

**Minnesota Health Insurance Exchange**  
**Finance Workgroup**  
**Meeting summary - 12/9/11**

**In attendance:** Jim Golden (facilitator - DHS), Angela Vogt (MMB), Chuck Johnson (DHS) , Dave Greemen (DHS) , Elaine Cunningham(navigator) , Matt Schafer (consumer representative), Kate Johansen (small employer),, Andy McCoy, Stefan Gildemeister (MDH), Margaret LeClair (broker), Nora Slawik (Legislator), Stefanie Konobeck (Commerce)

Dave Dzuik (health plan) and Lisa Carlson-Stanford (health plan) on the phone

**In the gallery**

Rep from Health Partners

Rep from Medica

**Review of Current Surcharges and Taxes Table- Angela Vogt**

Discussion on

- ERISA,
- options other than taxes on specific carriers, provider tax, Licensing fees.
- Budget for the Health Insurance exchange – IT costs, is the groups charge recommending a budget? In 2012 merger of Finance and Governance groups. Composition of membership in the Exchange impact the financing? MA hasn't been successful at enrolling commercial insureds, Jim 75 Fed/25 State
- GF discussion - uninsured are being covered by the general fund now, what are the savings from an Exchange? uncompensated care falls on providers as bad debt. MNcare members moving to a Fed'l expense. Administrative saving that the Exchange picks up

**Draft Financing Option Table-**

Discussion of funding matrix, pros and cons,

- Concerns on relationship of Exchange as market distribution mechanism and certain revenue options
- product should bear it costs, but the impact of tax on adverse selection
- Protecting distribution challenges and understanding the implications of that on the larger issues we're trying to address.
- Governance category, review of the possible governance models
- Equitable distribution category- what's best for MN markets versus maybe what is best for the Exchange. Keeping that tension in mind.
- how will the money be raised, advertising on the website? Considerations couldn't be tobacco companies, providers/insurers. Brokers revenue?

- What will the Exchange cost? indicators of the Exchange costs: Utah 600K (not compliant with the current law) , Massachusetts 32 million
- basic benefit set impacts and relation to revenues
- Impact on Individual/plan/payer Category-open, transparent, even playing field
- success of the exchange and market place structure to help the exchange succeed
- what is a level playing field? From the broker perspective, the exchange has a huge advantage. defining a level playing field and the political implications at the Legislature. Level playing field, who benefits from the Exchange, they should pay for it, consumer, plans, and providers all benefit
- flexibility of the funding mechanisms
- 133-200% take Bronze, premium covered, get sick, 5k, then provider with lots of bad debt

### **General principles guiding this workgroup-**

Discussion included:

- The impact on the general fund, vulnerability of the general fund funding
- Reliability/sustainability
- No new taxes - revenue comes from existing sources - would that be fair ?
- General fund and accountability.
- Scope of the financing mechanism. How much? Or just the mechanisms of financing?
- Transparency,
- People benefitting should pay,
- Fairness and mechanisms that don't undercut innovation
- finance mechanism leverage federal funds
- Oversight and accountability, political viability- is this something that will be embraced and is passable at the Legislature,
- Consumer benefit
- MCHA, suggestion to removing from the grid,
- Repurposing the revenue stream-suggest for modifying the financing option table

Next meeting-Dec.14<sup>th</sup> time