



Health Industry Advisory Committee Meeting Minutes

Thursday, April 28, 2016, 2:30 – 5:00 p.m.

UCare, 500 Stinson Boulevard NE, Minneapolis, MN 55413

Members in attendance: Jonathan Watson – Chair, Ghita Worcester – Vice Chair, Kenneth Bence, David Dziuk, Forrest Flint, Carl Floren, Matthew Flory, Christopher Johnson, Andy McCoy, Reuben Moore (via phone), Chris Rofidal, Chuck Sawyer; Kathryn Duevel – Board Liaison

Members not in attendance: Kyle Bozentko, Harlan Johnson, Heidi Mathson

Staff in attendance: Aaron Sinner – Board and Federal Relations Director, Stephanie Grisell – MNsure staff, Marie Harmon – MNsure staff

Meeting Topics

Welcome & Introductions

Jonathan Watson, Chair

Jonathan Watson called the meeting to order at 2:37 p.m.

Public Comment

None.

Approval of Minutes – February 24, 2016

Jonathan Watson, Chair

MOTION: Chris Rofidal moved to approve the [draft February meeting minutes](#). Andy McCoy seconded. All were in favor and the minutes were approved.

HIAC Survey Results from March Meeting

Jonathan Watson, Chair

Jonathan presented slides 5-8 of the [HIAC meeting deck](#). He noted 47% of committee members had responded to the survey, and called out comments on the health literacy discussion that noted MNsure's role in health literacy should be limited to health insurance literacy, as well as a request to see oral health and dental care included in the project.

MNSure Board Update

Jonathan Watson, Chair

Kathryn Duevel, Board Liaison

Jonathan began the board update by reviewing information presented at the April 20 board meeting, found on slides 9-14 of the [HIAC meeting deck](#). Jonathan reviewed the enrollment numbers, which showed that for the latest open enrollment period through end of day April 17, MNSure had enrolled nearly 157,000 Minnesotans in Medical Assistance, nearly 89,000 in Qualified Health Plans (QHPs), over 55,000 in MinnesotaCare, and nearly 2,000 in SHOP. Chris Rofidal asked why Medical Assistance showed such a dramatic increase over the past couple months compared to the other two categories. Ghita Worcester explained that the end of open enrollment led to much slower growth in QHP enrollment, but that public program enrollment is unaffected.

Jonathan also highlighted that enrollment in Gold and Silver plans is similar to the previous year, but enrollment in Bronze has increased. Dave Dziuk suggested that since Platinum plans were no longer offered through MNSure, there had been a waterfall effect resulting in more Bronze enrollment.

Jonathan also reported on the board's premium withhold revenue slide. He noted it showed MNSure had received \$6.3 million in premium withhold revenue for enrollment year 2015, about \$300,000 under its target. Additionally, it showed MNSure had collected \$2.73 million in withhold revenue in 2016 through March.

Jonathan also shared the 2016 IT release plan slide from the board meeting. Ghita asked if the 2016 IT releases would include updates to the assister portal. Kathryn Duevel said she did not believe additional portal enhancements were on the 2016 release plan, but that MNSure had concluded its assister portal pilot, was reviewing the findings, and would hopefully be releasing the portal on a broad scale for open enrollment 2017.

Kathryn presented other highlights from the April 20 board meeting. She noted Michael Sasko with hCentive came to speak during the public comment portion of the meeting. He had shared that his company is working with other state exchanges and discussed what a partially-privatized exchange could look like in Minnesota. Kathryn made clear Mr. Sasko had presented of his own volition and volunteered the information.

Kathryn shared that the board meeting included report-outs from various Board work groups. Tom Forsythe had reported for the Finance Work Group that MNSure is on track and will be presenting a budget for board approval at a future meeting. Kathryn had reported for the Operations Work Group that it has moved from a focus on IT priority-setting to a focus on refining and tracking metrics across many business areas in order to enhance reporting and show continual improvement. Kathryn had also reported that MNSure had conducted focus groups to assess its marketing and advertising campaign and found that consumers have moved from the perception of MNSure in a negative light to a more neutral light. Finally, Peter had reported for the Strategy Work Group that the work group continues monitoring the legislative process.

Kathryn shared that Allison O'Toole had provided updated enrollment numbers and explained that MNSure had entered an evaluation phase, taking a comprehensive look at internal processes, talking with consumers about their experiences, gathering feedback from users in general, and connecting with stakeholders like the navigator and broker community. Allison had also reported that the MNSure website is now mobile-friendly.

