



MNsure Health Industry Advisory Committee (HIAC) Update

Jonathan Watson, HIAC Chair

MNsure's Accessibility & Equal Opportunity (AEO) office can provide this information in accessible formats for individuals with disabilities. Additionally, the AEO office can provide information on disability rights and protections to access MNsure programs. The AEO office can be reached via 1-855-3MNSURE (1-855-366-7873) or AEO@MNsure.org.



Agenda

1. Operational Feedback Loop
2. HIAC Recommendation
3. Future HIAC Efforts

Operational Feedback from HIAC



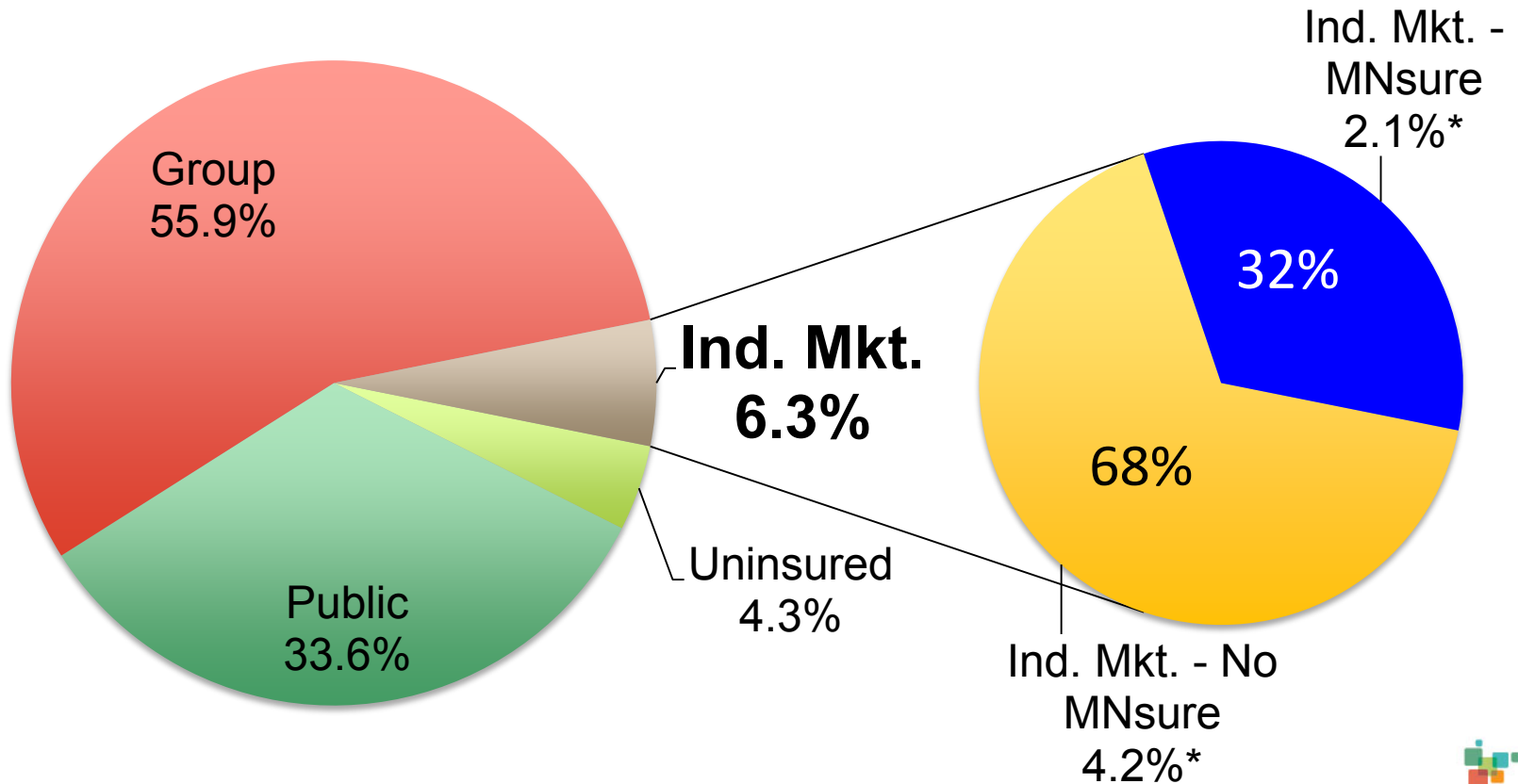
- How is MNsure preparing for upcoming open enrollment period given the anticipated volume of users with the change in the marketplace?
 - Call center
 - Website
- Continued concern about enrollment processing and files are still at a “spreadsheet” level.
- Continued concern about the ability of navigators/brokers to access a portal that fully assess the status of the application.
- **Next HIAC Meeting – 9/29, 2:30 pm – 5:00 pm**

