



Health Industry Advisory Committee Meeting Minutes

Thursday, September 28, 2017, 2:30 – 5:00 p.m.
UCare, 500 Stinson Boulevard NE, Minneapolis, MN 55413

Members in attendance: Jonathan Watson – Chair, David Dziuk, Carl Floren, Thomas Hoffman, Hillary Hume, Heidi Mathson, Daniel Miesle, Reuben Moore, Joel Ulland (sitting in for Ghita Worcester), Bette Zerwas

Members not in attendance: Ghita Worcester – Vice Chair, Kenneth Bence, Kyle Bozentko, Forrest Flint, Harlan Johnson, Chris Rofidal, Charles Sawyer, Andy McCoy

Staff in attendance: Aaron Sinner – Board and Federal Relations Director, Stephanie Grisell – Legal Analyst

Meeting Topics

Welcome & Introductions

Jonathan Watson, Chair

Jonathan Watson, Chair, called the meeting to order at 2:41 p.m. He noted a quorum was not yet present at the beginning of the meeting. He referred to the agenda found in the [meeting slide deck](#). Jonathan noted the goal of the meeting was to provide a SHOP recommendation.

Members introduced themselves. During this time, a quorum of members arrived.

Approval of Minutes

HIAC Members

MOTION: Tom Hoffman moved to approve the draft [June 29, 2017](#), [joint July 10, 2017](#), and [August 17, 2017](#) draft minutes. Reuben Moore seconded. All were in favor and the minutes were approved.

Public Comment / Operational Feedback Loop

Jonathan Watson, HIAC Chair

No public comment.

No operational feedback loop comments.

MNsure Board & Staff Update

Aaron Sinner, Director of Board and Federal Relations

Aaron updated committee members about Minnesota's 1332 waiver request, which had been partially approved by the federal government on September 22, 2017. Following the passage of the Minnesota Premium Security Plan, or the reinsurance bill, by the Minnesota legislature last session, Minnesota had submitted a 1332 waiver request to build the reinsurance program in Minnesota. The waiver request had been partially approved by CMS, however the approval did not include Minnesota's request to hold MinnesotaCare funding harmless, as Minnesota had requested. Rather, the waiver will decrease MinnesotaCare funding by a greater amount than the state is receiving in redirected federal dollars supporting the reinsurance program. Aaron added that MNsure is loading the lower rates associated with the reinsurance program into its system.

Tom asked for clarification on the financial issues related to MinnesotaCare funding. Jonathan noted that upon the passage of the Affordable Care Act (ACA), Minnesota decided to set up the Basic Health Plan (BHP) that was outlined in the ACA. When Minnesota set up MinnesotaCare as the BHP, the federal government agreed to provide 90% of the funding to the BHP. If Minnesota had not set up MinnesotaCare, that funding would have gone to funding advanced premium tax credits and cost-sharing reductions for that same population.

Joel Ulland added that health insurance carriers had sent a letter to the Commissioner of Commerce raising a concern about releasing the rates before the Governor had approved the waiver. Questions were raised about how the reinsurance program actually decreases rates. Jonathan noted the reinsurance program will use public dollars assist with paying for claims over \$50,000. Aaron indicated the 1332 waiver request submitted to the federal government sought federal dollars to assist in paying for the reinsurance program, rather than simply reducing federal spending on tax credits due to lower rates.

Committee members discussed the language around "rate decreases" and whether the expected rates were welcome news for those not eligible for APTC.

Jonathan informed committee members that the federally-facilitated marketplace would be conducting all-day maintenance on Sundays and asked Aaron if this would affect MNsure's hours. Aaron noted the announced maintenance windows were related to Healthcare.gov's website only and not the federal hub, which MNsure uses to verify identity. Thus, MNsure's hours would not be affected.

Aaron added that the next MNsure board meeting is on October 18, 2017.

Political Landscape Discussion

Jonathan Watson, Chair

Jonathan provided the committee with an update of the political landscape regarding Affordable Care Act (ACA) repeal-and-replace efforts. Jonathan noted there were about four iterations of federal health care discussions: the Medicare-for-All proposal, the Alexander-Murray market

stabilization efforts, the Graham-Cassidy bill, and the “extenders,” which fund a lot of community health care work. Jonathan noted a bill to extend the funding for CHIP, National Health Service Corps, and many Community Health Centers needed to pass by September 30, 2017, or funding would lapse.

Committee members discussed the programs whose funding was set to expire September 3. Jonathan noted Congress could retroactively fund the programs. Discussion turned to CHIP, noting the agreement between Senators Hatch and Wyden regarding the funding of CHIP. The current agreement was to scale down CHIP funding to pre-ACA levels beginning in 2021. Currently, Minnesota, without federal funding, could only fund CHIP until December 2017.

