

## Insure Montana Board Meeting 12-4-2012

Board Members Present: John Thomas, Erin McGowan- Fincham, Betty Beverly, Carol Roy, Susan Witte, Dave Kendall (phone), Jessica Rhoades, and Katherine Buckley-Patton

Interested Parties: Ginger MacDonald, Kim Weisert, Tasha Bird, Malinda Shafman, Howard Bouma, Lois Steinbeck, and Daren Engellant

Insure Montana Staff: Jill Sark, Nancy Lightner, Helena Breidenbach, and Renee Little

1. Call to order - Time – 1:04 p.m.
2. Approval of Minutes – August 2012 meeting minutes were discussed, Susan Witte made a motion to approve the minutes with no changes, John Thomas seconded the motion, no public comments were made regarding the motion, and it passed unanimously by all board members. Betty Beverly made a motion to approve September 2012 and October 2012 meeting minutes without any changes, Katherine Buckley-Patton seconded the motion, no public comments were made and the motion was passed unanimously by all board members.
3. Insure Montana Legislation (Monica Lindeen & Adam Schafer) – Monica began the discussion by stating that the Insure Montana program will be a big item during this next legislative session. The Governor's (Schweitzer) budget eliminated Insure Montana funding as of January 1, 2014. She stated that through conversations, she received information some individuals working on the budget felt that due to the ACA there would no longer be a need for Insure Montana, in which Monica feels it is too soon to make this determination. She feels that it is incredibly important to retain this program and she has asked that the funding be restored in an elected official request. The new Governor's budget (Bullock) is due when he is sworn in and he may restore the funding in his budget when it is released. She stated that it will be important for the CSI office to be prepared to educate newly appointed Legislators regarding the program. Monica is setting up a meeting with Governor-Elect Steve Bullock and may invite an Insure Montana board member to discuss Insure Montana.

Lois Steinbeck from the Governor's budget office stated that costs have exceeded revenues for the tobacco tax account and that it might be insolvent by 2015. There is an issue of sustainability with this special revenue account.

David Kendall made a comment that he felt that there needs to be a serious analysis with this funding and that there needs to be a coordinated strategy about where the funding is needed. He stated asking for the Insure Montana funding should not just be because it might be a better dollar amount for recipients than the amount provided by the ACA. The ACA is generous in his opinion.

Monica stated that it is not anticipated that Insure Montana would be funded by general fund dollars. She also stated that things are very unclear what will happen to the small group market when the exchange is set up. There are still a lot of uncertainties and she will be asking for the funding to be restored for at least the next two years so the exchange can be up and going and there will be a better idea of how and whom will purchase from the exchange.

Susan Witte stated that the Insure Montana budget sheet would be a good thing to present to Legislators as it lays it all out and is easy for them to read. She stated she worked on the MHC reform, analytical study regarding crowd out on these programs, and can provide some actual figures and she is willing to help with this discussion.

Monica stated that there will be two bills Insure Montana bills this session. The first bill will allow the office to adjust eligibility requirements by increasing the maximum of nine eligible employees to 25, so that depending on funding there is flexibility with set parameters for the program. This bill will be carried by Senator Larsen. The second bill will allow Insure Montana to spend the full appropriation, as it stands only 95% of the appropriation can be spent annually. This bill will be carried by Rep. McChesney. Adam stated that appropriations to clear the waitlist will go through HB2.

Jill stated that the second bill also includes removing the 75K rule for the purchasing pool program and implementing an income limit of 400% of federal poverty level for employee assistance payments.

Howard asked if the tobacco tax fund was decreasing due to people stopping smoking. Jill stated that a recent article stated that nationally cigarette smoking decreased from 19.3% in 2010 to 19% in 2011. Monica said she has full faith that we will do well, we just have to present our data regarding the program clearly.

Regarding the rate review bill, Daren Engellant asked what types of insurance would be reviewed. Monica stated that this would be regarding health insurance specifically. CSI staff are already reviewing other rates such as long term care. She stated that with effective rate review being done on a state level, the federal government would not duplicate the work on a federal level.

Monica stated that Montana is one of only three states that do not have the authority to review rates. She stated at this time there is no ability for the CSI to review those rates. In states where they do have the ability to review rates, they don't have to accept the rates proposed by the insurance company. So basically Montana subsidizes lower rates for other states. She gave the example of South Dakota with the rate review ability to negotiate a particular company's rates down to a 6% increase while MT had to accept an 18.5% rate increase with the same company. She stated that Rep. Jeff Welborn might sponsor the bill.

The Patient Center Medical Home bill was also discussed. An advisory council agreed that wellness and preventive health services are very important. This council will make recommendations not to just provide payments based on a procedure but also on quality of care. It will also address the antitrust law through a pilot project. The sponsor for this bill will be Christine Kaufman.

