



# Health Industry Advisory Committee Meeting Minutes

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Thursday, July 28, 2016, 2:30 – 5:00 p.m.

UCare, 500 Stinson Boulevard NE, Minneapolis, MN 55413

**Members in attendance:** Jonathan Watson – Chair, Ghita Worcester – Vice Chair, Kenneth Bence, Kyle Bozentko (via phone), David Dziuk, Forrest Flint, Carl Floren (via phone), Matthew Flory, Heidi Mathson, Reuben Moore (via phone), Chris Rofidal, Chuck Sawyer

**Members not in attendance:** Christopher Johnson, Harlan Johnson, Andy McCoy

**Staff in attendance:** Marcus Schmit – Committee liaison, Aaron Sinner – Board and Federal Relations Director, Debby Dill – Board and Federal Relations Coordinator

## Meeting Topics

### Welcome & Introductions

*Jonathan Watson, Chair*

Jonathan Watson called the meeting to order at 2:37 p.m. Members introduced themselves.

### Public Comment

None.

### Approval of June 21, 2016 HIAC Minutes

*Jonathan Watson, Chair*

**MOTION:** Chris Rofidal moved to approve the [draft June 21 meeting minutes](#). Ghita Worcester seconded. All were in favor and the minutes were approved.

### Operational Feedback Loop

*Jonathan Watson, Chair*

Jonathan asked if there was any operational feedback for the board.

Ghita reported that the enrollment processing and EDI files are still at a spreadsheet level. She noted she has concerns about the possibility of a higher volume of individuals coming through MNsure now that Blue Cross and Blue Shield (BCBS) is leaving the individual market, and whether the website and Contact Center will be able to handle the volume. Ghita also noted the

assister portal is not giving the carriers the necessary access that could help in assisting individuals.

Chris Rofidal asked when information would be public on which carriers will be selling plans via MNsure and within the individual market for 2017. Marcus Schmidt explained that the Minnesota Department of Commerce was the regulator in this situation, and that it should be sharing preliminary rates as early as August 1, though due to BCBS's withdrawal from the individual market, that timeline could be delayed, as carriers were therefore given an opportunity to refile their rates. Final rates would be announced by Commerce on October 1.

Jonathan asked if data was available on the annual volume of passive renewals. Heidi Mathson noted that she believed the number was fairly low, likely less than 10,000 among MNsure enrollees. David Dziuk noted consumers tend to remain with their current plan if premiums remain stable, but if rates go up, consumers will be more likely to shop and compare plans.

Marcus noted that MNsure is preparing its Contact Center for the additional call volume around BCBS's exit from the individual market, and is working with BCBS to communicate effectively with those who have received cancellation notices as to what their options are and that MNsure is ready to assist them.

## **MNsure Staff & Board Member Update**

*Jonathan Watson, Chair*

Jonathan asked Marcus and Aaron Sinner for any updates from the July 20 board meeting.

Aaron reported that the board had approved the fiscal year 2017 budget and that the Minnesota Department of Health (MDH) had given a presentation on awareness of MNsure among Minnesotans who are uninsured and those who shop in the individual market. Marcus noted that the federal government has indicated they will allow state-based marketplaces to apply for no cost grant extensions, and MNsure intends to extend its grant funds six months so that their expiration aligns with the end of the fiscal year. Marcus also noted that the request for information related to IT is almost ready to post publicly, and if the response is good, MNsure anticipates issuing a request for proposal. Aaron noted the Executive Steering Committee (ESC) will hold its first meeting in compliance with new statute in August. The ESC consists of representatives from MNsure, the Minnesota Department of Human Services (DHS), Minnesota counties, and MN.IT, though MN.IT's two members are non-voting members.

Jonathan asked why the FY17 budget had grown since the preliminary version in March. Marcus and Aaron explained that there had been underspending of grant funds in FY16 that would now be spent in FY17. Jonathan asked why the underspending had occurred, and Marcus and Aaron explained there simply hadn't been enough time to spend the previously-budgeted amounts in FY16.

Dave expressed concern that the FY17 budget for the call center had decreased, in particular given the possible increase in business due to BCBS exiting the individual market. Marcus reported that BCBS's exit had been taken into account in setting the budget, but that the call center has gained some efficiencies in hiring and scheduling.

Jonathan asked about the board policy changes and the announcement of the Navigator Outreach and Enrollment grantees. Aaron reported that the policy changes did not include any major changes, and that information on the grantees was available on the MNSure website.

