

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

**September 3, 2008  
SelectHealth  
4646 West Lake Park Boulevard  
Auditorium A  
1:00 p.m.**

**Directors**

**Present:** Douglas Hasbrouck, M.D., Chair; Michael Bahr; Andy Galano; Neal Gooch; Libby Hunter; Irene Link ; Matthew Minkevitch; Byron Okutsu ; Rob Perry; Randy Smart; Norman Thurston.

**Directors**

**Absent:** Victor Gibb.

**Present by**

**Invitation:** Tomi Ossana; Perri Ann Babalis; Troy Pritchett.

**SelectHealth**

**Staff Present:** Jim Murray; Maren Donaldson; Fran Gard; Jesse Liddell; Annette Meier; Judy Wolf.

The meeting was called to order at 1:00 p.m. by Douglas Hasbrouck, M.D., Chair.

**APPROVAL OF MINUTES—Douglas Hasbrouck M.D.**

The HIPUtah minutes of July 10, 2008 were presented. **HIPUtah Board members had no changes or corrections.**

**ADMINISTRATIVE REPORT—Jesse Liddell**

1. For the first time the enrollment for the \$5,000 deductible is higher than any of the other deductibles.
2. The current enrollment is now around 3,700.
3. Current numbers now show 35% of the applicants are HIPAA eligible.
4. Ms. Meier had only 16 members who were below 99 points. The last couple of months she approved no one under 99 points.

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

1. Experience incurred and paid through June 2008 shows a projected net asset balance at June 30, 2009 of \$32.8 million. With base funding of \$10.8 million for fiscal 2009-10, the projected fund balance at June 30, 2010 is \$32.4 million.
2. The IBNR as of July 31, 2008 is projected to be \$2.7 million.
3. For 2 or 3 years HIPUtah has seen low costs of claims. It is now the opposite. Claims have been high. The HIPUtah board may need to ask for more money in the future.

**FY 08-09 BUDGET REVIEW & FY 2010 LEGISLATIVE BUDGET REQUEST—Tomi Ossana**

1. At the end of the year 2008 HIPUtah will have 14.33 reserve months.
2. Producer fees were under-budgeted. This item must be increased in the next budget.
3. The budget for FY 2010 is now being submitted. An additional \$1.5 million in funding is being requested. This will take the funding to \$12.3 million for the next 3 years. HIPUtah has not had an increase in funding for the past 3 years. The consensus is an increase in funding be requested

now so the State isn't surprised if we later say there is an urgent shortage. **It was moved that Ms Ossana request an additional, on-going \$1.5 million funding increase from the State of Utah.** Moved—Matthew Minkevitch; seconded—Michael Bahr. Motion approved.

**BENEFIT 2009 & NEWBORN ISSUE DISCUSSION—Douglas Hasbrouck, M.D.**

1. Each year SelectHealth evaluates and implements changes in benefits. The HIPUtah Benefits Committee met 9/2/08 to review those changes and determine if the HIPUtah program will follow the recommendations of SelectHealth.
2. The committee requested further data to see what impact the \$1,500 DME maximum would have on HIP enrollees. The committee would like to have latitude to change the maximum after reviewing this data. **It was moved HIPUtah adopt SelectHealth's recommendations with flexibility to alter details for DME with committee approval.** Moved—Michael Bahr; seconded—Elizabeth Hunter. Motion approved.
3. Newborn Issue. It has been determined that HIPUtah's Policy for adding newborns for the first 30 days under HIPUtah has been administered appropriately. However, claims have not been processed according to policy and the Enrollee Agreement fails to support the current policy. The Benefit Committee recommends changing the policy to mirror current practice. Only one deductible and one coinsurance will apply during the first 30 days. After 30 days, if the newborn is uninsurable they will need to apply for a separate policy. A new deductible/coinsurance would begin on the effective date. **It was moved the Benefit Committee recommendation on Newborns be adopted.** Moved—Michael Bahr; seconded—Matthew Minkevitch. Motion approved.

**UTILIZATION REPORT & MEDICAL INJECTABLE DISCUSSION—Tomi Ossana & Troy Pritchett**

1. A new section has been added, Top Injectable Drugs, on page HIP114. The category of injectable drugs is quickly increasing benefits paid out for all insurers. The HIPUtah population tends to have a high usage of these drugs. This report tracks the Top 40 Injectables, the Average Paid, and the Total Paid. Ms. Ossana suggested if any board member wishes the conditions be added to this report she should be contacted.
2. This report will be run every 6 months allowing the board the ability to keep a check on the injectables. Injectable drugs are applied to medical benefits limits. Once an annual benefit maximum is met premiums still need to be made each month and there is no further payment on any medical expenses until the following year. The HIP board will need to watch to see if a separate maximum on injectables should be imposed thus allowing other medical coverage to continue.
3. Ms. Donaldson presented a chart on Disease Management Programs During the Past Year on HIPUtah. Some of the 2126 members had more than 1 intervention if they had multiple medical conditions.
4. When discussing the SelectHealth Management Summary, members requested the possibility of adding misuse of drugs, excessive visits to the ER, and Mental Health to the Condition Summary.

