MNsure Board of Directors Meeting Minutes

Wednesday, October 20, 2021, 1 — 3 p.m.
Remote: via WebEx

Participants in attendance: David Fisher, Jessica Kennedy, Cynthia MacDonald (sitting in for Commissioner Jodi Harpstead), Suyapa Miranda, Stephanie Stoffel, Andrew Whitman

Participants not in attendance: n/a

Staff in attendance: Nate Clark, Claire Hahn, Joel Ingersoll, Kari Koob, Greg Poehling, Mary Robinson, Dave Rowley, Christina Wessel, Morgan Winters

Guests: Stacy Sjogren, ASL interpreter Dee Rammarine, ASL interpreter Sonja Newton

Meeting Topics

Welcome

Suyapa Miranda, Board Chair

The meeting was called to order at 1 p.m. by Suyapa Miranda, chair.

Board Chair Suyapa Miranda 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.

Chair Miranda noted that this month’s board meeting is being conducted remotely and that MNsure’s chief legal counsel, Dave Rowley, will conduct a roll call for attendance and for any votes taken today.

Public Comment

None.
Administrative Items

Suyapa Miranda, Board Chair

Approve July 21 and September 21 Meeting Minutes

MOTION: Mr. Fisher moved to approve the draft meeting minutes from both July 21, 2021, and September 21, 2021. Vice Chair Stoffel seconded. Mr. Rowley took a roll call. Ms. Kennedy and Assistant Commissioner MacDonald abstained from approving the July meeting minutes because they were not present; the remaining four members voted to approve. All six members voted to approve the September meeting minutes.

CEO Report

Nate Clark, MNsure CEO

Enrollment Update

MNsure CEO Nate Clark opened his remarks with a reminder that MNsure’s ninth open enrollment begins on November 1, 2021, and will run through January 15, 2022. At the next board meeting in November 2021, MNsure staff will report on the first three weeks of open enrollment including exchange activity and operational performance.

As of October 17, 2021, over 330,000 Minnesotans have come to the exchange and signed up for comprehensive health coverage (see slide 5).

Sign-ups as of October 17, 2021:

- 330,319 total Minnesotans have signed up for comprehensive coverage
  - 148,864 qualified health plan (QHP) sign-ups
  - 152,843 Medical Assistance applications
  - 28,512 MinnesotaCare applications

- Approximately 59% of QHP-enrolled households are receiving advanced premium tax credits (APTC), averaging about $507 per month.

Both sign-ups and effectuated enrollments\(^1\) continue to be strong (see slide 6). Over 109,000 Minnesotans are enrolled through the end of September, up from 108,546 in January 2021. Mr. Clark observed that the COVID-19 special enrollment period (SEP) and expanded tax credits made available by the American Rescue Plan have affected the number of enrollees who have maintained their coverage on the exchange in 2021.

Assistant Commissioner MacDonald asked for the specific number of additional enrollees due to COVID. Mr. Clark responded that there are multiple ways one can track the impacts of COVID, including new sign-ups as well as the number of enrollees who received increased APTC

\(^1\) “Effectuated enrollments” refers to consumers who have made the first payment for their health plan and their coverage is in effect currently.
benefits (44,000) or unemployment income benefits during the pandemic (approximately 9,000 new enrollees), and said he would follow up with more detailed numbers following the meeting.

Mr. Whitman observed that the current level of MNsure enrollees (approximately 109,000) does not represent a large increase over time. Mr. Clark responded that if you look at the same period for the year prior (fall 2020), there were approximately 103-104,000 enrollees; what’s notable is that consumers who purchased coverage on the exchange earlier in the year have maintained their coverage. In 2021, MNsure has not seen gradual decreases in effectuated enrollments as in years prior, when we observed about a 1% decrease each month typically beginning mid-year.

Mr. Fisher asked about the specific impacts of MNsure’s outreach efforts regarding the special enrollment period for eligible Minnesotans who received unemployment income (UI) in 2021. Mr. Clark said that the increased outreach helped drive the increase in new enrollments, and that the UI benefit was also automatically applied for those already enrolled through MNsure who were eligible.

Mr. Clark also presented MNsure’s premium withhold revenue for 2021 and noted that MNsure currently is tracking ahead of the forecast (see slide 9). To conclude, Mr. Clark said he’s looking forward to the upcoming operations and strategy work group meetings.

