

Insure Montana Meeting Minutes

July 28, 2014

Conference Call

Board Members: John Thomas, David Kendall, Susan Witte, Katherine Buckley-Patton, Julie Jaksha, Carol Roy

Staff: Shauna Longmire, Jill Sark

Public: Daren Engellant (Agent), David Hill (Assurant), Collette Hanson (BCBS)

Call to Order: John called the meeting to order at 10:35.

BCBS Contract Extension vs. RFP Recommendation: Jill gave the Board an explanation why the process previously selected cannot be used (any willing provider). She stated that another carrier, Assurant, would be approved for small group plans that would qualify as a willing provider which would make four insurance carriers that could potentially request to contract with Insure Montana. The Board is limited to entering into contract with three carriers. The Board will need to recommend to the Commissioner to go out for a full RFP or extend the contract with BCBS.

Susan suggested the Board consider the Invitation For Bid (IFB) process. She said it was easier than evaluating responses. In the IFB process you lay out specifications of what you need and ask for the responder's ability to meet your needs and for their best price. Katherine said that with Qualified Health Plans they are all the same. Jill asked if there could be four bidders and Susan said yes potentially. It was determined that the IFB process had the same issue as any willing provider.

David asked if it was possible to do an RFP. Jill said she had talked with Brad Sanders at Procurement and it was possible to have an RFP completed by October 15th although it was a very tight timeframe. Daren stated that from an insurance perspective, October 15th would give a carrier plenty of time to get renewals done for a January 1st plan year date.

David asked if there was a potential problem for carriers to have rates approved to include in their responses. Collette stated that BCBS have submitted their small group rates and are waiting for approval from CSI. Jill stated that small group submission due date was July 29th. Daren said he thought last year the rates were approved mid-August. David stated to make a decision on the RFP it would need to include the carriers' rates. Katherine stated she felt it was the carriers' issue whether they had the information to submit with their responses. John questioned whether the carriers could even get a response done within the timeframe. Carol provided the dates for small group off exchange rates: submission due date is July 29th and approval is September 10th. David suggested to make the RFP simple since the timeframes are so tight.

Susan asked what the timeframe for claims run-out was for Insure Montana. She explained that claims run-out is the period of time a carrier has to pay claims submitted in the plan year. Collette said it was typically 12 months for a fully insured product.

It was asked if there was anything new with the potential donation from BCBS with regard to the RSR account funds. Collette said the contract is still being reviewed to be sure they are following the contract. She expects an answer this week.

David made a motion to begin an RFP process pending Monica's approval and to minimize the work for staff and carriers. Katherine seconded the motion.

Susan stated that she could not support the motion. She is more inclined to extend the contract through June 30, 2015 and direct staff to get an RFP ready in January/February for a July 1st contract start date. She stated that there have not been other carriers that have submitted a bid in the past.

Katherine has a concern that the legislative session may be challenging and the Board may not know if the program is continuing until May 1st. That would put the Board in the same position as now to go out for RFP the first part of May for a July contract.

Susan stated since the Governor's office and the Commissioner's office have not indicated that they plan to request funding for the program, she would be in favor of extending the BCBS contract.

Katherine said she felt the goal of this Board was to support the program as the best alternative for health insurance coverage for the small businesses and their employees participating in the program. She said extending the contract is not as powerful of a message as going out for RFP to show the Board is doing everything it can for the participants.

John asked for public comment.

Daren stated he has been working with the program from the beginning and he agrees with Katherine 100 percent. He said the program has had bipartisan support. He feels the program would be better served if the Board acts as if it will continue. He has about 14 groups that are currently with another carrier through an association that is dissolving soon. These groups would like to stay with their current carrier. He cannot see any downside to providing options and he feels there is time to complete the RFP process for a January 1st renewal date.

David asked if the groups could have an additional month through the end of January to make a decision for renewal. Collette said that the plans are on a monthly basis. They can renew with BCBS January 1st and change their mind and end that contract January 31st and go to another carrier. Groups cannot change plans with the same carrier in a plan year. Collette said the plan year is a 12 month rate guarantee, so if the group ended January 31st and went to another carrier February 1st—that rate would be guaranteed through January 31st of the next year. Daren stated that most carriers have increasing rates on a quarterly basis.

David asked to hear from Jill, if the RFP could be completed and if it was too much work. Jill stated the timeframes are tight but she can complete the work.

John talked about Tim's comments at the meeting last week where he stated that the less change the better for small businesses. He also stated that having multiple carriers would cause confusion. John said he is inclined to not support the motion to go out for RFP.

Susan asked David to repeat the motion. David said his motion was to begin the RFP process with the dates Jill provided pending Monica's approval and the RFP should be written to minimize the work of staff and carriers and should include up to three carriers. Jill gave the dates: Draft to Procurement August 8th; Post RFP August 15th; Questions Due August 25th; Post Answers September 2nd; RFP Deadline September 15th; Scoring Completed September 26th; Contract Awarded October 10th or 15th.

John asked for a vote: Katherine – yes; David – yes; Claudia (proxy vote through David) yes; John – no; Susan – yes; Tim (proxy vote through John) – no; Julie – yes. John said the motion passed 5 to 2.

Katherine asked if the members that had proxy votes would inform the absent members of the discussion. John and David will be talking with Claudia and Tim.

David asked if there is a drop dead date where they could stop the RFP process. Jill stated that today is that date.

John stated that procurement staff will help with the language for the process of how to award when posting the RFP for "up to three" carriers if more than three or three or fewer carriers submit bids.

David and Julie will be on the RFP subcommittee although Julie will be on vacation starting Thursday so will not have computer access every day but will respond when possible. The RFP will need to be submitted to procurement by August 8th. David asked if the full Board would review and input. John responded, no, the subcommittee would complete the RFP process through scoring of the RFP.

Next Meeting Reminder: Jill stated the next meeting was scheduled for September 30th.

Susan motioned to adjourn the meeting and Katherine seconded. John adjourned the meeting at 11:31.