

MISSISSIPPI HEALTH INSURANCE EXCHANGE ADVISORY BOARD MEETING

MISSISSIPPI INSURANCE DEPARTMENT

OCTOBER 10, 2012

1:30 PM – 4:00 PM

WOOLFOLK STATE OFFICE BUILDING

JACKSON, MISSISSIPPI

MEETING MINUTES

I. Roll Call: Kathryn Gilchrist, Attorney, Adams and Reese, LLP

○ **Board Members present:**

Ms. Stephanie Barnes Taylor

Dr. Claude Brunson

Dr. Jason Dees

Ms. Lee Ann Griffin (*Proxy: Ms. Beth Dickson*)

Ms. Therese Hanna

Mr. Joel Jasper

Ms. Teresa Malone

Mr. Roy Mitchell

Mr. Bill Oliver

Ms. Geroldean Dyse

Mr. Robert Pugh (*Ms. Kim Hancock*)

Ms. Kathryn Gilchrist, legal counsel to the Mississippi Health Insurance Exchange Advisory Board (“Advisory Board”), verified that a quorum was present.

○ **Attendees:**

Mr. Aaron Sisk, Ms. Maris Cooper, Ms. Kaylea Crabbe, Ms. Michelle Partridge, and Mr. Drew Weiskopf: Mississippi Insurance Department

Ms. Cheryl Smith, Ms. Kathryn Toone, Mr. Parker Larson, and Mr. David Smith: Leavitt Partners, LLC

Ms. Kathryn Gilchrist and Mr. Brant Ryan: Adams and Reese, LLP

II. Updates and Announcements: Mr. Aaron Sisk, Senior Staff Attorney, Mississippi Insurance Department

Mr. Sisk expects further health reform regulations to be released by the U.S. Department of Health and Human Services (“HHS”) after the Presidential elections. He stated that Mississippi Insurance Department (“MID”) staff and the Mississippi Comprehensive Health Insurance Risk Pool Association (“MCHIRPA”) are working on the Exchange Blueprint application. Mr. Sisk believes Mississippi will be able to submit the application by the deadline of November 16, 2012, and that Mississippi will at least receive “conditional approval” from HHS to operate a state-based exchange.

Mr. Sisk gave an update on behalf of MCHIRPA and reported that they are in the process of finalizing a contract with the vendor selected for Phase II and Phase III development of One, Mississippi. Mr. Sisk stated MCHIRPA has entered into a letter of intent with the vendor and initial work has begun. Additionally, he stated that the vendor is assembling a team locally in order to put the necessary pieces in place to build a fully operational exchange in Mississippi by January 2014.

Mr. Sisk noted that on October 1, 2012, Mississippi submitted the Essential Health Benefits (“EHB”) benchmark plan that was recommended by the Advisory Board.

Mr. Roy Mitchell, Health Help Mississippi:

Mr. Mitchell gave an update on behalf of Health Help Mississippi (“HHM”). HHM plans to launch an outreach campaign targeting small businesses, with a focus on the small business tax credit available under the Affordable Care Act (“ACA”). Mr. Mitchell noted that HHM will open a new office in Greenville, Mississippi, and a program manager for that office has been hired. HHM is working closely with HHS staff, and a site visit is scheduled for the upcoming week with the new Region IV Director from the Centers for Medicaid and Medicare Services (“CMS”).

III. Adoption of Advisory Board Meeting Minutes:

A motion was made to adopt the meeting minutes from the seventh meeting of the Advisory Board, held on September 12, 2012. Said motion was made by Dr. Dees,

seconded by Ms. Dyse, and approved by a unanimous voice vote of the Advisory Board members.

IV. Presentation and Discussion of Final Subcommittee Recommendations on “Employer Participation”: Ms. Cheryl Smith, Leavitt Partners

Ms. Smith gave a summary presentation of final recommendations on employer participation from the Subcommittee meetings. Ms. Smith discussed which services Subcommittee members believed would be of most value to small employers, including: simple processes; the availability of multiple health plan options for employees; and the need for detailed guidance and educational resources for employers. Subcommittee members also mentioned aggregated billing, a plan comparison tool, and the ability to calculate the small business tax credit as important factors for employer participation.

