

**INSURE MONTANA
Governing Board Meeting
November 9, 2006**

AMENDED 3/12/07

THOSE PRESENT: Chair Kate Mclvor, Lewis & Clark Co. Cooperative Health Center
Cliff Larsen, Allegiance Benefit Plan Management
Christian Mackay, Prudential Floberg Realtors
Jim Edwards, Mountain West Benefit Solutions

STAFF: Emily Lipp Sirota, Office of the Governor
Gordon Higgins, State Auditor's Office
Lisa Crowley, Insure Montana
Wendy Theodore, Insure Montana
Jarel LaPan, State Auditor's Office
Christina Goe, State Auditor's Office
Helen Taffs, Insure Montana

OTHERS: Mark Burzynski, Blue Cross Blue Shield
Kris Wilkinson, Legislative Fiscal Division
Webb Brown, MT Chamber of Commerce
Dara Anderson, Blue Cross Blue Shield
Darren Engellant, Agent/Producer – Montana Retail Association
Mary Allen, NAIFA Montana

THOSE ABSENT: Gail Briesse-Zimmer, Department of Public Health and Human Services
Bob Marsenich, Mountain West Benefit Solutions
Connie Welsh, State of Montana Department of Administration

Chair Kate Mclvor called the meeting to order at 1:20 pm.

Lisa Crowley introduced the Insure Montana and State Auditor's Office staff.

• MINUTES:

Chair Kate Mclvor requested motion to approve the minutes of the Annual Governing Board meeting dated Aug. 10, 2006 as presented.

Motion 110906-1: Cliff Larsen moved to accept the minutes with one amendment to correct the spelling of his name on page two.

Second: Christian Mackay.

Vote: Motion passed unanimously.

- ENROLLMENT UPDATES/BUDGET PROJECTIONS

Lisa Crowley informed the Board that enrollment for the purchasing pool has been very substantial in the last few months. She projected that we will have expended 95% of the benefit budget and the purchasing pool will be full by Jan. or Feb. 2007. Lisa reviewed the purchasing pool enrollment update as presented.

Wendy Theodore reviewed the tax credit enrollment update as presented.

Lisa Crowley reviewed the budget status report as presented. She stated that the Governor's Office is tentatively looking at Insure Montana receiving additional funds of approximately \$1 million from state surplus (60/40 split of purchasing pool/tax credit.)

- LEGISLATION SESSION ISSUES

Lisa Crowley informed the Board that Insure Montana submitted their bill draft on Oct. 31, 2006. Included in the bill draft is to increase the eligible employee requirement from 2-9 to 1-15. She stated that including this language would allow the potential to expand at some point in the future. Christina Goe stated it would also allow groups to enroll in the purchasing pool without any assistance, as well as adding the sole proprietor language to the bill. She stated the Board would have to make the recommendation to change the eligible employee requirement, and the Commissioner has the rule making authority.

Emily Lipp Sirota joined the meeting at 1:40 pm.

Darren Engellant expressed to the Board that an eligibility requirement for sole proprietors could be that they couldn't earn over \$75,000 per year. The Board members and staff discussed this topic. It was clarified by Lisa Crowley that the employers receive a minimum of 20% assistance. Cliff Larsen questioned what the intent of the law was: was it to make health insurance available to sole proprietors that make over \$75,000? He thought it was to make health insurance affordable to small employers with employees, not to an individual. It was revealed that HB667 states that within two years after the purchasing pool is established and considered stable by the Board, the Board can examine the possibility of offering an opportunity for individual sole proprietors without employees to purchase insurance from the purchasing pool without premium incentive payments and premium assistance payments or tax credits. Lisa Crowley will look into getting data from other state's programs regarding sole proprietors, and how many sole proprietors there are in the state of Montana. Christina Goe stated that the flexibility of eligibility requirements regarding sole proprietors is in the rulemaking authority. The topic of whether employers should receive assistance was also discussed. Lisa Crowley stated that 870 out of 1246 employees enrolled in the program fall below the 200% poverty line.

Motion 110906-2: Cliff Larsen proposed a motion that if sole proprietors do become eligible for the program, the eligibility requirement that they cannot earn over \$75,000 per year be applied to them.

Second: Christian Mackay.

Vote: Motion passed unanimously.

Motion 110906-3: Jim Edwards motioned that: 1) create additional flexibility to make additional eligibility requirements for sole proprietors; and 2) the Commissioner needs to have a recommendation from the Board before making decisions with regard to sole proprietors and changing the eligible employee requirement from 2-9 to 1-15.

Second: Cliff Larsen.

Vote: Motion passed unanimously.

Christina Goe will ask for additional time from the Legislative Fiscal Division to change the bill draft.

Lisa Crowley informed the Board that also included in the bill draft is a provision to do research and look into a wellness benefit program (wellness screenings), dependent on fund availability. We may have the possibility to piggyback on the state's wellness benefit program. Jim Edwards suggested other wellness benefits that would be not use our funding dollars such as health risk appraisals. Jim also suggested presentations to the Board by a person knowledgeable with wellness benefits programs, such as Connie Welsh.

