Health Industry Advisory Committee (HIAC)

April 28, 2016

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HIAC Welcome & Introductions

2:30 – 2:40 pm
HIAC Public Comment

2:40 pm – 2:45 pm
Minutes from February 24, 2016
HIAC Meeting

2:45 pm – 2:50 pm
HIAC Evaluation – March 24, 2016 Joint CSEAC/HIAC Meeting

2:50 pm – 2:55 pm

7 HIAC respondents – 47% rate*
Need 100%
HIAC 3.24.2016 Evaluation

How would you rank the effectiveness of the discussion items?

Health Care Financing

Health Care Literacy

4.43

3.71
## HIAC March 24 Meeting Evaluation

**Q2** Please contribute any ideas you would like the HIAC to consider for our discussions related to HEALTH LITERACY.

Answered: 4  Skipped: 3

<table>
<thead>
<tr>
<th>#</th>
<th>Responses</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The idea of reviewing MNsure communication through this lens would be good.</td>
<td>3/28/2016 2:40 PM</td>
</tr>
<tr>
<td>2</td>
<td>MNSure's role in health literacy should be limited to literacy of health insurance not health care. The discussion in the meeting was much broader than our scope.</td>
<td>3/25/2016 1:50 PM</td>
</tr>
<tr>
<td>3</td>
<td>I would like to see oral health/ dental be a part of the project</td>
<td>3/25/2016 11:18 AM</td>
</tr>
<tr>
<td>4</td>
<td>I had to dial in and could not see the financing presentation. I followed along a bit with what was sent out. No complaints, that's just how it worked out.</td>
<td>3/25/2016 10:53 AM</td>
</tr>
</tbody>
</table>
Q3 Please contribute any options you would like the HIAC to consider related to MNsure Financing and Sustainability.

Answered: 5  Skipped: 2

<table>
<thead>
<tr>
<th>#</th>
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<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>All options should still be considered. As of now, I don't believe I am in favor of having the plans pay for the funding. In addition, I wonder if some of it can be funded by a user fees from the actual users. No additional general fund or taxes on people not using MN Sure should be considered. I am also in support of a &quot;wait and see&quot; approach following the election of 2016.</td>
<td>4/4/2016 6:50 AM</td>
</tr>
<tr>
<td>2</td>
<td>Tom did a nice job presenting but his math was not correct. The individual market would have to be $2 billion for his number to work and they are about 1/2 that amount.</td>
<td>3/28/2016 2:40 PM</td>
</tr>
<tr>
<td>3</td>
<td>We should try to find a way to identify the MNsure costs that are related to QHPs vs other products. Costs associated with QHP services should continue to come from the plan premium tax. Other costs should be funded by DHS or the general fund.</td>
<td>3/25/2016 1:50 PM</td>
</tr>
<tr>
<td>4</td>
<td>The HIAC should continue to work, and take public, its recommendations for sustainability (or transition to healthcare.gov).</td>
<td>3/25/2016 11:18 AM</td>
</tr>
<tr>
<td>5</td>
<td>Would LOVE to re-visit the financing presentation and people involved. VERY topical</td>
<td>3/25/2016 10:53 AM</td>
</tr>
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</table>
MNsure Board & Staff update

2:55 pm – 3:15 pm

Latest Enrollment Data
MNsure Board Liaison & Staff Report
Enrollments by Program
November 1, 2015 – April 17, 2016

303,036 Total Enrollments
90,696 Total QHP Enrollments

- 156,983 individuals in Medical Assistance
- 88,767 individuals in Individual Market QHPs
- 55,357 individuals in MinnesotaCare
- 1,929 individuals in QHPs via SHOP

Program enrollment began at zero for all programs except SHOP starting November 1, 2015.

Prepared for April 20, 2016 Board Meeting
Individual Market: Metal Levels
November 1, 2015 – April 17, 2016

2016 QHP Metal Level Selection

- Gold: 16.6%
- Silver: 36%
- Bronze: 35.9%
- Catastrophic: 1%

Note: Data reflects all QHP enrollment except SHOP enrollment.

Prepared for April 20, 2016 Board Meeting
QHP Households Receiving Financial Help
November 1, 2015 – April 17, 2016

Advanced Premium Tax Credit subsidies

- Households without APTC: 38%
- Households with APTC: 62%

Cost Sharing Reduction subsidies

- Households with CSR: 13%
- Households without CSR: 87%

Note: Data is based off of effectuated enrollment for March 2016. Data reflects all QHP enrollment except SHOP enrollment.