Subcommittee members discussed minimum participation requirements in the Small Employer Exchange. Ms. Smith stated that Subcommittee members held differing opinions regarding the minimum participation requirement question, and that Subcommittee members particularly wanted to guard against adverse selection. Many Subcommittees felt that the minimum participation requirement should be similar to the current participation rates in the outside market. Some Subcommittees believe that, if set too high, minimum participation requirements could be an unwanted barrier to participation in the Small Employer Exchange. Ms. Smith stated that some Subcommittees mentioned using monetary incentives in the Small Employer Exchange such as tax incentives or gift cards to encourage participation for employees.

Additional discussion in the Subcommittee meetings focused on the implementation of a defined contribution model for the Small Employer Exchange, which Subcommittee members felt could attract employers who currently do not offer health insurance. Some Subcommittees noted that a possible disadvantage of a defined contribution model is the potential for cost-shifting from the employer to the employee. Also, some Subcommittees were concerned employees would choose inadequate coverage if unable to afford the coverage they really need.

Several Subcommittees raised the question whether employers would be required to pay a minimum dollar amount towards their employees’ health plan in the defined contribution

model. Ms. Smith noted that Subcommittee members consistently felt that if the minimum amount was too high then employers might be discouraged from participating, but if the contribution from the employer was too low then employees might be unable to afford the difference.

Ms. Smith mentioned additional items Subcommittee members discussed regarding employer participation. Several Subcommittees felt there should be extensive training for agents, employers, and employees on the defined contribution model.

V. **Discussion of “Employer Participation” by Advisory Board Members:**

The Advisory Board members discussed final recommendations from their Subcommittee meetings:

Mr. Bill Oliver, Health Care Providers Subcommittee:

Mr. Oliver stated there was a great deal of enthusiasm in the Providers’ Subcommittee for a defined contribution model, but that market shock and the necessary education for this model would be a challenge. Mr. Oliver said that the Subcommittee felt that once more employers were better educated about their options they might be more willing to move to a defined contribution system. In the Subcommittee’s opinion, the most favorable benefit of the defined contribution model was being able to change employers while keeping the same health plan.

Ms. Geroldean Dyse, Educated Health Care Consumers Subcommittee:

Ms. Dyse stated that her Subcommittee recommended a minimum participation requirement of fifty (50) percent or less of any employer’s employees. Ms. Dyse said the Subcommittee felt the Small Employer Exchange will provide the greatest value to small businesses by giving employees greater choice in their selection of a health plan. The Subcommittee felt the process should be simple, and that a ‘health coach’ tool could be of value to small businesses. Ms. Dyse noted the Subcommittee supports the defined contribution model.

Ms. Teresa Malone, State Government Agencies and Divisions Subcommittee:

Ms. Malone stated the Subcommittee felt the defined contribution model provides the best option for employees to make their own decisions about health insurance. Some

Subcommittee members felt that minimum participation requirements would hinder employers from joining the Small Employer Exchange, while others felt participation requirements were necessary in order to prevent adverse selection.

Ms. Beth Dickson, Public Health Experts Subcommittee:

Ms. Dickson served as a proxy for Ms. Lee Ann Griffin. Ms. Dickson reiterated how critical the education piece would be for employees and employers for the Small Employer Exchange.

Ms. Therese Hanna, Hard to Reach Populations Subcommittee:

Ms. Hanna said the Subcommittee believed that adding positive monetary incentives for healthy behaviors as opposed to negative incentives for unhealthy behaviors was important for the Small Employer Exchange.

Mr. Roy Mitchell, Experience in Enrollment Subcommittee:

Mr. Mitchell stated that the Subcommittee discussed the idea of offering a discounted wellness program for participants of the Small Employer Exchange. Another idea mentioned was the offering of a wellness program as a condition to participate in the Exchange, since there is a need for prevention programs in the State of Mississippi.

Dr. Claude Brunson, Large Employers Subcommittee:

Dr. Brunson stated the Subcommittee felt that minimum participation requirements should parallel what currently exists in the outside market.

