



MNsure Board of Directors Meeting Minutes

Wednesday, July 20, 2022, 1 – 4 p.m.

Hybrid: Remote via WebEx and in-person

355 Randolph Avenue, Suite 100, St. Paul, MN, Mississippi Conference Room

Participants in attendance: Jessica Kennedy, Assistant Commissioner Cynthia MacDonald (for Commissioner Harpstead), Suyapa Miranda, Stephanie Stoffel, Dr. Daniel Trajano

Staff in attendance: Libby Caulum, Nate Clark, Joel Ingersoll, Kari Koob, Mary Robinson, Dave Rowley, Christina Wessel, Morgan Winters, Mike Wright

Guests: ASL interpreter Patricia Gordon, ASL interpreter Jamie Schumacher

Meeting Topics

Welcome

Suyapa Miranda, Board Chair

The meeting was called to order at 1:04 p.m. by Suyapa Miranda, board chair.

Chair Miranda read MNsure’s purpose: The purpose of MNsure is to ensure that every Minnesota resident and small business, regardless of health status, can easily find, choose and purchase a health insurance product that they value and does not consume a disproportionate share of their income. Chair Miranda noted in addition to those participating in person, some board members would be participating in today’s meeting remotely. MNsure’s chief legal counsel, Dave Rowley, conducted a roll call for attendance. Board members David Fisher and Andy Whitman were not present but there was a quorum.

Public Comment

None.

Administrative Items

Suyapa Miranda, Board Chair

Board Chair Miranda proposed that the three administrative items on today’s meeting agenda would be approved together as a slate, rather than as individual items:

- Approve June 15 meeting minutes

- Update policies on gender-neutral language
- Rescind MNsire Policy #15 Consumer Assistance Program Roadmap

There was no discussion on the board meeting minutes. Senior Director of Public Affairs Libby Caulum outlined a proposal to revise six [MNsire Board Policy and Procedures](#) that currently use gender-specific language with more inclusive gender-neutral language:

- 3.1 Public Comment
- 4.2 Advisory Committee Policy
- 5.3 Delegation of Authority
- 8 Tribal Consultation
- 11 Conflict of Interest
- 16.3 Advisory Committees: Roles and Responsibilities

The full text of both current policy language and proposed changes are available online for public review on the [MNsire website](#).

Senior Director of Partner Relations Christina Wessel provided an overview of [MNsire Policy 15](#) and rationale for rescinding. The policy laid out steps for an initial evaluation of the consumer assistance program in the first years of MNsire's operation. When the evaluation was completed in 2014, MNsire determined that the existing rules were sufficient, and no additional formal rulemaking process was needed to improve the program.

MOTION: Chair Miranda moved to approve the slate of three administrative items. Vice Chair Stephanie Stoffel seconded. Mr. Rowley took a roll call; all members present voted in favor and the motion passed.

Fiscal Year 2023 Budget

Kari Koob, MNsire Chief Financial Officer

Premium Withhold Revenue Projections

Ms. Koob began by thanking the finance workgroup for their input regarding the strategic direction of MNsire, the organization's opportunities and its challenges.

During the March 9 meeting, the board approved a preliminary budget for fiscal year (FY) 2023. Since then, the Minnesota Legislature authorized a renewal of the state's reinsurance program, the Minnesota Premium Security Plan. The authorization is for five years with funding allocated for three years (2023-2025). Secondly, the Minnesota Department of Commerce (Commerce) published preliminary rates for plan year 2023 in June. Third, FY 2022 concluded on June 30 and premium withhold revenue is up to date through the end of the year.

[MNsire's premium withhold \(PWH\) revenue projections](#) depend on multiple variables including state and federal policies, like the reinsurance program (state) and expanded benefits through

the American Rescue Plan (federal); general economic conditions; number of sign-ups during the annual open enrollment period; effectuation rates; premium prices; and membership lapse rates. Plan year (PY) 2021 was not typical for MNsure as the COVID-19 pandemic impacted enrollments; for example, the mid-year COVID-19 special enrollment period affected expected lapse rates. PY 2022 had a strong open enrollment and a new record peak in enrollment in February 2022 but also a return to a slightly higher lapse rate more typical of pre-pandemic years.

To date, the increased lapse rate is being offset by higher premiums than initially forecast in March. The Legislature's extension of the reinsurance program at a reduced rate for insurance companies (about 25% lower) also contributed to higher rates in 2022 and revised rate and revenue projections looking forward.

