

Board of Directors Meeting

- > **date:** Wednesday, October 15, 2014
- > **building:** 81 7th Street, St. Paul MN
- > **time:** 1:00 – 4:00 p.m.
- > **conference room:** 1st floor atrium
- > **participants:** Brian Beutner, Peter Benner, Thompson Aderinkomi, Kathryn Duevel, Phil Norrgard, Commissioner Lucinda Jesson, Tom Forsythe
- > **staff in attendance:** Scott Leitz, Katie Burns, Allison O'Toole, Carley Barber, Aaron Sinner, Marty Cammack

topics

Welcome and any new business

[Brian Beutner, Board Chair](#)

The meeting was called to order at approximately 1:11 p.m. by Brian Beutner, Board Chair.

Brian read MNSure's purpose: The purpose of the organization is to ensure that every Minnesota resident and small business, regardless of health status, can easily find, choose and purchase a health insurance product that they value and does not consume a disproportionate share of their income.

Consumer story

[Peggy Decker, Linwood](#)

Peggy Decker is a 65-year-old Minnesotan who has just transitioned from purchasing insurance through MNSure to Medicare. She and her husband had been self-employed and purchased health insurance on the private market, but had come to find costs unmanageable. Last fall, she went to MNSure, where she was eligible for a tax credit and was able to find a plan she could afford with a significantly lower deductible than she'd previously had. Peggy had a positive experience with coverage purchased through MNSure and was pleased with the bridge it provided in the year before she became eligible for Medicare.

Public comment

Alycia Riedl and Heidi Michaels of the Minnesota Association of Health Underwriters expressed concern about premium increases for clients in the small group market going into the upcoming open enrollment period. Alycia and Heidi also delivered the message that Minnesota brokers don't currently have a tool for determining what tax subsidies will be available for individual clients. Having such a tool without having to take a client through the entire MNsure enrollment process would help brokers better serve their clients. Board members asked a number of questions related to rates in the small group market, the changes happening in the marketplace with a more robust individual market and how that impacts the small group market. Board members noted that the MAHU's recommendation to merge the individual and small group markets is not something that MNsure has the authority to accomplish and would require legislative action.

Administrative items

Brian Beutner, Board Chair

- **Approve September 17 meeting minutes**

MOTION: Phil Norrgard moved to approve the [draft September 17 meeting minutes](#). Kathryn Duevel seconded.

All were in favor and the minutes were approved.

- **Advisory committees**

Brian reported there are openings on both the Consumer and Small Employer Advisory Committee and the Health Industry Advisory Committee. Applications will remain open until Thursday, October 23.

- **County update**

Deb Huskins, Area Director for Hennepin County Human Services and Public Health Department, reported that over the past 20 months, the counties have been working closely with leaders in DHS and MN.IT via a County Roles and Responsibilities Committee, which Deb co-chairs. Deb also noted the IT Executive Steering Committee has recently expanded to include a county representative, and Deb is serving in that capacity. Over the past several months, county representatives have been invited into a number of work groups, including contingency planning work groups.

CEO report

Scott Leitz, CEO

Scott Leitz reiterated an invitation to consumers to come and try out MNsure this open enrollment period in an effort to find the plan that works best for them. Even though rates are higher this year, more Minnesotans will save money through tax credits.

Heading into open enrollment, MNsure continues its work to strengthen and improve its outreach and assistance network. This includes efforts to prepare assisters for open enrollment much earlier in the process, such as selecting outreach grantees much further in advance of the open enrollment period. In September, MNsure held five broker forums and six navigator forums. Starting October 1, broker certification training is available statewide in a variety of formats and will be available throughout the open enrollment period. Also in October, MNsure is

hosting two-day Performance Support Events in St. Paul, Fergus Falls, Duluth, and Mankato for navigators to have peer-to-peer sharing opportunities to discuss challenges and best practices.

Financials

Scott Leitz, CEO; Katie Burns, COO; and Marty Cammack, CFO

Tom Forsythe led a discussion of MNSure's financials. To begin, Tom proposed that MNSure move from a calendar year to a fiscal year. He suggested this made sense for multiple reasons. For one, it would move MNSure to the same financial calendar as the State. This would allow MNSure to fully leverage the State's financial tools, including granting MNSure better reporting capabilities, a stronger accounting system, and better budgeting tools. Another benefit is that a fiscal year would allow for budgeting on six months of expectations based on current market conditions and only six months based on projections, whereas a calendar year requires almost all of MNSure's budget to be based on projections. Tom acknowledged the transition creates a six month stub period that needs to be handled, and that moving away from a calendar year budget means MNSure will no longer be aligned with rates going to the marketplace. However, by removing that alignment, MNSure reduces the number of variables it must account for over the course of the budget period.

MOTION: Tom moved to [amend the Board's Fiscal Policy](#), which is Policy #7, to adopt and use the state fiscal year as its annual budget year. Phil seconded.

All were in favor and the motion was approved.

