

Insure Montana Board Meeting – October 2, 2013 (Conference Call)

Board members: John Thomas, Susan Witte (phone), David Kendall (phone), Carol Roy, and Katherine Buckley-Patton (vote given by John Thomas via proxy)

Interested Parties: Darren Engellant (phone), Howard Bouma (phone), and Jacqueline Gomes (BCBSMT)

Insure Montana Staff: Jill Sark, Ecko Edwards, Shauna Longmire, and Renee Little

- I. Call to Order: 1:07 p.m.
- II. New Board Members: Jill Sark presented two new board members. Tim O’Leary of Missoula will be the board member representing the Small Business at Large, and Tara Veazy will be a non-voting board member appointed by the Governor.
- III. Vision Exam Options: Jill Sark explained that the cost for the Vision Exam options were explained incorrectly at the prior board meeting due to some miscommunication with Insure Montana and the provider VSP. She discussed the corrected amounts on a handout provided of the plan options that the Board had already discussed. The Board had previously voted to have Insure Montana use premium reserve funds to purchase a contract with VSP that would allow Purchasing Pool members to receive One Free Vision Exam plus \$100.00 in Materials allowance effective January 2014 – December 2014. The Board once again reviewed the options, David Kendall made a motion to continue with the plan that was already selected at the correct cost, John Thomas seconded the motion, there was no public comment, the Board voted unanimously. Katherine Buckley-Patton voted Yes by proxy vote given by John Thomas.

**Option One:**

One Free Exam: 1,800 Employees X \$2.02 = \$3,636 X 12 = **\$43,632**

**Option Two:**

One Free Exam Plus \$100 Materials Allowance: 1,800 Employees X \$11.20 = \$20,160 X 12 = **\$241,920**

**Option Three:**

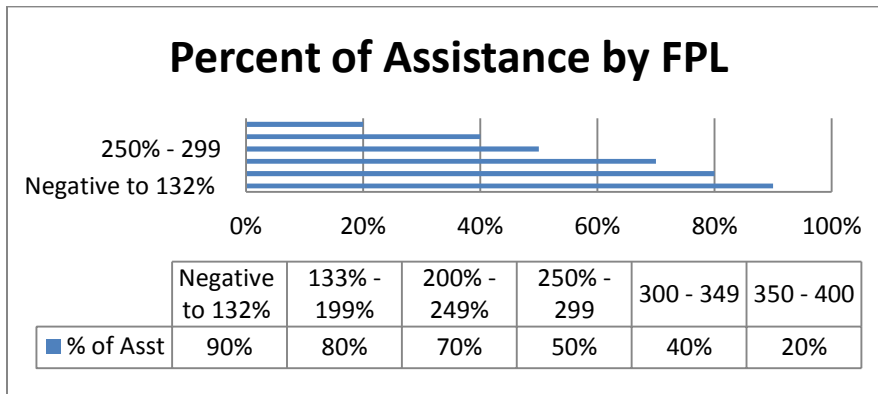
One Free Exam Plus \$150 Material Allowance: 1,800 Employees X \$19.16 = \$34,488 X 12 = **\$413,856**

**Option Four:**

\$25 Co-pay for Exam and Lenses Plus \$150 Frame or \$130 Contact Allowances: 1,800 Employees X \$16.88 = \$30,384 X 12 = **\$364,608**

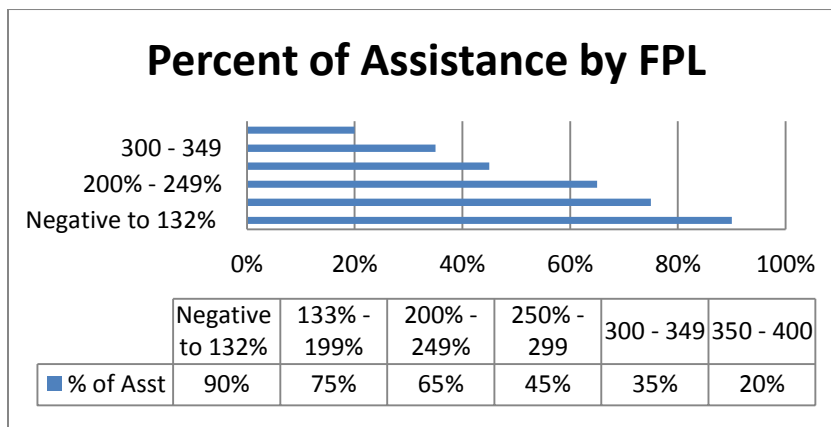
- IV. 2014 Group Health Plan Options: Jill Sark discussed the 2014 plan options that were provided to the Board members on a hand out. She explained that the Commissioner of Securities and Insurance legal team reviewed the Montana Code annotated and came to the conclusion that per code there could only be 6 plans offered by the Purchasing Pool. She explained that BCBS had to discontinue current plan options and to map current plans to new plans for 2014. According to the spreadsheet, three plans were already selected by BCBS that they would be using to map current groups to those plans closest to what they have now. Jacqueline Gomes of BCBS discussed other plans choices and recommended an additional 3 plans that would give the best overall group of options to the groups as choices for 2014. The plans that were used as mapped plans are in the metallic Gold group, plan 007- maps to the Premier Healthlink option, plan 010 maps to the Standard Healthlink plan, and 011 maps to the current 2700 HDHP plan. The recommendations for the other three options were Platinum plan – 002, a Silver plan – 017, and a Bronze plan – 018. (For more information regarding these plan options and their benefits, please contact Insure Montana and a copy of the handout can be provided to you.) John Thomas made a motion to adopt plans 007, 010, 011, 002, 017, and 018 as the six plan options that would be offered through the Purchasing Pool. David Kendall seconded the motion; all voting members voted yes, no public comment was made regarding the plans. Motion passed unanimously. The Board also included in this vote that plan 010 would be used as the Standard Plan by Insure Montana.

