



MNsurance Joint Advisory Committee Meeting Minutes

October 27, 2016, 2:30 – 5:00 p.m.

UCare, 500 Stinson Boulevard NE, Minneapolis, MN 55413

Consumer and Small Employer Advisory Committee members in attendance: Mary Ellen Becker (via phone), Amy Chatelaine, Bentley Graves, David Hilden, Kim Johnson (via phone), Richard Klick, Ann McIntosh, Kate Onyeneho, Robert Robbins, Alexandra Zoellner

Health Industry Advisory Committee members in attendance: Jonathan Watson – Chair, Ghita Worcester – Vice Chair, David Dziuk, Forrest Flint, Carl Floren, Matthew Flory, Heidi Mathson, Andy McCoy, Chris Rofidal, Charles Sawyer

Consumer and Small Employer Advisory Committee members not in attendance: Nancy Breymeier, Hussein Sheikh

Health Industry Advisory Committee members not in attendance: Kenneth Bence, Kyle Bozentko, Harlan Johnson, Reuben Moore

Staff in attendance: Aaron Sinner – Director of Board and Federal Director, Debby Dill – Board and Federal Relations Coordinator, Allison O’Toole – CEO (via phone), Marcus Schmit – Director of Legislative Relations and Community Partnerships (via phone)

Board members in attendance: Martha Eaves

Meeting Topics

Welcome & Introductions

Jonathan Watson, HIAC Chair

Jonathan Watson welcomed everyone to the joint CSEAC-HIAC meeting. Members introduced themselves. Jonathan noted he had two goals he would like to reach today: (1) a 12-month plan for joint recommendations to bring to the board, and (2) prioritization of possible topics around which to make joint recommendations.

Jonathan noted that Allison O’Toole, MNsure CEO, would be calling in at 4 p.m.

Public Comment

None.

Approval of September meetings

MOTION: Dick Klick moved to approve the [draft September CSEAC meeting minutes](#). Kate Onyeneho seconded. All were in favor and the minutes were approved.

MOTION: Chris Rofidal moved to approve the [draft September HIAC meeting minutes](#). Andy McCoy seconded. All were in favor and the minutes were approved.

Development of Joint Recommendations – Potential Topics

Jonathan Watson, HIAC Chair

Jonathan listed the topics he believed both committees could potentially work together on to draft a joint recommendation:

- Health Insurance Literacy
- Eligibility/Enrollment
- Individual Market Stabilization
- The uninsured Minnesotans – who they are, where they are, etc.

Jonathan said that he was aware of the [draft recommendation](#) that the CSEAC had put together around health insurance literacy, and that the committees could discuss it after narrowing in on topics.

Dick stated that he heard on the radio that the Governor and Minnesota Speaker of the House had agreed on a reform proposal for the individual market. Dick also mentioned that brokers were receiving reduced or no commissions from some individual market carriers. He also expressed concern that outstate counties do not have many plan options.

Jonathan said he was not aware of an agreement between the Governor and the Speaker, but that he did know the Governor had proposed premium rebates amounting to a 25% reduction in premiums as a short-term fix.

Kim Johnson said that the cost of insurance for him to cover his employees through SHOP again in 2017 had grown from \$19,000 to \$25,000, which is a substantial increase. He also noted he is no longer eligible for the SHOP tax credits. Kim noted concern to date had focused on the individual market, without talk of small group or SHOP, and suggested the committee focus not just on the currently uninsured, but also look to those who could be uninsured in the future, once small businesses stop offering health insurance.

Committee members asked for details on the Governor's rebate proposal, so Ghita Worcester had copies made and distributed of the Governor's press release.

Kate Onyeneho asked if the increased premiums were being driven by programming or procedures, and suggested the best solution would be to have more people enroll, particularly young people.

Jonathan asked MNSure staff if there was data on how many people are paying the penalty rather than buying health insurance. Aaron Sinner reported that MNSure did not have that information, but noted Minnesota's uninsured rate had reached a historic low of 4.3%, so realistically, the number could only be so high.

Ann McIntosh asked what is truly driving the cost of health insurance, and said shifting the cost to the young is not the answer.

Ghita said that part of the reason individual market costs are so high is because individuals previously enrolled via the Minnesota Comprehensive Health Association (MCHA), who have high medical costs, are now purchasing through the individual market. She noted Blue Cross and Blue Shield's population was notably sicker and more expensive than the other carriers', leading them to pull out of the individual market.

