



Consumer and Small Employer Advisory Committee Meeting Minutes

Tuesday, January 17, 2:30 – 5:00 p.m.

UCare, 500 Stinson Boulevard NE, Minneapolis, MN

Members in attendance: Richard Klick – Chair, Mary Ellen Becker (via phone), Amy Chatelaine, Matthew Flory (via phone), Leigh Grauman, Bentley Graves, Kim Johnson (via phone), Ann McIntosh (via phone), Kate Onyeneho, Denise Robertson (via phone), Matthew Steffens, Alexandra Zoellner

Members not in attendance: Nancy Breymeier, Peter Musimami, Kathleen Saari, Hussein Sheikh

Staff in attendance: Aaron Sinner – Board and Federal Relations Director, Debby Dill – Board and Federal Relations Coordinator

Meeting Topics

Welcome and Call to Order

Richard Klick, Chair

Richard Klick, Chair, called the meeting to order at 2:38 p.m. Dick thanked members for attending and noted that Tom Forsythe, a former MNSure board member, would be giving a presentation.

Approval November Meeting Minutes

Richard Klick, Chair

MOTION: Kim Johnson moved to approve the draft [November 22 meeting minutes](#). Matt Steffens seconded. All were in favor and the minutes were approved.

Staff Update

Aaron Sinner, MNSure Liaison

Aaron Sinner noted that at its November meeting, the CSEAC had approved a recommendation on health literacy and shared it with the HIAC for feedback. The HIAC had recommended changes, and therefore Dick and Mary Ellen Becker had decided to review those recommended changes with the full CSEAC rather than present the recommendation as-is.

Aaron reported that Dick and Bentley Graves did presented the CSEAC's recommendation on SHOP to the board in December. The presentation went well and Dick and Bentley were scheduled to have a follow-up meeting with MNSure CEO Allison O'Toole in February.

Kim commented that the communication on SHOP was lacking, which makes it difficult to for a small business owner decide whether to offer insurance or let employees buy in the individual market. Dick suggested this could be discussed at the February CSEAC meeting.

Aaron reviewed items covered at the January board meeting. Aaron noted that the board had approved compensation for HIAC members, and changed compensation eligibility for both advisory committees to those not otherwise compensated for their attendance.

Aaron noted the board had also approved MNSure's [Annual Report](#). Aaron suggested CSEAC members review the report as a possible source of ideas for committee recommendations.

Aaron reported that since the start of open enrollment and as of January 8, MNSure had enrolled over 106,000 Minnesotans in QHPs. Sixty-two percent of enrollees were eligible for tax credits. Additionally, SHOP enrollment had grown by 65% compared to the previous year.

Translating “DC Speak” Around Health Policy Proposals

Tom Forsythe, former MNSure Board Member

Tom introduced himself and noted that he had served on the MNSure Board of Directors until May 2016, and was now working as a fellow with the Humphrey School of Public Affairs.

Tom reported Republicans at the federal level had enough votes to pass a repeal of the Affordable Care Act, but would need to win over eight Democratic votes in the Senate in order to pass a replacement plan.

Tom noted several provisions of the Affordable Care Act are popular with the American public, but one provision that is not is the individual mandate. He suggested that because the individual mandate is a weak mandate and 23 million Americans have found a way to not buy health insurance—either by paying the penalty, claiming an exemption from the mandate, or by not admitting on their tax forms to being uninsured—a possible compromise could be to simply repeal the individual mandate. Tom believes this could allow Democrats to claim they had saved Obamacare while allowing Republicans to claim they had repealed it.

Tom noted the insurance industry has said that an individual mandate is necessary in order to maintain a ban on denying coverage to those with pre-existing conditions. Tom said he believes it is possible to maintain the latter while repealing the former, because the individual mandate is so weak that current market conditions effectively create this scenario.

Tom also suggested a way to enable the insurance industry and policymakers to step away from the individual mandate could be with a re-insurance program. Tom noted re-insurance already exists as a private product, particularly in the self-insured employer community. Tom explained a re-insurance program insures claims during a plan year above a particular amount for an insurance company or insuring entity. Re-insurance can be done by paying out for claims

about a certain amount per claimant, or by paying out for claims above a certain amount for a total pool. Products of both sorts are sold today to self-insured employers, but it is a difficult business proposition because it means insuring the sickest of the sick with the highest claims and is a difficult vehicle for making money. Tom explained that if the government were to provide re-insurance, it could stabilize premiums.

