

## Utah Defined Contribution Risk Adjuster Board Minutes

Conference Call

*Approved*

August 17, 2009

**Attendees:** Jayson Chatelain, Altius; Dennis Kunimura, PEHP; Stephanie Jensen, PEHP; Hasan Imam, PEHP; Jim Pinkerton, Regence; Tanji Northrup, UID; John Sweeney, Health Equity; Mark Brown, Select Health; Norm Thurston, DOH; Mike Chapman, Health Equity; Dave Jackson, First West; Tomasz Serbinowski, UID; Jodi Schultz, Humana; Earl Hurst, Humana

- Mark called the meeting to order at 11:07 AM
- Mark went through the Employer Registration Approval Process that was sent out by Dan Schuyler
  - Jim questioned step 2. He asked how the carriers will be randomly selected and suggested the phrase *randomly selected primary carrier* be reworded to read *randomly selected primary underwriter*. Jim also asked how the ticket tracker works
    - Dave knows the system has an internal ticker or tracker, but he does not know about the algorithm and if the tracker is random
  - Steps 3-6 discuss primary and secondary underwriters. Mark noted there should be a third option on step 3 to include the primary underwriter requesting more information before approving or rejecting the application
    - Jodi asked if the participating carrier would work with bSwift to work out any missing information or needs
      - Mark replied the carrier will work directly with the employer of the applicant. These conversations will have to be summarized by the underwriter since they will not be recorded in the bSwift tracker. The primary or secondary underwriter will contact the employer or the broker directly
      - Jim asked if bSwift should be involved
        - Mark believes this puts a middle man in the picture
        - Jim agreed that this causes unneeded confusion. The broker and the employer can review the needs
      - Dennis asked if bSwift has a communication board
        - Dave said they do, it is through an email system
        - Dennis feels this is useful to track the correspondence
  - Mark questioned step 7. A mediator carrier has not yet been discussed
    - Dave does not want to escalate the mediating carrier until it is vital
    - Earl believes the primary and secondary underwriter should be able to come to terms. If they are not able to come to a consensus, does a group get rejected or does a mediating carrier force one carrier to accept a group they do not wish to cover?
    - Mark asked if there should be a mediating carrier on the employer side as well

- Jim feels that would be better than defaulting to turning the group down, especially if they are legitimate
  - Dave commented on step 10, stated the unique website is a modular system. Each employer will have a unique password and user id for security reasons. Likewise, each employer will only be able to see their information, not that of other employers
  - Mark asked if anyone was concerned with the September 18<sup>th</sup> deadline noted in step 12
    - Dave reminded the committee members open registration starts on August 19<sup>th</sup>. He also pointed out there could be 150 groups in the limited launch
    - Mark was under the impression the deadline was at the end of September, as was Earl
    - Dave replied the deadline at the end of September is for the employee registration, not the employer registration with case characteristics. Dave realizes this is a short time frame, but he is not sure that the timeline can be changed
      - Norm believes the timeline is driven by technology
    - Mark asked the participating carriers how much time they need after they receive the last application
      - Jim does not know what their capability is to handle 150 groups in a short time frame. He will check with his underwriters
      - Mark pointed out the 150 groups will be spread out over the month, it is not likely for all 150 groups to register the last day
    - Tanji pointed out the underwriters only have one week to review the applications, since they need to be reviewed by both the primary and the secondary underwriters
    - Norm asked if there will be more than just the employer information that is submitted by September 18<sup>th</sup>
      - Mark replied there will be enough information that can be submitted by this date to begin the underwriting. The wage or tax form will need to be uploaded by this time, but who reviews these forms to verify if they are legitimate?
        - Dave believes bSwift will verify this information
  - Mark asked what communication will be sent to the employers by September 25<sup>th</sup>, as noted in step 13
    - Dave replied this is when the health questionnaire will be filled out
  - Mark will summarize this conversation and submit it to Dan Schuyler
  - Dave asked if steps 12 and 13 can be reworded. He would rather see *by or before* instead of *by* when referring to the deadlines
- Mark asked Earl to summarize the results from the Underwriting Subcommittee meeting that took place last week

- Earl stated Dave attended, along with representatives from Regence and Humana. Select Health did not attend the subcommittee meeting. Representatives from Regence and Humana recommend the following
  - Each participating carrier should underwrite every group
  - Prior carrier billing information should be included in the underwriting process
  - A separate inbox should be set up for communication between the three participating carriers. By using a separate inbox, the normal underwriting flow will not be interrupted
- Earl asked Dave if he had any other input he would like to add
  - Dave feels prior carrier billing information was initially overlooked and this factor is important
  - Dave also commented that the subcommittee discussed the option of underwriting all groups, but believes the subcommittee also agreed they could stick with the original plan of having a primary and secondary underwriter
    - Earl asked Mark to address this concern with Priscilla, Select Health's underwriter. He stressed he is not trying to change the process, but wanted to bring the underwriter's concern to the table
      - Mark addressed efficiency and asked how it is possible to balance between any conflicts of interest. Mark believes they should remain with the original plan of having a primary and secondary underwriter, with a mediator if needed
- Jim brought it to the committee's attention they have not finished their discussion on the business associate agreement (baa) and feels this needs to be discussed in the near future. Regence's attorney is not okay with the baa and feels a non-disclosure agreement is more appropriate
- Dave made a motion to add to the business plan of operation that prior carrier billing be submitted during employer registration. Jim seconded this motion. Dennis, Norm, and Mark were all in agreement
- Dave made a motion that 75% participation is required and individual coverage is not considered a legitimate waiver. Dennis seconded the motion. All were in agreement with Norm abstaining from the vote
- Dave reported on the producer compensation advisory subcommittee. The three participating carriers provided Dave with a number. Dave blinded the carriers and constructed a 2 tier versus a single composite. Dave feels they are in the right range in regards to where commissions should be set. Dave proposed for a flat PEPM of \$37 with no overrides or bonuses be written into the business plan. However, Dave would like to wait until the subcommittee meeting on August 18<sup>th</sup> before discussing the commission level any further given that he has not received any feedback from the three participating carriers
  - Jim pointed out a vote would not be able to take place at the subcommittee meeting
  - Norm feels they should vote now and make amendments later if needed
  - Dave would rather receive feedback from the three participating carriers to see if they all agree this is a reasonable number

- Jim questioned if it would be better to round up to \$38. He then stated he would be okay with \$37
  - Tanji noted there is a requirement for a 24 hour notice prior to conducting another conference call if the committee members were not ready to vote today
  - Dave made a motion to add to the plan of operation a broker commission that is \$37 PEPM with no overrides, bonuses or incentives. Dennis seconded the motion. All were in agreement with Jim abstaining from the vote
- Mark addressed the handling of premiums for life events. He recalled Jodi said they prorate for small employer groups. Mark verified with his group, who also prorates. Jim did not verify Regence's process but feels they should also prorate. Dennis pointed out PEHP also prorates. Mark suggested there should be a daily prorate
  - Dennis made the motion to prorate daily for life events through the portal. Dave seconded the motion. Norm, Jim and Mark were in agreement
- The next committee meeting will be August 25, 2009 at 1:00 PM in the Rampton Board Room
  - According to Tanji, we were not able to schedule the meeting in the Capital Board Room
  - Tanji also noted the committee meeting scheduled for September 8, 2009 will take place in the Rampton Board Room
- Jim made the motion to adjourn. Norm seconded the motion. All were in favor. Meeting adjourned at 12:23 PM