Dave Dziuk reported that the individual market-buying population had only grown a bit since the implementation of the Affordable Care Act (ACA), with most insurance growth occurring via Medicaid enrollment. Many of the healthy individuals that experts had anticipated would enter the individual market had in fact proven eligible for Medicaid. Additionally, prior to the ACA, there was medical underwriting, but now carriers cannot deny individuals coverage due to preexisting conditions. In 2014, about two-thirds of MCHA enrollees moved into the individual market, with the rest moving in the following year. Dave estimated the cost of care for these individuals alone had driven up premiums by at least 25%.

Dave reported that before the ACA, individual market premiums were running around \$200 per member per month, with small group plans around \$300 per month, and larger employer plans around \$400 per month. In 2017, a silver plan in Minnesota is about \$360 per month. The only way for individuals to find relief from the high premiums is through MNSure, which is income-based; before the ACA, everyone eligible for MCHA received a subsidy, regardless of income.

Dave also noted that projections suggested the individual market would grow to between 500,000 and 700,000 members with the addition of the uninsured; instead, the market did not move. Dave also noted that the frequency of the top five or ten most expensive conditions compared to 2013 had increased by anywhere from 40% to 500%.

Dave also reported that even including federal subsidies, the carriers lost \$350 million in 2015. The fact that premiums are not covering the full cost of individual market claims is why premiums went up in 2016 and again in 2017. Dave noted that hopefully, premiums and claims had reached a break-even point for 2017, with things hopefully normalizing in 2018 and moving forward.

Chris asked if the penalty for going without health insurance is less than the cost of premiums. Dave responded that it is less, at 2.5% of gross income. Chris noted that the issues Dave had presented sounded like risk pool issues that would not change if Minnesota switched to the federal exchange. He asked if Minnesota could seek a federal waiver to run things differently. Bentley Graves noted that the first year a state could apply for a waiver to take effect was 2017.

Ann asked if health insurance underwriting included a profit margin. Dave answered that in 2015 the health plan industry lost money overall, and in 2016 has lost \$60 million to date. He said that the amount of profit the industry targets is 2%.

Amy Chatelaine commented that the cost of medication is likely a contributing factor to increasing premiums. She also commented that with respect to bringing more people into the market, it could be useful to get the opinion of a social psychologist to help in changing the culture of those needing insurance. She asked if there were any additional incentives MNsure could provide to encourage enrollment.

Dave said the cost of prescription drugs was definitely contributing to increased premiums, and noted even generics are starting to increase in price.

Kate commented on the need for all committee members to be heard.

Based on the discussion, Jonathan noted four potential areas of exploration:

1. Work toward a joint recommendation on health insurance literacy.
2. Look at how to promote more choices on the marketplace in rural areas.
3. Examine how to address health insurance costs, looking at MCHA and prescription drugs in particular.
4. Explore how to get more young, healthy people to enroll in individual market plans.

Jonathan said he would like to have a recommendation to the board in July.

Kim asked about the rationale behind the enrollment caps, as more enrollment would seem to be better for insurers.

Ghita said that insurers expect to lose money, since paying the penalty is less expensive than going without health insurance, and so the caps are needed to minimize losses. She said regulatory fixes are needed.

Kim noted that he has employees who will opt out and pay the penalty even with him paying a portion of their insurance, because it is cheaper to do so.

Jonathan said he would like to see the committees meet jointly every other month in 2017. He suggested meeting in January to prioritize the joint recommendations moving forward, or potentially prioritizing via a survey in the interim.

Jonathan raised Mary Ellen Becker's draft recommendation on health insurance literacy and said it could be discussed at the next joint meeting. Mary Ellen asked committee members to review the draft recommendation and send her any updates or changes.

Ghita noted the importance of making a recommendation around health insurance literacy rather than around health literacy more broadly. Mary Ellen agreed and said the draft recommendation was about creating a culture shift for MNsure in communication.

Jonathan said he would include the draft recommendation on the December 1 HIAC agenda.

Board Update

Aaron Sinner, MNsure Board and Federal Relations Director

Aaron noted that Allison would be calling in at 4 p.m. Aaron also stated that MNsure has received applications for the openings on the CSEAC and the HIAC. A group of Board members will be reviewing the applications with a goal of recommending members for appointment at the November board meeting. This would mean the new members would be at the November 22 CSEAC meeting and the December 1 HIAC meeting.