HIAC Financing Recommendation Overview

- HIAC is to make recommendations related to the current withhold mechanism that collects 3.5% of premium revenue from qualified health plans (QHPs) sold on MNsure.
- HIAC met five times over the course of 5 months to develop and finalize recommendation:
 - March 24
 - April 28
 - June 2
 - June 21
 - July 28
- HIAC wants to convey to MNsure Board of Directors that while this was a complex issue, we had a **ROBUST and COOPERATIVE** discussion over 5 months.
 - Developed a framework and work relationship to develop future recommendations

Minnesota's Individual Market

MN Health Care Coverage, 2015



* Percent of statewide coverage

Comparing Financing Models of State Exchanges (n=17)

Assessment only on plans offered through Exchange

CA

HI

ID

MA

MN

NV

OR

WA

Broad-based (Inside & Outside)

CO

CT

DC

KY

MD

NM

State Appropriation

NY

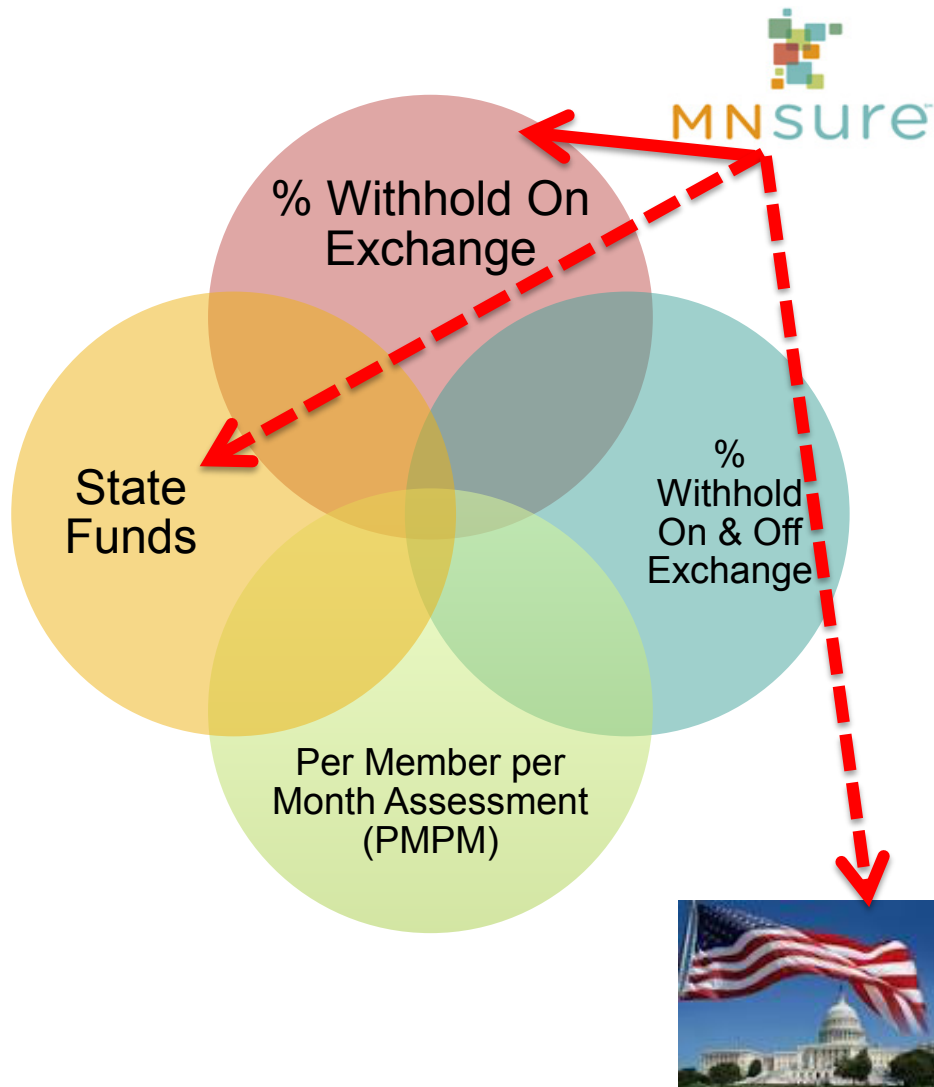
VT

TBD

RI

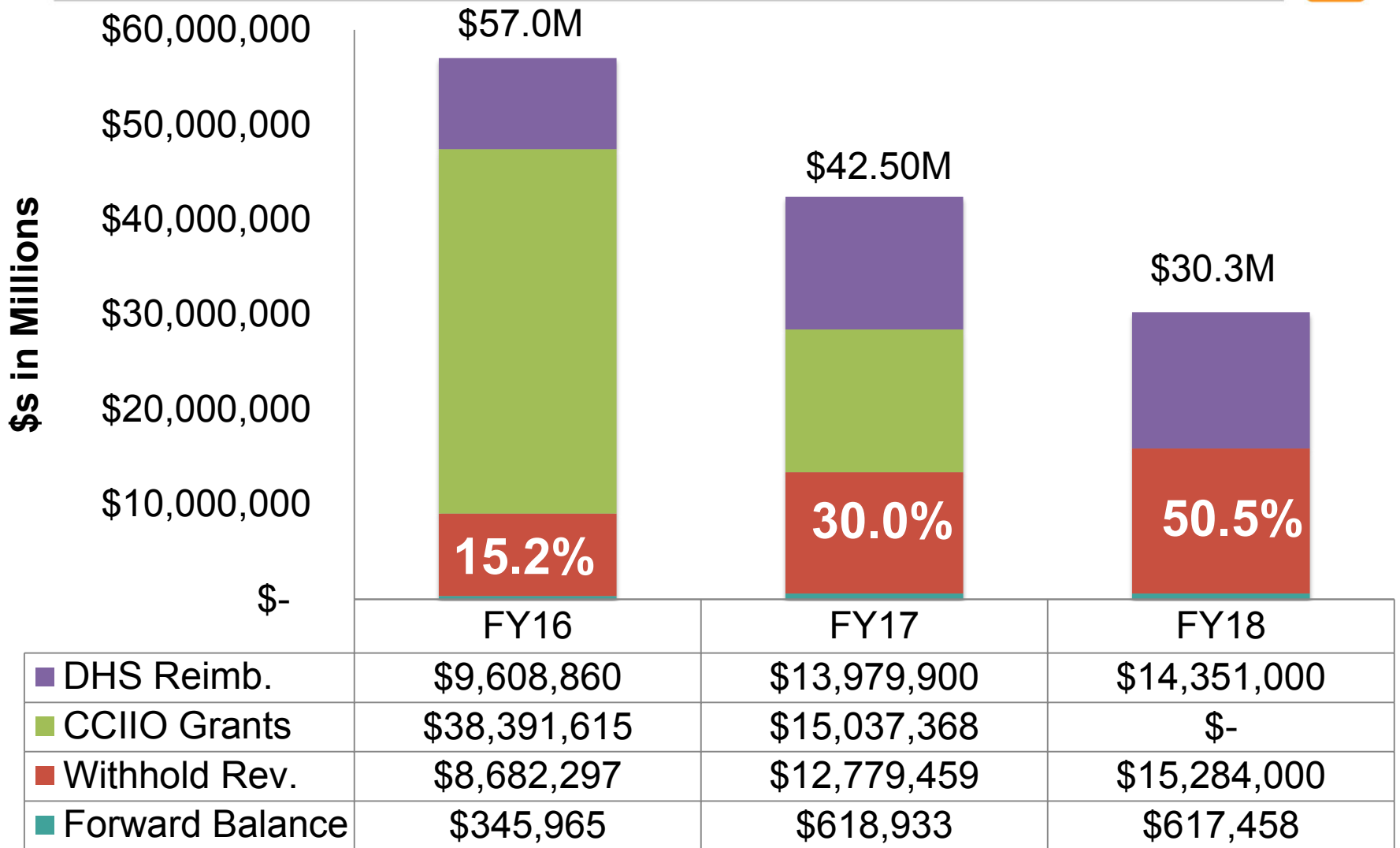
Federally-facilitated exchanges

Scan of State-Based Exchanges



% of Premium On Exchange Only	% of Premium On & Off Exchange	PMPM On Exchange
1.99% - 3.50%	1.00% - 2.00%	\$4.19 - \$13.95

MNsure Preliminary Three Year Plan (March 9, 2016 & July 20, 2016 MNsure Board Meetings)

