



## MNsurance Board of Directors Meeting Minutes

---

**Wednesday, March 11, 2020, 1 – 3 p.m.**

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

**Participants in attendance:** Peter Benner – Vice-Chair, Chuck Johnson (sitting in for Commissioner Jodi Harpstead), Suyapa Miranda, Phil Norrgard

**Participants not in attendance:** Senator Kathy Sheran – Chair, Stephanie Stoffel

**Staff in attendance:** Nate Clark, Kari Koob, Morgan Winters, Christina Wessel, Aaron Sinner

### Meeting Topics

#### Welcome

*Peter Benner, Board Vice-Chair*

The meeting was called to order at 1:05 p.m. by Peter Benner, vice-chair.

Peter 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.

Peter noted that Senator Kathy Sheran was outside the state, and so he would be chairing the meeting in her place. He also noted Chuck Johnson was in attendance for Commissioner Jodi Harpstead.

Peter reported that Governor Walz had appointed Stephanie Stoffel to the MNsure board, representing small employers. Because she was currently traveling, she would not be attending the meeting.

#### Public Comment

None.

#### Administrative Items

*Peter Benner, Board Vice-Chair*

## **Approve January 15 Meeting Minutes**

**MOTION:** Phil Norrgard moved to approve the draft January 15, 2020 meeting minutes. Suyapa Miranda seconded. All were in favor and the minutes were approved.

## **Financials**

*Kari Koob, CFO*

Phil reported that the board's Finance Work Group has worked with Kari Koob, CFO, and Nate Clark, CEO, to ensure MNSure was managing its resources wisely in order to meet the needs of Minnesotans and carry out MNSure's mission. He noted MNSure's budgeting process had grown much more straightforward in recent years. He thanked MNSure's executive team for their focus on expense reductions that could be achieved without undermining MNSure's ability to execute its mission.

Phil noted MNSure's financial planning was complicated because the three-year plan window included fiscal year 2022, and reinsurance was scheduled to expire in calendar 2022. He noted the second half of fiscal year 2022 reflected higher premiums about which there was much uncertainty.

Kari thanked the Finance Work Group and MNSure and DHS staff for their support in developing the budget.

Kari presented the [MNSure preliminary premium withhold revenue projections](#). She noted the enrollment year 2019 members were actual. She also noted that the enrollment year 2020 and beyond member counts were projections that utilized MNSure's approximately 120,700 sign-ups in OE2020 and applied MNSure's historical effectuation rate of 85%. The projections also assumed a consistent membership lapse rate in line with past years, such that MNSure would end 2020 with the same member count it ended 2019. The budget also assumes an average premium of \$453 throughout the year, starting higher and ending lower consistent with past years.

Kari noted that the projections assumed a 17% premium increase in enrollment year 2022 following the end of reinsurance.

Next, Kari presented the [MNSure Preliminary Three-Year Financial Plan](#). She noted the first column represented the FY20 budget the MNSure board had approved the prior year, with some updates based on the rate of spending so far, but no substantive changes. She reported that the second column for FY21 includes a carryforward of \$8.1 million and premium withhold revenues of \$18.7 million. Kari also noted that the budget included a lower reimbursement from DHS than in the past. This was not due to changes in the cost allocation reimbursement formula, but rather tied to actual reimbursement rates over the previous four quarters.

Kari noted that on the expenditure side, the budget accounted for several reductions MNSure had made, such as moving offices and resolution review work that replaced appeals work, both of which reduced costs. She also noted that the budget accounted for an anticipated annual savings of \$300,000 due to MNSure's decision to transition employer shared responsibility

appeals to a federal appeals process. Kari noted that METS IT costs continued to represent a significant portion of MNsure's budget. She mentioned that DHS had recently approved a Cúram upgrade of about \$2 million, 10% of which would be allocated to MNsure.

Kari noted that in fiscal year 2022, MNsure would spend the remaining funding from the legislative appropriation meant to backfill revenues lost as a result of reinsurance. Because the program was scheduled to sunset in enrollment year 2022, MNsure would see increased revenues in fiscal 2022. These increases were primarily lefty on the balance line, given the uncertainty about reinsurance levels in enrollment 2022 and about the future of reinsurance.

Chuck asked if the METS IT System expenditure information included expenditures on GetInsured. Kari confirmed that it did.

**MOTION:** Phil moved to approve the preliminary three-year financial plan. Suyapa seconded. All were in favor and the motion was approved.

## CEO Report

*Nate Clark, CEO*

Nate thanked Kari and her team for their work on MNsure's financial plan.

