

Minnesota Health Insurance Exchange Advisory Task Force

Meeting Summary

January 10, 2012

I. Welcome and Housekeeping

Commissioner Rothman welcomed members of the Task Force. The Task Force approved the summary of the December 21, 2011 meeting. Commissioner Rothman reminded the Task Force that the Departments of Commerce, Human Services and Health are currently soliciting comments from the public on the recently released bulletin from the US Department of Health and Human Services regarding Essential Health Benefits. Commissioner Rothman also informed members that the Department of Commerce is currently soliciting members for upcoming Exchange Work Groups. Information and an online application form can be found on the Department's website.

II. Governance Presentation and Discussion of Recommendations

As requested by Task Force members at the last meeting, Governance Work Group co-leads, Mary Foarde and Emily Johnson Piper, gave an overview of examples of existing governance structures under Minnesota law: the Minnesota State Board on Aging, MN World Trade Center, Hennepin Health Systems, and ClearWay Minnesota. Specifically, the co-leads examined issues related to creation and structure, funding and liability, appointment and structure, board conflicts, terms, compensation and removal, board duties and liabilities, corporate powers and reserved powers and operational flexibility and mandates.

Ms. Foarde and Ms. Johnson Piper walked through a number of Work Group recommendations related to Governance:

- Assure compliance with Federal Medicaid Laws
- Board of Directors
 - o 11-15 members
 - o Staggered terms
 - o A mixture of self-perpetuating and appointed members
 - o Statutorily designated guidance as to attributes of individuals
 - o Subject to open appointments
 - o Consideration of per diem and expense reimbursement
- Accountability
 - o Specify the Exchange is subject to the Legislative Auditor's jurisdiction
 - o Establish a rigorous conflicts of interest policy with the goal of a fair and open marketplace; including:

- Minnesota’s Gift Ban and state employee conflicts policy
 - Minnesota’s nonprofit law conflicts policy
 - Place salary limits upon employees based upon advice of independent salary consultants
 - Allow transferability of state employee retirement assets to assure qualified staffing
- Operational flexibility
 - Apply requirements of Open Meeting Law but with carefully crafted exceptions
 - Apply requirements of the Data Practices Act but with carefully crafted exceptions- importantly related to strategic/competitive and commercially sensitive information
 - No statutory mandate for compliance with all state procurement laws but requirements for responsible procurement
 - Specify the Exchange is a nontaxable entity
 - Allow for intergovernmental transferability
 - Not subject to statutory rulemaking but provide a mechanism for consumer and industry input into policy decisions

Task Force members discussed a number of the recommendations including:

- Stakeholder representation on the Board
- Board member reimbursement
- Attributes of Board members
- Open Meeting Law requirements
- Tort liability
- Conflict of interest
- Number of Board Members

Ms. Foarde and Ms. Johnson Piper will take the feedback from the Task Force back to the Work Group and update recommendations as requested.

III. Task Force Discussion of Financing Recommendations

Finance Work Group co-lead Barb Juelich presented recommendations from the Work Group:

- Funding mechanisms should be considered against the recommended principles of equity, transparency, sustainability and simplicity, as well as avoid negative impacts. Equity being the top principle.
- Funding mechanisms should not disproportionately burden one group over another, and as much as possible be proportionate to the benefit received by the paying group

- The functions of the Exchange could serve a variety of consumers and stakeholders, not just those participating in the Exchange. Potential groups that may benefit include: Individual Exchange participants, individuals outside the Exchange, health plans, small employers, large group and self funded employers, hospitals/providers, Navigators, Medicaid and other public programs.
- Funding of the Exchange should include a combination of funding sources to ensure that those benefiting from an Exchange also support it, at a minimum include Medicaid or a percent of premium mechanism (to the extent it does not discourage participation or create adverse selection). Consideration of other resources should reflect overall budget needs, overall benefits of the Exchange and other decisions yet to be made.
- Funding mechanisms should be implemented in time to meet needs of Navigator program as well as cash flow and reserve needs of the Exchange to be self-sustaining beginning in 2015.

