

Defined Contribution Risk Adjuster Board Minutes

State Office Building Room 3112

Unapproved

June 26, 2012

Attendees: Jim Pinkerton, *Regence*; John Borer, *PEHP*; Brett Barratt, *UID*; Dave Jackson, *FirstWest Benefit Solutions*; Jaimee George, *UID*; Jim Murray (Proxy for Mark Brown), *SelectHealth*; Tomasz Serbinowski, *UID*; Gale Lemmon, *Utah Attorney General*; Sue Watson, *OCHS*; Patty Conner, *OCHS*; Jill Goodmansen, *OCHS*; Norman Thurston, *State of Utah*; Frank Kyle, *Altius*; Gabriela Benitez, *GBS Benefits*; Shyom Kelli, *Milliman*

Kim Miller, *UHC* (via telephone); Lori Koehler, *bSwift* (via telephone); Dane Eppler, *HealthEquity* (via telephone); Tina Gallegos, *eHealthApp* (via telephone); Don Garlitz, *bswift* (via telephone)

- I. Meeting called to order at 1:03 p.m.
- II. Prior months meeting minutes approved with corrections noted.
- III. Patty Conner from OCHS gave an update regarding the Exchange – Dashboard information handed out can also be found at www.exchange.utah.gov.
 - a. Exchange Statistics
 - i. There are 296 employer groups total for June. There are 6,842 covered lives with 2,400 employees.
 - ii. All but one group renewed for the month of June.
 - iii. 789 brokers trained and only 191 are actively quoting with the Utah Health Exchange.
 - iv. Sales conversion is at 35% with 38% conversion for new groups joining the Exchange.
 - v. There is a \$437 minimum employer contribution.
 - vi. 31% of groups previously did not offer group health coverage. This is since the beginning of the Exchange.
 - vii. Marketing - Hired a new marketing firm, selected Love Communications and have completed contracting with them. So far have done 3 focus groups, one with a small employer groups and had 5 show up this past week. Groups were very interested in the model of the UHE. Some groups were told by their current brokers the Exchange was too complicated. Broker focus groups was also done, one with broker round table with brokers who were well informed and the feedback was very different than the other group. Other group had only done quotes only or 1 or 2 groups on the UHE but not recent. Concerns were it was a lot of work and not worth the amount of money received. OCHS knows there is a lot of work to be done with the brokers and employer groups. Target will be brokers and small business communities. Working on re-branding the Utah Health Exchange and focus groups would help. Have come up with 8 names and narrowed down to 4 names. Could still choose a name outside the 4 names chosen. Planning on having a name done the end of July or beginning of August along with the logo and possibly the website for the UHE. Waiting on supreme court for message either ACA or Utah state exchange. Did send out a survey to small businesses to get information on size of groups and if they are insured. Jim

Pinkerton stated 31% of groups not insured is a good number along with the renewal numbers.

IV. Jim Murray (Proxy for Mark Brown) with SelectHealth

- a. Risk Adjustment & Premium Allocation subcommittee report
 - i. Carriers have information ready to submit to APCD, but problem with the APCD site. Paul Anderton is working with them so carriers can submit list of UHE groups to run against APCD to get information back.
 - ii. Jim sent out a document with history of guarantee issue and dynamics of the UHE and pulls in Utah provisions and code with the surcharge. Issues – Plan of Operations has not changed to allow the surcharge and concern is high risk groups are allowed to move to the UHE when they are not able to in the traditional market. Change Plan of Operations to remove the provision. Issue – Process of groups applying for the UHE could take longer and group could have to move a month and harmed the groups due to the charge being applied to group. Could add information to the Plan of Operations to avoid groups under this circumstance to not be charged surcharge. Jim Pinkerton stated process of surcharge being applied – One time charge up front of the annual premium. Pay 3 additional months (25%) pay 4 months up front when joining off anniversary. Trying to incorporate a billing process for the surcharge fee would be difficult and could be done manually. Sue Watson will look at process for adding charge come January 1 2013. Dave Jackson added a lot of the small groups have their start date whenever they become in business and not all groups like their start date. Need to get processes to flow together the same as the traditional market. Very selective when applied in the traditional market. Surcharge is reasonable but 2 market places need to work together so one or the other is not advantaged. Does not see this happening a lot in the UHE, but for the groups that may be max rated in the traditional market, could be charged the surcharge fee. No intention to introduce a motion in today's RAB meeting. Issue - If it was collected, how would this distribution be done? Based on first month allocation for that group. Issue – Pull in when is the surcharge and when is it applicable, only when all carriers have max rated the group.