HIAC SHOP Recommendation

Jonathan Watson, Chair

Jonathan opened discussion about the future of SHOP and the MNsure exchange. As of July 2017, 3,287 Minnesotans received coverage through SHOP. Jonathan noted that this was less than original SHOP projections at the time exchanges launched in 2013.

Jonathan reviewed the potential recommendation discussed at the August 2017 meeting. Jonathan provided the committee with the budget projections so SHOP funding could be acknowledged in the discussion. The draft recommendation stated:

Given there is no medical carrier participation in SHOP, MNsure do the minimum necessary to not violate and satisfy federal regulations or align with the federally regulated open enrollment requirements for SHOP. Additionally, MNsure should redirect whatever SHOP resources to the individual market product support.

MOTION: Dave Dziuk moved to approve of the SHOP recommendation as stated. Heidi Mathson seconded. All were in favor and the motion was approved.

HIAC Reporting Metrics Discussion/Recommendation

Jonathan Watson, Chair

Jonathan opened discussion to the committee members about a recommendation related to the MNsure reporting metrics. Jonathan welcomed discussion and ideas about how MNsure can illustrate efficiency in their call center reporting. Jonathan reviewed the Survey Monkey results that committee members suggested.

Hillary Hume provided committee members with an example of call center metrics that her organization uses in call center contracts. Dave noted the industry standard is 80% of calls answered in 30 seconds or under with an abandonment rate of less than 5%. Tom added it's important to note the time period over which the reporting metrics are reviewed and reporting, illustrating the different metrics that could come from open enrollment versus special enrollment. Tom noted a recommendation around reporting metrics should include language that indicates metrics be tabulated against weekly service goals. Heidi asked for a broker line-specific breakdown in any reporting metrics recommendation.

Dave raised a concern about MNSure's average speed of answer and how to raise the average speed of answer to industry level, acknowledging budgetary constraints. He noted that MNSure increases staff during open enrollment, but to decrease the average speed of answer, more staff needs to be added to the phone lines at the correct time. Dave indicated he would like to see more information on the types of calls made to MNSure and how long a typical phone call lasts. Reuben summarized the committee members points, noting the seasonality of phone calls to MNSure is important to acknowledge when developing a reporting metrics recommendation. Reuben asked if MNSure tabulates IVR metrics. Aaron indicated MNSure utilized IVR, but he had not seen metrics related to it. Reuben noted IVR could be a simple way to decrease call volume.

Tom acknowledged that although individuals want to see the average speed of answer decrease, that action costs money. He wondered what the committee was striving for with the reporting metrics recommendation and if it made sense to hold MNSure to the same standards as commercial competitors. He asked if there had ever been a breakdown of a cost per call. Aaron indicated he was unsure if such a cost had been tabulated. Jonathan, noting Tom's concerns, suggested including a note in the recommendation to request the "cost per call" over time.

Jonathan stated he did not believe the committee was currently in a position to provide a recommendation. Jonathan said he would draft up the bullets raised and hopefully the committee could develop a recommendation about reporting metrics at the October 30, 2017 HIAC meeting.

HIAC Individual Market Stabilization Discussion

Jonathan Watson, Chair

Jonathan opened discussion about individual market stabilization. He asked committee members to think about how to present a recommendation that would improve MNSure operations and would also promote individual market stabilization.

Jonathan noted Dave's Minnesota Comprehensive Health Association's (MCHA) role and asked what information he could provide to the group that could guide discussion, as MCHA would be the organization administering the reinsurance program. Dave noted MCHA must provide recommendations and guidelines regarding 2019 reinsurance by January 2018. Jonathan asked for clarification if MCHA or the MNSure board had a larger role in market stabilization. Dave indicated there were a few things up in the air in regards to 2019, acknowledging the actions taken by the legislature to pass the 25% premium subsidy to stabilize the market. Jonathan asked if there would be issues raised if the Alexander-Murray market stabilization bill passed and Minnesota had already set up the reinsurance program. Dave was unable to provide a complete answer, but noted MCHA would acknowledge that issue if it arose.

Jonathan summarized a meeting between himself and Tom and discussed the Survey Monkey results. Tom passed out an article titled ["How California is combating ACA uncertainty" from Modern Health Care](#). Tom reviewed the bullet points on how Covered California was work to stabilize its market. First, they eliminated coupons related to prescription benefits in regards to

individual market plans, noting that Medicare and Medicaid already had such a rule. Dave added the coupon practice increases costs for the health insurance carrier. Reuben noted perhaps there could be a recommendation around a standard formulary. Tom noted the ACA already had essential health benefits, which all health plans must have to be offered for sale in the individual market.