Prepared for April 20, 2016 Board Meeting
MNsure Premium Withhold Revenue

Forecast and YTD Actual

- Current Forecast
- YTD Actual (through March 2016)

Enrollment Year 2015: $6.642
- $6.325
- $2.730

Enrollment Year 2016: $11.347

Revenue numbers in millions

Note: EY16 forecast is based on preliminary budget passed at March 9, 2016 MNsure Board meeting. Numbers are subject to change.

Prepared for April 20, 2016 Board Meeting
2016 IT Release Plan: Project Status

Spring Release
- Notices, Phase 1
- Renewals Functionality
- Unique Person ID / ID Matching, Phase 1
- METS-MMIS Interface Functionality, Phase 1
- PRISM Iteration 2
- Caseworker Functionality – Missing Task Functionality
- MinnesotaCare Invoicing
- 1095-B Phase 2
- Reporting, Phase 1
- METS Data Fixes, Phase 1
- Security Enhancements: Compliance & Audits
- Security Enhancements: Multi-Factor Authentication enhancements

Summer Release #1
- Periodic Data Match XL
- Unique Person ID / ID Matching, Phase 2
- PRISM Iteration 3
- Effective Dates, Phase 1

Summer Release #2
- Renewal Functionality Improvements – QHP and Public Programs XL S
- Notices, Phase 2

Fall Release
- Eligibility System Upgrade (IBM/Curam) XL
- Notices, Phase 3
- 2017 QHP Marketplace Set-up

Winter Release
- Project Selection Under Consideration

Off-Cycle Work (Not Aligned with Releases)

- Reporting, Phase 2, Phase 3
- METS-MMIS Interface Functionality, Phase 2
- 834 Electronic Interface Testing, Readiness Review, Effectuation, etc.
- 1095-Plus (CMS)
- Manual Electronic Data Interface Effectuation
- Reconciliation
- 1095-SHOP
- 1095 (2016) Monthly file to IRS
- ESOR Graphic User Interface – Phase 2
- Special Enrollment Period support
- Passive Renewals Support
- Open Enrollment Period support
- Change Records Data Entry into ESOR
- MAXIS to METS Conversion, MAGI population
- Federal Poverty Limit (FPL) Medicaid income update
- Defect Fixes regarding Medicaid coverage of pregnant / post-partum women and newborns
- Enrollment Data: Carrier integration and federal reporting; 1095-A; 1095 IRS & CMS reports; 834 EDI file testing and production; enrollment data reconciliation with carriers; ESOR GUI Phase 2 – manual enrollments.
- METS Data Fixes

Prepared for April 20, 2016 Board Meeting
Immediate Operational Feedback Loop

3:15 pm – 3:30 pm
2016 State Legislative Scan
MNsure Related Items

3:30 pm – 3:45 pm
### Comparing Governor, GOP House, DFL Senate Plans for Surplus ($s in millions)

<table>
<thead>
<tr>
<th></th>
<th>Governor</th>
<th>House</th>
<th>Senate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Cuts</td>
<td>+$87.1M</td>
<td>+$0.0</td>
<td>+$43.4M</td>
</tr>
<tr>
<td>Spending Increase</td>
<td>$698</td>
<td>$2</td>
<td>$489</td>
</tr>
<tr>
<td>Reserve</td>
<td>$202</td>
<td>$-</td>
<td>$288</td>
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</table>
MNSure Operations Funding Proposals

SENATE – HHS Article 2

• Collect up to 3.5% of total premiums sold through MNsure until Dec. 31 2017
• Beginning January 1, 2018, MNsure should collect 1.5% of total premiums sold on and off the exchange for individual health plans and dental plans.
• Cannot exceed 100% collected for MCHA in 2012
  − $168M (?)

HOUSE – HF3467

• CY16 = up to 3.5% sold through MNsure
• CY17 = up to 1.75% sold through MNsure
• CY18 = up to 1.75% if independent, 3rd party certifies that MNsure meets operational and technical benchmarks**
  − If no, retain up to 1.5%.
• Revenue cannot exceed 60% of funds collected in MCHA in 2012
  − $101M (?)