Mr. Joel Jasper, Health Insurance Agents and Brokers Subcommittee:

Mr. Jasper stated the Subcommittee concluded that without a defined contribution model in the Small Employer Exchange, there would be no incentive for small employers to purchase health insurance through the Exchange. Mr. Jasper stated that without employer contribution requirements and minimum participation requirements, the Small Employer Exchange would offer no real value to small employers. The Subcommittee felt that in order for the Small Employer Exchange to be successful, an employer must be willing to contribute enough money to offer valuable coverage for its employees. Mr. Jasper stated that a concern regarding a defined contribution model was that it might be difficult to get large carriers to participate, because in a true defined contribution system employers can

pick among health plans from multiple carriers. Therefore, the Subcommittee recommended a semi -defined contribution system in the initial phase of the Exchange where an employer may choose from amongst different plans from one single carrier. Mr. Jasper stated that keeping things simple in the beginning and building the basic functionalities an Exchange must have to operate is the best option, and that the “bells and whistles” can be added at a later date once the Exchange has proven to be sustainable.

VI. Presentation on Market Research: Mr. David Smith, Leavitt Partners

Mr. Smith presented findings from market research conducted earlier this year by representatives from Leavitt Partners, MID and Cicero Group regarding health insurance market reforms. Interviews and focus groups were conducted in-person and via telephone with various stakeholders throughout the State, including, legislators, hospital executives, primary care physicians, nurse practitioners, health insurance carriers, and agent/brokers. Results of the research have been prepared and include thirty-five (35) policy recommendations vetted by members of Leavitt Partners as well as national health policy experts. Mr. Smith stated that over 1,500 phone calls were made and 3,200 letters and e-mail were sent to stakeholders across Mississippi in order to ensure participation from a substantial number of Mississippians.

Mr. Sisk stated that the market research report would be made available on the MID website and distributed to the Advisory Board once finalized.

VII. Introduction of “Exchange Market Regulation” Assignment: Ms. Kathryn Toone, Leavitt Partners

Ms. Toone presented on Exchange market regulation. Ms. Toone stated that this topic includes a broad array of issues and that the Advisory Board may discuss other questions related to these issues. Ms. Toone noted that an Exchange must provide certain core functions, such as: certification of plans; assignment of price and quality rating for plans; standardized presentation of plan benefit options; and certification of individuals exempt from the individual responsibility requirement. Ms. Toone also discussed the metal tiers for plans and actuarial value. Ms. Toone stated that the Exchange must ensure plan

compliance with regulatory standards established by HHS for marketing, network adequacy, accreditation for performance measures, and uniform enrollment procedures.

VIII. Other Business: Mr. Aaron Sisk, Mississippi Insurance Department

Mr. Sisk stated that all Advisory Board members received a copy of the draft election procedures for review and will vote to adopt those procedures at the next meeting. According to MID Bulletin 2011-9, the Commissioner of Insurance appointed each member of the Advisory Board for the first year of service in 2012, and the Advisory Board members will be elected by their respective Subcommittees in each subsequent year.

Mr. Sisk stated that with respect to MID Bulletin 2011-9, MID will be conducting an audit of Subcommittee members who have not regularly participated in Subcommittee meetings. Subcommittee members who have missed the majority of their Subcommittee meetings will be notified by e-mail that they may be removed from their Subcommittee.

Discussion of Draft Procedures to Elect or Appoint New Advisory Board Members:

Ms. Kathryn Gilchrist, Adams and Reese

Ms. Gilchrist summarized the Draft Procedures to Elect or Appoint New Advisory Board Members to the Advisory Board. She stated that the Commissioner of Insurance will retain appointment of two (2) at-large seats. Ms. Gilchrist stated that each year during the two (2) weeks following the November Advisory Board meeting, Advisory Board members would meet with their Subcommittees in order to receive nominations for the Subcommittee's Advisory Board representative for the upcoming year. Nominations may include anyone who currently serves on a Subcommittee. She stated that an e-mail ballot would then be sent to all members of each Subcommittee and members would have a certain amount of time to send in their vote. Ms. Gilchrist stated that Advisory Board members for the upcoming year will be announced at the December meeting or by December 15, 2012.

IX. Adjournment

A motion to adjourn was made by Ms. Taylor and seconded by the Advisory Board members.