Nate reported that since November 1 and as of end of day March 8, MNsure had enrolled over 280,000 Minnesotans. This includes over 123,000 QHP sign-ups, over 128,000 Medical Assistance applicants and over 29,000 MinnesotaCare sign-ups.

Nate also reported that MNsure is closely monitoring the COVID-19 situation in Minnesota and has daily briefings with other state agencies on the status of the virus in Minnesota. He noted that MNsure understood all carriers offering plans on MNsure were waiving copays for COVID-19 testing. He also noted that MNsure would be sending a consumer bulleting related to COVID-19 and posting relevant information on its website, but consumers should contact their insurer directly for information about what is and is not covered under their plan.

Nate noted that some state-based exchanges were considering declaring special enrollment periods (SEPs) due to exceptional circumstances related to the COVID-19 situation. He reported that the state of Washington had declared such an SEP the day before. MNsure is working closely with the Governor and other agencies and stakeholders to determine whether an SEP would be appropriate in Minnesota.

Suyapa asked if Washington was under a state of emergency. Nate confirmed that Washington's governor had declared a state of emergency that gave their department of insurance additional authority. He noted that Minnesota was not currently under a state of emergency.

Suyapa asked if MNsure was shifting any of its social media to COVID-19 related messaging. Nate reported MNsure was sharing messaging from the Department of Health and helping consumers understand where they could go for additional information.

Peter reported that the clarity of messaging from MNSure's on-exchange carriers varied, and there were also differences in what different carriers would cover. He encouraged health carriers to be specific about what would and wouldn't be covered at no cost to an enrollee.

Phil asked who bore responsibility for setting clear coverage standards around COVID-19 and communicating those standards to enrollees. Nate reported that some states had made clear declarations of what would be covered, but those actions were backed up by an emergency declaration. He noted that MNSure was working with its agency and carrier partners to understand what each carrier would be covering, but above all wanted to ensure it did not share inaccurate or misleading information.

Phil asked if Commerce was the agency likely to take the lead on these questions. Chuck said that they were the most likely agency, but he wasn't sure about their authority under current law. He noted all state agencies were working to better understand their authority if the governor were to declare a state of emergency, and also talking to the legislature about what might need to be done to allow agencies to act quickly and flexibly.

Suyapa asked if MNSure was communicating with navigators and assisters. Nate reported that MNSure was sharing with them the kind of information it was giving employees, which relied heavily on information coming from the Department of Health.

Phil expressed concern that MNSure ensure the safety of its employees, and asked that the executive team explore what could be done regarding self-quarantine measures, work from home efforts, temporary assignments, and other appropriate actions to ensure employee safety and customer service. Peter agreed with Phil's request and asked that Nate explore these options.

Nate reported that as a state agency, MNSure is required to maintain a continuity of operations plan. He noted MNSure had been reviewing and updating its continuity of operations plan and coordinating with the governor on preparedness. Nate noted that MNSure is dependent upon call representatives taking calls, which relies on technology, but nonetheless has contingencies in place. He said he would share a summary of MNSure's continuity of operations plans with board members.

Nate noted that the 10-year anniversary of the Affordable Care Act was approaching later in March. He noted that since its enactment, Minnesota had seen its uninsured rate nearly cut in half, from 8.2% in 2013 to 4.4% in 2018. Since its inception, MNSure had processed more than 3 million QHP and public program enrollments, and over 630,000 QHP sign-ups, and helped Minnesotans access over \$1 billion in advanced premium tax credits.

Nate reported that in the midst of this anniversary, the Supreme Court would hear a challenge to the ACA that had been making its way through lower courts. While a hearing has not yet been scheduled, it will likely occur in fall 2020, with a ruling in spring or early summer 2021.

Nate reported that on the state legislative front, MNSure remains connected to state legislative efforts around insulin affordability. He reported that in the House bill, which passed the House floor on February 26, MNSure was the primary administrator of the emergency insulin and long-

term insulin affordability programs. In the Senate bill, which was still making its way through committees, MNSure's only role would be to train navigators to help consumers access insulin affordability programs. Nate noted that both bills now contained some form of compensation for navigators for their insulin-related work, which MNSure views as very important. Nate noted MNSure was providing technical assistance and monitoring bill progress, but the agency's top priority was ensuring its core mission wasn't put at risk and that any new responsibilities would be financially supported such that MNSure would not need to divert any of its current resources away from exchange work.

