



Health Industry Advisory Committee Meeting Minutes

Thursday, August 17, 2017, 2:30 – 5:00 p.m.

UCare, 500 Stinson Boulevard NE, Minneapolis, MN 55413

Members in attendance: Jonathan Watson – Chair, Ghita Worcester – Vice Chair, David Dziuk (via phone), Forrest Flint, Carl Floren, Thomas Hoffman, Hillary Hume, Andy McCoy

Members not in attendance: Kenneth Bence, Kyle Bozentko, Harlan Johnson, Heidi Mathson, Daniel Miesle, Reuben Moore, Chris Rofidal, Charles Sawyer, Bette Zerwas

Staff in attendance: Jeremy Drucker – Senior Director of Public Affairs, Stephanie Grisell – Legal Analyst

Meeting Topics

Welcome & Introductions

Jonathan Watson, Chair

Jonathan Watson, chair, called the meeting to order at 2:38 p.m. He noted a quorum was not present. He referred to the agenda found in the [meeting slide deck](#).

Members introduced themselves.

Public Comment / Operational Feedback Loop

Jonathan Watson, HIAC Chair

No public comment.

No operational feedback loop comments.

MNSure Board & Staff Update

Jonathan Watson, HIAC Chair & Jeremy Drucker, Sr. Director of Public Affairs

Jonathan began the MNSure Board Update by providing the committee with a review of the presentation of the joint recommendation on assister functionality. He noted Allison had indicated MNSure would be drafting a written response outlining the status of MNSure's activities in regards to the nine recommendation areas. In addition, Jonathan noted the MNSure board had finalized the fiscal year budget for 2018, which included an increase to the customer service budget line of \$1.8 million.

Jonathan reviewed the open enrollment 2018 dates that MNSure released. In addition to the federally mandated open enrollment from November 1, 2017 to December 15, 2017, MNSure had announced a special enrollment period from December 16, 2017 to January 14, 2018. Jonathan noted his appreciation of the longer open enrollment which will provide consumers more time to shop and review options.

Tom Hoffman asked for more information about the thought process of what went into the dates for open enrollment 2018. Jeremy Drucker, MNSure staff, clarified the open enrollment timeline was related to the timeline of rate releases, especially related to the section 1332 waiver. Jeremy also indicated that state law required final rates be released 30 days prior to the beginning of open enrollment. Furthermore, it was an operational consideration as well. Once final rates were announced, MNSure would need time to update its systems. Jonathan also noted the special enrollment was only for this year. Jeremy indicated the final Centers for Medicare and Medicaid Services (“CMS”) rule allowed for MNSure to create this special enrollment period this year only, without speaking to future years.

Jonathan reviewed the preliminary rate release and noted the carriers released two sets of rates, one set with the 1332 reinsurance waiver approved, and one set without approval. Jonathan expressed hope that the federal government would respond to MNSure’s submission of the 1332 waiver by late August so final rates could be released as scheduled on October 2, 2017.

Dave Dziuk indicated the commissioner of the Minnesota Department of Commerce was speaking with the health plans and noted that the rates were preliminary.

Tom added that 84% of the consumers in the exchange market receive tax credits, so the consumers who are most concerned with the potential premium increases or decreases are the 16% who do not receive an advance premium tax credit. Dave noted that the 25% premium rebate which was offered in 2017 would not be offered in 2018, so those 16% of consumers would feel the increase.

Jonathan noted that Blue Cross and Blue Shield of Minnesota would not be selling SHOP coverage in 2018, and thus SHOP customers would transition to enrolling in coverage directly with the carriers. Jonathan also noted that by federal mandate, MNSure would still be required to offer a SHOP program if any carriers filed SHOP plans. Forrest Flint noted that Delta Dental was still on the SHOP exchange offering a standalone dental option.

Jeremy indicated MNSure was working with the Internal Revenue Service, the Center for Consumer Information and Insurance Oversight, and the federal government to ensure that tax credits could be available off-exchange for small employers. Jeremy added the Department of Human Services did submit a waiver in regards to SHOP at the request of the state legislature, but that waiver was denied due to insufficient eligibility.

Political Landscape Discussion

Jonathan Watson, Chair

Jonathan provided the committee with an update of the political landscape regarding Affordable Care Act (ACA) repeal-and-replace efforts. He reported the “skinny repeal” bill was defeated on July 28, 2017, and the U.S. Senate was back to the drawing board. Jonathan listed three ways the administration could undermine the ACA: weak enforcement of the individual mandate, limited outreach for enrollment activity, and ceasing the cost-sharing reduction payments to health insurers.