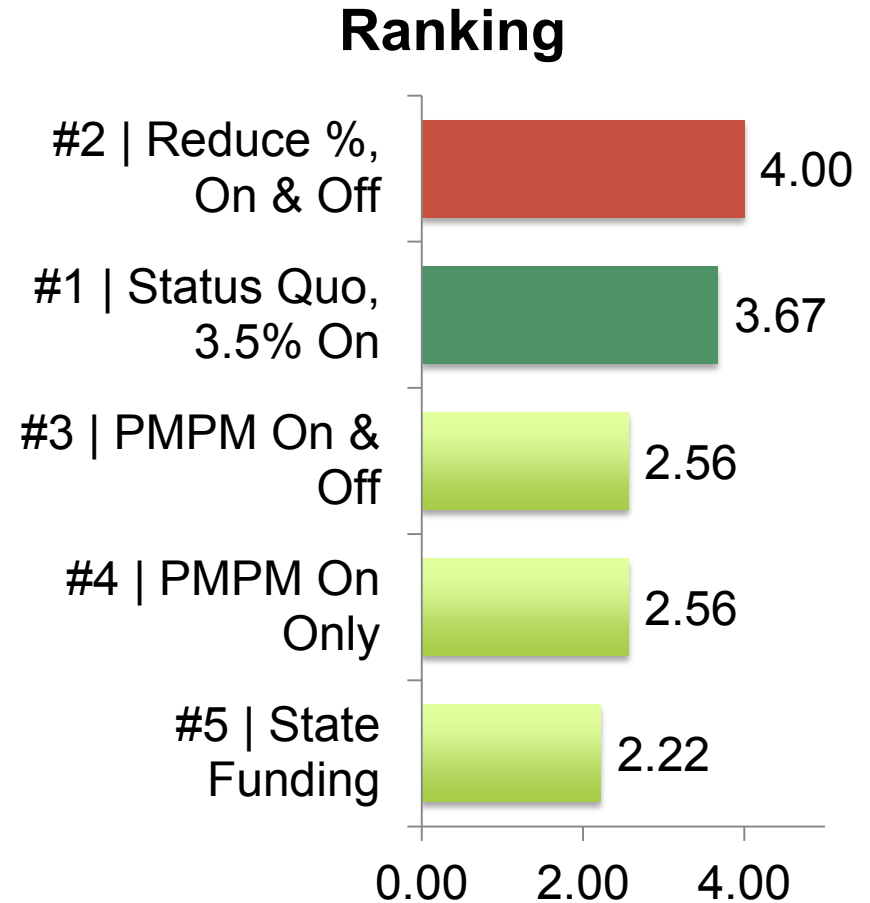


Key Assumptions & Further Analysis

1. Consistent with MNsure projections, member enrollment will grow 27% in FY17 and 14% in FY18, and premiums will increase 15% in FY17 and 5% in FY18.
 - Generates \$12.8M in FY17 and \$15.3M in FY18
 2. Minnesota's individual market is 270,458 – 3.2 million member months generating \$1.12 billion in premiums.
 - 32% (91,000) through MNsure, 68% (180,000) outside of MNsure
 3. MinnesotaCare eligibility will remain at 138-200% of poverty for non-pregnant adults.
1. Ability of MNsure to assess a premium withhold on “grandfathered” health products.
 2. Converting to a Per Member Per Month (PMPM) assessment relative to current state statute.
 3. Ability of MNsure to exceed the federal 3.5% assessment for federally-operated exchanges.

Five Options

1. Maintain Status Quo (3.5% assessment on products sold through MNsure)
2. Reduce assessment to 1.75% and apply to products sold on and off MNsure.
3. Replace 3.5% assessment with PMPM on plans sold through MNsure
4. Replace 3.5% assessment with PMPM on plans sold on and off MNsure.
5. Replace 3.5% assessment and provide state funds to support operations not supported by DHS funding (i.e., operations related to QHP)



Option Analysis

Option 2 | Reduce assessment

Advantages

- Provides MNsure with a reliable funding source that is relatively easier to project into the future
- Rates for plans sold on the exchange could decrease
- Easier for participating stakeholders to understand the revenue mechanism
- Dis-incentivizes MCOs from selling “off-exchange” only to avoid withhold.

Disadvantages

- Potential increase rates for current plans sold only “off” MNsure
- Unclear impact on grandfathered plans.
- Legislation is necessary to enact option.