Kathryn also shared that at the Board meeting, Scott Peterson of MN.IT had reported that the spring release went smoothly and was released on target and on time. Scott had also reported that MN.IT is working with the carriers to give them insight into releases that affect them.

Finally, Kathryn noted that this was her final HIAC meeting, since her board term ends May 5. She thanked committee members for their service and said she had enjoyed getting to know them and learning from them.

Committee members thanked Kathryn for her service and her work with the HIAC.

Dave noted that after the financial presentation at the joint Advisory Committee meeting, the two items that worry him in the budget are the limited funds to be spent on IT development and the reduction in the Contact Center budget. He said he would rather see MNSure spend less on marketing and more on call service.

Kathryn said she shared Dave's concerns. However, because MNSure balances its budget, with the federal establishment funding disappearing at the end of the year, the board had to make hard decisions.

Immediate Operational Feedback Loop

Jonathan Watson, Chair

Jonathan asked for feedback that should be directed to the board. Ghita asked that the board provide firm dates as to when the assister portal will be in place. Dave asked that his concerns regarding the budget be shared with the board. Jonathan said he would present these topics to the board at its May 25 meeting, as well as an update on the committee's recommendation development, and would ask if the board had any additional assignments for the HIAC.

Legislative Scan of MNSure Issues

Jonathan Watson, Chair

Jonathan presented slides 16-22 of the [HIAC meeting deck](#), on proposed legislation affecting MNSure in the Minnesota Senate and House. Jonathan explained that the Senate's and House's proposals were very far apart. The Senate proposal lowers MNSure's premium withhold to 1.5% beginning January 1, 2018, and spreads it across the full individual market. The House proposal lowers MNSure's premium withhold to 1.75% beginning January 1, 2017, but continues to apply it to plans sold only through MNSure. It also requires an independent third party to certify MNSure meets certain operational benchmarks, or MNSure can only retain a 1.5% premium withhold. Both the Senate and House proposals establish a committee to govern the shared eligibility system for Medical Assistance, MinnesotaCare, and QHPs; however, the membership, duties, and meetings of that committee vary between the two chambers.

Additionally, the House proposal directs DHS to apply for a waiver to allow MinnesotaCare-eligible Minnesotans access to advanced premium tax credits and cost-sharing reductions to buy QHPs on- or off-exchange, and a waiver to create a partnership exchange effective January 1, 2018 wherein DHS would conduct eligibility determinations and enrollments for Medical Assistance and MinnesotaCare, and the federally-facilitated marketplace (FFM) would conduct eligibility determinations and enrollments for QHPs.

Jonathan commented that with the two chambers so far apart, it was unclear if any changes would be implemented this legislative session.

Chuck Sawyer asked if the MinnesotaCare eligibility expansion up to 275% of the federal poverty level was still in play. Jonathan answered that it was still an active proposal in the Senate, but not in the House.

Policy Recommendation Development – MNsure Financing

Jonathan Watson, Chair

Jonathan presented slides 23-32 of the [HIAC meeting deck](#). Jonathan explained that this was follow-up to the financing presentation and discussion at the joint Advisory Committee meeting the previous month, and that his goal was for the committee to develop a slate of financing options to consider.

Jonathan reported that during the financing presentation, Tom Forsythe had suggested lowering the premium withhold percentage and applying it to individual market plans sold both on and off the exchange, similar to Senator Tony Lourey's proposal currently before the Minnesota Senate. Jonathan also noted that conceptually, it would make sense to target operating revenue in the \$30-35 million range, as that was consistent with MNsure's current budget for fiscal year 2018.

Jonathan presented slide 27 of the [HIAC meeting deck](#) and explained the HIAC's range of options to recommend ranged from the current status quo financing to a diversified financing method that would use simultaneously many of the possible financing techniques previously discussed, to moving to a federal/state partnership exchange. Dave noted that because the FFM charges a 3.5% premium withhold, moving to the federal exchange is essentially status quo in terms of financing, but simply shifts that revenue from MNsure to the federal government. Andy noted that under that scenario, it was likely the DHS budgetary component would end up being larger, as there were likely economies of scale that come from sharing an eligibility platform.

Jonathan outlined the 11 options listed on slide 30 of the [HIAC meeting deck](#) and said he would like to bring that list down to 4-5 options by the end of the meeting.

Chris Rofidal suggested it would be helpful to identify those parties that had benefited from MNsure, potentially including doctors, hospitals, carriers, and/or brokers. Andy commented that it was difficult to disentangle those who have benefited from MNsure compared to those who have benefited from the Medical Assistance eligibility expansion.

