



MNsurance Board of Directors Meeting Minutes

Wednesday, July 20, 2016, 1:00 – 3:00 p.m.
81 East 7th Street, St. Paul, MN, 1st floor atrium

Participants in attendance: Peter Benner, Martha Eaves, Commissioner Emily Johnson Piper, Phil Norrgard, Edgardo Rodriguez

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

Meeting Topics

Welcome

Peter Benner, Board Chair

The meeting was called to order at 1:03 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

None.

Awareness among uninsured and non-group enrollees about MNsure

Alisha Simon, MDH

Stefan Gildemeister, MDH

Alisha Simon and Stefan Gildemeister of the Minnesota Department of Health presented [findings](#) related to MNsure awareness from the Minnesota Health Access Survey. Alisha presented details of the uninsured rate within each ratings region, and noted an estimated 60% of the uninsured are eligible for public programs. Alisha also reported that an estimated 133,000 Minnesotans are eligible for APTC, though only 25,500 received subsidies in 2015.

Alisha reported the data showed the opportunity for greater market penetration in awareness of MNsure and awareness that MNsure is the only place Minnesotans can receive tax credits to help cover premiums, especially among the uninsured.

Administrative items

Peter Benner, Board Chair

Approve June 15 meeting minutes

MOTION: Edgardo Rodriguez moved to approve the [draft June 15 meeting minutes](#). Phil Norrgard seconded. All were in favor and the minutes were approved.

Compliance Work Group: board policies

Peter presented a series of largely technical amendments to the following board policies:

- [Charter and Bylaws](#)
- [Public Comment](#)
- [Advisory Committees](#)
- [Delegation of Authority](#)
- [Procurement](#)
- [Fiscal](#)
- [Navigator Program Evaluation](#)
- [Contact Center Overflow Vendor](#)
- [Advisory Committee Roles and Responsibilities](#)
- [Compensation](#)

MOTION: Commissioner Emily Johnson Piper moved to adopt the changes to the MNsure Board of Directors policies and bylaws, as proposed. Martha Eaves seconded. All were in favor and the motion was approved.

Executive Steering Committee appointments

Peter reported that the 2016 legislature had put in place a new statute governing how the Minnesota Eligibility Technology System (METS) Executive Steering Committee (ESC) functions. In compliance with that statute, the MNsure Board of Directors is entitled to appoint two people to serve on the ESC.

MOTION: Phil moved to appoint the MNsure CEO and MNsure COO as MNsure's representatives to the METS Executive Steering Committee. Edgardo seconded. All were in favor and the motion was approved.

Advisory Committee liaisons

Peter noted that the policy amendments the board had just adopted allow the board to appoint staff liaisons to the advisory committees.

MOTION: Edgardo moved to appoint MNsure's Board and Federal Relations Director as liaison to the Consumer and Small Employer Advisory Committee, and MNsure's Director of Legislative Relations & Community Partnerships as liaison to the Health Industry Advisory Committee. Phil seconded. All were in favor and the motion was approved.

Fiscal year 2017 budget

Kari Koob, CFO

Edgardo reported that on March 9, the Finance Work Group had presented a preliminary budget for Fiscal Year 2017, running July 1, 2016 – June 30, 2017. He explained that today, the Finance Work Group, with assistance from MNsure CFO Kari Koob, is presenting the FY17 operating budget for adoption by the board.

Kari reported that CCIIO had indicated MNsure's spending of federal grant funds, which could originally be used through December 2016, are eligible for a no-cost extension through the end of FY17. While the amount of grant funds awarded won't change, the time allowed to spend them can be extended to line up with MNsure's fiscal year end.

Kari noted that MNsure's proposed FY17 budget recognizes DHS's need to monitor its resources closely.

Kari also noted that MNsure executive staff are diligently monitoring available resources and are proactively managing funds in a fiscally responsible manner.

Kari also reported that the proposed FY17 budget incorporates the latest data available regarding ongoing METS IT system needs.

Kari noted the budget includes the \$515,475.37 reconciliation payment to CCIIO, to be made entirely with premium withhold revenue and budgeted in full in FY17.

MOTION: Edgardo moved to approve the [Fiscal Year 2017 budget](#) presented today and recommended for approval by the MNsure Board of Director's Finance Work Group. Phil seconded.

Commissioner Piper reported that she was pleased MNsure is contemplating a balanced budget, and supports the revenue and spending levels found in the FY17 proposed budget. She reported that she intends to vote against the budget, as she believes the cost allocation methodology between MNsure and DHS needs to be reexamined to ensure DHS's resources

are being used appropriately. Commissioner Piper noted that she was confident the methodology could be reviewed and resolved before the board sets MNsure's FY18 budget.

Edgardo noted that the Finance Work Group based this budget on the cost allocation not changing in FY17.

MOTION: Edgardo moved to table the FY17 budget. Phil seconded. With three votes in favor, the motion was approved. Board members Eaves, Norrgard, and Rodriguez voted in favor.

