

Health Industry Advisory Committee Meeting Minutes

Thursday, June 2, 2016, 2:30 – 5:00 p.m.

UCare, 500 Stinson Boulevard NE, Minneapolis, MN 55413

Members in attendance: Jonathan Watson – Chair, Kenneth Bence, David Dziuk (via phone), Forrest Flint, Carl Floren, Matthew Flory, Christopher Johnson, Heidi Mathson, Andy McCoy, Reuben Moore (via phone), Chris Rofidal; Peter Benner – Board Chair, Edgardo Rodriguez – Board Liaison

Members not in attendance: Ghita Worcester – Vice Chair, Kyle Bozentko, Harlan Johnson, Chuck Sawyer

Staff in attendance: Aaron Sinner – Board and Federal Relations Director, Debby Dill – Board and Federal Relations Coordinator, Marcus Schmit – Director of Legislative Relations and Community Partnerships

Meeting Topics

Welcome & Introductions

Jonathan Watson, Chair

Jonathan Watson called the meeting to order at 2:38 p.m. Members introduced themselves. Jonathan welcomed MNSure Board Chair Peter Benner and Board member Edgardo Rodriguez.

Public Comment

None.

Minutes from April 28, 2016 HIAC Meeting

Jonathan Watson, Chair

MOTION: Ken Bence moved to approve the [draft April 28 meeting minutes](#) Andy McCoy seconded. All were in favor and the minutes were approved.

Evaluation of April 28, 2016 HIAC Meeting

Jonathan Watson, Chair

Jonathan said that the meeting evaluation had a feedback participation rate of 64%, and reminded everyone to please look at the evaluation and respond. There were good reviews for the financing discussion and the Board and Staff Report, but Jonathan noted below-average feedback on the effectiveness of the Operational Feedback and MNSure Enrollment Data

discussions, and questioned whether the Committee should continue to include those in its agenda.

Jonathan also noted that he had presented to the Board at the May 25th Board meeting and his presentation was positively received and the Board looks forward to the Advisory Committee's recommendations.

MNsure Board and Staff Update/Dialogue

Jonathan Watson, Chair

Peter Benner, MNsure Board Chair

Peter began by responding to a HIAC question about the assister portal presented at the recent Board meeting. He reported MNsure had conducted a pilot of the assister portal during the previous open enrollment period. MNsure intends to do a full roll out of the portal with its current functionality to all assisters in September 2016.

Peter also responded to feedback from HIAC at the Board meeting regarding MNsure's fiscal year 2018 financial plan. Peter noted that while the amounts in the FY18 financial plan are more than placeholders, they will still undergo significant review and revisions before the start of FY18. A preliminary FY18 budget will not be adopted until March 2017, at which point the Board will have a much better idea as to what is left undone for the IT build.

Jonathan reviewed the Board enrollment slides in the [HIAC meeting deck](#). He noted that since open enrollment is over that QHP and SHOP enrollment is mostly flat, while Medical Assistance (MA) and MinnesotaCare (MCRE) continue to show increases because they are open for enrollment year round.

Jonathan asked Peter and Edgardo if they had anything to share regarding the IT release plan. Peter explained that the rows denoted by seasons along the top of the slide were the major releases, while the ones denoted by monthly periods were specific enhancements that would be released as they are completed. He noted the major priority for the first summer release is the periodic data match, which is legislatively mandated and requires the Minnesota Department of Human Services (DHS) to do periodic checks of MA and MCRE eligibility among enrollees against data sources. Once in place, it will create a fair amount of work for counties to validate.

Jonathan noted that he had heard MN.IT has separate resources devoted to 834 and 1095 work and asked if this work was being done outside of the MNsure budget. Peter clarified that all of MN.IT's work is billed back to either DHS or MNsure and paid out of the available funding streams, and that the separate resources involves MN.IT redirecting staff time and vendor time to focus on 834 and 1095 work.

