

Defined Contribution Risk Adjuster Board Minutes

State Office Building Room 3112

Unapproved

April 24, 2012

Attendees: Jim Pinkerton, *Regence*; Dave Jackson, *First West Benefit Solutions*; John Borer, *PEHP*; Brett Barratt, *UID*; Mark Brown, *SelectHealth*; Perri Babalis, *Utah Attorney General*; Patty Conner, *OCHS Director*; Sue Watson, *OCHS*; Jill Goodmansen, *OCHS*; Gabriela Benitez, *GBS Benefits*; Shelley Braun, *UHP*; Lorraine Mayne, *Milliman*; Chantel Nate, *AHIP*; Lincoln Nehring, *Voices for Utah Children*; Michael Bird, *PEHP*; Sheila Walsh-McDonald, *SLCAD*

Kim Miller, *UHC* (via telephone); Dane Eppler, *HealthEquity* (via telephone); Lucy Feldkircher, *HealthEquity* (via telephone); Don Garlitz, *bswift* (via telephone); Tina Gallegos, *eHealthApp* (via telephone); Ann Ibrahim, *Regence* (via telephone)

- I. Meeting called to order at 1:05 p.m.
- II. Prior months meeting minutes approved with corrections noted.
- III. Patty Conner from OCHS gave an update regarding the Exchange
 - a. Exchange Statistics
 - i. There are 278 employer groups total for April. There are 6490 covered lives with 2253 employees.
 - ii. 15 renewal groups for the month of May.
 - iii. Sales conversion rate – 35% sales conversion rate for new business on the UHE.
 - iv. Average defined contribution amount is \$435. Largest defined contribution amount is now \$2000. Regarding those that have a \$0 contribution amount, OCHS went back and asked groups the reason for this. Some are Cobra employees, some groups have set amount to pay through payroll and not done through defined contribution method, some technical errors on the employer side (did not populate all tier levels). There was 1 employer group that did not contribute at all (had 11 employees). Some groups combining ancillary benefits which is why they did not contribute.
 - v. 30% of groups were previously uninsured before joining the Exchange. This number is from the beginning of the Exchange.
 - vi. Patty went through hand out of statistics gathered regarding a breakdown of each tier structure and how much employer contribution is put into each tier. The stats stated how many employees were in each tier along with the average employer contribution amount. For example, employee + family coverage has 922 enrolled counts. All have about 70-77% average employer % of contribution of total cost. Patty stated the message is there are a fair amount of benefits that are being covered by employers and not all paid by employees. When employer going in to pick default plan, they are selecting a bench mark plan but not all employees picking that default plan. Surprised at the number of employees with excess employer contribution amounts.
 - vii. Top 25 plans picked on the Exchange – Patty provided deductible amount, office co-pay, Rx, type and % of total for top 25 plans. Average

deductible is between 500-1000. Will pass information to carriers through round table tomorrow. Has been competitive so this information has not been shared in the past. Have not put the names of the vendors on the list so employees can choose plans. Little more than 150 plans minus Humana. More analysis on HSA next RAB meeting and will provide.

- b. Underwriting Process Change
 - i. Time line on the processes for July groups using new formula - May 1 is the cut-off date for July groups to submit all applications. April – All carriers will see all groups coming through to underwrite. They can determine eligibility but cannot make changes in eHealthApp until starting May 7th. Will do test environment training this week and will be doing a training session on May 7th with any open questions. Mini pad lock – will lock groups out beyond May 7th so brokers will not be able to submit groups past this date. Information will feed from eHealthApp to bswift on May 14th. Bswift will do normal workflow of requesting rates from carriers for groups. Carriers will provide rates and bswift will upload rates. May 14 – May 24 – group reviews rates. May 25 – June 8 – employee enrollment window. June 13 – eligibility file sent. June 15 – invoicing. June groups open enrollment – April 25 – May 9. May 2 – deadline for brokers to get changes in for July effective date groups. If changes are needed, these need to be done manually. OCHS has communicated this information numerous times to the brokers. All appeals will be sent to Jill Goodmansen. May 14 – eligibility file sent. May 16 – invoicing.
- IV. Mark Brown with SelectHealth
- a. Risk Adjustment & Premium Allocation subcommittee report
 - i. Did not have an RAPA meeting since last Risk Adjustment Board meeting. Waiting for APCD. Patty gave update on APCD in place of Paul. Still trying to find a way to replace information from DOH who has hired someone to run query reports. Paul has been able to identify fields everyone needs. Still working to make sure all UHC information is in the system. Need to figure out a process for the renewals. Current process is very time consuming and not scalable. Currently doing September renewal groups. Hoping APCD could help come up with a solution.
- V. Kim Miller with United HealthCare
- a. Underwriting Subcommittee Report
 - i. 21 groups going through August renewal finalization on next meeting.
 - ii. Individual Risk Factors less than 1 - Initially UHC was not informed there was a minimum Individual Risk Factor (IRF) of 1.0. When system locked out to enforce 1.0 minimum, came across issues with vendors. As a result of correcting this issue, need to change employees with IRF below 1. Change will not be effective in the future but will be effective with renewal. Fewer premiums for some carriers and more for others. Programming change going forward. Do not have ability to accurately calculate formula for IRF less than 1. Patty stated there was an impact of only 7 employees and will find out what the premium rates were for this year and last year on these