Task Force members discussed a number of the recommendations including:

- Variety of funding sources available
- Desire to not impede innovation
- Groups that will benefit from an Exchange
- Administrative costs

Ms. Juelich will take the feedback from the Task Force and update recommendations as needed.

IV. Task Force Discussion of Adverse Selection Recommendations

Adverse Selection Work Group co-lead Dr. Roger Kathol presented recommendations from the Work Group:

- Should the market rules for health plan certification be consistent inside and outside the Exchange?
 Recommendations: Market rules, certification requirements, and regulatory provisions inside and outside the Exchange should be the same to encourage fair competition, promote regulatory simplification, and mitigate adverse selection. Rules should be structured to encourage innovation, competition, and market participation.
- Should insurers be allowed to offer different products inside and outside the Exchange?
 Recommendations: The Exchange should encourage innovation and competition on value, market participation, affordability, meaningful choices, portability, health improvement and long term care management for individuals and employees of small employers. Participation provisions should be structured to encourage insurer and health benefit plan competition and discourage adverse selection/competition between

the Exchange and outside market. (The range of opinions on this issue do not allow for more specific recommendations).

- Should the definition of small group be increased from a maximum of 50 to a maximum of 100 in 2014 before this change is required in 2016?
Recommendations: Market rules should stimulate participation by small employers with various characteristics. The definition of the small group market should be considered in combination with provisions to protect the small group market from adverse selection resulting from self funding.
- Should Minnesota defer to a federal risk adjustment model or propose a state risk adjustment model?
Recommendations: Minnesota should pursue a state-level risk adjustment model to take account of state-specific market characteristics and take advantage of state-specific opportunities. Minnesota's all payer claims database should be authorized and modified as necessary for use in a state-level risk adjustment model.
- Should the individual and small group market risk pools be merged?
Recommendations: Adverse selection, the stability of risk pools and risk sharing, and premium variability should be closely and regularly monitored regardless of whether Minnesota merges its individual and small group markets. Regulatory entities should have the ability to respond quickly to protect the market. (The range of opinions on this issue do not allow for more specific recommendations).

Task Force members discussed a number of the recommendations including:

- Risk pools
- Risk adjustment
- Small groups and self insurance options

Dr. Kathol and April Todd-Malmlov will take the feedback from the Task Force and update recommendations as needed.

V. Task Force Discussion of Navigators and Agents/Brokers Recommendations

Navigators and Agents/Brokers co-leads Robert Hanlon and Robert Paulsen presented recommendations from the Work Group:

- The Navigator program should support the creation of different Navigator roles, with appropriate responsibilities, designed to address the specific needs of the particular populations served by the Exchange.
- The Navigator program should develop certification/training/licensure requirements that align with the defined Navigator roles and level of service provided. This process should

support sufficient Navigator capacity and allow for different entities to serve in any of the Navigator roles, based on ability to meet the established requirements.

- The Navigator program should ensure that consumers are seamlessly transitioned between different Navigator roles, if needed, to prevent gaps in service delivery.
- Compensation levels for Navigators should align with the different types of services being offered within each Navigator role and provide flexibility to allow for creation of performance based incentives.
- Funding decisions for the Navigator program should be made in a timely manner to allow for an evaluation of the amount of resources available and the appropriate allocation of those funds to meet program priorities.
- The Navigator program should be consumer focused and determine program priorities based on the needs of the consumers.
- The Navigator program must be developed to ensure that Navigators do not directly or indirectly benefit from enrolling individuals or small employers in one plan over another.

Task Force members discussed a number of the recommendations including:

- Community organizations as Navigators
- The unique needs of the uninsured in Minnesota
- Compensation options
- Consideration of existing resources and desire to not duplicate efforts
- Outreach and access

Mr. Hanlon and Mr. Paulsen will take the feedback from the Task Force and update recommendations as needed.

VI. Discussion of Future Meeting Schedule and Process for Upcoming Meetings

Commissioner Rothman walked members through the plan for the two meetings next week – meeting on health disparities on January 17, 2012 and voting on governance, finance, adverse selection and navigators/brokers recommendations on January 18, 2012.

Next Meeting: Tuesday January 17, 2012
Location: Shiloh Temple, 1201 West Broadway, Minneapolis
Agenda: Health disparities