For future years' effectuated enrollments, MNsure has historically chosen to assume level membership equal to the prior year's ending membership. Ms. Koob noted this metric could change based on a number of factors:

- Expanded Affordable Care Act subsidies from the American Rescue Plan (ARP) are slated to expire at the end of 2022, potentially reducing affordability for individuals and families purchasing qualified health plans (QHPs) through MNsure.
- The end of the public health emergency, and subsequent eligibility determinations, may lead to an increase in QHP consumers as some Minnesotans move off Minnesota Health Care Programs.
- One carrier, UCare, had expressed interest in offering plans off-exchange. It did not submit any to Commerce for review for PY 2023, but this could be a risk for enrollment for PY 2024 and beyond.

MNsire concluded FY 2022 with \$21.4 million actual PWH revenue. The projected PWH revenue for FY 2023 is about \$21.8 million, and just under \$21 million for FY 2024.

FY 2022-2023-2024 Budget

Moving to the [three-year budget plan](#), Ms. Koob noted MNsure received \$1.1 million in direct federal ARP grant funding and \$1.9 million from the state to implement the ARP changes, including technological investments and education and outreach.

Under expenditures, Ms. Koob noted increasing expenditures almost across the board as MNsure has been operating with some staff shortages and expects to return to pre-pandemic staffing levels in FY 2023. In the line items for both Communications and Consumer Assistance Program, funding will increase in the near-term followed by a decrease in FY 2024; this reflects the use of all remaining ARP funds in FY 2023.

The Minnesota Premium Security Plan extension included a \$13.2 million up-front transfer to the MNsure enterprise fund from the state — to counter reduced PWH revenue for several years — and MNsure projects ending FY 2024 with nearly \$11.9 million to carry into the next fiscal year.

Ms. Koob noted the importance of protecting the carryforward balance for multiple years to maintain business operations and service levels into FY 2026.

Questions and Discussion

Jessica Kennedy asked two questions about the possibility of additional federal funding and about the timeline for approval of MNsure's request to CMS regarding a 12-month extension for ARP-funded IT projects. Ms. Koob estimated that the request would be approved within a month.

Ms. Kennedy asked what MNsure's budget carryover would look like without Minnesota's reinsurance program. Ms. Koob explained that without the PWH revenue funding, MNsure would spend down the carryover and fall into a negative number. Because the organization can't operate with a negative balance, MNsure then would have to reduce expenditures. Vice Chair Stoffel reiterated that the funding was an up-front transfer designed to cover three years.

Dr. Daniel Trajano asked about the member months in MNsure's premium withhold (PWH) revenue projections and enrollment loss over time. Ms. Koob explained that MNsure projects enrollment loss based on the lapse rate of members. Vice Chair Stoffel added that the projections include a slightly higher lapse rate than during COVID-19; Chair Miranda also added that the lapse rate reflects historical trends. Ms. Koob confirmed that the lapse rate is a product of what MNsure has seen to date, in terms of actual enrollments, and in consideration of historical patterns for Minnesota.

Assistant Commissioner MacDonald asked whether the budget factors in the impact of the public health emergency eventually ending (or "unwinding"), likely in 2023, and tracking with the DHS estimates. Ms. Koob responded that MNsure is still in the planning stages regarding the end of the public health emergency.

Chair Miranda asked about parameters for the PWH revenue funding and whether there is a specific timeline or end date for spending those funds. Ms. Koob explained that MNsure has legislative authority to carryforward enterprise funds. The state ARP funding can be spent through June 30, 2023; the federal ARP funding currently terminates in two months but MNsure has requested a 12-month extension that would allow the organization to spend it throughout FY 2023.

Ms. Kennedy commented on the change in average premium amounts between PY 2021 and PY 2024 listed in the PWH revenue projections and asked about the impact for consumers as well as MNsure. Ms. Koob noted that the [proposed rates for PY 2023 in Minnesota](#) involve lower increases than in other states ([increasing by about 10%](#)), and that the state's reinsurance program also lowers prices. MNsure Chief Operating Officer Morgan Winters added that insurance utilization has been down in recent years, leading to larger medical loss ratio rebates; as utilization increases, we should expect to see an increase in plan prices as well. Ms. Koob also noted that the premium amounts in the PWH revenue projects are gross amounts for the plans and not the same as what consumers are billed; most MNsure enrollees are eligible for federal tax credits that reduce net premium amounts.

MOTION: Vice Chair Stoffel provided a motion to approve the final budget plan for FY 2022, 2023 and 2024. Chair Miranda seconded. Mr. Rowley took a roll call; all members present voted in favor and the items were approved.

