

Insure Montana Board Meeting 3-5-2013

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

Interested Parties: Mark Walters, Erin Huffman, Sarah Rhoades, Malinda Shafman, Cindy Stergar, Adam Schafer

Insure Montana Staff: Jill Sark, James Oster, Helena Breidenbach, and Renee Little

- I. Call to Order – 1:05 p.m.
- II. Approval of Minutes for December 4, 2012
 - a. Susan Witte pointed out a spelling mistake which has been fixed.
 - b. John Thomas voted to approve the December 4, 2012 meeting notes and Susan Witte seconded the motion, no public comment, and the vote was passed unanimously.
- III. Board Member Terms – Amanda Harrow has removed herself from the Board due to a job change. Betty Beverly and Katherine Buckley-Patton's terms were up as of January 2013. Jill has contacted the Governor's office as these are all appointments by his office and is waiting to hear back on who will be appointed. Jill mentioned that according to the rules (per Stacey from the Governor's office), a Board member stays active until they are reappointed or replaced. Katherine Buckley-Patton said she is willing to remain on the Board as long as the Governor's office authorizes the re-appointment.
- IV. BCBS HCM Report –
 - a. Erin Huffman from Blue Cross Blue Shield of Montana delivered the Insure Montana report based on the handouts that were given. In brief explanation, she stated that the Purchasing Pool is running really well and while enrollment is down so are claims costs which are important. She stated that office visits for preventive services are higher which again is a benefit to the plan. The Pool experienced less inpatient hospital stays in comparison to 2011. She gave a brief report on the pharmacy benefits, and that she felt that the generic utilization was great at 82.19%. She stated that the plan could experience more cost savings if the mail order use for maintenance drugs was increased, and that Blue Cross would be willing to help Insure Montana educate the subscribers of the benefit of using this service. She stated in the current period seven people were incurring 15% of the claims, and one is experiencing high dollar claims due to a genetic condition but that particular person is in case management and the claims are being managed as closely as possible. Erin McGowan Fincham asked if Blue Cross Blue Shield could provide the Board with some information on preventive services such as the flu shot utilization to see what services are being used, Erin Huffman stated that she would discuss that with our Account Manager, Ginger MacDonald, and give the Board a report at the May 2013 meeting on that information. Susan Witte asked that if the merger was approved for Blue Cross Blue Shield if the Purchasing Pool program would transition to the HCS platforms, in which both Erin and Mark stated that it would.
 - b. Mark Walters from Blue Cross Blue Shield underwriting gave a brief explanation of the RSR Accounting report. He indicated that it is estimated at this time due to claim run out, which are all the claims that were incurred but not yet reported to BCBS. He stated that by May the current reserve amount should be accurate as the claims will most likely all be paid. Mark also explained that the current RSR will likely be the last year for excess RSR dollars as community rating will need to be implemented as of January 2014 based on the ACA requirements, and that it is almost impossible to state what claims vs. premiums will be at this time. He did state that if Insure Montana

wanted to continue with the VSP vision agreement that there should be sufficient funds to finish that contract or possibly extend it for one more year.

- c. Jill asked Mark to explain how community rating will be done. Mark stated that rates for small groups will be at an individual level. There will be no more rating based off of health, and that the formula that they will use to set rates will be on age, use of tobacco, contract type, and the level of benefit that they chose. He said that the final Federal Regulations were just released in February, but that they will have more information by the May 2013 meeting.

V. Financial Report

- a. Current Budget – Jill Sark gave a brief report on the current budget. She anticipates that we will spend the 95% that Insure Montana is authorized to spend by June 2013. She stated that the tax credit program saw an increase from 70% to 93% from July – December 2012.
- b. Experience Report – a handout was given, but Jill did not go into much explanation as Erin Huffman just reviewed this with the Board. The Board did state that the document that she provides them with the anticipated rate increase is no longer needed as it is irrelevant with the 2014 changes to rating.
- c. Enrollment Report – Jill gave a brief explanation that currently the Purchasing Pool has 750 businesses participating, with 3,806 lives covered under those contracts. The Tax Credit program has 655 businesses that are currently participating after renewal, 45 businesses dropped off of the program during the renewal process. The waitlist has 211 businesses on the Purchasing Pool and 112 on the Tax Credit.

- VI. Vision Contract Update – Jill provided a handout. In summary to date the subscribers have utilized 49% of the budget. She would like the Board to review the RSR budget in May again and see if the funds are available to continue the contract with VSP to continue offering this benefit.

- VII. Database Report – Jill discussed that due to changes with the ACA and legislature that the Insure Montana database will need to change to be in compliance with these changes. Insure Montana staff will be holding weekly meetings and working with the IT contractors to make the necessary changes.

- VIII. Audit Schedule – Helena Breidenbach explained that she has started to conduct contribution audits on businesses in the Purchasing Pool to make sure that they are withholding premiums accurately and that the employees enrolled are eligible based upon the business' requirements. She is also verifying personal income to make sure that proper assistance payments are being issued. She also stated that she audited Tax Credit groups for delinquent taxes and that no businesses were found to have any delinquent taxes. James Oster is working on a project to encourage businesses who are currently receiving paper checks to utilize electronic funds transfer. He also is working on having businesses and their employees who opt-in to having their payments sent directly to the business, and the business offsets their paychecks accordingly sign new opt-in forms. Insure Montana updated some language on the opt-in form that added clarity to the employees of their responsibility for repayment of overpayments.

- IX. Insure Montana Legislation – Adam Schafer the Deputy State Auditor, gave the Board an update of what is happening with 2013 legislation.

- a. HB2-He stated that the legislature has funded the Insure Montana program for two more years. Funding is no longer through the special revenue fund as it had been prior, but that \$5,000,000 was in place to ensure the program was funded through the end of 2013, then \$6,000,000 will come from the State Auditor's licensing fee account that has been accumulating for several years, and another \$8,400,000 will come from general fund. This will ensure that the program is available through June 2015.

- b. SB27 – Adam stated this bill was tabled as it became confusing to give the Commissioner authority to increase the number of eligible employees that can participate in the program, while funding and the future of the Insure Montana program is unknown.
 - c. HB48- Housekeeping bill for Insure Montana, removing the restriction for transferring money between the two programs, removing the restriction that Insure Montana can only spend 95% of the budget, removing the 24 month uninsured status to be eligible, and also eliminates the \$75,000 in wages for an employee rule to restricting and only subsidizing employees earning under 400% of the current federal poverty limits. This bill has passed the House and will now move to the Senate for its process.
 - d. Adam stated that it was through the hard work of the Insure Montana employees, participating business owners and their employees, the bi-partisanship of the legislative committee, the Governor’s office, and the Commissioner’s office that the program is moving forward for two more years.
- X. Future Planning Discussion – Jill gave the Board an overview of how the changes from HB48 as well as changes coming from the ACA will impact the program. That in the future she will discuss possible changes that will need to be made by the Board as to the calculations of subsidy payments. She stated that by the May 2013 meeting, decisions should be made by the legislature and she would be able to provide more information regarding upcoming changes. She will also address the VSP contract again once the RSR accounting is completed.

John Thomas asked that the current contract be reviewed at the next meeting with regard to assignment language, run out language and renewal.
- XI. Next Meeting – Tuesday, May 7, 2013
- XII. Adjourn – Susan Witte made a motion to adjourn, Carol Roy seconded the motion, there was no public comment, and meeting was adjourned at 3:00 p.m.