4/27/2016
**House** Operational & Technical Benchmarks

• Transfer data to carriers daily in the EDI834 format completely and accurately
• Automatically process enrollment renewals in QHPs and MHCP
• Automatically process invoices for and payments of MNCare premiums
• Provide self-service functionality for account changes and qualifying life events
• Transmit 1095-A forms to enrollees by 1/31 each year
• Call center response/resolution times met or exceed industry standards
Eligibility System Executive Steering Committee

• Both the House and Senate establish committee to govern the “shared eligibility system” for MA, MN Care and QHP

• Differences between House and Senate are related to:
  – Membership of Committee
  – Level of specificity of duties
  – Meetings
House Waivers

1. DHS apply for waiver to: Allow persons eligible for MNCare to decline coverage and use APTC and cost-sharing to buy QHP through or outside MNsure.
   - Commerce Dept. apply for waiver to allow QHP purchase from health plans using APTC and cost-sharing

2. DHS apply for waiver for: a federal-state eligibility determination and enrollments (D&E) system effective 1.1.2018
   - MN DHS conduct D & E for MA and MNCare
   - Federal Exchange conduct D & E for QHP
Legislative Scan

- Outlook
- Discussion
- Questions
Policy Recommendation
Development – MNsure Financing

3:45 pm – 4:35 pm

GOAL:
Develop slate of options to consider for HIAC recommendations to MNsure Board
Withhold Projections (MNsure Board Meeting 3/9/16)

<table>
<thead>
<tr>
<th>Year</th>
<th>Withhold Revenue</th>
<th>Member Months</th>
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<tbody>
<tr>
<td>EY2016</td>
<td>$8,645,673</td>
<td>717,310</td>
</tr>
<tr>
<td>EY2017</td>
<td>$12,779,450</td>
<td>911,945</td>
</tr>
<tr>
<td>EY2018</td>
<td>$15,284,154</td>
<td>1,038,981</td>
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</tbody>
</table>

Withhold Revenue

Member Months

4/27/2016
MNsure Preliminary Three Year Plan
(March 9, 2016 MNsure Board Meeting)

<table>
<thead>
<tr>
<th>$ in Millions</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>DHS Reimb.</td>
<td>$9,608,860</td>
<td>$14,343,632</td>
<td>$14,351,000</td>
</tr>
<tr>
<td>CClO Grants</td>
<td>$38,391,615</td>
<td>$8,436,357</td>
<td>$-</td>
</tr>
<tr>
<td>Withhold Rev.</td>
<td>$8,682,297</td>
<td>$12,779,459</td>
<td>$15,284,000</td>
</tr>
<tr>
<td>Forward Balance</td>
<td>$345,965</td>
<td>$2,467,529</td>
<td>$617,458</td>
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</table>
Recap of 3.24.2016 Financing Discussion

• 17 SBM use varying financing mechanisms, sometimes simultaneously
  – % with hold, PMPM, state funding
• 8 SBM assess only on plans offered through exchange
• 5 SBM assess on plans on inside and outside
• MNsure Board member recommendation on lowering assessment to on and off exchange
Operating Budget Projection
$30-$35 Million / Year

3.5% Prem., 50%
DHS, 50%

Diversified
GF $s, 25%
$x.x$ PMP M, 25%
x.x% Prem., 25%
DHS, 25%

Fed/State
DHS, 25%
Federal, 75%

Note: Figures are for illustration only
4/27/2016
Analysis

• Assess each option with regard to:
  1. Consumer Implications
  2. Financial Implications for MNsure
  3. Policy Implications
  4. Market/Industry Implications
  5. Other Implications?
Recommendation Structure

• Option Description
  – 1.25% assessment on and off Exchange + $3.31 PMPM

• Estimated Revenue
  – $18.2 million annually

• Pros
  – Reduces assessment

• Cons
  – Restricts health plan choices

• Number of Supporters/Ranking
  – Ranked as 4th out 7th options.
Approach #1

1. Status Quo (3.5% On Exchange)
2. Reduced assessment On and Off Exchange
3. Combination of PMPM and % Assessment on Exchange
4. Combination of PMPM and % Assessment On and Off Exchange
5. PMPM On Exchange
6. PMPM On and Off Exchange
7. State Appropriation Only
8. State Appropriation + PMPM + % Assessment
9. State Appropriation + PMPM
10. State Appropriation + % Assessment
11. Federal Exchange
12. Others
Approach #2

On and Off?

State $

X\%

PMPM
Action Steps

• Develop list of options (narrow to 4-5? by Summer)
• Run analysis of options with goal of generating $30 million in revenue
  – Need data source to evaluate $ impact – Commerce Dept.?
• Survey members on pros and cons of options
• June meeting – inventory of options and analysis
• Summer – Discussion/Refinement of Options
• Fall – Recommendation/rankings of options forwarded to MNsure Board
Policy Recommendation Development – Health Literacy

4:35 pm – 4:55 pm

GOALS:
Launch Workgroup with CSEAC
Develop slate of options for Joint Recommendations to MNsure Board
Next Meeting Date & Topics

June 2, 2016

Continue Financing Discussion
Continue Health Literacy Discussion
Other Speakers/Topics