Phil asked if the legislation took into account how long necessary technology development would take. Nate reported that MNSure worked with MNIT on its fiscal note to develop those assumptions, and indicated the bill would need to pass by April 1 in order for MNSure and MNIT to stand it up by July 1.

Nate reported that MNSure has remained busy since the end of open enrollment, fielding over 60,000 calls and handling over 6,700 medical sign-ups. Additionally, MNSure mailed all 1095A forms by the deadline and has received about 1,300 calls inquiring about the forms. From those calls, MNSure has identified 124 forms in need of correction, with 28 requests outstanding.

Nate shared an update on MNSure's resolution review team (RRT). Prior to its establishment in 2018, MNSure averaged 3,700 individual market appeals per year. Since the implementation of the RRT, appeals have substantially decreased, with only 800 filed in 2019. Currently, the RRT resolves 86% of issues raised by consumers, with an average resolution time of five days.

Nate noted that in addition to individual market appeals, MNSure handled one additional category of appeals, employer shared responsibility (ESR) appeals. However, he reported that MNSure intends to transition its ESR appeals to the federal Department of Health and Human Services in April. These are appeals from employers when one of their employees enrolls through MNSure and indicates the employer does not offer minimum essential coverage. Most state-based exchanges have transitioned these appeals to the federal government; MNSure is an anomaly for not having done so yet.

Phil asked how long it takes MNSure process life event changes (LECs). Morgan Winters, senior director of business operations, reported that it depends on the time of the year, and that MNSure typically sees a large backlog of LECs coming out of the open enrollment period, since staff focus on open enrollment activities and don't process many LECs during that time. He noted MNSure had reduced the backlog since the end of open enrollment, and that not all LECs are processed in the order received, as medical emergencies and individuals who need their LEC processed in order to obtain insurance are prioritized.

Phil noted some people see income changes that would put them in the public program eligibility range, and so can't afford a private plan while waiting for their LEC to be processed. He shared a suggestion he had seen from a navigator that MNSure close the old application and allow the navigator to assist the applicant in starting a new application. Morgan reported that MNSure does at times close an application following a request from an assister, but it must meet

certain criteria, as the IT system is designed for cases to change over time rather than for the same individual to close one case and then open a new one.

Suyapa asked if MNsire communicated LEC processing wait times externally. Christina Wessel, Senior Director of Partner and Board Relations, shared that MNsire reports the estimated wait to navigators on a weekly basis.

## **IT and Executive Steering Committee Update**

*Greg Poehling, MNIT*

Greg Poehling of MNIT presented slides 11-12 of the [slide deck](#).

Greg reported that the spring release had successfully deployed the previous weekend. It included several defect fixes that would be helpful to MNsire.

Greg reported that MNIT had concluded its 1095A work, generating about 83,000 1095A forms and submitting the corresponding file to the IRS. He noted that while MNIT will be involved in any corrections work, the responsibility for generating 1095A forms for future tax years will be GetInsured's responsibility.

Greg reported that the METS Program Management Team had canceled the METS summer release and was instead moving those projects into the fall release. All other projects slated for the fall release would still proceed, but the extra development and testing time was needed to ensure the projects deploy successfully.

Greg also noted that the METS Executive Steering Committee had added a Cúram upgrade project to the winter release. He noted MNIT would complete a fit-gap analysis summarizing what functionality METS would gain from receiving the upgrade.

Greg also reported that MNIT was working with the Department of Human Services (DHS) Business Solutions Office to cost out the current projects scheduled to continue into the next fiscal year and beyond. He noted additional planning was on hold pending that cost information and additional direction from the DHS Enterprise Architecture Board. Greg noted the METS PMT hoped to see the following projects continue into 2021: Unique Person ID, Cúram Upgrade, Effective Dates, Renewal Process Improvements, Eligibility Messaging Functionality, METS Eligibility Determination – Pregnant Women and Auto-newborns, and METS Eligibility Income. Depending on the costs of these projects and capacity, the METS PMT also had additional projects it hoped to take into consideration for 2021. He noted target amounts with DHS would likely be set in May or early June, and then the roadmap could be finalized sometime after that.

Finally, Greg also reported that MNIT was conducting a lessons-learned examination over the past open enrollment period to ensure the fall 2020 open enrollment period would run even better.

## **New Business**

*Peter Benner, Board Vice-Chair*

Peter noted both Senator Sheran's and Suyapa's first terms would end before the June board meeting. He thanked them for their service to date and noted whether they would serve second terms was a decision for each of them and the Governor.

## **Adjourn**

Phil moved to adjourn. Chuck seconded. All were in favor and the meeting adjourned at 2:13 p.m.