

Defined Contribution Risk Adjuster Board Minutes

State Office Building Room 3112

Approved

January 24, 2012

Attendees: Jim Pinkerton, *Regence*; Dave Jackson, *First West Benefit Solutions*; Tanji Northrup, *UID*; Nancy Askerlund, *UID*; Perri Babalis, Utah Attorney General; John Borer, *PEHP*; Tomasz Serbinowski, *UID*; Sue Watson, *OCHS*; Patty Connor, *OCHS Director*; Jill Goodmansen, *OCHS*; Norman Thurston, *State*; Paul Anderton, *UID*; Ann Ibrahim, *Regence*; Frank Kyle, *Altius*; Gabriela Benitez, *GBS Benefits*; Chantel Nate, *Capitol Hill Adv.*; Brian Allen, *Capitol Hill Adv.*; Shelley Braun, *UHP*; Lorraine Mayne, *Milliman*; Russ Johnston, *First West Benefit Solutions*; Paul Muench, *Molina Healthcare*; Lincoln Nehring, *Voices for Utah Children*

Kim Miller, *UHC* (via telephone); Dane Eppler, *HealthEquity* (via telephone); Mark Brown, *SelectHealth* (via telephone)

- I. Meeting called to order at 1:02 p.m.
- II. Changes in spacing to the meeting minutes from 12/20/2011.
- III. Tanji Northrup from Department of Insurance
 - a. Sent summary of what is seen in the Utah Health Exchange underwriting risk loading to board members (information based on last quarter of 2011). Graphs show carriers have similar provider rates and plans, but have different approaches to underwriting. Reviewed examples provided and compared risk rating. Carriers are touching most groups during underwriting. Mediation is required 90% of the time. When mediation is required only 46% of the time is due to individual. Examples are base rates with risk factor of 1.0 or greater. UHC using floor of 1.0 (always did for group risk factor, but not always for individual risk factor). That has since been changed for UHC. Department of Insurance is not asking carriers to adjust underwriting but asking if this is the most effective on the Utah Health Exchange only. Blending the underwriting will almost never show the same rates inside and outside the Exchange. With Humana leaving the UHE, groups seeing higher rates increasing. Groups are still seeing a value on the UHE, but not the same premiums. Difference in premiums could also be due to commissions. Could still take the average of the closest 2 individual risk factors. Possibly just submit the Individual risk factor and not the group risk factor. Everyone provides their own rates and at the same time carriers provide individual risk factors for the group. Patty stated this would be done in eHealthApp and is feasible on the UHE. Kim Miller states UHC supports the change, but needs to verify internally. Jim Pinkerton will do the same for Regence. Ann Ibrahim will think through and will get back to Jim. Patty Conner will look at UHE process and where changes need to be made. Most changes will need to be made in eHealthApp and little in bSwift. Patty Conner will come up with time lines and costs. Will also need to send communications to the brokers regarding the new process if it changes. All carriers will go

back and discuss with teams and vote next RAB meeting. Sue Watson stated there may be some changes with HealthEquity as the GRF is a required field. Review with the RAPA subcommittee and bring to board to vote. Will discuss in subcommittee meeting if there is any risk avoidance?

IV. Patty Conner from OCHS gave an update regarding the Exchange

a. Exchange Statistics

- i. Had 240 groups but a few drop out and now at 237.
- ii. There are 1949 employees and 5670 total bellybuttons covered.
- iii. Good numbers on renewal for February. Out of 46 renewal groups, 45 renewed with the Exchange for January which includes 2010 groups.
- iv. Defined Contribution average amount is \$246.
- v. 26 % of groups on the Exchange did not have group coverage prior to joining.
- vi. Education still needed for employees and brokers regarding excess funds being contributed to an HSA account and enrollment of an HSA plan.
- vii. Priority projects from last meeting - Currently going through scoping requirements and overlaps. Not putting through changes until around April or May time frame. Need to have data integrity. Conversion of all data in bSwift to eHealthApp. Employer and employee demo data to get groups through renewal. In doing so, timing issue and opportunity to get data in sync. OCHS working on getting this data corrected.
- viii. Quality data of individual risk factors lower than a 1. Have been brought up in subcommittee meetings. OCHS takes these seriously and want to correct ASAP.
- ix. Blueprint – Cognosante, started in December to create 'as is' for technology solution. Half way through the project. Did executive review last week and next week engaging subject matter experts with Cognosante. Want input from carriers and advocacy groups as well as broker community and vendor partners. Sue working on retrospect of renewal process. OCHS has a big task list of all steps taken. 90% of process is manual and not scalable. Going through to see what can be automated and what can be changed. Did retrospect with brokers and will do retrospect with carriers tomorrow.

V. Mark Brown with SelectHealth

a. Risk Adjustment & Premium Allocation subcommittee report

- i. Carriers still are working to use the APCD. Norm is working to facilitate access to be an option, but still having problem getting data. Regence received data from APCD, but having issues with mapping. They are working on this and hope to have resolved soon. Unable to create data file for UHC. Mark Gaskell has not yet been replaced. Contractors were positive and did not sound like a hard thing to do. Norm stated there are a large number of people in the database. Change file set up instead of a full

file. Need to know the plan's ID number or the member ID. If carriers can feed the member ID to bswift, we can store this information. SSN is key identifier in the bswift system.

- VI. Kim Miller with United HealthCare
 - a. Underwriting Subcommittee Report
 - i. Will be reviewing May renewals and signing off tomorrow.
 - ii. Have a full agenda so meetings have been changed to weekly.
 - iii. Sent Union recommendations to John.
 - iv. Will review comparison of each carrier domestic partner documents in order to offer that coverage in UHE.
 - v. Getting group size determination issue.
 - vi. Open issues with individual risk factors who will work on with Sue.
- VII. Dave Jackson with FirstWest Benefits
 - a. Marketing Subcommittee Report
 - i. Set date of February 28th (Tuesday) for reception which will run from 5:30 – 7:30 pm. Friendly casual reception at the City Center Marriot hotel in the Olympus Rooms which accommodates 50-250. Small employer, broker, carrier, State event to promote the UHE. Will finalize reception during meeting sometime this week.
- VIII. John Borer with PEHP
 - a. Legal Subcommittee
 - i. Talked about criteria for groups with union employees. Received feedback and still looking into this issue. Excluding union employees may have HIPAA issues. Hopefully next meeting there will be more information.
 - ii. Minimum size employee eligibility. Small group of 5 with 4 valid waivers. Preliminary guidance is no as 2 employees need to enroll in coverage. Need to find section of code before final notice is made. Perri and Tanji will meet tomorrow to discuss.
 - iii. Plan of operation update – able to get through body of document and sent updates. John sent out to board members which high lights changes. Hope to go through this document. Missing Appendix on the Plan of Operations. Concerns over waiting until after session for pending changes.
- IX. Next Meeting will be February 28, 2012 at 1:00 pm
- X. Meeting adjourned at 2:18 p.m.