Financial Update — FY22 Budget

Stephanie Stoffel, Board Vice Chair and Kari Koob, MNsure CFO

Vice Chair Stoffel began by noting that the board’s finance work group recently met with MNsure CFO Kari Koob and Mr. Clark to review the three-year financial budget in preparation for today’s meeting. Vice Chair Stoffel observed that MNsure is in very good shape financially currently and has a good plan for the coming years. Ms. Koob explained that while the budget is typically finalized in July, this year’s budget presentation is coming later due to the delay in preliminary rates being released, American Rescue Plan Act (ARPA) legislation implementation, and subsequent federal and state funding requests to support the work required.

First, Ms. Koob presented MNsure’s premium withhold revenue projections. The first table shows revenue projections by enrollment year (January — December), while the second table shows revenue projections by fiscal year for state government (July — June). Multiple variables affect these projections and activity in the individual market, including legislative policy at the federal and state level, like the state’s reinsurance program or the federal ARPA program, general economic conditions, employment levels, effectuation and membership lapse rates, and premium prices, which MNsure does not set. Ms. Koob reiterated Mr. Clark’s earlier remark that it is unusual that MNsure has not seen a larger membership lapse rate so far in 2021. Actual premium withhold revenues collected in fiscal year (FY) 21 were $18.7 million. MNsure projects that will increase to $20.6 million in FY 22 and $22.2 million in FY 23.

Secondly, Ms. Koob presented MNsure’s three-year budget plan for FY 21, 22, and 23. The first column in this document provides actual numbers for FY 21 (ended June 30, 2021). MNsure has a balance carried forward of approximately $2.1 million for FY 22; MNsure also received a
$3.8 million transfer at the beginning of the fiscal year to account for premium withhold revenue loss due to the state’s reinsurance program being extended for another year. Increased expenditures in operations are mainly due to increases in payroll and benefits that are statutorily mandated, as well as the public awareness and education campaign funded by ARPA. MNsure anticipates ending FY 22 with a balance of $2.1 million to carry into FY 23 — when the organization will complete the ARPA work and maintain operations similar to today — and ending FY 23 with approximately $100,000 to carry into the next fiscal year.

Ms. Kennedy mentioned the FY 23 ending balance is very low and a cause for concern. Ms. Koob noted that MNsure maintains a very careful accounting of cash reserves to stay within the budget and will adjust to safeguard that. Vice Chair Stoffel reiterated that FY 23 is a plan, based on projections, that will necessarily change over time based on events and spoke in favor of the board thinking strategically about MNsure’s financial situation.

Assistant Commissioner MacDonald asked whether the Centers for Medicare and Medicaid Services (CMS) has a threshold for insolvency that could potentially trigger Minnesota moving from a state-based exchange to the federally facilitated exchange. Ms. Koob responded with more information about MNsure’s financial reporting to CMS and noted that state legislative action would be required if MNsure were no longer financially sustainable.

**MOTION:** Vice Chair Stoffel moved to approve the three-year financial plan for FY 21, 22 and 23 as were presented. Mr. Fisher seconded. Mr. Rowley took a roll call; all were in favor and the motion passed.

**2022 Market Outlook**

*Morgan Winters, MNsure Senior Director of Business Operations*

Health plan offerings and rates for 2022 were released on October 1, 2021. Carriers’ offerings demonstrate another year of market stability for Minnesota’s individual market: all carriers will return for 2022 and are offering more plan choices (see slide 17). All 2021 plans have a corresponding 2022 plan equivalent, and all eligible current enrollees will be automatically renewed into continuing coverage.

New rates and tax credits will go into effect January 1, 2022. Minnesota Department of Commerce published rate increases ranging from 4 to 11% across the individual market (see slide 18). Mr. Winters noted that rates shown in the table on slide 18 do not necessarily reflect what MNsure enrollees will pay, since actual costs will vary depending on tax credits and larger tax credits are available for 2022 than ever before. Under ARPA, consumers can find coverage with costs capped at 8.5% of their income, including middle-income families that were previously ineligible for tax credits; families with lower incomes have even lower cost caps.

Assistant Commissioner MacDonald asked about the carrier Quartz. Mr. Winters responded that it is a newer addition to the individual market in Minnesota — in its second year with MNsure in 2022 — and currently offers plans in five counties in southeastern Minnesota.
Ms. Kennedy observed that almost all carriers have implemented higher rate increases for bronze plans than silver plans and asked why multiple carriers acted in a similar way and how that trend will affect MNsure enrollees. Mr. Winters confirmed that most MNsure enrollees are in bronze plans and explained that the changes to bronze plan rates reflects a somewhat standardized approach since the actuarial value of those plans is broader than other metal levels. Since APTC are based on the silver plans, bronze plan enrollees may see larger APTC that can help offset potential rate changes. Though consumer behavior during open enrollment is an unknown, Mr. Winters agreed it’s a fair expectation that rate changes would not have a large impact on enrollment numbers.

