

**Minnesota Health Insurance Exchange
Finance Workgroup
December 14 Meeting Summary**

Funding Matrix Document

- Updated with comments from December 9, technical corrections – considered final.

Principles for Financing Options

- ***Discussion on market impacts.***
 - Is the exchange more than channel for market distribution? What should it be?
 - Should costs for items optional to the Exchange be funded differently than required elements?
 - Is the comparison information a component that should be elsewhere/funded differently? What are the federal requirements? Cost & quality of plans within HIX. MN has wanted to put that info out there for a while. MN already made huge investment in MN community measurements so should build on that.
 - Agree that cost shifts are an issue – applies to both public and private programs
- ***Discussion on other principles***
 - Flexible and adjustable over time
 - Put on individual if efficient cost model. If not efficient, shouldn't put on individual
 - Use or benefit to be proportionate to group bearing burden, not disproportionate
 - How does that impact uninsured?
 - Leverage federal matching funds
 - Relationship between who is benefiting and who is paying
- ***Discuss with what a benefit is***
 - Discussion on “Is benefit from the HIX or from health care reform?” – Divergent opinions
- ***Discussion of proposed Principle of Public Accountability***
 - Regardless, of where money comes from, there will be oversight – whether on state or fed level – major legislative issue
 - 3 levels: payers (those who are paying the funding), people intended to serve; next level is to state because of public programs (governor, legislature; next level is public
- ***Discussion of Proposed Principle of Stability/Simplicity***
 - Law says must be self-sustaining.
 - Can you re-purpose current revenues? Assumes current tax is fair. However, may fall disproportionately on small employer.
 - More principle about how to raise revenue w/o disrupting markets
 - Discussion on bad debt impacts. HIX can help limit high deductible plans which can lead to high debt at hospitals.
 - May be multiple funding sources so change to if/then statement

- Re stability – conversation about scalability
- Reliable/predictable should also refer to payer
- Where is the break-even point? Must model including federal grants/Medicaid allocation

Who Benefits From the X?

- ***Discussion on who receives benefit from HIX***
 - How big do we want the X to be? Will be conversation once merge w Governance. Tension between self-interest (representing a specific group) and public interest
- ***Discussion of Brokers/Navigators***
 - Decision to add Navigators only to list. Change word to “impact”. Cost/quality info would benefit NAV
 - Are NAV a fixed cost? <explanation from Bob Paulson– Navigator Workgroup>
- Each of us may define HIX in slightly different manners. Who benefits will vary over time.
- Add Medicaid/public programs