Jessica Rhoades recommended the board come up with some examples of who will have the most financial loss by getting coverage through the exchange if funding is cut for Insure Montana. She also stated when thinking about how dollars are spend to remember there are other programs utilizing the special revenue funds and that they should be factored into discussion. She stated that Medicaid uses the bulk of the special revenue funds. She stated that December 15, 2012 is when Governor Schweitzer's final budget is presented and that the new Governor will have to present his budget by January 7, 2013.

4. 90 Day Prescription Supply Option – Ginger MacDonald explained that effective January 1, 2013 BCBS will implement a new prescription benefit, which would include an extended supply network. There is a network

of over 50 pharmacies currently that can be utilized and BCBS is working to contract with more pharmacies. She explained that by utilizing this benefit the savings could be 2% -10% and the subscriber would be getting 90 days filled rather than the typical 30 day supply at retail. Ginger stated that the subscriber would still need to have their doctor write the prescription for a 90 day supply as they would normally do by using the mail order option. For more information the website is [www.myprime.com](http://www.myprime.com) . Ginger explained that by using the mail order program subscribers will still get the better benefit of a three month supply for the cost of two month prescription cost.

## 5. Financial Report

- a. Current Budget – Handouts were provided by Jill and she discussed the board’s prior vote to move \$500,000 from the tax credit benefit budget to the purchasing pool benefit budget to make sure that expenditures do not exceed 95% of the appropriation. She stated that the budget change document (BCD) has been requested. Jill also explained that through her calculations she anticipates the tax credit benefits can increase from 70% to 87% for fiscal year 2013. She stated that the first half of 2012 would be paid at 70%, the second half of the year the tax credit would be 87%, and going forward she anticipates that it would continue to be 87% for 2013.
  - b. Experience projection – Jill provided the board with the experience tracking handout.
  - c. Enrollment Report – Jill stated that the enrollment numbers have not changed much from the last meeting. She reported that the waitlist continues to grow, but is not as much as she had predicted. There are currently 188 businesses on the purchasing pool waitlist, and 104 on the tax credit waitlist. Katherine Buckley-Patton recommended that Jill have a history of the program graph ready for the legislatures to show the growth and change in the program over the past years.
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6. Vision Exam Contract Update – A handout was presented by Jill that showed the results of the vision exam utilization. Currently about 40% of the budget has been spent. Subscribers have until June 30, 2013 to utilize this one-time benefit. Ginger MacDonald reported that stemming from the vision exams, 13 new cases have been referred to case management.
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7. Database Report –Jill reported that Ecko Edwards continues to work with the IT contractors on glitches in the database to get them resolved. They are also working on completing the online application for the waitlist. Jill also reported that the contractors have estimated that system enhancements to accommodate the purchasing pool assistance calculation methodology change as proposed in upcoming legislation would cost about \$50,000, and they anticipate the changes taking about three months to complete.
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8. Purchasing Pool Renewals – Nancy and Renee report that the online renewal process is continuing and is being completed as renewals are received.
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9. Audit Report – Helena provided a report that showed the breakdown of the household income audits and the changes made as a result of those audits resulting in annual savings of \$495,921.10.

10. Employee Income Verification – Helena provided some handouts and discussed different situations that have come up during the household income audit process. She recommended the board consider a change to their previous decision that line 22 of the tax form 1040 is used to verify gross household income. Upon discussion with the board members, it was determined that a subcommittee would be formed to review this topic and make a recommendation to the full board at the March 2013 meeting.
11. Employee Assistance Calculation – Jill explained that line 22 on the tax form 1040 includes all income and provides little detail; Insure Montana is asking the board members to consider allowing more flexibility regarding what income is used for calculating assistance payments. She provided board members with a handout of the results of the household income audits. She recommended for future income audits that auditors request and use tax schedules and secondly not allow carry over income or losses which can result in negative countable household income. Jill also asked the board members to be thinking of how they would revise the Plan of Operation if the proposed legislative changes are passed which affect the premium assistance calculation methodology. David Kendall proposed that more information is gathered, and Susan Witte recommends that the subcommittee review the guidelines and discuss this topic further at the next board meeting. The subcommittee will be Helena Breidenbach, Susan Witte, and Betty Beverly. (NOTE: After the meeting Katherine also agreed to participate on the subcommittee.)
12. Next Meeting – The next Insure Montana board meeting is scheduled for March 5, 2013.
13. Other –
  - a. Jill stated that if no further funding is allocated for the Insure Montana program that the current funding would be available through December 31, 2013.
  - b. Lois Steinbeck from the Governor's Budget office made a comment that it looks like a very pure economic decision for small businesses, this will decide on their recruitment and retention, if the business decides to discontinue insurance they may give their employees more wages in order to buy their insurance from the Individual Exchange and more wages would be more income which may result in less subsidy through the Individual Exchange for employees of businesses who choose to do this. At this time there is no way of knowing or comparing as the rates are not known for the Individual Exchange.
  - c. The SHOP Exchange does not offer subsidies for businesses to help pay for health insurance costs for their employees, it only offers a tax credit which sunsets in 2015.
  - d. Betty Beverly's term is completed for the board but she offered any assistance and gave her contact information to Jill.
14. Meeting Adjourned at 3:00.