**IT and Executive Steering Committee Update**

*Greg Poehling, MN.IT Chief Business Technology Officer for Minnesota Department of Human Services (DHS) and MNsure*

MN.IT is partnering with MNsure staff to ensure all systems are ready for open enrollment. Beginning October 25, a statewide change freeze\(^2\) will go into effect through the end of open enrollment to ensure systems remain stable (see slide 20). To date, performance testing has not identified any concerns. All technical system changes will be completed by October 21 except for those required on the morning of November 1 before the exchange opens.

A virtual command center will be staffed one hour prior to Contact Center opening each day. All technical support teams are identified and will be readily available when the Contact Center is open to ensure quick action on any incidents or problems that arise. Mr. Poehling emphasized the regular communication and collaboration between MNsure and MN.IT leadership and staff and is confident that the agencies are ready for another successful open enrollment. At the next board meeting in November 2021, Mr. Poehling plans to share the Minnesota Eligibility Technology System (METS) roadmap for FY 22.

**MNsure Board Governance**

*Stacy Sjogren, Senior Consultant, Minnesota Management and Budget*

For the remainder of the board meeting, members continued the conversation about board governance that was initiated at the September 21, 2021 meeting (see [MNsure Board Governance Discussion](#)).

First, Ms. Sjogren asked the group to consider the bylaws review and discussion section, focusing on possible action steps moving forward. Mr. Fisher observed that the board needs to have a clear sense of purpose and goals for upcoming meetings (through a planning calendar or other tool) and develop some process for staff to communicate what kinds of input they would value and board members to share how they can help. Vice Chair Stoffel agreed and supported

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\(^2\) A “change freeze” means all changes that have an impact on DHS or MNsure IT systems must have documented justification and multiple levels of review and approval. This additional scrutiny will minimize the number of changes introduced during open enrollment and help ensure the stability of the IT environment.
the idea of having a better idea of the various types of meetings needed in order to successfully govern.

**Board functions**

Secondly, Ms. Sjogren asked the group to reflect on the possible board functions identified in September and what additional action steps are needed to accomplish the given functions (see [MNsure Board Governance Process Discussion](#)).

- **Define the external results expected of the organization and the recipients of those results.** Assistant Commissioner MacDonald offered that the board should develop a clearer definition or picture of MNsure’s agency relationship and interconnection with DHS. Vice Chair Stoffel added that the board should identify and clearly state key performance indicators or metrics for the board as well as MNsure as an organization. Ms. Kennedy said that she would like to see a policy and process developed for the board to set priorities for the organization that includes opportunities for staff to provide input on how to accomplish them. Mr. Fisher agreed that performance metrics for the board itself are needed; this suggestion was added as a separate board function. Chair Miranda added that the board needs to create a flow chart or similar visual tool for the connections with DHS. Mr. Fisher said that an action step is needed for hearing from staff and identifying opportunities for the board to advise.

- **Clearly delegate CEO’s scope of authority for organizational management.** No new or additional action steps were identified; Vice Chair Stoffel suggested that the board should review the existing delegation policy.

- **Ensure the organization is properly staffed and has the resources needed to accomplish MNsure’s mission.** Mr. Fisher suggested identifying or creating new, additional opportunities for MNsure CEO and staff to share about staffing or other resource gaps so that board members have greater visibility on this topic. The group also discussed rephrasing this particular board function to better capture that it is not limited to staffing. As an action step, Ms. Sjogren suggested additional dialogue to develop the real scope of this board function and provide historical perspective or more context for new board members.

- **Establish a process for assessing CEO performance annually.** Mr. Fisher observed that the comprehensive review for Mr. Clark conducted in the last year or two worked well but could be formalized if it’s not already. Chair Miranda added that this function should be included in the board’s planning calendar, so they are better prepared.

- **Monitor organizational performance against stated expectations — both what is to be achieved and what is to be avoided.** Not discussed due to time constraints.

- **Be of assistance to staff as requested and appropriate.** Mr. Fisher offered that the board should develop lines of communication such that the CEO or staff can comfortably share challenges and receive board’s thoughts and ideas.
Adjourn

Suyapa Miranda, Board Chair

Chair Miranda thanked Ms. Sjogren and board members for discussion. No new business.

MOTION: Mr. Fisher moved to adjourn the meeting. Assistant Commissioner MacDonald seconded. Mr. Rowley took a roll call; all were in favor and the meeting was adjourned at 3 p.m.