

Defined Contribution Risk Adjuster Board Minutes

State Office Building Room 3112

Approved

April 28, 2010

Attendees: Mark Brown, Select Health; Tanji Northrup, UID; Nancy Askerlund, UID; Perri Babalis, Utah Attorney General; Stephanie Jensen, PEHP; Jayson Chatelain, Altius; Frank Kyle, Altius; Dan Schuyler, OCHS; John Borer, PEHP; Bob Wilcox, UID; Norm Thurston, DOH; Jim Pinkerton, Regence; Dave Jackson, First West; Ray Seaver, bSwift; John Sweeney, Health Equity; Korey Capozza, Voices for Utah Children; Tim Jensen, Master Student at BYU; Chet Loftis, Regence; Mark Andrews, Legislative Research; Lucy Feldkircher, Health Equity (via telephone); Jan O'Brien, bSwift (via telephone); Hailey Barton, bSwift (via telephone); Jamie Martel, Office of Health Care Statistics (via telephone); Sue Barney, Altius (via telephone)

- Mark Brown called the meeting to order at 9:07 AM and welcomed the group
- By new rule, John Borer is appointed as a member
- Mark asked if there was a need for discussion on the minutes from March 23, 2010. There was no need for discussion. The March 23, 2010 minutes are approved as submitted
- Tanji provided an update for the Utah Insurance Department (UID)
 - Altius joined the Exchange
 - United Healthcare will also be joining the Exchange. It has not been determined yet who will be recommended to the board
 - The UID is finalizing the changes to the Universal small employer application. They received comments and will file the rule with the updated application. The final version will be published May 15, 2010
 - The Attorney General's office received the Plan of Operation. There are a few concerns with items the AG Office felt was not properly addressed. A recommendation was made to the board to give the Plan of Operation back to the subcommittee and work with Perri on the deficiencies that need to be addressed
 - Perri stated a regular time and place for meetings need to be established, Federal HIPAA guidelines need to be addressed, and how to protect insurance carriers from adverse selection with regard to Underwriting needs to be addressed
 - Mark asked if there are requirements for wellness incentives
 - Perri stated there should be a sentence stating each carrier will take care of the wellness incentives
 - Tanji stated Tomasz also looked at the wellness incentives and pointed out the code requires the plan to identify health care conditions and establish adjustments for each identified health condition
 - Norm and Jim will work on the revised Plan of Operation
 - Mark will also send the Plan of Operation to John Borer and the representatives from Altius and United Healthcare
 - Norm asked if a suggestion is made to better the Universal application if it has to be re-filed

- According to Perri, if it is punctuation, the application does not have to be re-filed. It does for everything else
 - Tanji informed the board the Insurance Department filed an emergency rule on March 22, 2010 to adopt changes on the restriction for an employee waiving coverage to not fill out the health questions. The Insurance Department files through the normal process within 45 days of filing an emergency rule. They had July 1, 2010 in mind to file the application, which means April 15, 2010 would have to be the initial file date. In order to meet the July 1, 2010 deadline, the April 15th date was moved to May 1, 2010
- Dan provided an update on the Exchange
 - The biggest concern is the Timeline for Small Employer Enrollment. The general consensus was to shift the entire timeframe up 30 days with a final date of Jan 31, 2011
 - The timeline needs to be sensitive to the new carriers that joined the Exchange
 - Dan asked when the carriers would feel comfortable submitting plan details and base rates to UID
 - The latest would be October to keep a start date of January 31, 2011 (or January 1, 2011)
 - The Independent Actuary affects the timeline. The RFP states a 14 day turnaround time and the Actuary will have to review the rates twice – an upfront review of base rates and a second review after the file has been sent through underwriting
 - Dave suggested to keep a majority of the timeline, with an adjustment to a January effective date and time for the actuary to review the rates twice
 - Dan pointed out the base rates were submitted in September for the limited launch. He asked if this date is acceptable
 - Mark addressed the possibility of the Actuary requesting changes in September
 - Dan stated if rates are submitted in September and the Actuary gets them, this allows enough time. Dan shifted the date from September 1st to September 15th for the final sign off on approval
 - Dan suggested shifting employer enrollment by 30 days, which would also shift each subsequent step. Rather than employer enrollment starting in September, this date can be shifted to October 1, 2010
 - Ray mentioned they would like employer and employee enrollment closer together to decrease the amount of discrepancy between the wage tax and the census. The employee portal would open relatively quickly after the employer enrolls on October 1, 2010
 - The final decision was to shift the first step 30 days, steps 2-4 will keep their initial dates and steps 5-16 will shift 30 days forward
- Mark addressed the items discussed at the Subcommittee meeting
 - It was discussed to eliminate the manual process of entering rates into the bSwift system. There will be one XML file for the initial underwriting and a second file with those factors. These files can be fed into individual systems and produce a final XML file for final rates
 - Ray has a standard format he can submit to the carriers
 - This will be discussed further in the next Subcommittee meeting
 - During the limited launch, Out of Area Employees were not eligible. It was discussed at the Subcommittee meeting to allow Out of Area employees to be eligible for the Exchange, assuming they meet a certain threshold. Additionally, it was recommended

the Out of Area employees only be eligible for the default plan the employer selects and a separate rate would be provided for Out of Area employees. The base rates would have an area factor applied to it, based on their zip code

- Dave made the motion to adopt in the Plan of Operation the items just discussed concerning Out of Area employees. Norm seconded the motion. There was no need for discussion. All members were in favor, none opposed
- The recommendation from the Subcommittee is 1099 employees continue to remain ineligible. This process is currently in place, there was no need to vote
- There were a number of issues brought up regarding PEHP acting as the entity to do reporting with the All Payer Database (APD). The subcommittee discussed these issues and it is their recommendation to not pursue PEHP to participate in this role. Instead, there was a discussion with Keely to see if the APD was capable of running the desired reports. Keely was up for the recommendation and will determine the associate costs
- Tanji distributed the most recent RFP, and discussed the changes that were requested at the last Subcommittee meeting
 - Norm made the motion to ask Tanji to proceed with the RFP as-is with technical changes made as subject to the Chair and Vice-Chair. Bob seconded the motion. There was no need for discussion. All were in favor, none opposed
- Mark proposed setting up regular RAB meetings on the 4th Tuesday of every month at 1:00 PM in the same room, for 2 hours
- Meeting adjourned 11:04 AM