Peter noted that the IT release plan for 2016 is essentially set, though there is still some planning to be done around the winter release. What IT work will be done in calendar 2017 will depend on what is accomplished in 2016 and on the new IT Executive Steering Committee (ESC) process established by the legislature that will take effect in August 2016.

Andy McCoy asked if the Board would want the HIAC's input on the IT release plan. Peter noted that the currently planning will likely drive work through early 2017, but the Board would be interested in hearing from the HIAC in terms of its priorities beyond that, including how the carriers assess the status of the carrier data integration work. Additionally, the Board could benefit from knowing how the Committee would prioritize different types of enhancements, such as how it would rank priorities like improving the consumer shopping experience, functionality for brokers and navigators, improvements to the plan comparison tool, etc.

Jonathan asked when HIAC input on the IT release plan would be most useful to the Board. Peter answered that much of the difficulty grows from the need to adjust the release plan based on the effectiveness of releases, but that recommendations regarding strategic direction of what to prioritize would be helpful at any time.

Edgardo added that there are many moving parts and once the CCIO dollars are gone, MNsure and DHS will collaborate to determine what development can and should be funded. The Board is constantly looking at ways to ensure MNsure is sustainable once that funding expires.

Peter mentioned that MNsure will be doing a request for information (RFI) regarding IT development to see what various IT vendors claim they can implement at what prices. This will help focus the conversation moving forward, because it will attach costs to the discussions.

Peter also noted that there is no word yet on when the new MNsure Board members will be appointed by the Governor.

Operational Feedback Loop

Jonathan Watson, Chair

None.

2016 Legislative Wrap up – MNsure Items

Jonathan Watson, Chair

Marcus Schmit, Director of Legislative Relations and Community Partnerships

Jonathan began by presenting slide 16 from the [HIAC meeting deck](#) on what MNsure-related items passed and did not pass during the legislative session.

Marcus Schmit, Director of Legislative Relations and Community Partnerships, introduced himself, thanked the Committee for the invitation to attend, and said that he plans on attending as many HIAC meetings as his schedule allows. Marcus noted that while there were many legislative proposals concerning MNsure, nothing that passed had major implications for MNsure, and the organization remains largely the same.

Marcus noted the ESC is now comprised of MN.IT, DHS, MNsure, and two county representatives, and beginning in August their meetings will be open to the public. The governance of the ESC is also changing to having voting members from DHS, MNsure, and the counties, with MN.IT facilitating but having no vote. Other notable legislative changes involving public programs include changing the public program renewals schedule to be on a twelve

month cycle rather than lining up with MNSure's open enrollment schedule, and the repeal of Medical Assistance estate liens, retroactive to 2014.

Marcus also referenced the RFI that Peter had mentioned, noting it was included in the Senate's legislation but not part of the final deal that passed. MNSure CEO Allison O'Toole believed this would be beneficial and so is working to release an RFI even without legislative direction.

Chris Rofidal asked if the ESC had existed prior to the legislation. Marcus explained that it had grown out of a Deloitte recommendation regarding how to manage the IT system and had been meeting, and the Minnesota Health Care Financing Task Force had recommended codifying it. Due to a desire to increase transparency and accountability, the legislature also decided to subject the ESC to the Open Meeting Law.

Policy Recommendation Development – MNSure Financing Recommendations

Jonathan Watson, Chair

Jonathan explained that he would like to narrow the Committee's choices for its recommendation on a MNSure financing mechanism to the two most popular choices, and then by mid- to late summer, make a recommendation that includes a dissenting opinion, if needed.

There was discussion as to whether MNSure's projections for increased QHP enrollment are accurate. Heidi Mathson noted that while premiums will likely continue to rise and MNSure's premium withhold revenue will grow as a consequence, she believes the individual market will shrink as Minnesotans age into Medicare and as employees of small businesses pressure their employers to offer insurance. She noted early indications are that individual market pricing will be higher than small group pricing for plan year 2017. She also suggested that while rates will increase for plan year 2017, she believes they might begin to level off. Jonathan commented that this might be something to note in the Committee's recommendation.