CEO Report

Nate Clark, MNsire Chief Executive Officer

Enrollment

Mr. Clark began his presentation by welcoming those in-person to the River Bend office as well as welcoming new members to the board and thanking the finance workgroup and Ms. Koob for their work. Mr. Clark provided an overview of MNsire enrollment data through June 30, 2022 (slide 6). Since November 1, 2021, over a quarter million Minnesotans have signed up for coverage through MNsire, including:

- 143,741 qualified health plan (QHP) sign-ups
- 83,978 Medical Assistance (MA) applications
- 10,300 MinnesotaCare applications

About 60% of QHP-enrolled households are receiving tax credits averaging nearly \$509/month per household.

Turning to effectuated enrollments, Mr. Clark noted a change in methodology for how MNsire reports this metric (slide 7). In previous board presentations, MNsire included pending enrollments as part of the monthly effectuated QHP enrollment total. Starting with this report, MNsire will not include pending enrollments as part of the effectuated enrollment totals for all of PY 2022. The technical change to reporting methodology has not had any effect on actual PWH revenue (slide 10). MNsire's PWH revenue is currently tracking \$370,000 ahead of forecast, or favorable by about 3%.

Dr. Trajano asked about the enrollment by rating region data on slide 8 and whether it measures how successful MNsire is enrolling Minnesotans in QHPs. Mr. Clark noted that one purpose of the table referenced is to show the average tax credit for each rating region, which provides more detail than the statewide average. Mr. Winters added that the table also helps us understand how MNsire enrollment tracks with the percent of the state's population in a given area and explore possible reasons why it may differ (prices, for example). Dr. Trajano noted that this table currently does not show uninsured rates and including other regional or county-level data might better show opportunities for growth in terms of MNsire enrollment. Mr. Clark responded that MNsire does use that type of data for allocating resources, especially for outreach. He also noted that it is a good suggestion to correlate the uninsured rate to enrollment and perhaps rating areas somehow in the board report, and that staff would look into ways to provide this information.

Policy Updates

American Rescue Plan

Mr. Clark reminded the board about the enhanced tax credits from the American Rescue Plan legislation and the positive effects they have had, including increasing affordability of health coverage for thousands of Minnesotans and achieving record high MNsire enrollment for PY 2022. Mr. Clark described some of the negative impacts Minnesotans will experience if Congress allows these benefits to expire at the end of the calendar year, and outlined MNsire's efforts to raise awareness on this issue and advocate for their extension beyond the end of 2022. Mr. Clark acknowledged that the outcome in Congress is currently unclear, but that we expect to be able to share more with board members by the August recess.

Public Health Emergency

The existing federal public health emergency (PHE) has been extended into October 2022. The Centers for Medicare & Medicaid (CMS) has committed to giving states 60 days' notice before ending the PHE. Mr. Clark reminded the board that the PHE affects eligibility rules for Minnesota's public health insurance programs, and has helped keep many Minnesotans covered during the pandemic. When the PHE ends, resuming regular eligibility determinations for Minnesotans enrolled in those programs will have operational impacts for both DHS and MNsire, and Mr. Clark reiterated that the two organizations are partnering closely to ensure health coverage continuity for all enrollees.

Finally, Mr. Clark acknowledged the excellent work of, and offered his thanks to, MNsire staff, our partners at DHS and MNIT, and all the external stakeholders that enable MNsire's success reported here today.

Chair Miranda said that the board would begin a 10-minute break starting at 2:12 p.m., and the meeting would resume at 2:22 p.m.

IT and Executive Steering Committee Update

Mike Wright, MNIT Interim Chief Business Technology Officer for DHS and MNsire

Following a break, Chair Miranda turned the meeting over to Mr. Wright for an update on behalf of the teams working on the Minnesota Eligibility Technology System (METS). Mr. Wright is the interim chief business technology officer following Greg Poehling's departure. In other staffing news, Assistant Commissioner MacDonald has joined the METS Executive Steering Committee (ESC) and Brian Sittarich is now program manager for METS.

Preliminary Open Enrollment Update

MNIT, MNsire and DHS staff are continuing to work together to prepare for open enrollment (OE) for PY 2023, beginning November 1, 2022. As in previous years, there will be a "change freeze" starting October 24, 2022, that will run through the end of OE. Any proposed changes submitted that impact MNsire or DHS systems must include a business justification and will be subject to review at daily change advisory board meetings. The freeze is implemented to

minimize potential disruptions to systems and staff supporting OE. Secondly, there will be a virtual command center staffed at all times the MNSure Contact Center is open. Third, the team is preparing for multiple daily status checks.

Renewal Self-Service Project

The renewal self-service project (RSS) project team has concluded it will not deploy the updates prior to the upcoming open enrollment period; those updates are now anticipated in January 2023.