Next, Tom turned to the [MNSure Annual Budget Presentation handout](#) to explain the proposed fiscal year 2015 budget since fiscal year 2015 started in July 2014. The handout highlighted the transition from the calendar year 2014 budget. Tom said that most differences between the calendar year and fiscal year budget were based on timing and pace of spending, as MNSure will spend at a slower rate over the next six months compared to the previous six months. The budget also shows an increase in spending on the Contact Center, which was previously approved by the Board. Brian underscored that this budget is balanced. Tom noted the next budget projections will incorporate the newly-released premium rates and will work to make a more sophisticated projection of revenue based on the plan selection that is likely to occur.

MOTION: Tom moved to approve the FY 2015 budget as presented in [Column B](#) of the Annual Budget Presentation handout. Commissioner Jesson seconded.

All were in favor and the motion was approved.

MOTION: Tom moved to direct staff to review the Board's current bylaws and recommend a change to the Board relative to the timing of the presentation of the next fiscal year budget. Phil seconded.

All were in favor and the motion was approved.

Scott presented MNSure's preliminary fiscal year 2016 financial plan, as shown in [Column C](#) of the Annual Budget Presentation handout. He explained that it reflects a maturing organization and a maturing system. It remains a balanced budget. The underlying revenue assumptions haven't changed since spring, but a robust analysis involving updated enrollment, plan selection, and premium rate figures is forthcoming. The intent is to present a

budget based on that analysis at the November 19 Board meeting, allowing for public comment at the December 3 meeting and approval at the December 17 meeting.

There was discussion of the reduced budgeting for the MNSure technology system in FY 2016. Scott reminded Board members that FY 2015 includes work completed during open enrollment and into the summer. There will be ongoing technology work during the next nine months, and MNSure anticipates much of what needs to be done will be accomplished during FY 2015, though MNSure will still have money available for the technology system in FY 2016. Scott also noted that this is a preliminary look at a living document which requires constant monitoring to make sure funds are being spent in the correct place.

Thompson Aderinkomi asked about the decreased Contact Center funding in FY 2016. Tom noted that while FY 2016 funding is lower than in FY 2015, the amount nevertheless remains higher than initially planned in earlier budgets.

Expectations for open enrollment

Scott Leitz, CEO; Katie Burns, COO; Jesse Oman, MNIT; and Scott Peterson, MNIT

- **Operational Readiness**

Scott Leitz and Katie Burns presented on operational readiness and walked through key dates as presented in the [discussion slides](#). Scott and Katie emphasized the importance of consumers actively renewing, shopping for and selecting the plan that works best for them. Katie explained that under Minnesota's guaranteed renewability law, Minnesota insurers are required to autorenew anyone enrolled in an individual plan so long as the consumer is currently paying his or her premiums. This means consumers who purchased a plan through MNSure last fall that is no longer offered on the exchange would be autorenewed into the plan off the exchange and lose any tax credits for which they may be eligible. Consumers will have until the end of open enrollment to select a different plan if they choose, but that choice will not be retroactive. Therefore, it is most advantageous for consumers to select the plans they want to enroll in for 2015 by December 15. Katie also noted that individuals receiving Advanced Premium Tax Credits (APTC) will have a 90 day grace period if they stop paying their premiums before they are disenrolled, while individuals enrolled in a plan without APTC, on or off the exchange, will have a 30 day grace period.

Scott reported this open enrollment period is different from last year in that it is shorter, and with harder stops; in that MNSure will not be accepting payments this year, but will work in a carrier bill environment and remove itself as a middleman; and in that Minnesotans will be renewing coverage through MNSure for the first time. MNSure is currently testing functionality around renewals and is pleased to have reached a testing phase. MNSure is also developing contingency plans; ultimately, people who come to MNSure to renew their plans will be able to do so prior to January 1. Staff intends to deliver a more detailed presentation at the November 5 Board meeting on what Minnesotans should expect to see and experience this open enrollment period highlighting the steps in the process to continue in coverage or select a new plan.

Since MNSure had reported enrollment when a consumer selected a payment plan (rather than waiting for the carriers to report back to MNSure, which can be a significant time delay), there was some discussion of how MNSure will count enrollees moving forward, as well as how to count enrollment

related to renewals. Katie reported staff is working to determine how best to report enrollment figures in the future.

- **IT System Readiness**

Jesse Oman and Scott Peterson presented on system readiness. Jesse reiterated that this has been and remains a high-risk project, but the project is on track to deliver an improved customer experience. Scott reported that system performance is improved on the back end, and the consumer experience will be markedly different than it was last year, with the site running 75% faster than last year. Jesse reported that MN.IT is taking the project model recommended by Deloitte, and the change in governance structure between MNSure, DHS, and MN.IT has been fruitful. Scott reported that the testing process is much improved this year, including daily metric reporting, failure rate measurement, and defect identification and correction.

There was some discussion as to whether the system would be static during the open enrollment period or if there would be code deploys during that time. Scott reported there are additional targeted code release dates during open enrollment, but to avoid any possible side effects, MN.IT will avoid deploying these releases around critical dates.

Wrap up and any new business

Brian Beutner, Chair

Commissioner Jesson suggested the Board be sure to monitor the timeline by which it would need to make a decision regarding using its active purchaser authority for next year's open enrollment.

Adjourn

Peter Benner moved to adjourn. There were no objections and the meeting adjourned at approximately 3:08 p.m.