Andy McCoy noted that the Board's request was for a funding mechanism, and that the Committee could recommend a mechanism independent of an amount of funding raised.

Jonathan noted that in his recent survey, the two most popular mechanisms had been a premium withhold percentage reduction applied to the full individual market (on- and off-exchange plans), and maintaining the status quo of a 3.5% premium withhold percentage applied to on-exchange plans only. Committee members agreed they should focus on these two options.

Jonathan offered to develop a white paper on the pros and cons of the two options. Dave Dziuk volunteered to edit and help. Jonathan asked members for discussion as to the pros and cons of each option.

Ken noted that a full individual market premium withhold is functionally what is currently happening, because the plans are required to charge the same for a product on- and off-exchange, and so the current 3.5% on-exchange premium withhold is amortized across the full market. He said a full individual market premium withhold would be more transparent, simplify

the application of the premium withhold to some degree, and improve MNsure's revenue forecasting abilities.

Heidi commented that a full individual market premium withhold would likely increase premiums, as the 3.5% premium withhold is built into every product, but the carriers are able to keep that revenue when it's generated by plans sold off-exchange. Andy disagreed, saying that the 3.5% is amortized based on projected on- and off-exchange sales of the product, so applying a lower premium withhold to the full individual market should have a neutral impact on premiums.

Dave commented that under the current 3.5% on-exchange premium, grandfathered plans sold off-exchange don't have to pay the premium withhold, nor do carriers that sell entirely off-exchange—and thus rates would go up on these sorts of plans. He noted a full individual market premium withhold would level the playing field on- and off-exchange and eliminate any carrier incentive to sell plans off-exchange to avoid the on-exchange only premium withhold. He said it would be fairer to price premiums the same for identical benefits sold, regardless of whether a plan is also sold on-exchange. Dave also noted fairness is in the eye of the beholder, and a consumer buying off-exchange might consider it unfair that he or she would need to pay the premium withhold on his or her plan.

Chris Rofidal stated that the counter to that would be that an increased number of Minnesotans insured should lower everyone's rates.

Jonathan also invited pros and cons of the status quo 3.5% premium withhold applied on-exchange only.

Ken noted that it doesn't require legislative action.

Dave noted that it's consistent with the approach taken by the federal exchange.

Chris Rofidal noted that most states are using funding mechanisms applied to on-exchange plans only. He also noted that the way the 3.5% premium withhold is amortized across the full market means it's being administered consistent with a full individual market premium withhold, but in a less transparent way.

Heidi noted that the status quo approach is dependent on growth and on carriers continuing to sell on-exchange.

Andy noted that the status quo creates a perception that there is an incentive for carriers to sell off-exchange.

Jonathan noted that while the Committee's next meeting would be a joint Advisory Committee meeting on June 21 with the Consumer and Small Employer Advisory Committee, he'd like to see part of the time spent with individual Committee meetings to allow HIAC to advance this discussion. He asked Peter if the Committee needed to have its work ready for the July 20 Board meeting. Peter answered that he would prefer the Committee take the time it needs to fully develop a recommendation to its satisfaction

Health Literacy

Jonathan Watson, Chair

Jonathan reported that he had thought Ghita would be present to lead this portion of the agenda. He had nothing to report, and so would table the item.

Next Meeting Date & Topics

Jonathan Watson, Chair

Jonathan said he would like high-level MNsure staff to attend meetings at least once a year. Marcus said that he would make an effort to attend as many Advisory Committee meetings as he could.

Jonathan noted several possible future topics, including a more in-depth understanding of the operational relationship between MNsure and DHS, further breakdown of the MNsure budget, more information on who makes up the remaining uninsured population in Minnesota, and exploration of the changing dynamics in the small group and individual markets.

Andy suggested the Committee could explore the IT priorities and the size of the IT development spend.

Matt Flory suggested exploring what community stakeholders can do to support MNsure enrollments, particularly in terms of information they can help proliferate.

Ken moved to adjourn. Heidi seconded. There were no objections, and the meeting adjourned at 4:37 p.m.