

**Health Insurance Exchange
Finance Work Group
August 22, 2012 Meeting Summary**

Attendees – Barb Juelich, Kurt Kaiser, Jim Golden, Matt Schaffer, Phil Cryan, Andy McCoy, , Ryan Baumtrog, Mary Robison, Dave Dziuk, Kate Johansen, Dave Greeman

On the phone – Lisa Carlson, Elaine Cunningham

1. Review revised budget model tables
 - Reviewed revised tables based changed assumptions for take up rates in 2014, 2015, 2016
2. Review budget model categories
 - Reviewed model budget categories
 - Reviewed areas of optional services/discretionary spending
 - Reviewed potential areas of savings/efficiencies for states, counties, plans
3. Review timeline for recommendations
 - Reviewed Navigator Workgroup timeline
 - Discussed needs for certification as it relates to the Navigator/Broker timeline.
 1. Follow-up – what are certification requirements for long-term cost, budget and revenue plans
4. Begin discussion of recommendations for operating budget funding mechanism(s)
 - Proposal that assessment of some level begin in sometime in 2014 for cash flow and reserves
 - Discussion of need to think through operational issues
 1. Dedicated resources
 2. Carry over needs
 3. Reserves
 4. Governance
 - Discussion of applying user fees directly to those who benefit
 1. APTC recipients, direct benefit of tax credit
 2. Private market not eligible for tax credit, but may have ancillary benefits
 3. General benefit – are general fund savings from Exchange available
 4. User fees hold Exchange accountable to value
 5. User fee may provide obstacle to participate
 - Discussion of Tobacco Tax
 1. Revenues of providers reduced over last few years
 2. Tobacco tax will drive down utilization and has public health benefit
 - Discussion of premium tax on QHPs inside the Exchange
 1. Will be passed through to user of product – similar to user fee
 2. If part of premium will increase subsidy
 3. Premiums inside Exchange higher – adverse selection issues, disincentive to use Exchange
 - Discussion of other savings from reduced uncompensated care
 1. Can savings be captured for Exchange funding?
 2. Are savings from operational cost of Exchange or from overall health care reform impacts (mandate for coverage)
 3. Is some proportion of savings appropriate to align with the Exchange

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4. Are savings one-time? Short term increase in profit from reduced uncompensated care, reduced cost to providers, lower premiums, profits normalize themselves over time.
 5. Reduced rates will benefit across the market – not just plans within the Exchange
- Discussion of broad funding mechanism
 1. General fund discussion
 2. General fund option conflicts with need for dedicated revenue source
 3. IS a portion of funding from GF appropriate
 - Discussion of other health care assessment/taxes coming 0 do we want to add to that?
 - Discussion of carrier savings
 - Discussion of next steps
 1. Chart to be sent out to members with budget and member month estimate.
Workgroup members send in choices of funding. Review choices at next meeting.
 - MMB discussion of dedicated funds
 - Discussion of MCHA – board reconvening to discuss options.