

Defined Contribution Risk Adjuster Board Minutes

State Office Building Room 3112

Approved

January 26, 2010

Attendees: Jim Pinkerton, Regence; Nancy Askerlund, UID; Mark Brown, Select Health; Earl Hurst, Humana; Perri Babalis, Utah Attorney General; Tanji Northrup, UID; Norm Thurston, DOH; Stephanie Jensen, PEHP; Dave Jackson, First West; Bob Wilcox, UID; Chet Loftis, Regence; Korey Capozza, Voices for Utah Children; Ray Seaver, bSwift; Dan Schuyler, OCHS (via telephone); Cheryl Smith, OCHS (via telephone); Jan O'Brien, bSwift (via telephone)

- Mark called the meeting to order at 1:05 PM and welcomed the group
- Mark asked if there were any questions or concerns with the minutes from the December 16, 2009 meeting or the December 22, 2009 conference call
 - Mark changed the wording of the first sub bullet towards the bottom of page 2 on the December 16th minutes to read *Mark believes the compressed time frame led to some of the challenges.*
 - The December 16, 2009 minutes are accepted as presented with the above change
 - The December 22, 2009 minutes are accepted as submitted
- Tanji went through the Plan of Operation and discussed each of the changes. The rule is drafted and ready as soon as the changes in the Plan of Operation are submitted
 - Dave made the motion to accept the Plan of Operation with the noted changes. Norm seconded the motion. All were in favor
- Dan provided an update on the portal
 - The portal consisted of 13 employer groups with an effective coverage date of January 1, 2010. However, one group dropped off because they fell below the 75% participation level. The final count consists of 12 employer groups, 164 employees and 423 members
 - The payment process is going well
 - They are looking towards a producer certification for defined contributions, which consists of 1 hour of continuing education
 - After July 1, 2010, producers have 90 days to be appointed by carriers. Dan asked if 90 days was reasonable or if there are any issues or concerns
 - Earl stated 90 days seems reasonable to certify a broker
- Earl addressed his concern of a situation where one carrier terminates their relationship with a producer but the remaining participating carriers retain their relationship. He asked if the carrier would have to retain their relationship with that particular producer or if that producer would no longer be able to work for the other carriers
 - Norm stated the present broker requirements are completing their continuing education, registering and be appointed by the majority of the participating carriers. The only current options for appointment by the three participating carriers is majority vote, anybody making the appointment or everybody appointing the producer
 - Bob would like for the broker appointment to be made by the Risk Adjuster Board. If this was the case, the appropriate requirements could be made to properly represent the defined contribution market. He stated agents represent carriers and brokers should represent the insured so the appointment authority should be assigned to the Risk Adjuster Board, rather than to the individual carriers

- Jim agreed, stating the carrier is not compensating the broker so the carrier should not appoint the broker
 - Mark asked if this methodology follows the guiding principle to keep things simple
 - Bob believes this process is simple
 - Earl asked who will be verifying that the broker license is valid
 - Norm suggested if the broker presents themselves to the carrier stating they have met the requirements, then only one carrier should be required for appointment
 - Mark suggested 1 hour of continuing education is not enough to learn the product
 - Dave agreed more than 1 hour is necessary
 - Chet suggested if a producer is already appointed by all three carriers, they should sell in the exchange. If they have not been appointed by all participating carriers and would still like to sell in the exchange, there should be a requirement for the broker to participate with the remaining carriers
 - Mark agreed the exchange specified broker should be appointed by all participating carriers
 - Dave feels 100% appointment is unreasonable due to geographic areas. If the producer is in a certain geographic area that a particular carrier does not cover, then the producer will not be appointed by this particular carrier
 - Bob suggested as long as the producer learns the policies of all participating carriers, whether they are licensed with these carriers or not, they should receive appointment
- Jan discussed COBRA employees and premium collection. Health Equity will bill the employer groups the same way they bill for active employees. The employer will let bSwift know they are COBRA eligible. Special enrollment will be set up which will include the plan the member was on during the time of the qualifying event. The employee will select from the plans and Health Equity will submit the plan
 - Mark asked how they are to know someone is in the selection process for COBRA. He asked what kind of verification there is for those who forget to notify you there is an employee that should be on COBRA
 - Jan stated the flow should be the same in the exchange and outside the exchange so it is the responsibility of the employer to notify of employees eligible for COBRA
 - Norm asked if an employer with COBRA employees figure into risk rating
 - Dave stated they are figured into risk rating. COBRA employees have the same rights as active employees
 - Tanji clarified during open enrollment, COBRA employees can select from all the plans being offered to the rest of the group
- Perri provided a reminder that subcommittee meetings are open meetings and although these meetings are important, actions cannot be made. A vote needs to take place in the committee meetings
 - Mark commented that recommendations are made but actions are not
- Mark stated comments could be made during the legislative session on the Plan of Operation regarding the dates listed in the Plan. It should be pointed out that the dates listed in the Plan were the dates initially in place, not the dates intended for the future
 - Bob stated we anticipate changes will be made to the Plan as necessary. A section (12) should be added to the Plan of Operation stating changes can be made. Bob made the

motion to accept the Plan of Operation with the changes discussed earlier and with an addition of section 12 regarding changes to the plan of Operation. Dave seconded the motion. All were in favor

- The next meeting is scheduled for February 22, 2010 at 3:00 PM
- Other outstanding issues were discussed
 - Jan stated there is a group with an employee who lives in both Utah and Colorado who is the owner of this company. She asked if he would be allowed to participate in the portal
 - Perri stated this issue is not on the agenda so it will need to be added to a future agenda
 - Prior to Dennis Kunimura's resignation, he offered PEHP to do the reporting and renewal process. Mark asked if PEHP is still comfortable performing these tasks.
 - Stephanie will discuss this with the PEHP director and report back to the committee
 - Earl stated the renewal process will be discussed at the next underwriting subcommittee meeting. He asked that additional agenda items be forwarded to himself
- Jim made the motion to adjourn. Earl seconded the motion. All were in favor. Meeting adjourned at 2:34 PM