



MNsurance Joint Advisory Committee Meeting Minutes

June 21, 2016, 2:30 – 5 p.m.

UCare, 500 Stinson Boulevard NE, Minneapolis, MN 55413

Consumer and Small Employer Advisory Committee members in attendance: Gladys Chuy – Chair, Jin Lee Palen – Vice Chair, Mary Ellen Becker, Nancy Breyemeier, Amy Chatelaine (via phone), David Hilden, Kim Johnson (via phone), Richard Klick (via phone), Ann McIntosh (via phone), Kate Onyeneho (via phone), Robert Robbins, Hussein Sheikh, Alexandra Zoellner

Health Industry Advisory Committee members in attendance: Jonathan Watson – Chair, Ghita Worcester – Vice Chair, Kenneth Bence, Forrest Flint, Carl Floren, Matthew Flory, Chris Johnson (via phone), Harlan Johnson (via phone), Heidi Mathson, Andy McCoy, Reuben Moore (via phone), Chris Rofidal (via phone)

Consumer and Small Employer Advisory Committee members not in attendance: Bentley Graves

Health Industry Advisory Committee members not in attendance: Kyle Bozentko, David Dziuk, Charles Sawyer

Board Members: Martha Eaves – CSEAC Board Liaison, Peter Benner – Board Chair

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

Joint Advisory Committee Meeting Topics

Welcome & Introductions

Jonathan Watson, HIAC Chair

Gladys Chuy, CSEAC Chair

The meeting was called to order at 2:33 p.m. by Jonathan Watson, chair of the Health Industry Advisory Committee. Gladys Chuy, chair of the Consumer Small Employer Advisory Committee, and Jonathan introduced themselves. All advisory committee members introduced themselves, including those on the phone.

Public Comment

None.

MNSure Board & Staff Update

Peter Benner, Board Chair

Peter Benner, board chair, explained that board members' terms are staggered, with terms ending each year in May. He explained that Kathryn Duevel's and Tom Forsythe's terms expired in May this year, and so the board is down to five members and awaiting appointments by the Governor. Peter said he hopes they will come this summer.

Peter explained that due to the current five-member board, there was some internal discussion between the committee chairs, MNSure staff and the board on how to staff the advisory committee meetings. Since it is not always possible for a board member to attend, and since board members are not always well-versed in operational issues, the board is planning to appoint Aaron Sinner and Marcus Schmit as liaisons to the two advisory committees. Board members will still attend meetings, but they will rotate who is in attendance and will not have formal liaison duties.

Jin Palen, CSEAC Vice Chair, asked if Marcus Schmit would give a post-session legislative update.

Marcus noted he and the rest of the state is still waiting to hear whether there will be a special session. He reported there were a lot of bills and proposals this past legislative session, though many did not pass. The largest legislative change affecting MNSure is the governance of the IT Executive Steering Committee (ESC). This committee has been in place to govern the IT project, but the legislation will change the composition so MNSure, DHS and the counties will all have two votes, and MN.IT will move into a facilitator role without a vote. Additionally, the meetings will now be subject to the Open Meeting Law.

Marcus also reported that the legislature eliminated estate liens on Medical Assistance enrollees ages 55 and up related to health insurance premiums.

Next, Marcus reported that the legislature had considered creating a request for information (RFI) related to IT technology available to replace or upgrade MNSure's IT platform. Even though it did not pass the legislature, MNSure will be moving ahead with an RFI, and anticipates having it out before Labor Day. Depending on the results, MNSure might then move forward with a request for proposal.

Jinny asked Marcus about the legislation related to Interagency Agreements (IAAs). Marcus explained that IAAs are used commonly among the state agencies and that MNSure has service level agreements, which are likely considered IAAs, with the Department of Human Services (DHS) and Department of Commerce. Peter noted that MNSure uses these agreements to buy several services from DHS, such as back-office accounting procedures and human resources. Marcus explained that the new legislation requires that any IAA over \$100,000 be reported to the legislature. This is an effort to increase transparency.

Jinny asked Marcus what legislative proposals he anticipated related to MNSure in 2017. Marcus said it was difficult to assess prior to the November 2016 elections, but that he would

welcome input from the Board of Directors and from the advisory committees as to what should be part of MNSure's legislative agenda.