**ACTION ITEM LIST—Tomi Ossana**

1. Underwriter Auditor RFP/Contract. This contract ends October 31, 2008. Jerome Floerke has done a great job on the audits each month. Proposals are due October 9, 2008.. The effective date of the new contract will be November 1, 2008.
2. HIPUtah Newsletter. There were several suggestions for items which should be added to the latest newsletter:

- a. HIPUtah is asking legislative support for an increase in funding.
  - b. moving forward on eligibility verification.
  - c. information about raising the points for eligibility.
3. Annual Maximum Update. There are four enrollees that are above the 80% threshold on the \$300,000 annual maximum. One individual hit 100% in August and another is at 94%.
  4. Board Member Term Dates. Ms. Ossana presented the idea of staggering the board members term/renewal dates to the Board & Commission Agency. The Director of Boards & Commissions, Maike C. Jones, said changing terms would require legislation so the answer is "no" at this time.
  5. HIPUtah Website Request. HIPUtah is investigating the feasibility of adding HIPUtah to a website which helps direct people to health coverage based on underwriting criteria. SelectHealth is looking into the ability to provide applicants the electronic submission option (medical records would have to be scanned or emailed).

#### **UNDERWRITING CRITERIA CHANGE—Tomi Ossana**

1. Effective September 1, 2008 HIPUtah will be using 99 points underwriting criteria, as determined by Milliman, to underwrite applicants for enrollment in the program.
2. Applicants with 98 points or less will be denied along with a certificate of insurability. Those with 99 points or more will be accepted into the HIPUtah program.
3. Those previously enrolled with 98 points or less will no longer be eligible for HIPUtah Insurance. Ms. Meier will check records to see if they have un-reported issues which will maintain the eligibility. Those enrollees will be notified as follows:
  - a. Ms. Meier will call each of those members to explain they have 45 days to find other insurance,
  - b. A Certificate of Insurability for the commercial market will be sent before November 15, 2008 along with a letter of termination effective 12/31/08,
  - c. If those members supply further records supporting debit points over 98 they can be reinstated if they qualify.

#### **PREMIUM ASSISTANCE SUBSIDY PROGRAM UPDATE—Tomi Ossana**

The Premium Assistance Subsidy received an additional \$1.4 million bringing the total to \$3.8 million. These funds were accessed July 2008. The Grant will end 12-31-09 and is projected to carry through 1-31-10.

#### **CONSUMERISM IN HEALTH CARE PRESENTATION—Brad Kuhnhausen**

Brad Kuhnhausen presented the concept of Value-Driven Health Care. In hopes of driving health care costs down, recommendations have been presented by the Network for Regional Healthcare Improvement. This proposal would make a single payment to physicians to cover the full range of services required for a specific condition/disease. At this time NRHI is researching insurance companies to lead the way for this approach to health care payment. HIPUtah was asked to be one of those insurance policies to lead the way on this. After discussion, the Board decided they could not be a leader but a potential follower on this one. Ms. Ossana and Dr. Hasbrouck will follow up on this in the next 3 months and report back to the HIP Board.

#### **UPDATE ON HEALTH CARE REFORM TASK FORCE—Tomi Ossana & Norman Thurston**

Mr. Thurston reported things are progressing. To date the Task Force has been concentrating on different groups: Provider Group, Hospital Group, Community Group, Administrative Group, Insured Group, etc.. At this time there is no representation from the Pharmacy Group. The Task Force will have to work on that one in upcoming months.

The Task Force is centering on how to keep costs under control. There should be more specific recommendations by our next meeting.

### **NEXT MEETING**

The next Board meeting is scheduled for Thursday, November 13, 2008 at SelectHealth, Auditorium B from 1:00 p.m. to 4:00 p.m..

The General Session adjourned at 3:35 p.m. to allow an Executive Session.

**It was moved the Board go into Executive Session for the purpose of discussing the one-year extension of the HIPUtah Director's Contract.** Moved—Michael Barr; seconded—Rob Perry. Motion Approved.

### **EXECUTIVE SESSION**

Brought to order at 3:35 p.m.  
Executive Session ended 3:50 p.m.

### **GENERAL SESSION**

The General Session was re-convened at 3:50 p.m. by Douglas Hasbrouck M.D., Chair. Dr. Hasbrouck explained the board discussed and recommended offering a second one-year extension to the contract of Executive Director to Tomi Ossana. **It was moved to offer a one-year extension to Tomi Ossana for the position of Executive Director of HIPUtah.** Moved—Matt Minkevitch; seconded—Libby Hunter. Motion approved.

There being no further business, the meeting adjourned at 4:00 p.m.

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