept the contract. Todd then introduced Karen Powell as the new Deputy State Auditor. Karen thanked the board, staff, and BCBS staff for their hard work in getting this program started.

Premium Incentive/ Assistance Schedule:

Todd began by discussing adoption of new name for program- Insure Montana. The board discussed possibly getting the name trademarked.

Erin began discussing the rate schedule and advised the handout is not specific numbers from our plan. She explained the incentive and assistance examples. Erin also discussed the draft of how premium assistance and incentive program will work and provided a model. Gail advised that the sub-committee looked at ways to encourage families to participate. Todd reviewed the minimum and maximum amounts of premium assistance and explained the need to set maximum amount to pay to people regardless of age or tier rating. He also explained that this formula would be used to also determine premium assistance for other plans besides the Standard plan, such as the Premier plan and Qualified Association Plans. Todd explained that age 50-54 and beyond would all be the same amount of assistance and that currently the average age of employees in our group is at 39 so we actually went up a few age tiers. Todd recommended that the program vary premium assistance and incentives until age 50-54 and up to health tier 6. Cliff asked Christina whether the board could set age and tier limits. Christina advised that limits for varying payments could be legally done as long as it is administered consistently. Todd advised that fiscally, the program is going to need to have limits to the subsidy. Christina advised the board that limits can be put into rule with the Plan of Operation and that the board is able to change the rules if they so decide.

2:30- Cliff advised a 15-minute recess.

2:45- Meeting re-adjourned

Todd advised that for the Plan of Operation, the board needs to approve the Premium Assistance and Premium Incentive schedule, through varying payments using the Standard plan as a basis for all other plans. Todd reviewed the handout gives premium amounts based upon tier 1, tier 5 and tier 6 using the minimum and maximum assistance amounts of 20% and 90%.

Todd wrote resolution terms on the whiteboard:

- % 20-90 for Premium Assistance
- Vary schedule based on Standard Plan (Healthlink PPO) – which would be based on tier, age, and plan design/cost.

Connie verified what needs to be voted on. Todd verified that all employers will be treated equally. The employer contribution will always be 50% of the employee only premium. Discussion between Connie and Kate regarding the incentive amount. Todd wrote examples of how this will work for employees and employers. Christian moved to accept concept. Kate seconded. Kate questioned how payments will work. Todd explained that the State Auditor's Office wants to make sure that money is deposited as soon as payment to BCBS is being made. He advised that employers will receive a one time prepayment to get coverage started. He explained that eventually it will be electronic funds transfers (EFT) to both employers and employees. Todd also advised that these payments are not taxable. Cliff recommended giving employers a picture of how these payments will work, possibly in a flow chart. Todd discussed employers flex plans and pre-tax payments. Christina advised that staff will verify all information with the Department of Revenue before payments are made. Mary Kay from BCBS advised her office will work on creating flow charts for the State Auditor's Office with payment information.

Motion carried unanimously.

Qualified Association Plans:

Todd advised that what associations have applied thus far and that staff will be notifying them of acceptance. Christina verified that uninsured people can go into the association plans instead of the purchasing pool. Emily verified that the premium incentive and assistance payments will be on the same schedule for association plans as the standard plan.

Plan of Operation:

Todd explained that the Plan of Operation would be written and submitted to the board tomorrow. Much of the needed information was voted on today. He requested board approval to let him write and submit Plan of Operation to Commissioner Morrison by December 15th. Cliff advised that the Board will get to review the Plan of Operation before it is submitted. Christina advised that the assistance schedule needs to be finalized before enrolling the first 25 businesses. Connie questioned whether the Plan of Operation can be changed by the board. Christina verified that it can be changed as it is a fluid document. Todd agreed to create a Plan of Operation on the condition of the board reviewing and editorializing before submission to the Commissioner. Kate moved the motion, Connie seconded. Motion carried.

Enrollment and Timeline Update:

Lisa advised that due to board approval of contract with Blue Cross Blue Shield, the first 25 eligible businesses will be contacted beginning December 14th via phone call from program staff. Lisa advised that these businesses will have the chance to do a quick enrollment in order to have coverage begin on January 1st. She also advised that additional businesses would receive mailings during the week of December 26th, with coverage beginning January 15th and February 1st. Lisa advised that a total of 150 businesses are included in Phase One which will occur in steps A & B. Todd explained that enrollment for Phase Two will vary depending upon the take up in Phase One.

Todd asked the Board if weekly updates from him would be helpful and the Board agreed they would be.

Consent Agenda:

Kate motioned to approve last meetings minutes. Christian seconded the motion. Connie recommended amending them to add Alicia Pichette's last name listed from when she spoke and including what AHIP stands for. Also need to amend the spelling of Christian and Cliff's last names.

Amended minutes passed.

Christina questioned where the public could get meeting minutes. Todd advised they will be updated on the State Auditor's website.

Public Comment:

Mary Kay Puckett from Blue Cross Blue Shield of Montana, thanked the program staff for the work that's been accomplished with the contract.

Next Meeting scheduled for Tuesday, January 24th at 2:00 pm. Location to be determined.

4:05 Meeting adjourned.