

Defined Contribution Risk Adjuster Board Minutes

Rampton Board Room

Approved

August 25, 2009

Attendees: Mark Brown, Select Health; Tanji Northrup, UID; Nancy Askerlund, UID; Perri Babalis, Utah Attorney General; Norm Thurston, DOH; Earl Hurst, Humana; Stephanie Jensen, PEHP; Dennis Kunimura, PEHP; Dave Jackson, First West; Jim Pinkerton, Regence; Nathan Romero, Health Equity; Mike Chapman, Health Equity; John Sweeney, Health Equity; Steve Neeleman, Health Equity; Bob Wilcox, UID (via telephone); Mark Wernicke, Humana (via telephone); Barb Grishaber, Humana (via telephone)

- Mark Brown called the meeting to order at 1:13 PM and welcomed the group
- Mark Brown asked if there was any need for discussion on the minutes from the August 10, 2009 and August 17, 2009 Board meetings
 - Jim noted an error on the second page of the August 17th minutes. Jim did not comment on step 10. The comment was made by Dave
 - Mark Brown commented on the last sub bullet of the first bullet on page 3 of the August 17th minutes. Rather than stating *Jim and Mark were in agreement. Norm abstained from voting*, Mark suggested this be changed to *All were in agreement with Norm abstaining from the vote*
 - Mark Brown suggested the same correction of wording on page 4 of the August 17th minutes. Rather than stating *Norm and Mark were in agreement. Jim abstained from voting*, Mark suggested the use of *All were in agreement with Jim abstaining from the vote*
 - Mark Brown asked for a motion to approve the August 10, 2009 and August 17, 2009 minutes as discussed with changes
 - Dave made the motion to approve the August 10, 2009 and the August 17, 2009 Risk Adjuster Board minutes with the corrections noted. Jim seconded the motion. All were in favor
- Norm provided a portal update. 58 groups have registered. Agents and producers are now listed – this was a technological problem initially, but has been fixed
 - Tanji noted that Dan Schuyler is receiving an update on a daily basis. UID will continue with this process until registration tapers off, at which time UID will move to a weekly update. She hopes this process will be automated soon
 - Norm stated all other quirks with the portal have been minor
 - Earl asked if bSwift has started reviewing applications
 - Mark Brown stated bSwift will be looking at applications to verify they are complete
 - Dave noted the application cannot be completed unless it is filled out almost 100%
 - Earl stressed the importance of having a clean application prior to going to underwriting to prevent any delays and facilitate the coordination of the three carriers
 - Mark Brown asked if any applications have been sent to underwriting
 - Norm is not sure
 - Mark Brown is under the impression that none have been sent out
 - Mark Brown asked what would happen if the maximum of 150 groups registered, the deadline passed, and the underwriters deemed a group as ineligible. He asked if the

portal would maintain less than 150 groups, or if the deadline would be extended to reach 150 groups

- According to Norm, the plan is to keep the deadline. Adding more groups after the deadline will have a downstream effect and cause unnecessary work
- Mark Brown has not received any statements from his legal department regarding non-disclosure agreements. Earl's legal team is looking at multiple versions. Dennis and Jim have both sent Mark Brown an example of their agreement
 - Mark Brown would like every group to submit their response from legal by the next subcommittee meeting, which takes place on September 2, 2009
- John discussed the billing and premium timelines and issues. His handout included 4 process flows
 - John summarized the first page, stating after registration, demographics from the employers will be sent by bSwift the first of the month
 - Jim asked if this means the first of the prior month. John confirmed this is the case
 - John explained the third page, stating the Employee Spending Elections File shows what the employee shopped for and what choices they made. This file will be sent by bSwift on the first of the month. On the fifth of the month, there will be an email summary of invoice sent to employers to notify them electronic funds will be pulled in 3 days. The EFT pull will occur on the eighth of the month. If there is an EFT failure, the bank will notify HEQ in 3-5 business days. In the case of non-payment, there will be 5 business days for process of service recovery. Options to pay include another form of payment, another EFT pull, or collection from the secondary employer. If an employer goes into service recovery, there will be a service fee for a non-EFT payment
 - Mark Brown asked John to return to the second page of the timeline. Mark suggested there be a recursive step in the workflow to determine if the 75% participation is met
 - Norm discussed the next tier of contributors, such as the state and churches. He feels there is no reason to exclude a private entity who wishes to contribute to the exchange
 - Steve thinks this will expand the pie for brokers. He asked that this group of contributors go through a registration process. He also requested for the secondary contributing employer to be registered
 - Jim questioned what would happen if the secondary employer selects a different broker than the primary employer.
 - John responded the secondary employer is self-reported by the employee; no broker is needed
 - Mark Brown questioned once a HSA is selected if there is a step that states Health Equity is being used or an outside party.
 - According to John, there is an option to state whether an outside HSA is being used or if Health Equity's HSA is selected
 - Mark Brown addressed the scenario of having 10 employees, of which three different HSA's are selected
 - According to Steve, preference is not to pay three HSA vendors
 - Dave thinks there should be a default plan for the HSA
 - Mark Brown would like bSwift and Health Equity to attend the next subcommittee meeting on September 2, 2009

