

## Board of Directors Meeting

- > **date:** Wednesday, December 3, 2014
- > **building:** 81 7<sup>th</sup> Street, St. Paul MN
- > **time:** 1:00 – 3:30 p.m.
- > **conference room:** 1<sup>st</sup> floor atrium
- > **participants:** Brian Beutner, Peter Benner, Thompson Aderinkomi, Kathryn Duevel, Phil Norrgard, Commissioner Lucinda Jesson, Tom Forsythe (via phone)
- > **staff in attendance:** Scott Leitz, Katie Burns, Allison O'Toole, Mike Turpin, Marty Cammack, Carley Barber, Aaron Sinner

### topics

#### Welcome and any new business

Brian Beutner, Board Chair

The meeting was called to order at approximately 1:06 p.m. by Brian Beutner, Board Chair.

Brian read MNSure's purpose: The purpose of the organization 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 does not consume a disproportionate share of their income.

#### Consumer story

Rachelle Christianson, Grand Marais (via phone)

Rachelle Christianson is a navigator in Grand Marais. She reported many people in her county are self-employed or work multiple jobs and didn't have health insurance before MNSure. She noted the educational focus of MNSure's marketing this year has been a big help. She also said that in rural areas, many people live "off the grid," so word of mouth as well as radio ads have been quite effective in reaching people. Rachelle has been impressed by the difference MNSure is making in people's lives in her community.

## Public comment

Harlan Johnson, a health insurance broker, Minnesota Association of Health Underwriters (MAHU) member, and Health Industry Advisory Committee member, informed the Board of a difficult appeals case he's been working on. Board Chair Brian Beutner assured Harlan that within the appeals process, once the judge makes a decision, there are further rights to appeal.

Alycia Riedl and Heidi Michaels of MAHU commented that the work of MNSure's Market Development Work Group is timely and important. They also said they feel the voice of the agent is heard more now and that's good. They stressed the continuing need for clear communications from MNSure and more FAQ documents to assist them in working with their clients.

## Administrative items

### Brian Beutner, Board Chair

- **Approve November 19 meeting minutes**

**MOTION:** Phil Norrgard moved to approve the [draft November 19 meeting minutes](#). Commissioner Lucinda Jesson seconded. All were in favor and the minutes were approved.

- **Market Development Work Group**

The Market Development Work Group has started scheduling meetings with stakeholders and others to brainstorm ideas.

- **Board action: EngagePoint contract amendment**

Mike Turpin, MNSure General Counsel gave an overview of the need for an amendment to the EngagePoint contract.

**MOTION:** Peter Benner moved to authorize Scott Leitz to negotiate and execute an amendment to the current contract with EngagePoint that would extend the expiration date of the contract to March 31, 2015 and increase the hours available under that contract by 8,000 hours at an amount not to exceed \$1,400,000. Kathryn Duevel seconded. All were in favor and the motion was approved.

## CEO report

### Scott Leitz, CEO

Scott Leitz began by noting that John "JR" Reich will be leaving MNSure at the end of the week. He has brought enormous knowledge and energy to his work as MNSure's Legislative Relations Director. Scott and the Board thanked JR for his service.

Scott reported that just shy of 19,000 individuals have enrolled through MNSure so far this open enrollment period, including over 7,000 QHP enrollees. That's 17 times more than last year at this point in open enrollment.

Counties have taken over handling of paper applications as of November 17, 2014. Regarding changes of

circumstance, counties are now able to add an address change within the county and add a newborn.

Scott said that December 15, the deadline for coverage effective January 1, is a big deadline that is rapidly approaching. The deadline is firm and there are many enrollment events and media pieces emphasizing that deadline. He also reported that next week is Pharmacy Week. MNsure will be partnering with CVS and Thrifty White stores across the state to host enrollment events and increase awareness and education around the current enrollment period. Scott also shared that MNsure's number of certified assisters continues to grow.

The Board asked questions related to the Pended Cases slide in the metrics dashboard. Katie Burns reported that the increase is driven by renewals, which require a manual reset. These individuals will receive coverage and there are no real hold-ups for them. The Board stressed the desire to measure or understand the consumer experience of the actual enrollment process, including the time it takes to actually enroll online.

## Financials

### Peter Benner, Board Vice Chair

Board Vice Chair Peter Benner presented on MNsure's [three year financial plan](#). He reported that the Board would need to take action today on a Fiscal Year 2015 budget revision, and would not take action on the three year plan until the January 7 meeting, after taking public testimony at the December 17 meeting.

Regarding the three year plan, Peter reported that it is a balanced budget each year and is structurally balanced. It fully obligates all remaining federal funding. It also takes into account new projections based on actual enrollment data while assuming no premium increases for any budget year through Fiscal Year 2017.