Motion 110906-4: Cliff Larsen motioned to endorse the Commissioner's language in the proposed amendments to the legislation regarding a wellness benefit program, and to also mandate ourselves to pursue options regarding wellness benefits from a variety of sources including on line, etc.

Second: Jim Edwards.

Vote: Motion passed unanimously.

Lisa Crowley informed the Board that also included in the bill draft is to eliminate qualified associations from employers receiving premium incentive and assistance payments. As per the handout listing the reasons discussed by staff and Board members regarding deleting association plans, only one group has accepted coverage through a qualified association plan. Employers can still receive a tax credit through a qualified association plan.

Motion 110906-5: Christian Mackay motioned to endorse the language in the bill draft regarding elimination of qualified association plans.

Second: Jim Edwards.

Discussion: Darren Engellant expressed his opinion that the reason only one group has enrolled is because the list of qualified association plans is very finite, and questioned why the Montana Retail Association's membership is still pending. It was expressed by the Board that the issue is not really competition in the general market as employers are able to go out and make the best decision for their business whether that is through what is offered through an association plan or whether it is through a product offered through Insure Montana. The competition is still out there. This action moving forward is a decision that the Board has talked about and discussed because the intent of the legislation is to insure as many people as we possibly can given the limited funds that are available. The Board advised about the design of the plan and they have already

made careful decisions about goal statements in regards to plans that offer access to health care and the premium incentive and assistance schedules. The Board is not discouraging competition. In addition, the administrative time is extensive to prepare a quote for an association plan. If there are administrative hassles and an encumbrance because of the qualified association rules, and it doesn't add anything, and only one group is actually sponsored through the program, this decision is a way to eliminate some administration. Part of the rationale for including association plans in the beginning was to provide an alternative to the Insure Montana plans in case the program did not get on its feet in a relatively quick timeline. Since all but one business has chosen the Insure Montana plans, the alternative plans have not been necessary.

Vote: Motion passed unanimously.

Lisa Crowley informed the Board that Insure Montana did not receive the grant we applied for through the Urban Institute, but are considering continuing to pursue reinsurance on our own without the help of the grant, as well as other innovative options. Christina Goe stated that she anticipates that the staff will have a draft that will be first reviewed by the Commissioner, the Governor's Office and the State Auditor's Office, and then if we decide to move forward, it will go to the Board. Even though we didn't get the grant, we can draft the bill without the actuarial expertise from the Urban Institute, and still go forward by spending a limited amount of money, if available, to hire our own experts.

2:45 pm – Chair Kate McIvor announced a 15 minute recess.

3:00 pm – Meeting reconvened.

Deleted: re-adjourned

- BCBS CONTRACT/ADDITIONAL RFP

Lisa Crowley announced that Insure Montana will not have a rate increase for 2007. The reasons are that many groups signed up later in the year so we don't have very much claim data, and the purchasing pool is new and growing.

New to the contract is an affidavit to allow coverage of domestic partners that satisfy the Blue Cross Blue Shield criteria. Domestic partners are defined as same-sex and opposite-sex partners who do not claim themselves as common law married (who are already allowed coverage). The Board is asked to consider this because it would then make this coverage available to domestic partners. It was revealed that this issue is already part of the state health plan and the university system.

Motion 110906-6: Cliff Larsen motioned to accept the domestic partnership affidavit process that Blue Cross Blue Shield is recommending to simplify administration and be as inclusive as possible.

Second: Christian Mackay.

Vote: Motion passed unanimously.

Jim Edwards recommended increasing the dental plan from one cleaning to two cleanings per benefit year. Dara Anderson will check if there would still be no rate increase with this change

added. The Board talked about flex plans for such things as vision coverage. There will be more discussion in the future about this topic.

Lisa Crowley stated we are also negotiating a type of retention contract with Blue Cross Blue Shield. The agreement would state that at the end of a claim year or the end of the 2008 claim year, we look at their loss history. It would allow that if there is a certain percentage of gain, we could have a premium holiday, such as all of our groups would have one month premium free. Lisa will inform the Board as more information becomes available.

Lisa Crowley informed the Board that the staff is not looking at additional carriers until the beginning of 2008.

Motion 110906-7: Jim Edwards motioned to not generate an RFP until the 2008 contract year for additional insurance carriers.

Second: Christian Mackay.

Vote: Motion passed unanimously.

- NEW BUSINESS/PUBLIC COMMENT

Kris Wilkinson clarified that Insure Montana will not be able to expend all of the purchasing pool benefit budget for fiscal year 2007 with the number of employers enrolled to date. Lisa Crowley stated that we may be able to expend some of the funds by incorporating a wellness benefit program. Cliff suggested the staff look at the numbers so we can know exactly what we have committed through the fiscal year end, how much will be remaining, and what a reasonable obligation may be.

Next Board meeting was tentatively scheduled for Feb. 6, 2007.

Darren Engellant asked what information is available to the public; specifically claims, premiums, and benefits. He was informed that public information is available on line or by request. Dara Anderson stated the Blue Cross Blue Shield contract would need to be re-filed if changes are made.

Meeting adjourned at 4:35 pm.