Advisory Committee Updates

Jonathan Watson, HIAC Chair

Gladys Chuy, CSEAC Chair

Jonathan provided an update on behalf of the HIAC. At the joint advisory committee meeting in March, the committees had discussed exploring recommendations around financing and health literacy. The HIAC has been working for the last two meetings on the financial piece, which was the committee's assignment from the board, and has had limited conversations around health literacy. Jonathan described the committee's process, which has narrowed their possible financing mechanism for recommendation down to continuing with the status quo of a premium withhold applied to on-exchange plans only, or moving to a lower premium withhold applied to the full individual market, meaning plans sold both on- and off-exchange. Jonathan noted the board had asked the committee specifically for a financing mechanism and not for how much revenue such a mechanism should raise.

Gladys deferred to Jinny to give the CSEAC update because Gladys was not in attendance at the most recent CSEAC meeting. Jinny reported that the CSEAC had planned to create a recommendation around health literacy, but the idea had grown and the committee was now looking at making a broader recommendation around operations that encompassed communications, marketing, and health literacy. Jinny noted that at the May meeting, the committee had also discussed the role of SHOP and opportunities for increased marketing. Nancy Breyemeier noted that the committee had also discussed the IT budget and how MNSure will fund IT enhancements once the federal establishment grant money is gone.

Jonathan noted that both committees would like to learn more about the operational relationship between DHS and MNSure. He also noted there were some areas that both committees were looking at, including the Consumers' Checkbook tool and health literacy.

Ghita Worcester suggested that the HIAC could continue exploring health literacy, either in conjunction with the CSEAC or independently, but it would need a good mix of volunteers who represented different aspects of the health industry that interact directly with consumers.

Mary Ellen Becker asked for an update on the process map. Aaron Sinner reported that a member of the MNSure communications staff was working on it and that it had gone through a few iterations and was still in development. He said MNSure would share the process map with the CSEAC when it was closer to completion. Ken Bence noted that the process map could be helpful with the IT RFI, as it could show potential vendors opportunities to plug into the system.

Committee members asked when the assister portal would move out of piloting and be shared with the full assister community. Peter reported that the version of the portal that MNSure had piloted would be available for all assisters in time for open enrollment, and that training would be provided.

Heidi Mathson asked when portal enhancements would be made to make the portal more functional. Peter reported the IT development projects in calendar 2017 had not yet been decided, and portal enhancements would be considered and weighed with other possible development projects by the combination of the ESC, DHS and the MNsure board. Peter noted the current emphasis is on IT projects related to 834s and 1095s.

Jonathan listed the topics committee members had raised for possible future discussion:

- The makeup of the remaining uninsured population
- The MNsure-DHS relationship, particularly as it relates to operations, finances, and IT development and management
- Training on the assister portal and what will be available before open enrollment
- Upcoming IT development projects and priorities

Kim Johnson noted that as a small business owner, he is noticing some concerns regarding the direction of the economy and a possible slowdown. He said the committees should keep this in mind and consider how it might impact whether employers offer health insurance, as well as MNsure enrollment overall.

Mary Ellen raised the issue of how to change the perception of MNsure so that more people enroll through MNsure instead of going straight to a carrier. Matt Flory suggested an even greater emphasis should be placed on the importance of shopping around for the best deal, and that third-party organizations could help contribute to the spreading of this message. Heidi noted value can be subjective and isn't always related to the lowest premium.

The advisory committees transitioned into individual committee meetings at 4:03 p.m.

Health Industry Advisory Committee Meeting Topics

Call to Order

Jonathan Watson, HIAC Chair

Jonathan called the HIAC meeting to order at 4:13 p.m. He noted the first order of business was to approve the June meeting minutes.

MOTION: Carl Floren moved to approve the [June 2 draft meeting minutes](#). Andy McCoy seconded. All were in favor and the minutes were approved.

Operational Feedback Loop & General Announcements

Jonathan Watson, HIAC Chair

Jonathan asked if there were any burning questions or concerns that committee members wanted him to take back to the board other than the previously-discussed questions regarding

the assister portal pilot and broader rollout. Ghita raised the issue of the enrollment files, and explained that carriers are not receiving the information electronically in a traditional format. Ghita noted she believed this phase of the 834 work would not be completed by the start of open enrollment.