Jonathan also noted that Senators Lamar Alexander (R-TN) and Patty Murray (D-WA) were looking to draft a market stabilization bill in September. The bill would also allow for each state to waive essential health benefits. Jonathan noted the federal fiscal year would end September 30, 2017 and there were a few things Congress would need to address by then, including the debt ceiling, the fiscal year 2018 budget, and the Children’s Health Insurance Program reauthorization. Ghita Worcester noted she had heard from stakeholder groups that the Alexander-Murray bill had some traction.

Jeremy added the Graham-Cassidy bill to the committee members’ radars. It was an option that would take all federally-funded healthcare dollars and turn them into a single block grant.

Recent State-Based Exchange Studies

Jonathan Watson, Chair

Jonathan shared some studies related to state-based exchanges. The map on slide seventeen of the [meeting slide deck](#) illustrated the number of carriers in each county. Jonathan noted the map came from CMS and the map already needed updated, as there would now be one carrier in every county in Nevada. Jonathan indicated there could be some inference that states with state-based exchanges have better health carrier competition, consumer choice, and stability. There were currently only three counties in the nation with no carriers offering coverage.

Identify topic area(s) for HIAC recommendations through November 2017

Jonathan Watson, Chair

Jonathan commended the work of both advisory committees completing four recommendations in the past 18 months. He noted the MNsure board would not meet until October 18, 2017, so the committees could come up with an additional recommendation before then. Jonathan reviewed the survey results of the HIAC topics rankings and noted the number one priority was individual market stabilization. The lowest priority from committee members was discussion of the future of SHOP. Jonathan asked committee members if they would be willing to commit to another recommendation.

Members agreed to focus on two topics: individual market stabilization and MNsure operational reporting metrics.

There was discussion of the future of SHOP, with Dave providing a recommendation to pass along to MNsure. His recommendation was given there is no one participating in SHOP, that MNsure do the minimum necessary to not violate and satisfy federal regulations. Andy McCoy

added MNsure should redirect whatever SHOP resources it can to the individual market product. Tom further discussed options for MNsure to keep the minimum necessary elements of SHOP open, such as matching the federally regulated open enrollment, while moving resources to individual market support.

Jeremy noted CMS had issued a rule surrounding the SHOP regulations. Jeremy also noted MNsure had issued a technology request for proposal (RFP) for SHOP and Jeremy welcomed any input or recommendations from the committee around SHOP. Jonathan indicated he would reach out to MNsure to understand the financial implications of shutting SHOP down and how resources may be re-allocated.

Jonathan moved the committee to begin discussing ways to stabilize the individual market. He reviewed the 2017 Minnesota state legislative actions taken in regards to MNsure, acknowledging that only 5% of consumers purchase their healthcare through the individual market. In 2017, the state legislature passed the 25% rebate program and passed legislation seeking to set up a reinsurance program. Minnesota submitted a section 1332 waiver and is awaiting federal approval so it can implement that reinsurance program. The program would cover 80% of the cost of claims between \$50,000 and \$250,000 if approved. Jonathan noted the Minnesota Comprehensive Health Association is the administrative body that will ensure carriers are reimbursed for the reinsurance claims.

Jonathan reviewed the 1332 waiver and its potential effects on MinnesotaCare. If the 1332 waiver is approved, federal MinnesotaCare funding may decrease, which concerns the Department of Human Services. Jonathan noted as the individual market stabilizes, premiums will level out and advanced premium tax credits will decrease, which means less funding for MinnesotaCare. The waiver seeks to do two things, stabilize the individual market and maintain federal funding for MinnesotaCare. Jeremy added Minnesota is still awaiting approval. He reported that Governor Mark Dayton met with Secretary Tom Price and the CMS Administrator Seema Verma and the signs from the federal government are positive.

Tom asked for clarification on the waiver's role in MinnesotaCare funding. Jeremy said he was unsure if the waiver took the MinnesotaCare funding from the reinsurance program or if it was separate. Jeremy added that the reinsurance program was predicated on the 1332 waiver to ensure all appropriate federal funding is still allocated to the correct market, whether MinnesotaCare or the tax credit market.

Tom asked if there is a role MNsure can play in setting the tax credit rates. Ghita noted carriers cannot collude in setting rates, because final rates are based on the underlying actuarial reality. Dave added Minnesota had consistently moved up in premium cost based on how health care is delivered in the state. Furthermore, the individual market continues to shrink in Minnesota, which will continue to affect rates. Jeremy added MNsure has no authority or role in setting rates. All questions about rates should be directed to the Department of Commerce.

