



MNsurance Board of Directors Meeting Minutes

Wednesday, March 8, 2017, 1:00 – 3:00 p.m.
81 East 7th Street, St. Paul, MN, 1st floor atrium

Participants in attendance: Peter Benner – Chair, Martha Eaves, Lauren Gilchrist, Commissioner Emily Johnson Piper, Phil Norrgard, Edgardo Rodriguez, Kathy Sheran

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.

Administrative items

Peter Benner, Board Chair

Approve February 15 meeting minutes

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

Vice Chair election

Peter reported that the board had previously chosen to delay election of a vice chair until the Board appointments had been made and the board was at full complement. Given the board had now had two full meetings at full complement, Peter opened the floor to nominations.

MOTION: Phil Norrgard moved to nominate Kathy Sheran for vice chair. Edgardo Rodriguez seconded. Kathy accepted the nomination. All Board members voted in favor and the motion was approved.

Financials

Kari Koob, CFO

Allison reported that MNSure was coming off the most successful open enrollment period in its history. This included a 34% increase in enrollments and January effectuated enrollment that is 25,000 enrollments higher than in January 2016.

Allison noted that MNSure is dedicated to continuous improvement, so while MNSure has shown improvement in technology functionality and customer service every year, it will continue to invest in these areas and others where MNSure can do even better.

Edgardo reported that in crafting the budget, the Finance Work Group faced significant uncertainties. The proposed budget is based on current law, and makes the assumptions that in future enrollment years, MNSure's QHP enrollment will show modest growth, QHP premiums will show modest increases, and MNSure will continue to invest in servicing its customers.

Edgardo also reported that MNSure staff had worked with DHS staff to negotiate an updated cost allocation methodology for FY18. The new cost allocation was based upon more current metrics that both agencies agreed were appropriate.

Edgardo noted that this is a proposed preliminary budget, and as in the past, the board will vote upon a final budget in the summer.

Kari presented the [preliminary premium withhold revenue projections](#) and the [preliminary three year financial plan](#).

Kari noted that the FY18 budget and three-year plan were conservative, with expenditures that do not exceed resources. Additionally, the budget was based on current law, and any changes to current law that affect the budget will be addressed when the budget is finalized in the summer.

Commissioner Emily Johnson Piper thanked the Finance Work Group and MNSure staff for the thoughtful, deliberative process that had occurred and was reflected in the budget materials.

Phil thanked MNSure and DHS staff for their work and said he found the budget very reasonable.

Kathy asked what the impact of the federal grants ending would be. Kari reported that MNSure had anticipated the sunset of the federal grants and had planned accordingly. She explained that money had been spent on establishment-related activities and thus ongoing operations would not be impacted.

Edgardo noted that while uncertainties exist, the Finance Work Group believes the budget has been done as best as possible given current law.

Peter noted that when MNSure had adopted its three-year financial plan in spring 2016, the most common concern expressed by board members and stakeholder groups was the inadequacy of

continued investment in IT development. He noted that the proposed preliminary budget spoke to that with substantially more IT investment.

MOTION: Phil moved to approve the preliminary fiscal year 2018 budget and MNsire three-year financial plan as presented and discussed. Kathy seconded. All were in favor and the motion was approved.

Public comment

George Eady, a QHP customer, reported he had recently lost his job, and with it his health insurance. However, with the help of navigators at Briva Health, he was able to enroll in coverage through MNsire. George reported that he, his wife, and his two adult children qualified for a private plan and received tax credits that made it much more affordable, and that his youngest son qualified for Medical Assistance. George noted that in the process of looking for coverage, a broker had come to his house and offered a plan that didn't have the benefit of tax credits. George thanked the board for the work MNsire does and emphasized its importance in making insurance affordable for many Minnesotans.

Kathy expressed concerns about the information George had received from a broker that did not include tax credit information.

Commissioner Piper encouraged George to share his story with members of Congress and the state legislature.

CEO report

Allison O'Toole, CEO

Allison reported that since November 1 and as of end of day March 5, MNsire had enrolled nearly 313,000 Minnesotans. This includes over 121,000 QHP enrollees, over 150,000 Medical Assistance enrollees, and over 40,000 MinnesotaCare enrollees.

Allison reported that MNsire's 1095A corrections volume was lower than last year and makes up less than 1% of total forms.

Allison also reported that MNsire is continuing to explore its options around the request for information conducted in the fall. MNsire now hopes to move forward with a request for proposals (RFP) for a shopping tool, enrollment system of record, and SHOP functionality. The RFP will be posted online sometime in the next several weeks. Because this is MNsire-dedicated functionality, it shouldn't affect the METS IT roadmap.

MNsire will also be posting an RFP for its Contact Center frontline overflow vendor, as the current contract is expiring. MNsire hopes to have a vendor in place by July 1.

Allison noted MNsire has moved into its post-open enrollment evaluation period. This includes a couple of surveys MNsire conducts every spring—one of assisters and one of consumers. Results from both should be available later in the spring.

MNsire offered comment on the proposed CMS rule jointly with the Department of Commerce. MNsire will be watching for the publication of the final rule soon, hopefully later in the month.

Board members expressed concern about the impact upon consumers of the shortened open enrollment period proposal found in the proposed CMS rule.

Allison also noted that MNsire is monitoring developments around the American Health Care Act. Allison expressed concerns the proposal could lead to cost increases for Minnesotans, particularly older Minnesotans in greater Minnesota.

Commissioner Piper commented that DHS is very concerned about the proposal. She reported DHS's preliminary analysis suggests over \$1 billion in cuts to Medical Assistance and MinnesotaCare in Minnesota, which would grow to \$5-8 billion in cuts by 2025. The legislation presents particular challenges to Minnesota, which would be uniquely hurt by a per capita cap structure, and would completely eliminate federal funding for the MinnesotaCare program. Because of the innovation done in Minnesota to control public program costs, the proposal's provision to tie funding to the 2016 experience would penalize Minnesota.

Peter noted that Mark Zdechlik with MPR had linked recently to a Kaiser Family Foundation tool that compares American Health Care Act tax credits to Affordable Care Act tax credits by county across ages and incomes. Peter noted the bill would represent a fundamental change in the nature of subsidies.

IT and Executive Steering Committee update

Scott Peterson, MNIT

Jesse Oman, MNIT

Allison noted that Scott Peterson of MNIT would be leaving state service on March 22. She thanked Scott for all his work on the METS project.

Scott Peterson and Jesse Oman of MNIT presented slide 13 of the [slide deck](#).

Scott reported that the spring release is ahead of schedule, and that the summer release has moved into the testing environment. He noted that this is the earliest the summer release has ever moved into the testing environment.

Scott also reported that the ESC had finalized the fall and winter releases.

Jesse reported that MNIT will miss Scott, but has already begun its search to fill his role. In the meantime, Jesse may handle presenting IT and ESC updates to the board.

Board members thanked Scott for his service.

Wrap up and any new business

Peter Benner, Board Chair

None.

Adjourn

Edgardo moved to adjourn. Phil seconded. All were in favor and the meeting adjourned at 2:42 p.m.