Commissioner Piper reported she believed the assessment of the cost allocation methodology would need to take place over the course of several months, and would be best applied to the FY18 budget so that the discussion could be detailed and extensive. She noted that she does have concerns about the current cost allocation methodology and its application in FY17, but she believes the best solution is to revisit the issue in the drafting of the FY18 budget.

Edgardo noted he believes it is important for MNsure and DHS to have an amicable relationship, as they always have, and that MNsure wants to be fair to DHS and avoid incurring costs that DHS does not wish to reimburse. He requested that, considering the intention of a forward impact of any future cost allocation agreement between DHS and MNsure, the motion to approve the FY17 budget be brought back into consideration.

Phil and Martha both rescinded their votes to table the FY17 budget.

Martha asked Commissioner Piper if she believed the discussion regarding the cost allocation methodology could affect MNsure's FY17 budget.

Commissioner Piper said her goal would be for the discussion to be prospective going into the FY18 budget.

Phil noted that the FY17 proposed budget was one of the most precise, definitive instruments the board has to approve. He noted the revenue information MNsure relies on to draft a proposed budget is becoming better and better each year. He also noted he appreciated the maintenance of funding for community outreach and enrollment grants. He noted the carryforward balance in the budget is only about 2%, and suggested the Finance Work Group consider setting a target for what it would like the annual carryforward balance to be. He noted this could be a part of the discussion with DHS on cost allocation. He also asked Allison O'Toole, MNsure CEO, if she and MNsure COO Katie Burns were comfortable with the FY17 budget as drafted.

Allison reported that she and Katie worked closely with Kari and the Finance Work Group on drafting the budget, and that they feel it is a conservative, balanced, manageable budget, even with the changes occurring in the individual market.

Edgardo noted that the budget is an important part of the Board's responsibility for financial stewardship, but that things will change after the budget is approved, and MNsure will rely on the MNsure CEO and other MNsure staff to manage appropriately—but that the budget represents the best picture the board has of the future at this time.

MOTION: Edgardo moved to approve [the Fiscal Year 2017 budget](#) presented today and recommended for approval by the Board of Director's Finance Work Group. Martha seconded. On a vote of four in favor and one against, the motion was approved. Board members Benner, Eaves, Norrgard, and Rodriguez voted in favor. Board member Piper voted against.

CEO report

Allison O'Toole, CEO

Allison reported that since November 1 and as of end of day July 17, MNsure had enrolled nearly 415,000 Minnesotans. This includes nearly 97,000 QHP enrollees, nearly 245,000 Medical Assistance enrollees, and nearly 73,000 MinnesotaCare enrollees.

Allison reported that MNsure finalized partnerships with 23 grantee organizations at the beginning of July. Summaries of the [program](#) and the [grantees](#) are available.

Allison noted MNsure is working hard to prepare for the upcoming open enrollment period. This includes renewal and other work by the operations team, Contact Center preparations, and the external affairs team preparing to spread the message of the importance of shopping and comparing through MNsure. Allison also noted that about 100,000 Minnesotans who are currently enrolled with Blue Cross Blue Shield will be looking for new coverage in 2017. About 20,000 of those are current MNsure enrollees, and about 85% of that 20,000 currently receive tax credits. Allison noted that while a large portion of MNsure's current enrollees are very likely to return, MNsure anticipates a large number of that remaining 80,000 to shop via MNsure as well to see if they qualify for financial help or a better plan.

Allison also noted that MNsure continues to move forward with its request for information (RFI) around IT development, which will likely be ready for submissions in August. Part of that RFI will include a component around SHOP functionality, as MNsure is exploring possible SHOP options, such as a SharePoint option or a direct enrollment option.

Finally, Allison reported that the external assessment of MNsure's and MN.IT's 1095-A project was recently completed. She noted the assessment puts a finer point on many of the things MNsure and MN.IT already knew. Many of the recommendations made in the assessment are already complete or near completion.

IT and Executive Steering Committee update

Scott Peterson, MN.IT

Allison introduced Scott Peterson of MN.IT, and noted that beginning in August, the METS ESC will meet monthly and have its meetings open to the public. Its first meeting will occur August 23 from 10 a.m. to noon at the Minnesota Senate Building.

Scott presented slides 12-15 of the [slide deck](#).

Scott reported the Periodic Data Match (PDM) release would be deployed the following weekend; however, the implementation and running of the PDM batches would be delayed.

MN.IT very recently received guidance from the IRS on additional items that will require design changes to the intended deploy. MN.IT is working to minimize any downstream impacts of this delay on the Summer Release #2 or the Fall Release.

Scott also reported that the following weekend's release would include a package of 14 defect fixes.

Wrap up and any new business

Peter Benner, Board Chair

None.

Adjourn

Phil moved to adjourn. Edgardo seconded. All were in favor and the meeting adjourned at 2:43 p.m.