



## MNsure Board of Directors Meeting Minutes

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**Wednesday, March 9, 2016, 1:00 – 3:00 p.m.**  
**81 East 7th Street, St. Paul, MN, 1<sup>st</sup> floor atrium**

**Participants in attendance:** Peter Benner, Kathryn Duevel, Martha Eaves, Tom Forsythe, Phil Norrgard, Commissioner Emily Johnson Piper, Edgardo Rodriguez

**Staff in attendance:** Allison O'Toole, Katie Burns, Kari Koob, Aaron Sinner

### Meeting Topics

#### Welcome

*Peter Benner, Board Chair*

The meeting was called to order at 1:06 p.m. by Peter Benner, Board Chair.

Peter read MNsure's purpose: The purpose of MNsure 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.

#### Public comment

Tim Vande Hey commented he believes the board should receive reporting on the large group, small group, and off-exchange individual market to inform its policy decisions. He suggested the Department of Commerce should provide MNsure with non-identifiable aggregate information for those other markets.

#### Health Access Survey

*Stefan Gildemeister, MDH*

*Alisha Simon, MDH*

Stefan Gildemeister and Alisha Simon of the Minnesota Department of Health (MDH) presented on MDH's recent [Minnesota Health Access Survey](#).

Stefan reported that from 2013 to 2015, Minnesota's uninsured rate had the largest two-year decrease in the history of the survey, dropping to 4.3% uninsured, the lowest rate measured in Minnesota history. About 200,000 more Minnesotans had coverage in 2015 compared to 2013, including 35,000 children.

Stefan also reported that most of the decline came among members of the long-term uninsured, which dropped by more than half.

Stefan noted that the uninsured drop was seen across all demographic groups, though disparities by income, education, and race still exist. The lowest income individuals continue to have the highest rates of uninsurance, and the uninsured are more likely to report being in fair or poor health.

Stefan reported that MDH estimates there are 51,000 uninsured Minnesotans who would be eligible for an advanced premium tax credit (APTC), as well as 62,000 eligible Minnesotans who are enrolled in individual market coverage, but not through a vehicle that grants them APTC. Stefan also noted that when age, income, and geography are factored in, a majority of this population would receive \$0 in APTC based on the current cost of a silver plan to them (64.3% of those currently in the individual market, and 71.8% of those currently uninsured).

Tom Forsythe asked about the impact of the tax penalty for going without health insurance on consumer decision-making. Stephan noted this survey doesn't contain very relevant data on that question, but that MDH is exploring doing a survey in 2016 that examines that question.

## **Administrative items**

*Peter Benner, Board Chair*

### **Approve February 17 meeting minutes**

**MOTION:** Edgardo Rodriguez moved to approve the [draft February 17 meeting minutes](#). Kathryn Duevel seconded. All were in favor and the minutes were approved.

### **County update**

Marti Fischbach of Dakota County and Minnesota Association of County Social Service Administrators President Phil Claussen of Blue Earth County presented for the counties. Marti reported the counties are still working on January and February renewals. She also noted that this year, the remaining Medical Assistance cases in the legacy systems are scheduled to be converted to the METS system. Marti noted the counties have some concerns around this simply due to METS functionality, and that they are in discussions with DHS around the timing of the conversion.

Phil Claussen noted he appreciates the opportunity for the dialogue between counties, MNSure and DHS. He noted the handoff between organizations is where problems can arise, and that's why a focus on the dialogue is so important.

### **Consumer and Small Employer Advisory Committee**

Kathryn reported that because Jama Mohamod has not been meeting the attendance policy, the Consumer and Small Employer Advisory Committee has recommended him for removal from the committee.

**MOTION:** Kathryn moved that Jama Mohamod be removed from the Consumer and Small Employer Advisory Committee, at the recommendation of the committee. Martha Eaves seconded. All were in favor and the motion was approved.

### **Strategy Work Group update**

Peter reported the Strategy Work Group had met to preview legislation being introduced in the House and Senate related to the Health Care Financing Task Force's recommendations and to MNsure. He noted the work group would be monitoring the legislative session in consultation with staff and would bring anything requiring board action to the full board.

### **Financials**

*Tom Forsythe, Finance Work Group lead*

Tom presented the [Premium Withhold Revenue Projections](#). He noted these are effectuated projections and include a lapsed member rate. He also noted the enrollment year values need to be translated to fiscal years, since MNsure budgets on a fiscal year.

Tom presented the [FY16 Financial Report](#). He noted MNsure ran a bit behind its premium withhold revenue projection in the first half of fiscal year 2016—which is the second half of enrollment year 2015—but that MNsure is running ahead of its projections for the second half of FY16 so far. These numbers balance out to a net projected premium withhold shortfall of \$26,624. However, due to MNsure staff tightly managing expenses, MNsure has spent under budget on many items, leading to a projected carryforward of \$2.468 million.

Tom presented the [draft MNsure Preliminary Three-Year Financial Plan](#). Tom noted the CCIIO establishment grants must be spent by the end of calendar 2016, which is the first half of fiscal year 2017. Tom reported that expenditures on the METS IT system are broken into operations and development, and that in fiscal year 2018, the operations line is a shared line between premium withhold revenue and DHS reimbursement revenue, but the \$1 million on development would be funded solely through premium withhold revenue and was set aside for MNsure-specific IT needs, such as Consumers' Checkbook and enhanced website usability.

Tom noted the budget is balanced in both FY17 and FY18.

