



Consumer and Small Employer Advisory Committee Meeting Minutes

Tuesday, February 21, 2:30 – 5:00 p.m.

UCare, 500 Stinson Boulevard NE, Minneapolis, MN

Members in attendance: Richard Klick – Chair, Nancy Breymeier, Matthew Flory, Leigh Grauman, Bentley Graves, Kim Johnson (via phone), Ann McIntosh, Kate Onyeneho, Denise Robertson, Kathleen Saari, Matthew Steffens

Members not in attendance: Mary Ellen Becker, Amy Chatelaine, Peter Musimami, Hussein Sheikh

Staff in attendance: Aaron Sinner – Board and Federal Relations Director, Stephanie Grisell – Digital Communications Analyst

Meeting Topics

Welcome and Call to Order

Richard Klick, Chair

Richard Klick, Chair, called the meeting to order at 2:34 p.m.

Member & Guest Introductions

CSEAC Members

Members introduced themselves. Kim Johnson asked Dick if the committee could move up the discussion surrounding SHOP, as he would like to be present for that discussion and would need to depart the meeting early.

Aaron Sinner, MNsure staff, indicated that Alexandra Zoellner has resigned her seat on the advisory committee, as she had taken a job with the Department of Commerce.

Approval of January 17 Meeting Minutes

Richard Klick, Chair

MOTION: Denise Robertson moved to approve the draft [January 17 meeting minutes](#). Leigh Grauman seconded. All were in favor and the minutes were approved

Public Comment

None.

Overview of Joint Advisory Committee Presentation to MNSure Board of Directors: Health Insurance Literacy Presentation and Reception

Richard Klick, Chair

Dick reported that the joint advisory committee presentation to the board on healthy literacy and communication was well-received by the MNSure board. Dick noted that board members had discussed the need for documents at an eighth-grade reading level, indicating they were engaging with the recommendation. Dick singled out Mary Ellen Becker for her hard work.

Aaron noted that following the CSEAC's approval of the recommendation, the HIAC had reviewed it and endorsed the three action steps.

Denise inquired as to what happens to an advisory committee recommendation once it is received by the board. Dick indicated that because their project was a recommendation, the MNSure board is not required to take any action or formal vote on it. Aaron added that typically the board does not take immediate action because they need to understand the scope of the idea. In many cases, they speak to staff about implementation and about how feasible the idea is and how readily it can be executed.

Scheduled Meeting with Allison O'Toole on SHOP

Richard Klick, Chair

Dick reported that the SHOP meeting with Allison O'Toole, MNSure CEO, was scheduled for March 3, 2017, and he was interested in any SHOP insights CSEAC members had that he should bring into the meeting. Dick began by stating there are three things he had noticed about SHOP. First, people have no idea that SHOP exists; second, people do not realize that they can receive tax credits through SHOP; third, the administrative issues related to SHOP, specifically related to technology. Dick noted an issue with the SHOP program was that, although individuals receive health insurance, often the plans are catastrophic, which is the nature of health insurance these days.

Kim asked for clarification from Dick on if this discussion surrounding catastrophic coverage is working to compare SHOP to the individual market. Dick clarified that he is drawing this comparison as he hopes to move SHOP away from the focus on catastrophic plans and broaden the project. Dick asked Matt Steffens for insight as to the administrative side of SHOP.

Matt stated that he was part of the broker enrollment center pilot program of SHOP and noted that administratively, the employer application and the employee applications are typically time sensitive. He clarified further that carriers often process applications almost immediately, while the SHOP process can take up to 21 days. This year, many carriers were inundated with

requests due to many people forming group coverage to decrease costs. Matt stated he was frustrated with the lack of maturation of the MNsure system. Other programs allow for immediate EDI transfer of files to the carriers, while MNsure's system is not yet capable. Matt indicated that brokers need to engage with SHOP, but are unwilling to do so due to administrative issues.

Denise reported that Health Access Minnesota had been in SHOP since the beginning and as an employee, it's been a great program with great coverage. She indicated she had not heard of the administrative issues related to the program, but will look to discuss the matter with Health Access's Executive Director.

Ann McIntosh asked for clarification about the nature of the pilot program. Matt explained that the pilot program was mostly meant to get the message out that SHOP existed and to see what problems there were in the system.

Kim asked committee members to turn to page eight of the [Awareness Among Uninsured and Non-group Employees about MNsure handout](#) to note the graphic on that page titled "Reasons Why Not Using MNsure." He said he would be very interested in understanding what the SHOP market would look like and why people are not using SHOP. He speculated that small businesses are worried about the cost to the business.

Kate Onyeneho indicated she has no resources to bring SHOP to small groups. Dick informed the committee that MNsure does have marketing resources available to individuals.