The second action Covered California took was related to essential health benefits. Tom noted the state had the option to select the benchmark plan, of which there were 10 methodology options, and Tom believed Minnesota's benchmark should be re-evaluated. He acknowledged there were federal regulations related to the benchmark plan, but no specifics about which should be selected. That decision is made by the state and Minnesota allowed the default option to take effect. Aaron noted for the committee that the Department of Commerce rather than MNsure had regulatory authority to select the benchmark plan, and his understanding was that Commerce had evaluated its options and had intentionally allowed the default option to take effect. Tom suggested a reevaluation of the benchmark plan would be a way to lower costs.

The third action was to keep insurers from exiting the exchanges, Covered California allowed health insurance carriers that incur unexpected losses due to federal policies and uncertainty to recoup those losses over the next three years. Tom noted this was essentially a financial recovery mechanism. Dave pointed out there were still margins in federal law which might regulate such an action.

The fourth action Covered California had taken was to place a surcharge on silver-level ACA plans when there is uncertainty of federal payment of cost-sharing reductions. Tom explained that Covered California was taking that surcharge and placing it into a fund which would ensure cost-sharing reductions were paid. Tom noted there were some members in silver plans who purchased unsubsidized coverage and so would see a premium increase, but that number is low in Minnesota. Aaron noted that about 75% of individuals who enroll through MNsure receive APTC.

The final action was that if a health insurance carrier participated in public program offerings, it would also be required to offer individual market products through the exchange.

Jonathan noted that while the committee members might not be able to provide a recommendation before some members' terms ended in October, they could provide groundwork for the next committee to provide a recommendation. Hillary asked about the executive order that may be signed to allow health insurance carriers to sell products across state lines. It was noted that Minnesota has a law that indicates health insurance carriers who sell products on the individual market must be non-profits. Heidi noted that those carriers would not be able to sell on MNsure in 2018, as final rates had already been set. There was discussion about a potential moratorium on for-profit health carrier entry, but Joel noted the moratorium was on existing, current non-profit health carriers converting to for-profit status.

Reuben wondered if MNsure could introduce a new network contracting requirement for health insurance carriers related to reference-based pricing. That could provide stabilization in terms of cost management while still delivering the essential benefits outlined in the ACA. Reuben noted that it would essentially be a reimbursement contract model. Dave noted the consumer gets

stuck with the difference between what the employer covers and what the health plan covers. Additionally, he noted the consumer's network can get specific, which can be negative for access. Reuben added there were quite a few providers and employers warming to the idea, but but acknowledged it was a complex issue that was not yet widely understood.

Tom suggested using the first two bullet points, decreasing anti-kick regulations and re-evaluating the essential health benefits options, as well as a recommendation to consider strategies around cost-sharing subsidies and premium losses based on uncertainty for Minnesota and MNsure with the example of Covered California. Dave called for more specificity within the guideline.

Aaron asked how large of an issue uncertainty around cost-sharing reductions was for Minnesota health insurance carriers, given Minnesota's MinnesotaCare population. Dave noted the uncertainty was not a massive issue for that reason.

Reuben asked if the committee needs to focus on ensuring MNsure is self-sustaining. Reuben made the connection between satisfied consumers and increasing revenue so MNsure can become self-sustaining. Aaron noted the CCIIO grants were almost entirely gone and MNsure was funded by premium withhold revenue and service reimbursement from the Department of Human Services.

Jonathan welcomed volunteers to draft a white paper to provide an outline of discussion around Tom's suggestions. Tom volunteered to build out the guidelines and develop more detail about strategies to decrease anti-kickback regulations and re-evaluate the essential health benefits options, as he outlined above. Reuben volunteered to provide additional information regarding reference-based pricing. Jonathan summarized that there would be three different aspects to the overall market stabilization recommendation.

Bette Zerwas asked if any of the bullet points discussed would require state legislation. Aaron noted that some would require legislative action, though others could be implemented by regulatory measures. Bette indicated the recommendation bullet points that could not be implemented by regulatory measures should perhaps be added to MNsure's legislative agenda.

Next Steps & Next Meeting Date

HIAC members

Aaron encouraged committee members to reach out to their networks to find new members for the committee. He also added that members should reach out to him with ideas about who should be chair or vice-chair of the committee.

Jonathan indicated he would attend the October 18, 2017, MNsure board meeting to present the SHOP recommendation.

The next HIAC meeting would be October 30, 2017. Jonathan added there was currently a joint advisory committee meeting on November 30, 2017, and was unsure if it would remain a joint committee. Bette suggested doing them separately since new members would be joining, and

providing some onboarding for the new members such as who was on the MNsure board, what their responsibilities were, and what the role of the advisory committees was.

MOTION: Reuben moved to adjourn. Carl Floren seconded. All were in favor and the meeting adjourned at 4:16 p.m.