Jonathan asked if there was any additional information available on when the new MNSure board members would be appointed. Marcus reported MNSure is still waiting to hear from the governor's office, and is hoping members are in place by the September board meeting.

## **MNSure Financing Recommendations**

*Jonathan Watson, Chair*

Jonathan introduced the [draft financing mechanism policy recommendation](#) and stated that he had two proposed amendments to the document. The first proposed amendment was an update to pages 7 and 8 based on research from Ken Bence and Kate Johansen with Medica that found grandfathered plans likely could be subject to an individual market-wide premium withhold. The second proposed amendment was to update the chart of MNSure's revenue by fiscal year on page 4 to reflect the updated FY17 budget passed at the July 20 MNSure board meeting.

**MOTION:** Forrest Flint moved to amend the draft recommendation with the two pieces introduced by Jonathan. Ken seconded. All were in favor and the motion was approved.

Jonathan then presented the listed advantages and disadvantages of the two options still under consideration by the committee. There were questions regarding the meaning of the third disadvantage listed under option 1, maintaining the status quo. Jonathan agreed that he would remove that disadvantage from the list.

Chris Rofidal asked if the committee could open the floor to hear members' opinions on which option they were likely to support.

Jonathan shared that he felt option 2 was an easier way for health plans to run their business, and that there was interest in this approach in the most recent state legislative session.

Marcus noted that the recommendation of the committee would be helpful to MNSure in setting its 2017 legislative agenda.

Heidi shared that she was leaning toward option 1. She said she thought the differences between the two options were small, but thought consumers would be more resistant to option 2 since it would explicitly finance MNSure through a premium withhold even on plans purchased by consumers who are not receiving services from MNSure.

Ken noted that while it would be easier administratively to apply the withhold across the full individual market, he agreed with Heidi's reasoning that consumers who are not interacting with or purchasing through MNSure should not need to pay to support it.

Dave shared that he was leaning toward option 1 because it was consistent with the approach of the federal marketplace.

Forrest noted option 1 was more predictable for dental plans, and has been working to date.

Carl noted he thought option 2 did a better job of spreading out the assessment, and because it's simpler, could result in some slight efficiencies.

Kyle shared that thinking of MNsure as a public benefit and the place to go to shop and compare plans led him to support spreading the cost via option 2.

**MOTION:** Heidi moved to vote on the preference of each member of the committee on option 1 or 2, as stated on Page 9 of the [draft financing mechanism policy](#). Matt Flory seconded. All were in favor and the committee initiated a roll call vote. On a vote of six to five, members approved option 1. Members Bence, Dziuk, Flint, Mathson, Rofidal, and Worcester voted for option 1. Members Bozentko, Floren, Flory, Sawyer, and Watson voted for option 2. Member Moore abstained.

Members requested that the final document and presentation to the MNsure Board of Directors reflect that the vote was close and that the issue is complex, and asked that the opinion include details on the benefits of option 2.

Members also asked if those committee members not present would have an opportunity for input. Aaron explained that at the August meeting they could discuss and vote to endorse or oppose the position taken in the recommendation.

## Next Meeting & Topics

*Jonathan Watson, Chair*

Jonathan said that the Consumer and Small Employer Advisory Committee (CSEAC) had asked if the HIAC was interested in a joint advisory committee meeting on August 25. He noted the CSEAC would likely be discussing process maps, and asked Aaron for details on that. Aaron explained that the CSEAC had previously done work around mapping the enrollment process so consumers could tell what steps they were completing and what steps remained.

HIAC members did not see a need for a joint meeting in August.

Jonathan then asked if there were any topics the committee would like to discuss for possible future recommendations. Jonathan mentioned the HIAC could give a deeper look to the MDH presentation from the most recent board meeting.

Dave raised concerns about DHS wanting to reexamine the DHS-MNsure cost allocation methodology, and noted the importance of DHS funding its share of MNsure activity.

Chris Rofidal said he had found and read Tom Forsythe's editorial on separating the DHS and MNsure IT systems and suggested the committee could discuss whether that's a viable option.

Forrest noted the committee could also look at one-time allocations of state funds to complete the IT buildout.

Jonathan noted health literacy was also a potential topic for the committee to discuss.

Jonathan asked if the committee should meet in August. Committee members discussed and agreed they should cancel and next meet on September 29 to advance this discussion.

**MOTION:** Chris Rofidal moved to adjourn. Ken seconded. All were in favor and the meeting adjourned at 4:27 p.m.