Option 1 | Status Quo

Advantages

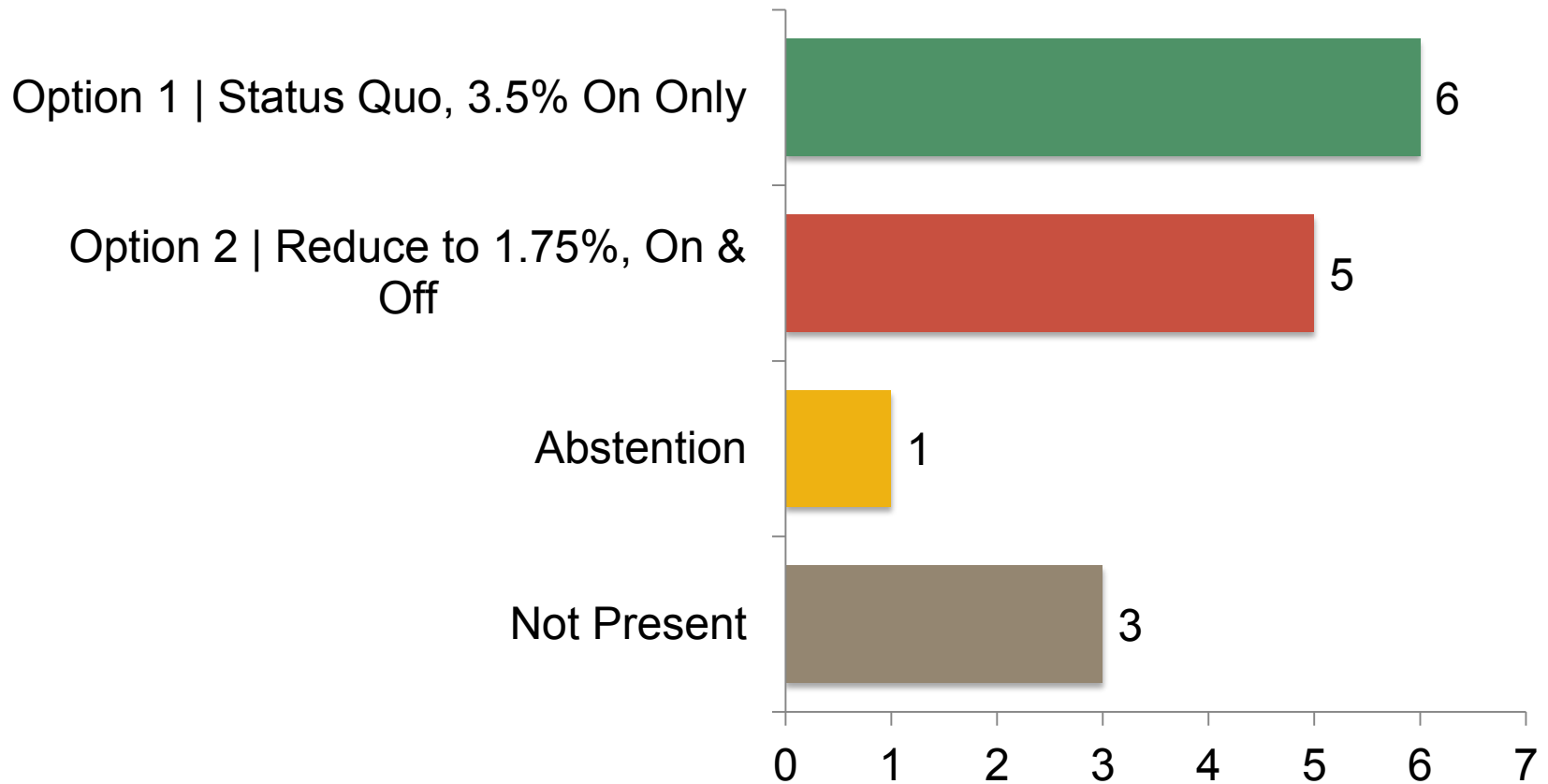
- No legislation action required
- Consistent with federal exchange percent assessment of 3.5%
- Assessment (tax) applied to plans receiving the benefit of participating on MNsure

Disadvantages

- Application of tax to plans in Minnesota is not transparent to consumers
- Consistent revenue for MNsure is dependent upon stable/growing enrollment of Minnesotans through MNsure
- Perceived incentive that potential enrollees are “steered” away from MNsure in order to avoid tax (assessment).

HIAC Vote | July 28 ,2016

Votes



Summary

- **Support for Option 1**
 - Predictable
 - Consistent with federal assessment
 - Accountability for MNsure
 - Consumers securing coverage on MNsure are paying for it
 - Consumer not securing coverage on MNsure shouldn't have to pay for it.
- **Support for Option 2**
 - MNsure is a “public good” – drop in uninsured in MN
 - Many consumers use MNsure to evaluate, and buy off Exchange
 - Easier to administer
 - Increased transparency reflecting how assessment is currently amortized
- **General Support for State Funding toward IT “build out”**

HIAC Next Steps

- HIAC Meeting on September 29 – Focus on setting next “recommendation area”
 - Process Map
 - Understanding the DHS-MNsure financial/operational relationship
 - MNsure Awareness Study/Remaining Uninsured
 - Health Literacy
 - Other issues TBD
- MNsure board request of HIAC on issues?
- Invitation to join HIAC meetings at any time.