Dave suggested simplicity was an important principle in crafting a MNSure funding mechanism, in particular because the amount of revenue MNSure needs to raise is relatively minor compared to the size of the state budget. He said any mechanism created should not be cumbersome and should be practical from a tax collection standpoint. Dave also suggested fairness was an important principle, acknowledging fairness is in the eye of the beholder. He noted the current premium withhold method was the same as the approach taken by the FFM, though he saw advantages in a per member per month (PMPM) approach that could be indexed to inflation, rather than tied to medical premiums, where year-to-year growth doesn't necessarily correlate with the costs of running an exchange. He also noted this left open the question of whether to apply the financing mechanism on-exchange only or both on- and off-exchange.

Ken Bence asked if \$30 million was a good revenue target, sufficient to fund what MNSure hoped to accomplish. Andy commented he didn't think the committee should look at a revenue target, but simply focus on a mechanism.

Chuck said he saw value in a diversified approach. He noted the hospital industry was benefiting from the reduction in the uninsured population, and employers were benefiting from employees having access to affordable insurance, especially small employers. Dave noted small employers weren't required to offer health insurance, and so he didn't feel it would be fair to penalize them with a tax.

Chuck also commented that since everyone was benefiting from a low uninsured rate, it might make sense to have some general fund dollars go to MNSure. Jonathan noted the health care access fund was supposed to sunset in two years, but it could represent a subset of the general fund that could be put toward MNSure funding.

Forrest Flint noted that because MNSure hadn't exercised its active purchaser powers, it was functioning as a market facilitator. Under that model, he believed a premium withhold works well, and noted a PMPM fee would greatly increase the relative cost of dental-only plans.

Dave noted the federal government had funded most of the development of MNSure. He suggested that if MNSure could identify the cost of the remaining IT development needed, it could make sense to have a state appropriation to fund that component. He acknowledged it was probably not politically viable.

Kathryn commented the major benefit to administering the financing mechanism on- and off-exchange would be to add stability to the budget. She noted it would also prevent any incentive for carriers to sell off-exchange rather than on-exchange in order to retain the entire premium, though she did not believe this was an issue.

Jonathan said the main options he was hearing based on the discussion were:

1. Status quo, premium withhold applied to on-exchange plans only
2. Move to a reduced premium withhold and either:
 - a. Apply it on-exchange only and reduce MNSure's revenue
 - b. Apply it to both on- and off-exchange individual market plans

3. Move to a PMPM mechanism:
 - a. Applied on-exchange only
 - b. Applied to both on- and off-exchange individual market plans
4. A general fund allocation
5. Move to the FFM

Jonathan noted committee members did not seem to have an appetite for mixing approaches, but would rather keep the mechanism easy to understand.

Ken noted the general fund allocation discussion had been specific to IT development, not related to supporting ongoing operations funding.

Committee members suggested the move to the FFM should be taken off the table.

Dave suggested having members vote on which options they'd like to pursue via a survey between HIAC meetings so the committee would know where to focus its energy at its next meeting.

Policy Recommendation Development – Health Literacy

Jonathan Watson, Chair

Ghita reported that there had not been a lead identified among the joint Advisory Committee volunteers to work on health literacy, and so the work group had not convened.

Jonathan invited Jin Palen, Vice-Chair of the Consumer and Small Employer Advisory Committee (CSEAC), to speak as to where the CSEAC was with the topic. Jinny reported the CSEAC had met Tuesday and was considering incorporating a recommendation on health literacy into a larger recommendation around business operations. It would concern the need for documentation and materials to be written at an eighth grade reading level, and also about the need for a culture shift toward health literacy.

Ghita commented it could be valuable to have carrier and broker representatives from the HIAC at the table with members of the CSEAC to work through the issue together. Jinny said she would draft a brainstorming document for the CSEAC and would share it with the HIAC, as well.

Carl Floren volunteered to participate in the development of health literacy recommendations.

Next Meeting Date & Topics

Jonathan Watson, Chair

Jonathan noted the HIAC would next meet on June 2. He said the committee would explore scheduling a joint meeting with the CSEAC the week of June 20. The meeting could cover a MNsure legislative update, if needed, and also look at other possible joint topics and at possibly having a portion of the meeting where the two committees met separately.

MOTION: Christopher Johnson moved to adjourn. Andy seconded. All were in favor and the meeting adjourned at 4:58 p.m.