

Insure Montana Board Meeting 8-27-2013

Board Members Present: Carol Roy, Susan Witte, John Thomas, Dave Kendall (phone), Katherine Buckley-Patton (phone), and Kelly Robinson-Konecny

Interested Parties: Kim Weisert, Ginger MacDonald, Mark Walters, Christine Hultin-Brus, Daren Engellant (phone), Howard Bouma (phone), and Malinda Shafman (phone)

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

- I. Call to Order: 1:05 p.m.
- II. Approval of Minutes: Susan Witte made a motion to approve the meeting minutes from May 7, 2013 as written, David Kendall seconded the motion, no public comment was made, and the board members voted unanimously to approve the minutes.
- III. New Board Member: Jill introduced Kelly Robinson-Konecny a small business owner from Billings, Montana that would be replacing Erin McGowan Fincham as an appointee of the Commissioner of Securities and Insurance to represent the Small Business community.
- IV. Election of Officers: David Kendall nominated John Thomas as the chair, Susan Witte seconded the motion. John Thomas nominated Susan Witte as the vice-chair, David Kendall seconded the motion. Susan Witte nominated David Kendall to continue to be the secretary/treasurer, John Thomas seconded the motion. John Thomas asked for approval of the board members, no public comment was made, and the board voted unanimously to approve the board members as elected.
- V. Financial Report
 - a. Current Budget: A handout was presented by Jill that showed the Insure Montana current budget. She explained that recent legislation passed now allowed 100% of the budget to be spent. The current budget for all benefits expected to be paid in subsidies and tax credits is at 95.99% and is on track to be within the budget allowed.
 - b. Enrollment Report: Jill presented another hand out that showed the Insure Montana current statistics. The Purchasing Pool currently has 733 participating businesses, 3,676 covered lives, and 171 businesses on the wait list. The Tax Credit program currently has 655 participating businesses, 3,695 covered lives, and 89 businesses on the wait list. Jill explained that after the May renewal process for the wait list that the number of businesses waiting went down due to non-response of the online renewal.
 - c. Experience Report: Ginger MacDonald from Blue Cross Blue Shield (BCBS) gave the board a handout with the current experience of the Purchasing Pool. She explained that the March 2013 loss ratio was at 91.18% due to one person with claims exceeding \$400,000, which has hit the stop loss and that the claims experience currently is back down to 77.97% as of July 31, 2013. Katherine Buckley-Patton asked Ginger to once again explain the "triggers" that are identified when a claim comes in that the case management and utilization management teams at Blue Cross Blue Shield get involved with. Ginger said she would present that information again at a future meeting. She did explain that if a claim exceeds \$50,000, that automatically gets the utilization team and case management teams involved in the review.
- VI. Audit Reports and Upcoming Schedule: Jill explained that the auditor was working on income audits and reviewing the discrepancies that were reported during the employee's regular online renewal and the income reported during the online verification that was implemented in May and June 2013 after House Bill 48 was passed. Insure Montana had to ask for all employees' actual gross household income and exclude any household who was earning over 400% from receiving assistance payments as of July 1, 2013. Prior to HB48 being passed, Insure Montana only had the income for each household in one of the 6 income

brackets that had historically been used to calculate subsidies. Jill explained that James Oster, the auditor is half way through this verification process.

- VII. Assistance Calculation Recommendation: Jill asked that the board hold a conference call the first week of October so that she can present them with some information regarding possible future calculation changes. The database consultants are currently putting together a way for her to gather the proper information. A conference call meeting was set for October 2, 2013 at 1:00 p.m. for Jill to present idea's to the board members.
- VIII. Vision Exam Update: Mark Walters had a handout and explained the Insure Montana RSR agreement between Insure Montana and Blue Cross Blue Shield. It is projected that Insure Montana may have a premium reserve of \$1.8 million as of April 2014 after the claims run-out through March 2014 occurs.

Jill had a handout that showed the current utilization of the vision benefit, and the projected remaining balance is \$21,166.83 after the premiums of \$1.34 per member per month are paid to VSP through December 31, 2013 and any \$15.00 gift cards are issued to those eligible for them under the current vision program.