Commissioner Emily Johnson Piper reported that the DHS cost allocation used for FY17 is based on the best information DHS had at the time DHS made its legislative request in 2014. She noted that as DHS and MNsure gain more experience, it makes sense to continuously review and adjust the cost allocation for each of the items funded in FY17. Commissioner Piper noted MNsure and DHS will be working collaboratively over the next few months to ensure the cost allocation remains reflective of the appropriate balance between funding streams.

Tom noted that the draft preliminary budget will remain preliminary until it is finalized near the end of FY16.

Board members thanked staff for tightly managing expenditures to match budgeted expenditures and revenues. Members commented that the enrollment projections were reasonable, given the presentation from MDH on the status of the uninsured population in Minnesota.

**MOTION:** Tom moved the adoption of the preliminary fiscal year 2017 budget as presented in the second column of the [MNSure Preliminary Three-Year Financial Plan document](#). Kathryn seconded. All were in favor and the motion was approved.

Commissioner Piper expressed concern with the \$1 million set aside for METS IT development in FY18 as part of the three-year financial plan. She noted she wanted to stay true to the IT governance structure established with the Executive Steering Committee (ESC), and it could be better to wait and establish an amount for MNSure IT needs after the ESC identifies IT needs for FY17 and beyond.

Tom noted the \$1 million for IT development in the FY18 plan makes no assumptions or encumbrances on DHS. He further noted that he expects DHS will develop IT plans as they are needed for FY18 and that the plan can be adjusted at that time, but he felt including \$1 million in the financial plan at this stage was prudent.

Phil Norrgard commented he felt planning for \$1 million on IT development in FY18 funded through premium withhold revenue was a way to signal MNSure has some responsibility to fund IT development going forward.

Commissioner Piper commented she thinks the process should work through the ESC, which can identify IT needs, and then MNSure should build a budget around those needs. She said she felt it didn't make sense to put money toward an IT spend without knowing ESC prioritization of IT needs.

Edgardo said because MNSure prepares a three-year financial plan, even without knowing IT needs in FY18, he thought planning for \$0 toward IT development in FY18 would be difficult.

Phil asked if there was anything in the financial plan that directed this \$1 million toward specific IT needs.

Tom noted as example uses of these funds, MNSure could put them toward Consumers' Checkbook and website enhancements.

Peter reported this is a preliminary three-year financial plan, and that by the time the board is budgeting for FY18, the ESC will have had IT discussions about work to be done in the second half of calendar 2017. He noted the board will at that time be able to make decisions as to how much ultimately will be budgeted for IT development, and that nothing about this preliminary three-year financial plan would lock in any specific uses for this funding.

Commissioner Piper noted that MNSure does not do IT in isolation, as Minnesota has consolidated IT in state government and DHS and MNSure share MN.IT resources. The stated mechanism for determining how to share and delineate MN.IT resources is via the ESC.

Kathryn commented she considered the \$1 million planned for IT development in FY18 to be fiscally responsible, and that it was thoughtful to budget it without any expected IT development funding from DHS, so that DHS can make its own funding decisions. She noted with the dwindling pool of uninsured, MNsure will also need to find ways to attract current individual market enrollees who purchase their insurance off-exchange, and that an improved shopping experience is an important tool for attracting them.

**MOTION:** Tom moved adoption of the [MNsure Preliminary Three-Year Financial Plan](#) as presented. Edgardo seconded. All were in favor and the motion was approved.

## **IT update**

*Scott Peterson, MN.IT*

Allison O'Toole, CEO, noted that Scott Peterson of MN.IT will give the IT update, but that she would provide an introduction. Allison reported that 62% of 1095-A forms had been mailed out, and another batch would be mailed early the following week. However, 100% of forms will not be mailed by March 15.

Allison noted MN.IT and MNsure have been working tirelessly to produce these forms as quickly and accurately as possible. Allison also noted the majority of Minnesotans who need these forms have received them, and more will in the next few days. She also noted that currently, less than one percent of forms have needed a correction, which is ultimately to consumers' benefit.

Scott Peterson of MN.IT reported that on the 2015 IT Roadmap, one item remained incomplete, and that work item included the 1095-A work. That work item has been moved forward onto the 2016 IT Roadmap. He noted MN.IT is working extremely long days to produce these forms and knows the work is critical.

Scott also noted the work is complex, as it includes back-end items, including transmitting the data to the IRS. He mentioned the work includes processing system of records to record all changes and all transactions that occur during the year, which are based on data MNsure receives from the carriers. The process of reconciling the effectuation data received from carriers is complex, and because this item was not completed on the 2015 IT Roadmap, the process is not fully completed.

Scott also noted that because this work item remains on the 2016 IT Roadmap, the expectation is that the process will be fully built so that in 2017, 1095-A forms will be delivered on time.

Scott reported the spring release is currently on schedule, and that MN.IT is also moving forward with off-cycle releases that resolve issues counties identify.

## **CEO report**

*Allison O'Toole, CEO*

Allison reported that since November 1 and as of end of day March 6, MNsure has enrolled nearly 244,000 Minnesotans. This includes about 86,850 QHP enrollees, over 111,000 Medical Assistance enrollees, and over 45,000 MinnesotaCare enrollees.

## **Wrap up and any new business**

*Peter Benner, Board Chair*

Peter noted that the Secretary of State has posted two MNsure Board of Directors vacancies. These are for Kathryn Duevel's and Tom Forsythe's seats, as their terms expire on May 5. The Governor has asked that for full consideration, applicants apply by March 29.

## **Adjourn**

Commissioner Piper moved to adjourn. Edgardo seconded. All were in favor and the meeting adjourned at 3:05 p.m.