Marcus noted the 834 work is still in progress, and that he would check on the project timeline.

Heidi stated that there is a federal form that MNSure is supposed to use to verify employer-based coverage, but that it's her understanding that MNSure is not using that form but instead a similar one. She noted this could have an impact on the small employer market due to the participation rule, which states that if an employer wants to offer a group plan, a certain percentage of employees must participate.

MNSure Financing Recommendations

Jonathan Watson, HIAC Chair

Jonathan presented his [draft policy recommendation statement](#). He asked if committee members were in agreement with the written version of the charge given to the HIAC. Committee members agreed it accurately depicted the HIAC's charge from the board.

Committee members asked questions about the current 3.5% premium withhold, if it was required by law, and if the board could raise it. Ghita noted that a 3.5% premium withhold is used by the federally-facilitated marketplace, and Marcus noted 3.5% is the maximum percentage allowable under state statute.

Jonathan noted three assumptions in the draft recommendation that he had made:

- MNSure enrollment projections will show a 21% average annual growth in member months from FY16 to FY18, matching the projections found in the board's current budget.
- The individual market makes up 6.3% of the state's population, consistent with reporting by the Minnesota Department of Health.
- MinnesotaCare eligibility will remain at current eligibility levels.

Committee members agreed they should proceed with these assumptions.

Jonathan reviewed the two options the committee had agreed upon at the last meeting:

- Status Quo – Maintain current 3.5% premium withhold on plans sold through MNSure only.
- Lower premium withhold to approximately 1.75% for all individual market plans, sold both on and off MNSure.

Jonathan asked if committee members were comfortable with this.

Andy asked if the committee recommended the second option and applied the premium withhold to the full individual market, whether the premium withhold would be limited to 1.75% or if it could still be raised to 3.5%. Jonathan noted it could be done, but the committee would be recommending the legislature set the maximum at an equivalent factor to the current premium withhold to raise a similar amount of revenue. Ken suggested stating that in the recommendation.

Jonathan reviewed the advantages and disadvantages of each option outlined in the recommendation.

Ken asked for clarification on the third disadvantage listed for the first option in the draft recommendation. Jonathan explained that the disadvantage was meant to explain that not participating in the exchange is a way to avoid paying the premium withhold.

Heidi suggested noting more products are offered outside exchange as a disadvantage.

In discussing the disadvantages listed for the second option, there was some discussion as to which plans would see increased rates and whether on-exchange plans would also see increased rates. Ghita said this option would only increase rates for products sold solely off-exchange, because any products sold on-exchange have the on-exchange withhold built into the price and amortized across the full market. Jonathan said he would work with Dave Dziuk to improve this language.

Heidi questioned whether there is authority to tax grandfathered plans, or whether they're exempted by the Affordable Care Act. Marcus noted he believed it was the benefits and not the pricing or tax jurisdiction that was exempted by the ACA

Ken asked if there was a way to explore an increased revenue source related to the public programs side of the ledger, given MNsure's functionality related to enrolling individuals in public programs.

Heidi asked if HIAC should recommend removal of MinnesotaCare, which would smooth out the affordability cliff. Jonathan said this was beyond the scope of the board's charge to the HIAC in exploring a funding mechanism, but that this suggestion could be raised in an "other issues to consider" section of the committee's recommendation.

Jonathan suggested targeting a vote at the July 28 HIAC meeting on a recommendation. He said he would share a Word version of the document with committee members and solicit their feedback in order to draft a revised version of the recommendation.

Committee members asked if they could take an electronic vote on which option to recommend prior to the July 28 meeting. Jonathan said he would check with Aaron Sinner for guidance.

Some committee members asked if the HIAC should wait until the fall to make a recommendation, after product filings were announced, rates were released, and the 2016 elections had occurred. After discussion, the committee agreed they should move forward with a recommendation based on what they know today, with a vote in either July or August, but to note that these future unknowns could have an impact on the recommended course of action.

Adjourn

Jonathan Watson, HIAC Chair

Jonathan noted that the next meeting is July 28 and the next joint advisory committee meeting will most likely be in August. Jonathan said he would speak with CSEAC leadership about this plan.

MOTION: Heidi moved to adjourn. Ken seconded. All were in favor and the meeting adjourned at 5:02 p.m.