Minnesota Health Insurance Exchange Advisory Task Force

Meeting Summary

December 21, 2011

I. Welcome and Housekeeping

Commissioner Rothman welcomed members of the Task Force. The Task Force approved the summaries of the November 11, 2011 and December 7, 2011 meetings. Commissioner Rothman reminded the Task Force that their feedback on the IT prototypes was requested by the end of the day.

II. Financing Options

Mr. Kurt Kaiser and Ms. Barb Juelich were introduced as co-leads of the Financing Options work group and explained that the work group has met three times to date and the group is composed of a number of stakeholders including representatives from insurers, large and small employers, consumers, agents/brokers, counties, Minnesota legislature, providers, and state agency staff. Mr. Kaiser and Ms. Juelich explained that their charge was to provide technical assistance and information related to ongoing financing of a Minnesota Health Insurance Exchange including funding mechanism options, including pros and cons and principles to consider to the Health Insurance Exchange Advisory Task Force.

The co-leads walked through a presentation including background information, initial issues addressed by the work group and next steps. The presentation slides can be found on the Department of Commerce website.

The work group established five financing principles:

1. Funding mechanism should be fair and equitable to those individuals and organizations required to support the Exchange.
2. Market impacts should be neutral or minimized.
3. Funding mechanism should be transparent and accountable to consumers, fee payers and the public.
4. Funding mechanism needs to meet the needs of the Exchange.
5. Funding mechanism should be simple, not overly complex.

The work group also examined a number of financing options, including:

1. User fee – an assessment on products sold through the Exchange that is charged to enrollees.
2. Portion of premium – the Exchange keeps some portion (percent and/or flat fee) of the total product premium.
3. Fully insured market – an assessment on fully-insured products sold by insurers.
4. Broad based market fee – an assessment like the provider tax or redirection of current health taxes and surcharges.
5. Sin tax/other broad tax – use of sin tax or other broad tax/fee that applies broadly to the population.
7. Other – raise revenue through other mechanisms such as naming rights, website advertising, grants, etc.
8. Medicaid match – federal matching funds available to activities necessary for Medicaid administration. Medicaid is required to pay for costs of operating a portion of Medicaid through the Exchange.
9. Combination – combine existing revenues, cost allocation and new assessments.

III. Long-Term Governance

Ms. Foarde and Ms. Johnson Piper were introduced as co-leads of the Long-Term Governance work group. It was explained that the work group is composed of a number of members with varied expertise including corporate governance experts, counsel for health plans and providers, employee benefit legal counsel, rural county labor relations and general attorney, agency staff with legal and health care specialties, health care reform legal researchers and current members of the Minnesota legislature.

Ms. Foarde and Ms. Johnson Piper described three available governance models:
   1. State agency
   2. Quasi public/private organization
   3. Private non-profit

Ms. Foarde provided background information on established or anticipated governance structures for other states. The co-leads shared that the work group identified major considerations for governance including efficacy, sustainability, strategic responsiveness, accountability/credibility and operational flexibility. The work group also discussed considerations for a structure with a governing board. The presentation slides can be found on the Department of Commerce website.

Members of the Task Force requested additional information and examples of existing quasi public/private organizations in the State and this was added as an agenda item for the next meeting.

IV. Navigators and Agents/Brokers

Mr. Hanlon and Mr. Paulsen were introduced as co-leads of the Navigators and Agents/Brokers work group which consisted of consumers, small employers, health insurers, navigators, agents/brokers, providers, counties, and tribal representatives as well as state agency and legislative staff.

Mr. Hanlon and Mr. Paulsen have a summary of navigator program requirements found in the Affordable Care Act as well as an overview of the current landscape. Mr. Hanlon and Mr. Paulsen walked
through a number of guiding principles identified by the work group as well as specific considerations related to each of the required roles/responsibilities. The co-leads walked through pros and cons related to certification/licensure as well as additional considerations regarding compensation. The presentation slides can be found on the Department of Commerce website.

V. Discussion of Future Meeting Schedule

Task Force members discussed future meeting plans. The next meeting will take place in St Paul on Tuesday January 10, 2012 to discuss initial recommendations related to adverse selection, financing, long-term governance and navigators and agents/brokers. The Task Force will also meet on Tuesday January 17, 2012 at the Shiloh Temple in Minneapolis to discuss health disparities and Wednesday January 18, 2012 in St Paul to vote on initial recommendations.

Next Meeting: Tuesday January 10, 2012
Department of Revenue, Skjegstad Conference Room
Agenda:
Task Force Discussion and Recommendations:
• Adverse Selection
• Financing
• Long-Term Governance
• Navigators and Agents/Brokers