Tom asked what the 1332 waiver seeks to waive in regards to the individual market. Jeremy clarified the waiver allows Minnesota to develop the reinsurance program and receive the federal dollars that would have gone to higher tax credits due to higher rates without the program, and direct that funding to help fund the state's reinsurance program. Jonathan added

the 1332 waiver essentially allows each state to create their own programs. Essentially, it's waiving Minnesota from using the rates to dictate the amount of federal dollars Minnesota receives.

Jonathan reviewed the new enrollees vs. re-enrollees in state-based exchanges. According to the data Jonathan found, state-based exchanges are more likely to have re-enrollments than the federal marketplace, though MNsure is an outlier in that a large percentage of its enrollees were new enrollees. Ghita noted there has been a lot of instability in Minnesota. For instance, UCare grew by 10,000 members but lost half its base enrollment as people moved to new coverage, so people have been moving around a fair bit in the Minnesota individual market. Ghita added there may be other factors affecting the numbers, such as the size of each state's uninsured population and movement from the off-exchange market to the on-exchange market.

Jonathan moved on to reviewing data surrounding the measure of individual market stability. Jonathan reported that Minnesota's average plan liability risk score was 1.382, which indicated Minnesota was a bit healthier than most other exchanges. Tom added the numbers indicated that Minnesota had a healthier population on average. The risk score is used for risk adjustment balance for carriers who have more sick consumers. The state average plan liability risk score indicated Minnesota's marketplace is stable.

Dave added the average plan liability risk score does not necessarily indicate stability. The ultimate stability of a market illustrates a normal increase of premiums, not a 50% increase. Dave recommended reviewing the premium rate increases from year to year to understand the stability of Minnesota's market. Tom recommended comparing the risk scores to better understand correlation of risk and individual market stability. Jonathan summarized two key data points for the committee to acknowledge when discussing the stabilization of the individual market: the measure of the competition within the individual market, and premium rate increase trend. Andy added another data point would be to review the number of individuals in the marketplace. Jonathan indicated he would conduct further research.

Dave suggested that if the committee wanted to address individual market stabilization, members should recognize and discuss MNsure's role in stabilization and what MNsure can do to encourage health plans to sell plans on the exchange. Furthermore, he suggested reviewing what MNsure could do to make the exchange more appealing. Jonathan emphasized that the committee makes its recommendations to the MNsure board.

Jonathan moved on to the second ranked topic, MNsure's current reporting dashboard, particularly focused on the customer service dashboard. Jonathan noted discussion among committee members that MNsure focus on matching industry metrics. Jonathan suggested committee members focus their thinking on other potential metrics, the refinement of current metrics, and finally, comparing MNsure's metrics to industry standards and averages. Jonathan recommended that if the committee wanted to move forward with a recommendation, the September 28 joint meeting be separated into two individual committee meetings. This would allow the committees to thoroughly develop a recommendation.

Andy indicated he would like to see the average speed of answer for the Assister Resource Center and the broker line added to the MNsure metrics. Dave noted the five-minute service

level baseline, adding that the industry standard is currently 30 seconds. He would like to see the standard change to something that is a bit more of a community and industry standard. Jonathan asked if there was an industry standard in terms of response time. Ghita indicated there is not a national average but there are standards for Medicare. Tom added there is an average standard, which is quite standard, that 80% of calls are answered in 30 seconds or less, measured on a monthly basis.

Jonathan reviewed the discussion and indicated the next step for the committee was for Jonathan to send out a communication about the preliminary recommendation related to MNsure's reporting metrics. He called upon committee members to find any metrics and send them to Jonathan to compile.

In regards to the individual market stabilization task, Jonathan noted it might be a lot of work. Andy noted the whole recommendation might be outside of MNsure's role. Tom suggested there were certain elements within MNsure's control, such as the infrastructure related to tax credits. Tom and Jonathan agreed to meet to discuss bringing a few ideas together and presenting at the September meeting for the committee.

Next Steps & Meetings

Jonathan Watson, Chair

Jonathan indicated committee members would receive communication about developing a work group in regarding individual market stabilization and an ask about collecting industry metrics for the September meeting.

In regards to the terming of HIAC members, Dave asked if MNsure is communicating the advisory committee member positions to the public. Hillary Hume suggested presenting the opportunity to university classes, such as master- and executive-level programs.

Jonathan noted for the committee there likely won't be a joint HIAC and CSEAC meeting on September 28, 2017, but that he would communicate with Dick Klick, the chair of CSEAC.

Jonathan adjourned the meeting at 4:00 p.m.