

Board of Directors Meeting

- > **date:** Wednesday, January 22, 2014
- > **building:** 81 East 7th Street, St. Paul MN, 1st floor atrium
- > **time:** 1:00 to 4:00 pm
- > **members in attendance:** Brian Beutner, Thompson Aderinkomi, Pete Benner, Kathryn Duevel, Tom Forsythe, Phil Norrgard, Commissioner Jesson
- > **staff in attendance:** Scott Leitz, Carley Barber, Katie Burns, Barb Juelich, Erik Larson, John Reich, Mike Turpin

topics

Welcome and new business

Brian Beutner, Chair

The meeting was called to order by Brian Beutner, Chair, at 1:05 p.m.

Brian read MNsure's purpose: *The purpose of the organization 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.*

Customer story

Alison Fairbanks, Hopkins

Alison first mentioned how much she related to the purpose of MNsure while it was just read out loud. She developed a chronic illness eight years ago. As she had excellent health insurance through her employer, coverage wasn't an issue. Four years ago she was planning to start her own business, but healthcare coverage was a deterrent and a huge consideration. While health insurance shopping at that time she was surprised to find that the customer service contact at insurance carriers, upon finding out she had three prescriptions, suggested she would be rejected and she might as well not apply. As a mother of teenagers, they needed coverage. She had to take COBRA insurance from her employer, which was extremely expensive and only lasted for 18 months. At that point, she had to convert into the conversion plan that didn't have business owner perks such as a HSA (Health Savings Account) while paying \$570 every month just for her own premium, not including her children.

While looking forward to the Affordable Care Act to begin in 2014, she was able to get through the MNsure website and find a suitable plan that fit her needs as a business owner, a mother, and a person with a pre-existing condition – and save over \$300 per month. In addition, she will have an HSA and a gym membership perk and was pleased with the choices she had for the first time.

Not expecting a website to work seamlessly right away, she found it was more work than anticipated primarily because doctors were not listed by plan, which was important in the decision process. It took more time to go to each plan to figure out if her doctors were in the network of the plans she was considering.

After she signed up through the MNsure website on November 7, there was a message that her application was pending. Alison suggests that the system provide more detail about pending applications. As it got to end of December, she became nervous so called the insurer she selected, which was the same as her previous insurer, yet they were also unable to confirm her coverage. Finally, she received her notice of coverage on December 28.

The Board thanked her, welcomed her account, and apologized for the difficulties she experienced.

Administrative items

Brian Beutner, Chair

- **MNsure legislative reports**

John Reich walked through the reports that MNsure is required to submit to the Minnesota legislature, per MNsure's enabling legislation. The chart can be found on slide 4 of the [Meeting Discussion Slides](#). Per the delegation of authority policy, the Board must approve all legislative reports. John Reich explained that MNsure's government relations staff will work with the respective MNsure departments to coordinate submission of these reports. Drafts will be shared with the Board and discussed and approved at board meetings. It was clarified that the last word in the last column of the MNsure operations report, "insurance" should be "uninsured", or "number of people uninsured".

- **Draft appeals legislative report**

The MNsure Appeals Process for Eligibility Determinations report is due to the legislature by February 1, 2014. A draft of the report was included in the meeting materials for consideration by the board. Peter Benner asked Mike Turpin, MNsure General Counsel, to walk through page 14 of the report, outlining appeals process metrics for the first three months of MNsure operations. Mike explained that Appeals are defined as submitted appeals (whether submitted online, telephone, mail, or in person). Closed cases either received a dismissal order or were withdrawn (for reasons such as the individual was helped through process and ultimately then understood the process so the appeal was no longer needed, or the matter was resolved). The total has no cases that have hit 90-day limit, the statutory requirement that they be resolved within 90 days as administratively feasible. It was noted that there is a mathematical error in

the totals; staff will look into this error and correct it .

Peter Benner made the motion to approve the report, subject to the correction with the numbers noted earlier. Commissioner Jesson seconded the motion. All were in favor and the report was approved.

- **Approve January 8th meeting minutes**

Pete Benner moved to approve the [draft January 8th meeting minutes](#). Kathryn seconded. All were in favor, and the minutes were approved.

CEO report

Scott Leitz, Interim CEO

Brian introduced the new [Discussion Slides](#) and [MNsure Dashboard](#) and encouraged comments, questions, and suggestions for additional information that Board members may deem relevant as these documents are a work in progress.

Scott was joined by members of his management team to walk through the metrics in the MNsure dashboard and answer questions from board members.

Scott and Katie Burns, MNsure Policy and Plan Management Director, walked through the enrollment metrics and took questions from the Board members. As of January 18, 2014:

- 134,639 accounts have been created
- 99,888 applications have been submitted, representing 169,440 applicants
- 80,085 total enrollments by MNsure
 - 27,775 QHP
 - 32,545 Medical Assistance
 - 19,765 MinnesotaCare

Barb Juelich, MNsure Chief Financial Officer, reviewed the premium processing slides of the dashboard including total premiums paid, checks processed, and US Bank Transactions.

Erik Larson, MNsure Chief Operating Officer, walked through a number of operational slides, with information on various topics including the call center, SHOP, and system uptime.

Mike Turpin, General Counsel, walked through slides on manual identity verification processing and data requests.

Public comment

None.

Note: the [agenda](#) was adjusted to ensure Optum had adequate time for their presentation. As a result, the budget discussion followed the end to end review discussion.