Kathy Saari probed about the qualifications for participating in SHOP. Committee members indicated only employers with 50 or fewer employees can participate. Kathy then inquired about the number of SHOP users compared to the number of SHOP-eligible users. Bentley Graves reported that there are about 30,000 small businesses in Minnesota with 25 fewer employees, which typically qualify for tax credits through SHOP. Aaron noted that businesses with a sole proprietor are not eligible for SHOP. Matt Steffens noted that typically small businesses with 50 employees do not qualify for SHOP tax credits and thus are less likely to participate in SHOP. In regards to the tax credit situation, Matt added, brokers were very disappointed in the amount of credit provided and how much secrecy surrounded the formula to calculate that information.

Bentley clarified that SHOP does allow for an alternative method for small businesses and is a good option for individuals experiencing high individual market premiums. Bentley added that SHOP enrollment has gone up in 2017 as people are finding it a viable option moving forward, especially with the national discussion around health care.

Kathy asked Bentley for his estimate on how many individuals are enrolled through SHOP and how many could be. Bentley indicated that there are thousands that could be on SHOP programs and those enrolled out of the whole small group market are less than one percent, although increasing every year. Bentley added that there are issues with SHOP but moving forward, it could be a viable option. Matt Steffens noted another issue is the lack of options on the SHOP market.

Dick indicated that good points were made and he envisions a good conversation between him, Bentley, and Allison about the progress of SHOP. Dick summarized the committee's discussion

as indicating a need to make an offer to the carriers to improve networks, such as having accountable care programs and changing the networks, and a call to MNSure to provide assistance to educate the public about the benefits of SHOP.

Bentley stated that it may be difficult to implement an action to improve networks on a fully insured market. The problem is that rating for networks are for every zip code and carriers couldn't have just one person go and enroll in a wellness program, because then they would have to rate the whole community.

Health Access Survey Questions

Aaron Sinner, Board and Federal Relations Director

Aaron reported that the Minnesota Department of Health (MDH) conducts their Health Access Survey every two years, with an upcoming survey in 2017. For 2017, MDH had reached out to MNSure to inquire as to what types of questions MNSure would like to see in the 2017 survey. Aaron indicated he would like to take CSEAC's ideas on what questions they would like to see.

Committee members inquired about the basics of the survey, such as how many people were surveyed over landline and cell phone and how English as a second language speakers were surveyed. Aaron reported that over 10,000 Minnesotans were surveyed, and that while he did not know specifics, he did know previous iterations of the survey had included individuals who did not speak English.

Matt Flory asked if there was a full breakdown of the questions asked in the previous survey. Aaron reported that he didn't think the full survey questions were available, though results were available on the MDH website. Aaron also noted it would be okay if the committee repeated some lines of questioning currently in the survey, and that suggestions and questions offered by MNSure may not ultimately be included.

Bentley noted he would like survey questions that help explain why the individual market is shrinking. He suggested it would be good for MNSure and MDH to understand those data points and good for policy makers to understand what their next steps are in terms of how to improve not only MNSure but the market as a whole. Matt Steffens suggested questions to understand who enrolled in individual coverage and who took out a group policy. Explaining further, Bentley provided the example of an individual who was going to retire early but saw individual market prices and decided to get a job in order to obtain group coverage.

Dick suggested asking the respondent directly: Have you used the MNSure website and can you navigate it?

Matt Flory said he would welcome more information as to whether consumers have delayed treatment because of the cost of their cost-sharing or co-payments. He noted the uninsured rate is at a historical low, but some people may be afraid to use their insurance because they do not understand it. Matt suggested examining how well individuals understand their co-pays and deductibles.

Ann said she would be curious about how individuals are managing their health. Clarifying further, Ann indicated there is a huge knowledge gap in this country around health and health care. Ann noted individuals need to be empowered to understand their health care and agencies and policy makers do not know how to bridge this knowledge gap.

Committee members suggested including questions related to geographic barriers to care. For example, some individuals who may have to travel many miles to see a provider within their network.

Leigh added that she would also like more information about barriers to enrollment. Clarifying further, the MDH study indicates that a majority of uninsured Minnesotans would be eligible for public programs, and she would like to know more about why they are not completing an application.

Nancy Breymeier expressed concerns about trying to obtain a legitimate sample of members for the survey, especially in regards to minorities and fringe groups. She commented that while reaching individuals via phone is labor intensive, a better sample of Minnesotans might be gained by interviewing people at a booth at the Minnesota State Fair or at county fairs or a kiosk at the Mall of America.

Kate noted that she sees many people want private health insurance but are currently enrolled in Medical Assistance. She noted many of these people don't have jobs. Denise agreed that the issue of individuals not having a job is definitely an important factor when discussing health insurance.

Denise asked about the "spouse trap," which is where an individual is offered group coverage through their job and can elect to enroll their spouse and dependents, but at a much higher premium amount. She would be curious as to how many people fall into this category. Denise also noted the benefit of questions around what sort of assistance consumers would like from assisters, and what consumers would like to help them understand their health insurance.