- John continued with the fourth page of the timeline, explaining the carriers will receive the premium allocation file on the 20th of the month, which depicts reconciliation of who has paid, what the payment was for, and who has not yet paid
 - Steve stated a card will not be sent out on the 20th if payment has not been received
 - Mark Brown asked Dave when binder checks will be performed
 - Dave answered by the 25th of the month
 - Steve stated they are asking for five days prior to the standard date. Steve also stated he feels it is up to Heath Equity to collect the premium, but also feels it is the employer's responsibility to inform the employee they are in the grace period and the premium needs to be paid
 - Dave pointed out the PMPY in the last box on the Health Equity line needs to be changed to PEPY
 - Mark pointed out PMPM in the last box of the bSwift line needs to be changed to PEPM
- Earl gave an update on the Underwriting Subcommittee. The second meeting is being scheduled. Items to be discussed include
 - How the primary and secondary underwriter is to be assigned – if an algorithm is involved
 - The subcommittee would like for separate email addressed for the 3 participating carriers to communicate with one another
 - Mark Brown would like split groups to be added to the agenda (i.e. carrier that covers both in-state and out-of-state employees). He would also like the subcommittee to look at seasonal employees – define seasonal employee, decide if these employees will maintain coverage year-round, and how to perform payroll deductions if the employee is not working during the summer
 - Tanji asked for an explanation on the 80/20 split, explaining that Utah law lists the split as 75/25
 - Mark Brown asked Earl to have his group discuss this split at their next meeting
 - Tanji asked if age slopes were considered. She is concerned for the carrier who might receive an older population
 - Mark Brown stated this was an initial discussion, but no consensus was reached. Mark Brown stated this will be discussed at the next Risk Adjuster Premium Allocation Subcommittee meeting
 - Mark Brown also asked Earl to have his group discuss how to handle new hires that come on the 2nd of the month. Also, how to handle preexisting conditions
 - Steve asked what would happen if the employee refused to fill out the HRA, under the ERISA law, they are not required to fill out the HRA
 - According to Mark Brown, the employee will not receive coverage if they do not fill out the HRA, as this is required in the application process. It will be up to the portal to decide if the whole group will be dropped or only the employee
 - Dave agreed, stating the HRA will need to be filled out if the employee wishes to receive benefits
 - Dennis asked if the HRA needs to be filled out if there is an eligible waiver. Mark stated the HRA still needs to be filled out
- Mark discussed the Workflows.
 - He changed the word *broker* to read *producer*

- Mediator carrier reviews was added to the Employer Underwriting Workflow
- The Factor still needs to be added to the Risk Rating (Initial) Workflow, after the 2nd box
- Norm made the motion to accept the Workflows with the above noted changes. Jim seconded the motion. All were in favor
- Jim gave an update on the Business Plan of Operation. He included categories covered by the law, the goals and guidelines that were adopted, general portal participation rules and life event rules. Jim asked if there were any other suggestions or items that need to be included
 - Mark Brown suggested the introduction include some of Governor Huntsman's bill of intent
 - Norm suggested there be a definition of Defined Contribution, the exchange and overall health reform. He will forward Governor Huntsman's bill to Jim
 - Mark Brown asked Jim to add the responsibilities of the Risk Adjuster Board (RAB), a section on the Bylaws and Articles of Organization, and to reflect RAB's interaction with Health Equity
- The next Risk Adjuster Premium Allocation Subcommittee meeting is scheduled for September 2, 2009 from 9-11:00 AM at Select Health
- The next Board Meeting will be on September 8, 2009 from 1-3:00 PM in the Governor's Board Room
 - Tanji noted the following meeting is scheduled for September 22, 2009 from 1-3:00 PM in the Capital Board Room. Meetings have not been scheduled past this date
- Additional Board Meetings were scheduled for October 6th, October 20th, November 3rd, November 17th and December 1st from 1-3:00 PM
 - Tanji asked Nancy to contact Cheryl Smith to schedule the Conference room for these dates
- Tanji thanked the Risk Adjuster Board and Mark Brown for his presentation given at the healthcare and labor committee meetings. She also noted Speaker Clark would like to thank the Risk Adjuster Board
- Norm made the motion to adjourn. Dave seconded the motion. All were in favor. Meeting adjourned at 3:00 PM