Renee presented the board with three renewal options from VSP. The renewal would be a 12 month contract running from January 1, 2014-December 31, 2014. It would be offered to all covered employees, their covered spouses, and any covered dependents regardless of when their last eye exam was. The contracts offer a composite rate based off of current enrollment as of January 2014. The first option included an exam with a lens/contacts benefit that would be paid after a \$25.00 copay paid by the employee, the rate was \$16.88 per employee per year. The second option was an eye exam and a \$100 materials benefit, with the rate of \$11.20 per employee per year. The third option was an exam and a \$150.00 materials benefit, with the rate being \$19.16 per employee per year. The new benefit would offer a materials benefit, and would no longer offer the \$15.00 gift card as of January 2014. After some board discussion David Kendall made a motion to renew the contract with VSP for the said duration with the option that allows for the exam and the \$100.00 materials benefit at the composite cost of \$11.20. Katherine Buckley-Patton seconded the motion, no public comment was made and the board voted unanimously. Jill stated she would begin working with VSP and the legal department to get the contract in place.

- IX. 2014 Plans and Rate: Mark Walters, an underwriter from Blue Cross Blue Shield gave the board an explanation of what is going to occur with the implementation of regulations for 2014. He stated that 100 days prior to January renewal, BCBS would issue product discontinuation letters to all producers letting him know that the current purchasing pool products will no longer be available. The business owners and employees that are covered would receive the discontinuation letters about 90 days prior to renewal. He explained that BCBS will be offering about 20 different plans as of January 2014, and what they will do is review each group and issue renewal letters with a plan that offers the particular group the closest benefit/cost as to what they currently have. Each group will be given other options, but if they do not respond to the renewal they will be "auto-renewed" on the plan that BCBS has determined is the closest benefit. Mark stated that BCBS will be allowing for changes after the auto renewal date if the group responds with a change in writing after the set date. Mark stated that the 2014 rates are published, have been approved, and are in compliance with the upcoming regulations. He explained some of the challenges with the upcoming renewal including the pediatric dental mandate which states that all plans have to have pediatric dental included, and that BCBS would be working with the producers and groups to make sure the proper documentation and letters of reasonable assurance are provided by the groups if they purchase dental elsewhere. Insure Montana plans are off exchange, so if a group stays with Insure Montana they are

not eligible for the same tax benefits as if they were to enroll in the SHOP or individual marketplace. The groups will be eligible for the Insure Montana subsidy or tax credit benefits.

- X. Affordable Care Act Training: Christina Goe, legal counsel from the CSI presented some slides (that can be made available for review) regarding the Affordable Care Act timeline. Some highlights of the discussion are as follows:
- a. Essential Health Benefits will have to be offered as of 2014. Insurers will no longer be able to medically underwrite, they will only be able to use Age, Tobacco use, and geographic areas to set the rates as of 2014 for everyone inside and outside of the Exchanges. Maximum cost sharing for everyone is \$6,350 regardless of which plan is chosen. Routine care for everyone in a clinical trial must be paid by the Insurance carrier for all life threatening diseases. Montana has established a plan that gives a benchmark for benefits, and all plans offered by Insure Montana will meet these benchmarks.
 - b. The Marketplace or Exchanges will be a website that will compare all benefits someone is interested in side by side to help individuals make the best choices based on where they are located and their financial needs.
 - c. Christina stated that she recommends individuals, small business owners, and even large groups should consult with their health insurance producer and/or financial advisor for assistance in finding the best plan choice as there are tax implications with these changes. She said there would be navigators also available for assistance and that the training for those individuals is slated to begin in the next few weeks.
 - d. Some things that would impact Insure Montana groups are: Effective January 2014 or their first renewal after January 2014, waiting periods cannot exceed 90 days. Seasonal and part-time employees may be excluded. Fully insured medical plans are prohibited from discriminating in favor of highly compensated employees, so owners may not just offer benefits to managers for instance, they must offer to all employees.
 - e. The Commissioner of Securities of Insurance has a new interactive website – www.montanahealthanswers.com - where anyone with specific questions can find answers or submit a question to the Commissioner's office and get a timely response. There is also information on the regular website at www.csi.mt.gov or the phone number is 1-800-332-6148.
- XI. Next Year's Meeting Schedule (2014) – will be set at the next board meeting scheduled for December 10, 2013.
- XII. Meeting Adjourned – 3:31 p.m.