

**MINUTES OF THE  
UTAH COMPREHENSIVE HEALTH INSURANCE POOL  
BOARD OF DIRECTOR'S MEETING**

**November 12, 2009  
SelectHealth  
4646 West Lake Park Boulevard  
Auditorium A  
1:00 p.m.**

**Directors Present:** Elizabeth Hunter, Chair; Andy Galano; Victor Gibb; Kent Mitchie; Byron Okutsu ; Rob Perry; Norman Thurston.

**Directors Absent:** Neal Gooch; Douglas Hasbrouck, M.D.; Irene Link; Matthew Minkevitch; Randy Smart.

**Present by Invitation:** Tomi Ossana; Perri Ann Babalis; Troy Pritchett; Todd Trettin.

**SelectHealth Staff Present:** Jim Murray; Lyndee Astill; Maren Donaldson ; Fran Gard; Jesse Liddell; Greg Matis; Judy Wolf.

The meeting was called to order at 1:02 p.m. by Elizabeth Hunter, Chair.

**APPROVAL OF MINUTES**

The HIPUtah minutes of September 10, 2009 were presented. **They were approved with no changes or corrections.**

**ADMINISTRATIVE REPORT—Jesse Liddell**

1. Growth has increased slightly this year, but less than expected.
2. Denials are less than last year. Most of the denials are due to eligibility for group insurance.
3. PEC and Point Distribution stay about the same.
4. The highest percentage of reasons for previous coverage termination is the employers are dropping coverage. That measure has almost doubled from last year.

**ANNUAL FINANCIAL REPORT—State Audit**

John Johnson and Jason Allen from the State Auditor's Office presented two audit reports:

1. The HIPUtah Management Letter reports on findings. This year no issues were found. Audits were performed according to Government Auditing Standards. Congratulations, there were no findings and the audit went smoothly.
2. The Annual Financial Report, also according to Government Auditing Standards, reports a clean audit. The Management's Discussion and Analysis would have shown any problems if found. This year's audit was very uneventful.

Due to budget pressures, there will be an additional charge for future audits. In the past HIPUtah was not charged for this service. Auditors are making the board aware of future charges, between \$9,000 and \$10,000, for next year's budget.

**ACTUARIAL REPORT & FINANCIAL PROJECTIONS—Troy Pritchett**

1. The claim trend for per member/per month is similar to the private market.
2. Experience through September 2009 shows a projected net asset balance of \$28.99 million. Projected asset balance will decrease quickly for future years.
3. Enrollment increased from March 2007 through October 2008. There was a slight decrease January 2008, November 2008 to January 2009, June 2009, and August 2009. Enrollment increases in March and April 2009 are the largest in the past few years.
4. The IBNR as of September 30, 2009 is projected to be \$2.6 million.
5. There are no assumption changes at this time.

**4<sup>th</sup> QUARTER FINANCIAL STATEMENTS—Tomi Ossana**

During the first quarter the Revenues, Expenses, and Changes in Retained Earnings appears to be on track.

**FY 09-10 BUDGET & GOPB MEETING—Tomi Ossana**

1. The FY 2010 Budget was reviewed. Without an increase in the base budget, reserves will be down to 0.62 months by 2013.
2. A 2011 Budget Increase Request was presented. This proposal requests \$9.6 million in addition to the current funding. GOPB requested alternative funding possibilities be presented. The letter, Utah Comprehensive Health Insurance Pool (HIPUtah) Alternative Funding, was sent and GOPB told Ms. Ossana there would be NO tax increase.
3. The Utah Advisory Committee meets 11-13-09. Ms. Ossana will discuss that Utah is the only state using entirely General Funds to support the high risk pool.
4. The Insurance Department has been advised of further cuts in funding.

**HIPUTAH LEGISLATION—Tomi Ossana**

HIPUtah asked Representative Dunnigan to sponsor two legislative changes.