Vice Chair Stoffel asked Mr. Wright to elaborate on what the RSS project entails. Mr. Wright explained that RSS refers primarily to the online renewal submission process for public program enrollees — the ability for a user to submit a renewal themselves online rather than through physical paperwork or a call to a county office, the DHS Member Help Desk or the MNSure Contact Center. Mr. Winters added that this capability will be especially important for public program renewals following the end of the COVID-19 public health emergency (PHE), as the new tools will expedite what is now a manual process and make renewals easier for public program consumers and case workers.

Vice Chair Stoffel asked a follow-up question about renewal dates. Mr. Winters answered that MinnesotaCare has a single renewal date for coverage beginning January 1 while Medicaid (Medical Assistance) renews based on initial coverage date. Vice Chair Stoffel asked whether delaying the RSS updates would mean consumers would not have access to the tools for this year's renewal. Mr. Winters responded that there is some uncertainty since we do not yet know when the PHE will end; however, whenever the PHE ends, the renewed public program eligibility determinations will be spread across 12-14 months so there will be value in having the RSS capabilities added for months to come.

Ms. Kennedy asked a question about the functionality of the RSS project and how the timeline for the project interacts with the PHE. Mr. Winters clarified that DHS processes Medicaid renewals every year (outside of the PHE) and that the primary added functionality will be an online option for consumers to add information and upload documents themselves to support their renewal. Absent that functionality, consumers will still be able to do what they've done in previous years (send paper renewal forms to counties for processing).

Ms. Kennedy asked a follow-up about the impact for this year's OE. Mr. Winters responded that the main value added by the RSS project is increased efficiency for consumers and caseworkers, so the impact of delaying the RSS updates is less efficiency than we had hoped for.

Vice Chair Stoffel asked about the reasons behind the delayed deployment. Mr. Wright answered that there is an increased risk of deploying a new feature set into the system during a critical period like OE. From a technical standpoint, maintaining quality assurance, preserving the change freeze and protecting service continuity were judged to be more important than adding new functionality. Vice Chair Stoffel asked a follow-up about the original timeline for the RSS project. Mr. Winter added that the RSS updates were never scheduled to deploy during

OE; the project had a soft target of an October deployment and was then pushed to after OE to avoid the risk of disrupting critical services during OE.

Additional Items

Mr. Wright explained that IBM has sold the assets of Watson Health, including the Curam software platform (which METS is based on) to a new company, Merative. This is a development that DHS, MNsure and MNIT leadership are tracking, but there are no action items currently (slide 23).

Secondly, Mr. Wright walked through a risk analysis for METS with four items (slide 24), focusing on the first item: *the lack of state share for METS Implementation Advanced Planning Document (IAPD) funding could lead to a disruption to METS resourcing and a halt in major METS improvements*. Without that funding, there is some work needed to determine priorities and best use of limited resources for MNsure and DHS.

Slide 25 includes a graph displaying the number of METS projects over time, declining from 13 in August 2022 to three by July 2023. Mr. Wright noted that most are in development and expected to be completed (final deployments) by April 2023. Given the current IAPD project selection and funding approval, METS release schedule, and lack of upcoming projects in the pipeline, there are no significant enhancements to the METS platform planned after April 2023.

Vice Chair Stoffel asked how much of METS is based on the Curam platform; Mr. Wright responded most, but not all, of the system is running on Curam. Vice Chair Stoffel asked a follow-up about whether “lapsed upgrade status” indicates that MNsure is not using the most current version of Curam (slide 24). Mr. Wright explained that they have negotiated a contract extension for longer Curam support from Merative, and staff are also working on a Curam upgrade roadmap.

Ms. Kennedy asked whether the decisions regarding the number of METS projects, Curam upgrades, etc. are made by the METS ESC, MNIT or some other authority. Mr. Clark answered they are ESC decisions ultimately, but there is a prioritization and governance group working under ESC, called the System-based Governance Group (SGG), that develops recommendations. The ESC can provide alternative direction to the SGG recommendations. Ms. Kennedy also observed that the tone of the METS update seemed different from other board meetings. Mr. Clark responded that previously the METS updates had focused more on the roadmap and ongoing projects, but in recent ESC meetings there has been a stronger focus on the risk portfolio.

Mr. Clark noted that “IAPD funding” refers to state funding with matching federal dollars for METS improvements that are specific to DHS. MNsure has a separate budget line item for maintenance and operations, and one for IT development (new features and functionality). Thus, the graph on slide 25 reflects more of what’s happening at the platform level and less about the individual projects inside of Curam for MNsure.