V. Kim Miller with United HealthCare

- a. Underwriting Subcommittee Report
 - i. Will meet tomorrow to work on October renewals.
 - ii. Surcharges in open market for groups moving off anniversary - Not sure if the recommendation is to be discussed with UW work group or RAB. Discussed in RAB meeting and Jim Murray will discuss with Tanji. May still need to go through underwriting and bring back to the next RAB meeting.
 - iii. Waivers received during OE period - Carriers have developed risk factors and rates and employees complete plan selection process. Agreed to

recommend waivers received in open enrollment period resulting in 10% or more change, carriers have the right to re-rate the group. Not always re-rate but have the right to look at the group again. Most consistent with the market as most carriers use the 10% change. Issue not on the agenda, so the motion will need to be made during the next RAB meeting. Tomasz S. stated he would like to see how many groups would be sufficient to trigger the re-look process (10% of member or bellybuttons change). Kim Miller added groups submitted in 4th quarter in eHealthApp, 50% of the time the group rate did not change, but 50% the group made changes during the OE period. The changes were the rates increased or decreased during review. This is not for changes only but for those that waive coverage during the open enrollment period. Patty Conner stated OCHS needs to look at this from an administrative perspective as they do not track the waivers in bswift. Bswift will need to do this check during the participation check at the end of open enrollment. Bswift had this process automated and will need to add a few manual steps. Difficult to track so will need to sit down with bswift and will bring back to Kim's work group.

VI. Dave Jackson with FirstWest Benefits

a. Marketing Subcommittee Report

- i. Still waiting for OCHS to get underway and help with the marketing launch.

VII. John Borer with PEHP

a. Legal Subcommittee

- i. Plan of operation update – John sent out latest version of the updates. Section 13 read by John. RAB recommendation is for the commissioner to review the plan of operation changes. John sent updated version out and did not receive any feedback on the latest version. Kim Miller has been working with legal work group representative and does not have any changes in current version. Jim Murray brought up some questions. 1) Participation calculation does not include COBRA enrollees. Definition okay with not adding Cobra to participation wording. Life events will be handled the same. 2) Life Event chart approved by RAB and is owned by OCHS. Premiums paid through the end of the month and only birth/adoption and marriage is prorated based on enrollment date. Page 7 under renewal – change employee fails to select a plan or waive coverage will be set to the default plan. Page 8 – Carriers participate for at least 2 years. May need to add wording in the Plan of Operations to include run out period and carrier has to service members until renewal period is over for the group. Make change in the living part of document. Page 10 – Carriers are not sending the check to the billing vendor but is handled as an off set in the billing statement. Page 12 – Reference to code, not able to find. 4 changes that can be made before the document is approved. John makes a **motion** Plan of Operations, dated May 30, 2012, is accepted by the Board and recommends the commissioner adopt

these changes with one correction on page 12 with code reference to wellness and updated to reflect the correct code. Norm seconds motion. Motion passes.

- ii. Out of state eligibility – Looked over and came up with recommendation. Brought up last month and needed some work with the wording. All in legal signed off on wording. Carriers participating in the Utah Health Exchange may offer coverage outside of Utah. It is the responsibility of the carriers to coordinate with partner vendors to indicate where coverage is available. It is also the responsibility of the carriers to comply with all applicable state laws when offering coverage outside of Utah. The base rate pricing for out-of-state plans must be the same as the carrier would charge to the same employee outside the Exchange. Jim Murray stated he is comfortable with the new language noted. Dave Jackson makes **motion** to accept the Legal Work Group's recommendation in regards to out-of-state employees as presented to the board. Jim Murray seconds motion. Motion passes.
- iii. Domestic Partnership – Approved domestic partner coverage last RAB meeting but did not go into details on what process would be. John attached operation document reviewed by the underwriting work team with electronic affidavit data fields. Approved process for 1/1/13. Need this document as adoption.

VIII. Brett Barratt from Insurance Department

- a. Tanji, Nancy and Paul in Washington DC. Nothing to add. Report due from RAB to the commissioner. Jim Pinkerton waiting on some information and will provide it to all as well as the commissioner.

IX. Jim Pinkerton

- a. Board Elections – No progress on appointing Mark Brown's replacement. Will not hold elections until position is filled.
- b. Early retrospective settlement – Due to system changes made in September. Could we do the settlement in July for a transfer made in August? Hopefully approve the settlement in July to approve in RAB meeting in July. Carriers will provide information to John prior to the next RAB meeting. Last year just the settlement amounts were distributed. John will only send information to carriers and not to board.

X. Next Meeting will be July 17, 2012 at 1:00 pm

XI. Meeting adjourned at 2:39 p.m.