- V. Premium Assistance Calculation Options: Jill provided the Board with several handouts which explained how subsidy payments are currently calculated which is by household composition, and the income brackets that were set in 2005. There is an income bracket for each of the following households, single, married with no children, single with a child(ren), and married with children. The way subsidies have been calculated have not taken into account household size only composition. Scenario one was presented that showed what the cost would be if the subsidies were changed based off of the Federal Poverty Levels for households instead of composition. This scenario would calculate subsidies based off the following FPL % of a household.
- a. Scenario One:



This scenario would result in 884 employees having no change to their assistance payments, of those 884, 498 of them do not currently receive an assistance payment currently as they are over 400% of the FPL. There would be 99 employees that would see a decrease in subsidy but the change would be a very low percentage for these employees as they are in the 350-400% FPL bracket. The rest of the employees would see a positive or an increase to their assistance as it would be more equitable for household size instead of composition. .

- b. Scenario two:



This scenario would result in 777 having no change in their assistance, the same 498 are currently not receiving assistance due to being over 400% of the FPL, 250 employees would realize a decrease or negative change in subsidy, and the rest of the employees would realize or see an increase in subsidy which would be more equitable for household size instead of composition.

Jill stated to look at this would actually be needed per fiscal year, so for the remaining six months of fiscal year 2014, 396,992 would be needed and for fiscal year 2015 the \$793,985 would be needed for a total of roughly \$1.2 million dollars from January 2014 – June 2015.

**OVERVIEW:**

| Scenario         | Estimated Cost  | Allocated Budget | Amount Exceeding Budget | Budget Excess | Amount Needed from RSR |
|------------------|-----------------|------------------|-------------------------|---------------|------------------------|
| #1 with 2010 Cap | \$ 6,057,815.00 | \$ 5,434,982.00  | \$ 622,833.00           | \$ 405,723.00 | \$ 217,110.00          |
| #1 w/o 2010 Cap  | \$ 6,634,690.00 | \$ 5,434,982.00  | \$ 1,199,708.00         | \$ 405,723.00 | \$ 793,985.00          |
| #2 with 2010 Cap | \$ 5,842,882.00 | \$ 5,434,982.00  | \$ 407,900.00           | \$ 405,723.00 | \$ 2,177.00            |
| #2 w/o 2010 Cap  | \$ 6,441,580.00 | \$ 5,434,982.00  | \$ 1,006,598.00         | \$ 405,723.00 | \$ 600,875.00          |

After discussion of the information, David Kendall made a motion, that Insure Montana adopt scenario #1 without the 2010 caps as the methodology to calculate subsidies as of January 2014 which would also include using funds available from premium reserves that will be made available to Insure Montana from the RSR agreement with BCBS in the amount of \$1.2 million dollars, Susan Witte seconded the motion, all voting members voted Yes, Katherine Buckley-Patton's vote was a yes by proxy from John Thomas, Howard Bouma included a public comment that he felt this decision would be a huge benefit to the groups that are seeing a lot of costs rising with fuel and insurance costs. The motion passed unanimously.

- VI. QAP Changing to Self-Funded: Jill explained that the Montana Chamber Choices association was moving from a fully insured group to a self-funded group as of January 2014, which would make that association ineligible to participate or be qualified for the Insure Montana subsidies as MCA states the Qualified Associations must be fully insured. Insure Montana currently subsidizes 40 businesses that will renew in January that will need to decide whether to join a different QAP to remain on the subsidy program or go to the self-funded group and lose their subsidies. Jacqueline Gomes did state that off January renewals would keep their current plans, rates, and contracts until their policy renewal date in which they would then need to make the same decision. She stated that BCBS is honoring those contracts until policy renewal.
- VII. Next meeting Agenda: Jill asked that if there is anything that needs to be discussed at the next board meeting which is set for Thursday, December 12, 2013 from 1:00 to 3:00 p.m. at the Red Lion Inn, that it be sent to her to add to the agenda.
- VIII. Adjourn: John Thomas voted to adjourn the meeting at 2:20 p.m., Susan Witte seconded the motion, the board voted unanimously for adjournment, no public comment.