The Fiscal Year 2015 budget has revised revenues and expenditures. This is due to an assumed 20% reduction of paid enrollees due to PreferredOne customers who did not receive tax credits leaving the exchange. This is intended as a prudent budgeting approach rather than a true expectation of a 20% reduction.

The largest share of MNsure's revenue going forward comes from reimbursements from DHS based on Medical Assistance and MinnesotaCare enrollees. As MinnesotaCare enrollees are fully converted into the MNsure system by the end of the year and as Medical Assistance enrollees are fully converted over the next 15 months, the DHS share of MNsure expenses increases. Over one million public program enrollees are estimated to be in the MNsure system at the end of this process, which means about 69% of MNsure's operating costs will be allocated to DHS over the three year period. Commissioner Jesson expressed her concern about the DHS share of the costs in the preliminary plan for Fiscal Years 2016 and 2017 and noted that DHS will need to do more analysis before committing its support to the three-year plan.

The Fiscal Year 2015 budget has increases in spending to reflect updated commitments through the end of the fiscal year—primarily increased amounts for the IT build and the Contact Center. The main effect will be to more quickly draw down the CClIO grants than previously projected.

The Fiscal Year 2016 preliminary plan features a balanced budget that spends down the last of the federal funding and includes \$7.1 million in income from premium withholds, all of which is spent in Fiscal Year 2016. Fiscal Year 2016 sees major cuts in expenditures from MN.IT due to the IT build being essentially completed and from the Project Management Office, with smaller cuts to the Contact Center and communications as the organization matures.

The Fiscal Year 2017 preliminary plan has identical expenditures as Fiscal Year 2016, resulting in a nearly \$3 million surplus. The Finance Work Group believes it is premature at this time to allocate this either to additional spending or a reduction in premium withhold.

**MOTION:** Tom Forsythe moved to approve the Fiscal Year 2015 revised budget. Phil seconded. All were in favor and the motion was approved.

### Open Enrollment update

Jesse Oman, MNIT;

Scott Leitz, CEO; Katie Burns, COO; Allison O'Toole, Deputy Director of External Affairs

- Technology

Jesse Oman of MN.IT reported that last week MNSure received final certification to connect to the Federal Hub to renew coverage for people on public programs. This is separate from the normal Federal Hub connections MNSure has made since last year for enrollments.

This week includes load testing that will simulate load levels at ten times what the system is currently experiencing, in preparation for peaks that may occur during enrollment deadlines. This is in addition to load testing that was run prior to launch. MN.IT is also currently testing and finalizing the code that will perform auto-renewals for both private plans and public programs. Jesse also reported that while the system has generally been working very well, there are a few issues MN.IT hopes to address. MN.IT anticipates taking the system down for a maintenance window sometime before the end of December.

Commissioner Jesson explained that use of the Federal Hub for public program renewal would allow the IT system to ping the Federal Hub and automatically re-enroll those recipients whose information continued to match. Those whose information didn't match would be notified they have 30 days to re-enroll. Commissioner Jesson reiterated that no public programs recipients will lose coverage January 1 and that the bottom line remains, "Wait to hear from us."

- Operations

Scott Leitz, Allison O'Toole, and Katie Burns presented on [slides 13-25](#) of the discussion deck. They underscored that the deadline for coverage on January 1 is December 15 and that deadline will not be changing.

Katie reported that last year at the end of December, MNSure had just over 25,800 people enrolled in QHP coverage, 21,000 of whom enrolled in December and 14,000 of whom enrolled in the last two weeks of December. MNSure is aware that enrollment deadlines drive behavior and is preparing for an activity surge. In the lead up to December 15, the Contact Center will feature extended hours to help manage the anticipated increased demand. On Saturday, Dec. 13 and Sunday, Dec. 14, the Contact Center will be open 8 a.m. – 8 p.m. and on Monday, Dec. 15, it will be open 8 a.m. – midnight.

Katie also reported that the enrollment system of record is largely in place and will be the new data source for 834s sent to carriers. MNSure will be sending enrollment data to carriers for the first time this Friday, and then will be in a regular pattern of sharing this data with them.

Allison reported MNSure has been blanketing the state with its advertising. She also said MNSure has introduced a Make a Plan mobile app, which connects consumers to assisters and allows for proactive communication from MNSure. Allison reiterated that next week is Pharmacy Week, with navigators and brokers on site during specific times at CVS and Thrifty White stores around the state. Additionally, she shared that the six statewide enrollment centers have been ramping up and feature brokers and navigators who have partnered to provide enrollment assistance.

### **Wrap up and any new business**

Brian Beutner, Chair

None.

### **Adjourn**

Phil Norrgard moved to adjourn. There were no objections and the meeting adjourned at approximately 3:34 p.m.