Aaron also noted that there are two CSEAC members whose terms are expiring and who have chosen not to seek new terms: Bob Robbins and David Hilden.

Aaron went over the highlights of the November board meeting. The Governor will be reconvening the Health Care Financing Task Force, likely in November, with a focus on the individual market.

Aaron also reported the Department of Commerce had given a presentation on the enrollment capacity limits set by Medica, UCare, and HealthPartners. These enrollment caps are individual market-wide, statewide, and apply on- and off-exchange for each carrier. Consumers will be counted toward the cap at the point of plan selection, not effectuation. The Department of Commerce will be tracking enrollment and will be the final authority on whether an enrollment cap has been reached. Once reached, MNsure will remove that carrier's plans from the exchange within 48 hours. Additionally, the Department of Commerce will work with Minnesotans as needed to ensure all Minnesotans have coverage.

MNsure CEO Update

Allison O'Toole, CEO

Jonathan welcomed Allison O'Toole and Marcus Schmit to the meeting over the phone, and thanked Allison for joining.

Allison thanked everyone on the advisory committees for their service. Allison reported she had been busy touring the state, stopping for media junkets, and meeting with MNsure's assister partners. She noted she is asked often if MNsure is ready for open enrollment. She reported that the system is ready and has already seen lots of activity, with new users creating accounts, existing users logging into their accounts, and a high volume of early use with the plan comparison tool. She noted Scott Peterson and his team at MNIT have been load testing, and Scott says the system is ready for increased volume.

Allison reported that the Contact Center average wait time is low and Contact Center staff is ready. MNsure has been front-loading added staff in anticipation of early traffic this year. MNsure is using the same call center vendor as last year and the vendor is ready.

Allison also reported that the comparison tool is now available in Spanish and is mobile accessible. She noted MNsure's marketing campaign has begun with some radio ads and print ads at bus stops, with television ads beginning after the election.

Jonathan asked what marketing messages MNsure would be emphasizing this year. Allison said that the message is similar to last year, encouraging Minnesotans to shop early and to contact a broker or navigator.

Jonathan asked if MNsure was seeing navigators and brokers reengage. Allison said that MNsure has over 200 new assisters this year, and the number of certified brokers has increased compared to a year prior.

David Hilden asked how MNsure handles being blamed for rate increases that MNsure has nothing to do with. Allison said one motivation for traveling the state is to better explain MNsure's role to Minnesotans all across the state. She noted she has also found people are growing tired of hyperbolic rhetoric.

Bentley asked Allison for an update on SHOP and also asked how the Governor's rebate proposal affects MNsure. Allison noted there has been little competition and limited growth on the SHOP side, but that MNsure is working with three broker agencies to encourage SHOP enrollment.

Allison said the Governor's proposal for immediate relief for consumers is a good idea. She noted it would not impact MNsure, as the relief would be handled through the Department of Revenue.

Jonathan thanked Allison for her time.

Operational Feedback Loop

None.

Next Meeting & Topics

Jonathan proposed continuing with a similar meeting cadence in 2017, but scheduling joint advisory committee meetings in odd months, while using even months for committee-specific meetings. Committee members were supportive.

Jonathan asked what challenges committee members were seeing.

Dick said the biggest issue he was seeing was for consumers age 60 and over. He noted they have the highest premium rates.

Ghita stated that the HIAC had a good presentation in September from the Minnesota Department of Health and asked that Aaron share it with the CSEAC.

Matt Flory said that he has colleagues at the American Cancer Society who have organized trainings on health insurance literacy for volunteers to do outreach through Spanish-speaking and African American churches.

Heidi Mathson raised the topic of enrollment caps and noted there are approximately 250,000 individuals in the individual market, with only about 70,000 purchasing through MNsure. She expressed concern about current enrollees who have spots reserved under the caps waiting until the end of December to cancel their plans, which could lead to some carriers prematurely hitting their caps with enrollees who would not be renewing. Heidi noted the broker industry is very concerned and it is becoming harder to make a living as a broker, particularly with some health plans not paying commissions anymore.

Andy said that there is a lot of fear from patients that they won't be able to see their doctors because of the caps, and will have to move to a new provider.

Aaron thanked David Hilden and Bob Robbins for their service on the CSEAC and wished them well.

MOTION: Heidi moved to adjourn. Bentley seconded. All were in favor and the meeting adjourned at 4:45 p.m.