Dick asked about high-risk pools. Tom said high-risk pools are a policy that could return, but he believes they are an unfair mechanism for stabilizing the market because once an individual has been denied insurance by health insurance companies, that person can never buy private insurance again and can only purchase through the high-risk pool. In Minnesota, high-risk pool premiums were 125% of individual market premiums, with a tax on group insurance covering over 50% of the pool's costs. Furthermore, 50% of the individuals with the highest claims in any given year do not have high claims the following year. Therefore, Tom believes a re-insurance program is a fairer way to move high claimants off the books of insurance companies.

Ann McIntosh commented that as long as health reform is focused on insurance reform rather than cost of care, nothing is being done to actually decrease overall spending. Tom noted given the current political situation, elected officials will need to resolve the Affordable Care Act standoff and repeal-and-replace discussion prior to focusing on reform aimed at true cost containment. Tom suggested containing costs could be achieved through changes to the payment model and transparent pricing. Tom noted that if Medicare and Medicaid change from a fee-for-service model to a different payment model, the rest of the market would follow.

Members asked about proposed policy changes to allow for-profit insurers to sell insurance in Minnesota and to allow the sale of insurance across state lines. Tom commented that he believed neither idea would have a notable impact on premiums.

Dick thanked Tom for attending and said he hopes there is an opportunity for him to present to the committee again in the future.

Public Comment

None.

Draft Recommendation on Health Insurance Literacy

Mary Ellen Becker, CSEAC Member

Mary Ellen reminded the committee that they had approved a recommendation on health literacy in November. She reported that the HIAC had reviewed the recommendation and had voted upon recommended changes, which were incorporated into [the version](#) before members today. Mary Ellen noted that the goal of the recommendation is beyond insurance terminology, but rather focused on a cultural shift at MNSure that includes all website language, materials produced, and call center script changes.

Aaron noted that additionally, HIAC Chair Jonathan Watson had attempted to synthesize the HIAC's suggestions into specific amended language, which was also [a handout](#) before the committee. He also noted other HIAC members hadn't seen this language yet.

Bentley commented that the meat of the CSEAC's recommendation was the action steps, which the HIAC hadn't touched.

Mary Ellen commented that she felt the additional edits were mincing words and that the CSEAC's executive summary provided a better background, but that the action steps were the heart of the recommendation and that she would be willing to change the executive summary to earn the endorsement of the HIAC.

Denise Robertson said she felt the definitions in the proposed executive summary language were redundant, but that the important piece was the action steps.

MOTION: Bentley moved to incorporate the suggested changes from the HIAC and Jonathan Watson and approve the recommendation for review by the HIAC and the board. Amy Chatelaine second. All were in favor and the motion was approved.

Topics for February 21 CSEAC Meeting

Richard Klick, Chair

Dick asked committee members for suggested topics for the February CSEAC meeting.

Bentley suggested the agenda include a legislative update, particularly in relation to Minnesota House File 1, but also including any relevant federal updates.

Aaron noted that Marcus Schmit had left MNSure and was now the Director of Advocacy for Second Harvest Heartland, and that MNSure's new Director of Government Relations is Brian Ambuel.

Bentley shared with committee members that currently there was agreement among the Minnesota Senate, House, and Governor about the need to provide subsidies to those in the individual market not receiving tax credits, but the exact details were still under negotiation.

Mary Ellen suggested further discussion around the small group market in advance of Dick and Bentley's meeting with Allison. Bentley noted MNSure had seen notable SHOP enrollment increases during its open enrollment period.

Aaron suggested CSEAC members review the [Annual Report](#) as potential fodder future recommendations.

Additionally, Aaron noted that Debby Dill was retiring from MNSure at the end of January. Committee members thanked Debby for her assistance and congratulated her on her retirement.

Adjourn

MOTION: Bentley moved to adjourn. Kate Onyeneho seconded. There were no objections and the meeting adjourned at 4:15 p.m.