Matt Flory suggested gathering information about how many consumers used the Consumers' Checkbook plan comparison tool. Matt commented that from his experience and from today's discussion, it sounded as though many people need to be more aware of the tool so they can compare plans on a different level than just the premium. He added he would like to also know if brokers used the Consumer Checkbook to explain health care to their clients.

Kate noted it could be helpful to understand more about what people believe health insurance to be and to change the way people think about MNSure and health insurance. She stated that most people associate health insurance with money and cost.

Dick added that he found many people don't plan for health care and people only get health insurance when they need it. He noted he believes MNSure has an integral role in providing more information to consumers about health insurance.

Ann agreed with Dick and noted the issue is bigger than health insurance, but really about health.

Matt Steffens noted the two most expensive health areas of life are in the beginning, with a birth, and at the end of life. However, he noted all of these areas are not MNsure's responsibility.

Presentation on Legislative Developments

Aaron Sinner, Board and Federal Relations Director

Bentley Graves, CSEAC Member

Aaron informed the committee that Brian Ambuel was no longer able to attend the meeting due to car problems, and so Aaron would complete the legislative update with assistance from Bentley.

Aaron reported that Senate File 1 had been signed into law. This bill declares that all Minnesotans who purchase individual market coverage and do not receive federal advanced premium tax credits will receive a 25% premium reduction. The reductions are being administered by Minnesota Management and Budget, which is working directly with carriers. Carriers indicate they should have the reductions applied beginning with March or April premiums, with reductions retroactive to the beginning of the year.

Ann asked for more details as to how the reductions were being delivered. Aaron clarified that Minnesota Management and Budget is paying carriers directly, and the carriers will automatically deduct 25% from eligible consumers' premium bills. Bentley added that the reduction is not being means tested. He noted the legislature had explored means testing, but the administrative implications would have meant delays of up to a year in sending premium reductions to consumers. Furthermore, funding for the premium reduction would be coming from the state's "rainy day" fund.

Additionally, Bentley noted that the bill eliminated a Minnesota law that had allowed only non-profit health maintenance organizations (HMOs) to sell health insurance in Minnesota. For-profit HMOs would be able to offer insurance as early as open enrollment 2018.

Bentley reported that other notable proposals from the legislative session were the Governor's allowing individuals over 200% of the federal poverty line to buy into MinnesotaCare, and a proposal coming out of the House of Representatives that would have eliminated many state-mandated benefits, though that amendment fell out of favor.

Dick turned the discussion to reinsurance. Bentley reported that after passing premium relief, the legislature was seeking stabilization of the individual market. Bentley noted the leading market stabilization strategy legislators were advancing was reinsurance, which involves taking the highest cost consumers in the individual market—those who are the most sick—and having the state pay for their costs and liability. Bentley suggested the issue is that the individual market is small and so sick individuals in that market are inflating costs for everyone.

Bentley noted the Governor's preferred solution was to allow consumers to buy into MinnesotaCare. However, Bentley noted concern that carriers might leave the individual market if MinnesotaCare is opened up as a buy-in option. Bentley noted that since the carriers were

required to file rates in early April, there should be committee work on this idea the following week.

Matt Flory asked how a state reinsurance program would stabilize the individual market if reinsurance already exists as a product sold to health insurance companies. Bentley clarified that insurance companies do purchase reinsurance, but they are currently buying that product, whereas a state reinsurance program would take the costs off their books completely. Bentley noted one reinsurance bill would reinstate the Minnesota Comprehensive Health Association high risk pool, which would follow the Alaska reinsurance model. Aaron noted that the Alaska model still includes guaranteed coverage for consumers, but that carriers there are able to move costs associated with consumers with chronic conditions into the reinsurance pool.

Ann asked if there was any discussion around increasing the provider tax. Bentley indicated that the provider tax was currently at 2% and would be eliminated in 2019. He noted that historically, it had been used to fund MinnesotaCare. He added that the idea behind eliminating the provider tax was that over the next few years, the federal government would pick up more of MinnesotaCare's cost and so it would not be needed. However, the provider tax was now also being used to pay for parts of the state's share of Medicaid, so the tax was once again becoming essential.

Nancy commented that "the solution to pollution is dilution" and creating a high risk pool would concentrate costs in a small group instead of diluting it across a stabilized market.

Committee Recommendations for Future Topics/Undertakings

Richard Klick, Chair

Dick noted the next meet was scheduled to be a joint advisory committee meeting from 2:30 to 5 p.m. on March 23 at UCare. Nancy recommended discussing ongoing legislative changes. Dick noted he and Bentley would have met with Allison O'Toole, MNsure CEO, to discuss SHOP by the time of that meeting.

Adjourn

MOTION: Bentley moved to adjourn. Matt Flory seconded. There were no objections and the meeting adjourned at 4:52 p.m.