1. Expanding Eligibility. Rep. Dunnigan agrees with the philosophy but if the fiscal note is not below \$10,000 it won't happen.
2. Lifetime Maximum Language Change. Rep. Dunnigan does not agree with the benchmark. He feels HIPUtah maximum should be similar to the market but not the same. He feels a change in lifetime maximum should require legislative action.

It appears the presentation of both legislative changes will need to wait until next year.

**HEALTH CARE REFORM—Tomi Ossana**

1. Health Care Reform bills from both The House and The Senate were presented. Hopes are to have a Bill completed and signed by the end of 2009. If that happens, changes are to be effective January 1, 2010.
2. Ms. Ossana requested a Health Care Committee that would help determine a plan for the entire HIPUtah population. Since the HIPUtah Board has experts on the subject, it was suggested they be called to help. Suggested were Neal Gooch, Troy Pritchett, representatives from the current administration and legal counsel. Other interested board members would also be welcome to join.

**ACTION ITEM—Tomi Ossana**

1. HIPUtah Board Member Replacements. This is the final HIPUtah Board meeting before Victor Gibb retires. In the September 2009 HIPUtah meeting names for possible replacements were suggested. Ms. Ossana has spoken to four of the five suggested. Todd

Trettin should be confirmed by the Senate as Mike Bahr's replacement. The vacancies need to be filled by the end of December 2009.

2. Administrative RFP. The administrator serves a three year term, with two one-year extensions. HIPUtah has received the claim re-pricing and is in the process of developing a cost comparison of submitted proposals. The committee (Vic Gibb, Byron Okutsu, and Neal Gooch) will review proposals in the near future. The selection of the administrator must be announced at least six months in advance of the renewal date of July 1, 2010. The decision will be made by the end of the year 2009.
3. Executive Director RFP-Proposal. The deadline for bids on this position was November 4<sup>th</sup>, 2009.
4. Rule 590-172 Modification. Ms. Ossana requested feedback from the Insurance Department on a secure portal for use by HIPUtah. The State does not have a secure site. There is a possibility Biscom BDS would be available for about \$4,500 for a 25 user system plus storage costs at approximately \$100 per month. The Board questioned if we want to spend that much. Ms. Ossana will check with Steve Fletcher of the IT Department as another possibility.
5. NASCHIP PR Donation. Ms. Ossana requested a contribution to NASCHIP again in 2010. **It was moved the HIPUtah Board donate \$1,000 from the Outreach Budget to NASCHIP.** Moved—Rob Perry; seconded—Byron Okutsu. Motion approved.
6. NetCare. As of January 1, 2010 NetCare will be an option other than COBRA for people coming off group plans. There is still concern that this program will meet HIPAA requirements. Ms. Ossana will request clarification that people won't be giving up their HIPAA rights if they opt for NetCare.
7. HIPUtah Annual Legislative Report. The draft was sent to HIPUtah Board members. It was suggested Doug Hasbrouck's name remain on the report. Mike Bahr should also be added. Members were requested to send further suggestions to Ms. Ossana.

#### **PAS PROGRAM UPDATE—Tomi Ossana**

The number of individuals taking advantage of the PAS program is increasing. At this time it looks like the program will deplete the funds by July 2010. If it continues to look like funds will run out in upcoming months a protocol will be needed for how to fairly handle such a change.

#### **2010 HIPUTAH BOARD MEETING CALENDAR—Libby Hunter**

Next year's calendar was presented. The only problem seen was November 11, 2010, Veteran's Day. Members will be e-mailed the update.

#### **THANKS**

Thanks were extended to Mike Bahr and Victor Gibb for their years of service. They will be missed.

#### **NEXT MEETING**

The next Board meeting has been scheduled for Thursday, January 14, 2010, 1 p.m. at SelectHealth.

There being no further business, the meeting adjourned at 3:15 p.m.

Dated \_\_\_\_\_ of \_\_\_\_\_