

Insure Montana Board Meeting Minutes

June 24, 2014

Board Members Present via Telephone Conference Call: Tim O'Leary and David Kendall

Board Members Present: John Thomas, Susan Witte, Claudia Clifford, Carol Roy,

Guest Speakers: Ginger MacDonald and Mark Walters, Blue Cross and Blue Shield of Montana

Insure Montana Staff Present: Jill Sark, Ecko Edwards, Mike Paterson, Stephanie Witham, Renee Little, and Shauna Longmire

Interested Parties Present via Telephone Conference Call: Daren Engellant

John called the meeting to order at 1:10 p.m.

Board Member Update: Jill gave an update on the status of Board member terms. The Board is full at this time. David Kendall's term ends June 2014. Jill asked David if he wanted to continue on the Board and he replied that he did. All other members' terms end in 2015 and 2016. Jill talked about the newest Board member Julie Jaksha who was unable to be at the meeting today. Julie is the Director of the Small Business Development Center for Headwaters RC&D in Butte.

Meeting Minutes: John asked if there were any suggested changes to the April 2014 meeting minutes. No changes were suggested. David motioned to accept the minutes as written, Susan seconded his motion. There was no public comment. All members voted in favor of accepting the minutes as written.

Plan of Operation Amendment: Jill explained that at this time, the Insure Montana Program is using the Standard Healthlink Tier 5 2013 rates to determine incentive and assistance payments to participants unless the business is enrolled in a bronze plan. If a business enrolls in a bronze plan, staff compares their rate to lower tiers and pick a tier closest to their rates. She asked the Board to also approve changing tier levels for those businesses who selected Silver Blue Preferred Plan 017. If a silver plan is selected, the rates will be based upon the 2013 Standard Healthlink PPO rate tiers 1-4, whichever is closer to the correct out of pocket amount and prevents the employees from receiving more subsidy than out of pocket costs. David motioned to approve this change and Susan seconded the motion. There was no public comment. All members voted in favor of the amendment.

Financial Reports: Jill provided financial reports to the Board members and staff in attendance. Jill also provided a handout of the Insure Montana Program statistics to those in attendance.

Vision Exam: Jill provided a handout of Vision Exams completed starting January 2014 to May 2014. The handout compared vision exams for members, spouses and dependents from January 2013 to May 2013. The handout showed that for the month of January, the exam numbers were comparable, but for the months of February through May 2014, the exams had more than doubled. It was also discussed that there is now a \$100 hardware benefit that is included in the exams.

Audit Updates: Stephanie and Shauna both discussed their audit results. Both were conducting audits on participants below 100% of Federal Poverty Level. The audit information provided by Stephanie and

Shauna showed that there were very few adjustments made. They stated that they are continuing the audit process and will provide updates as requested.

RSR Account Balance Report: Ginger and Mark reported that the RSR account balance is estimated to be \$1.57 million after \$1.57 million was issued to the Insure Montana Program. Susan posed the question if BCBS would be willing to donate their share of the RSR Account to the Insure Montana Program as a private funding source. Ginger and Mark are researching whether this is a possibility and will have an update at the next Board meeting.

Expenditure of RSR Account Balance: Discussion centered on if the RSR funds could be used to pay for assistance and incentive payments. There are no restrictions on how the funds are used.

It was also discussed if the account could be used to self-fund dental and vision coverage for employees and their spouses. Jill provided a handout that showed to purchase dental coverage for 1,728 employees, the cost would be \$1,866,240.00 annually for Employee and Family and \$1,035,800.00 for Employee and Spouses. The cost to purchase vision coverage for 1,728 employees and their families would be \$232,243.20 annually. Jill also advised that since children are automatically covered for an exam and glasses, VSP might negotiate a lower premium for the employee and spouse (not including children).

David suggested doing something similar to the federal rebate program which provides rebates to insured individuals because their health insurance provider did not meet the Medical Loss Ratio (MLR) standard. Under health care reform, health insurers must devote at least 80 percent of the premiums they receive to medical services. Daren voiced concern that the rebate is hard to calculate and disburse to everyone.

Susan suggested using this money to enroll those that are currently on the wait list into the program. Jill stated that this could be a possibility for one year, but that the RSR account does not have the funds to provide two years of coverage. Jill provided the breakdown showing there are 105 businesses on the Purchasing Pool wait list and it would cost \$1,027,740 annually to fund these businesses. There are currently 68 businesses on the Tax Credit wait list and it would cost \$326,340 annually to fund them. The total amount of funding needed annually for both programs would be \$1,354,080.

Participating Businesses Survey: Jill provided the most recent survey results. The majority of businesses that both compared or did not compare with the Marketplace responded that they want to continue to provide health insurance for their employees. The majority of businesses that responded plan to compare rates and benefits with the Marketplace in 2015.

Payment Calculation Methodology Change: Currently Insure Montana is using pre-ACA rate structure for the calculation of incentive and assistance payments. The database contractors are working on an enhancement to change the calculation to use the current rate structure. Jill will have cost estimates for the next meeting determining whether 2015 rates are going to be affordable or if the 2014 rates will need to be used in the upcoming year.

Web Calculator Demonstration: Ecco provided a demonstration of the Web Calculator for individuals and businesses. This calculation will allow agents, employers and employees to calculate an estimate of their incentive and assistance payments. The web calculator was designed to provide an estimate to employers and employees of what their subsidy payments will be with the Insure Montana Program and

can be used to compare to the Federal Marketplace. It provides a quick and easy way to compare subsidies at the user's convenience. The user can run as many scenarios as needed to determine which program will be of the greatest benefit to them.

Other: Jill provided a handout showing scenarios comparing Insure Montana subsidies to the Individual Market subsidies at the request of Katherine from the last Board meeting. Jill compared seven scenarios for employees and in all seven scenarios it was a greater savings for the employee with Insure Montana. Jill also provided five scenarios involving employee/owners. In three scenarios the savings for the Insure Montana program were greater than those of the Individual Market.

Jill provided a handout that shows the FPL of employees of the businesses that closed from the program at David's request from the April meeting. The majority of the employees were 400+% of FPL and the second highest were below 132% of FPL.

Next Meeting: Scheduled for September 30, 2014

Public Comment: Daren Engellant questioned why there is a pool? Daren wondered if Insure Montana could be opened up to any ACA compliant carrier. It was discussed that the contract with BCBS ends on 12/31/2014 and a decision needs to be made whether to go out for RFP or extend the contract with BCBS. If the contract with BCBS is extended, it will require some significant revision due to the ACA. It was questioned if it could be revised without going out to RFP. Jill will check with Legal and once she receives a response she will schedule a conference call meeting so the Board can make a recommendation to the Commissioner as soon as possible.

Susan motioned for adjournment and John seconded the motion and the meeting was adjourned at 2:50 p.m.