employees. These employees cannot be loaded in HealthEquity currently as the floor of 1.0 has already been set. Last year this floor was not put in place, therefore the employees were added into the HealthEquity system. Population of 20-30 from last year and only 6-7 from this year. The 20-30 employees have already passed their renewal and the 6-7 will be corrected as they have a May renewal. 20-30 have been fixed, but the issue is if RAB wants to go back last year. Kim Miller made **motion** to correct current IRF less than 1.0 to above 1.0 and recalculate make change effective with 2012 renewal date. Dave seconds motion. There are no other employees that have IRFs less than one beyond June 1. UHC corrected problem last summer. Motion carries.

VI. Dave Jackson with FirstWest Benefits

a. Marketing Subcommittee Report

- i. Marketing work group met and had good representation. Worked on producer commissions and if there is a way to do these differently.
- ii. Received update from Patty on RFP for marketing plan.
 1. Commissions – How do the commissions compare to what is in the traditional market? Half or less than half in traditional market using a flat amount based on tier. Have shifted commissions to flat dollar amount rather than percentage. No need to abandon approach of flat dollar amount. Exchange commissions have a little more parity now than from when they were originally set. Went over process of how the commissions are collected and distributed to brokers
 2. Marketing RFP – Closed last Friday. Need advertising company to help with rebranding of the UHE and marketing plan. Hope to have decision by end of next week, but cannot give out much information until decision made. Will do market research with new company and then do full plan with small employer groups and brokers. 778 brokers trained and 190 quote on Utah Health Exchange. Talked about doing combined marketing with carriers either together or one on one with OCHS.

VII. John Borer with PEHP

a. Legal Subcommittee

- i. Plan of Operations Update Summary – Put together executive summary with major changes to the document. Major change – a lot of appendix, workflow and time lines removed. Reason was they are constantly changing. Put in high level description of what is included and put in link to where latest documents are stored. John went over other changes done to the document over each section. John provided the update summary from April 19, 2012. \$37 commission language removed. Patty stated information will be available through OCHS and found on Exchange website through documents

updated by OCHS. John will send out old version and new version of document for board members to review and provide feedback. Will bring up in next RAB meeting after board members review. Had 2 of the 3 carriers sign off on all the recommended changes.

- ii. Plan offerings for out of state employees – Issue is can the UHE offer coverage to employees who reside out of state of Utah. Plan of operations on page 6 states plans limited to Utah domiciled employees. Currently covering employees that are outside the state of Utah. Work group went over document that brought up insurance regulations such as licensing, provider access, prompt pay, utilization review, Grievance Review/Internal Appeals, Mandated Benefits, Forms Filing Requirements, Small Group Rating, and Compliant Handling. Recommendation – legal workgroup recommendations, want to mirror what is being done outside the Exchange. Mark Brown has some legal questions that he needs to bring back to group and cannot make a decision today. Requiring employers domiciled in Utah. Recommendation – Allow the Exchange to offer coverage, when and where available, to Utah domiciled employers.
- iii. Proxy Vote information – Directors may attend a meeting either in person or by proxy. Proxies must be in writing. The written proxy must state the name of the individual exercising the delegated voting authority and the length of time of the delegated authority. A) A director may appoint a proxy to vote or otherwise act for the Director by signing an appointment form. B) An appointment of a proxy is effective when received by the Chairperson of the Board. An appointment is valid for one month unless a different period is expressly provided in the appointment form. C) An appointment of a proxy is revocable by the Director. Proxy appointment Form – I, ____, Utah Defined Contribution Risk Adjustor Board Member, appoint ____ as my proxy to attend and vote on my behalf at the Board Meeting. Dated: _____. Writing includes email. Must be presented to the chair of the board. Governor’s office is okay with this information, but did not ask how many times a board member can assign a proxy. Possibly add a check box for full authority and one for certain items listed. Proxies should be kept with the meeting minutes. Will look at a finalized version next month which will be included with the Plan of Operations. Mark Brown made **motion** to accept Perri’s language with one change in removing one month for proxy voting representation from the board. Kim second motion. Need to add a signature line on form. Motion carries.
- iv. Groups with union employees – Came to recommendation but changed at last minute. Will bring up on next RAB meeting.

VIII. Brett Barratt from Insurance Department

- a. Legislative update has been completed and will be e-mailed out the end of the week. No other updates.

IX. Jim Pinkerton stated board elections have previously been done in May. 2 positions

are expiring (Dave Jackson and Mark Brown) and will hold off on elections until those positions are filled.

- X. Next Meeting will be May 22, 2012 at 1:00 pm
- XI. Meeting adjourned at 2:57 p.m.