Mr. Clark added that the board has been having an ongoing conversation for a few years now about modernizing the platform, which would move MNsure completely off the (then IBM, now

Merative) Curam system. This modernization project is the crux of the MNsire proposal that was included in the Governor's budget proposal during the legislative session but ultimately did not pass. Vice Chair Stoffel raised the point that the modernization project is expected to take two years, or at least six months beyond the current Curam support timeframe. Ms. Koob clarified that MNsire would have to continue on Curam for at least two years from when development begins, and the next earliest opportunity for IT modernization approval through the governor's budget process is the 2024-2025 biennium.

Assistant Commissioner MacDonald rejoined at 2:45 p.m. during the discussion.

Mr. Wright then outlined the METS releases planned for summer 2022 (slide 26). The release scheduled to deploy on August 7, 2022, will include the final deployments for Unique Person ID and Effective Dates projects. He noted that the MNsire Pre-Populated Annual Renewal Notice (PARN) update and the American Rescue Plan advanced premium tax credit (APTC) "revert back" update are both proceeding on schedule.

MNsire Operations Update

Morgan Winters, MNsire Chief Operating Officer

Mr. Winters reported that the preliminary rates for PY 2023 are currently undergoing review at the Minnesota Department of Commerce. By and large, we are seeing fairly flat rates, with most insurers requesting between a 2% decrease to a 2-6% increase. The exception to this pattern is Quartz, which offers plans in southeastern Minnesota and is seeking a 22% increase in rates.

This year, the dates for Minnesota's OE will be aligned with the federal exchange (Healthcare.gov), from November 1, 2022, to January 15, 2023. MNsire has already begun ramping up staffing to meet demand of OE. Mr. Winters acknowledged Jo Wright, MNsire's Contact Center Director, and her team for their work on recruiting and hiring excellent candidates. By the start of OE, MNsire will have about 60 new temporary employees to complement existing Contact Center staff.

MNsire has already kicked off the OE readiness program, which is a portfolio of roughly 30 projects — some of which reoccur on an annual basis and some new initiatives for PY 2023 — including:

- MNsire has reached an agreement with insurance companies offering plans on the exchange and the Departments of Commerce and Health to allow young adults that turn 26 to stay on their parent's plan through the end of the calendar year, rather than the month following their birthday. This improvement will allow families to maintain a single deductible until the end of the year and help young adults maintain uninterrupted coverage.
- MNsire continues to expand assistance for consumers with limited English proficiency. MNsire supports the top four most frequently spoken languages to guide consumers over the phone and is now working to refine and improve that capability based on user and stakeholder input.

- MNsire will add a functional button to the consumer shopping experience that will help improve effectuated rates. After selecting a plan through MNsire, the new “Pay Now” button will create an option for a consumer to immediately make the first payment by redirecting them to the insurance company’s secure payment page and sharing the metadata needed for processing the payment with the carrier. This may not be available for every company by the beginning of OE.

Chair Miranda noted her excitement about the ongoing translation work and assistance for consumers with limited English proficiency.

Finally, Mr. Winters provided an interim update on the proposed fix to the longstanding Affordable Care Act problem known as the “family glitch.” The IRS rule designed to fix this glitch has not been finalized yet, but MNsire and MNIT are currently working on updating the application and are tentatively planning for those updates to be deployed in January 2023.

Closed Session

Suyapa Miranda, Board Chair

MOTION: Chair Miranda asked for a motion to meet in closed session, pursuant to Minnesota Open Meeting Law ([Minnesota Statute 13D.05](#)), to discuss an active investigation. Vice Chair Stoffel moved; Dr. Trajano seconded. Mr. Rowley took a roll call; all board members present were in favor and the board moved into closed session for approximately 30 minutes.

Board Member Survey

Suyapa Miranda, Board Chair

Chair Miranda reconvened the board meeting’s open session and opened the floor for any questions or comments about the board survey results that were shared with members prior to the meeting. Vice Chair Stoffel commented that she was pleased that all members responded to the survey and that they received extensive comments. Vice Chair Stoffel observed that the survey revealed a general consensus that MNsire is doing well as an organization, though there are some areas of board performance that they could address going forward. The board plans to repeat this exercise on an annual basis.

New Business

Suyapa Miranda, Board Chair

No new business.

Adjourn

Suyapa Miranda, Board Chair

MOTION: Chair Miranda asked for a motion to adjourn the meeting. Ms. Kennedy moved to adjourn; Dr. Trajano seconded. Mr. Rowley took a roll call; all board members present were in favor and the meeting was adjourned.