End to end review

Scott Leitz, Interim CEO and Mike Turpin, General Counsel
Jim Eppel and Laura Groschen, Optum

To provide context for the Optum presentation, Erik Larson walked through slides 12 – 14 of the Board discussion slides, describing MNSure customer and vendor interactions. Mike Turpin continued, explaining the MNSure IT vendor procurement timeline (slide 15) of the discussion deck.

Scott introduced Jim Eppel and Laura Groschen of Optum. Mr. Eppel and Ms. Groschen described the review that Optum conducted. They noted that Optum had more than a dozen individuals onsite at MNSure, MN.IT and DHS for two days, plus over a week of analysis after the onsite visits. The Optum report focused on three areas:

- Contact center
- Technical program management
- Software and data assessment

With respect to the software and data assessment, they highlighted three options requiring further analysis to be considered for long term improvement to the software and data. Additional information on the review, including an executive summary and additional details on each component of the report can be found in the [Optum report](#).

Optum took questions from the Board members.

Q. Commissioner Jesson asked what Optum would consider the most important/urgent design flaws to fix.

A. Ms. Groschen walked through a number of items including not having a single ID for a customer, not being able to do life changes, eligibility being calculated via multiple rules engines. She also said that a single system of record is needed.

Q. Tom Forsythe asked Optum what they felt was the best course of the three options.

A. Optum answered that more analysis is needed. MNSure needs to determine where they need to go from a business perspective and how IT supports that.

Q. Tom asked if the Project Management Office (PMO) was something that could be done internally or if we should augment to drive it more efficiently.

A. Optum said both were options and either would work.

Q. Pete Benner noted that, in terms of open enrollment, what we can significantly influence now is the call center. We can do this by adding significant capacity and improving the existing triage systems. However, we do not want to fix one problem and cause others. How do we inform triage improvement decisions?

A. Optum suggested adding the ability to get a warm transfer at various points along the way.

Q. Brian Beutner asked if having 200 defects can be overcome or if it means the system is irrevocably broken. He also asked about the context for projects like this. Is 200 defects a little or a lot?

A. Optum stated that the system is not broken beyond repair. Optum noted that all three options they offered with respect to the software and data fixes are viable. It may feel insurmountable but all options will get MNSure to an improved end point.

Q. As we need to get through 2014 and especially the March 31st open enrollment deadline, what are steps the Board or staff can take to inform a decision about the options Optum presented?

A. Optum suggested working with them for a “deeper dive” than this initial assessment. They suggested the Board develop a strategy based on what they deem important, combined with a technical assessment. It will be an iterative process. They also noted that zero defects is not a realistic target. It’s a series of trade-offs.

Q. Kathryn Duevel asked how to find the balance between strategy and resources.

A. Optum suggested identifying what they are trying to achieve long term. The technical plan needs to align with that, and from there MNSure can determine where to focus resources. A consistent direction and set of priorities will help guide where resources and budget are focused. Additionally, ensure resources are well integrated and prioritized before considering adding more. It may not have to be as resource intensive as it may feel.

Tom Forsythe would like to find money to fund the outsourced call center and provide the best possible service to those trying to enroll by the March 31st deadline. The call volume will ramp up. Scott Leitz has already asked staff to make call volume projections and staffing recommendations and assured the Board he is moving on that recommendation.

Brian Beutner suggested stopping the Paul and Babe ads. Scott Leitz indicated that he has already directed staff to do so.

Commissioner Jesson suggested working with the vendors and thinking creatively to get money to pay for improvements and get people enrolled.

Brian Beutner suggested looking at outsourcing parts of what MNSure had planned to build in-house, noting the consumer experience as an example. There is a lot of functionality we can look at to improve for October without doing a two year path of re-architecting. He is looking for feedback and suggestions from staff.

Kathryn Duevel asked at what point they have to start acting on the software and data options. Scott Leitz noted that in a perfect world, you could work on all three at once. Do the call center and governance work at the same time and start talking about 2015 and 2016 today. Tom would also like a 4th option, to look at other vendors. It’s hard to judge option 3 without knowing the choices. We have to investigate potential for vendor replacement.

Phil Norrgard suggested working with staff and looking at this with resources in mind, knowing there will be give and take.

Commissioner Jesson suggested we consider whether we should have a subcontractor to do some of this work.

Brian Beutner requested that everything be on the table and encouraged staff to reach out individually to get Board input on decisions. Thompson Aderinkomi added that the long term strategy will impact the short term and suggested an additional meeting. Brian will work with staff to find out what options are.

It was decided that the Board would add a meeting in 2 weeks to revisit the report and follow up activities.

Optum stated they are happy to continue talking about this, as it is a lot to digest.

Scott and several board members thanked UHG and Optum.

Budget discussion

Scott Leitz, Interim CEO and Barb Juelich, CFO

Barb Juelich, MNsure Chief Financial Officer, briefly walked through the [Enrollment Scenario – Budget Analysis](#) and took questions from Board members. She recommends looking at it again after the March 31st open enrollment deadline, as there will be more information at that time.

There is a re-budgeting process that must be followed as we look to implement some of these items. She noted that the “Expense Reduction for scenario” line item will change depending upon actual enrollment numbers received. We should expect to go through that process as the Board looks to the remainder of the 2014 budget as well as financial projections for 2015.

Wrap up and any new business

Brian Beutner, Chair

Brian will work with staff and look at scheduling an additional meeting. Commissioner Jesson asked that they take a fresh look at marketing. As the budget report needs to transfer into motions to fund improvements, the Board is looking for more specificity by expenditure.

Adjourn

Commissioner Jesson moved to adjourn. There were no objections and the meeting adjourned at 4:26 p.m.