

**Washington Health Benefit Exchange Board
Meeting Minutes
Friday November 16, 2012 9:00am-3:00pm
Radisson Hotel, SeaTac, WA**

Board Members Participants:

Margaret Stanley, Chair
Steve Appel
Bill Baldwin
Don Conant
Doug Conrad
Melanie Curtice
Ben Danielson
Phil Dyer
Teresa Mosqueda
Commissioner Mike Kreidler, *Insurance Commissioner*

Board Members Absent: MaryAnne Lindeblad, *HCA Administrator*

Exchange Staff Present: Richard Onizuka, Pam MacEwan, Beth Walter, Brad Finnegan, Bob Nakahara, Michael Marchand, Michael Arnis, Keith Bell, Randy Tan, Kelly Boston, Erica Hansen, Shaina Mittelstead, Brian Peyton, Allen Mills- Bluecrane Inc., Eric Nelson- Attorney General

Insurance Commissioner Staff Present: Barb Flye and Beth Berendt

Health Care Authority Staff Present: Nathan Johnson, for MaryAnne Lindeblad

Welcome and Introductions- Margaret Stanley – Call to order: 9:06 AM

Margaret convened the Board meeting. She reviewed the [agenda](#), and adjusted the scheduled executive session from 45 minutes to an hour and read the public notice comment.

Approval of October 18th and 23rd, 2012 Meeting Minutes- Margaret Stanley

Phil Dyer moved to approve the [October 18, 2012](#) minutes as presented, Bill Baldwin seconded the motion and it passed unanimously.

Ben Danielson moved to approve the [October 23, 2012](#) minutes as presented, Melanie Curtice seconded the motion and it passed unanimously.

CEO Report- Richard Onizuka

Budget and Dashboard

Richard reported that the Exchange is in the final stages of developing the 2013 budget. He reviewed the 2012-2014 [Executive Dashboards](#) and provided a summary overview of the progress made meeting key deadlines.

Administrative Issues- Building Updates, IT, Website

Richard reported that the administration of the Level 1 grant has been transferred from the Health Care Authority to the Exchange effective November 1, 2012. The Exchange is now working on transferring administration of personal service and equipment contracts.

Richard reported that the Washington Federation of State Employees has made a Public Disclosure Request, for information on Exchange staff salaries and the dollar amount spent on domestic travel since March 2012. The Exchange is currently working with staff from the Health Care authority to fulfill the request.

Richard reported that he has initiated a request to meet with other state Exchange Board Chairs.

Staffing- Introduce New Staff, Staff Changes

Richard introduced new staff, Brian Peyton, Director of Legal Services and Joan Altman, Senior Policy Analyst.

Legislature, Center for Consumer Information and Insurance Oversight (CCIIO), Center for Medicare and Medicaid Services (CMS)

Richard reported that on November 7th the Exchange met with representatives from CCIIO and CMS for a systems overview. The meeting included a presentation on the very early stages of the consumer experience. The meeting allowed the Exchange to identify the final guidance needed from CCIIO and CMS to keep within timelines. He noted that the exchange expects to see federal guidance coming in two parts; the first in November and the second in December, as well as feedback on the Exchange's blueprint application.

External Outreach

Richard provided the Board with a copy of the Exchange staff's speaking engagement schedule and noted several upcoming legislative engagements.

Preview Agenda

Richard provided the Board with some preliminary information on the Consumer Experience, SHOP, and Self-Sustainability presentations. He noted the deadline to submit the Sustainability Report to the legislature is December 1st.

Questions/Comments

Board members had the following questions and comments:

- Where is feedback on the consumer experience coming from?
 - Richard responded feedback is coming from all sectors.
- Is the Exchange's website being used, is it transparent?
 - Richard responded the website is transparent on the policy side.

Operations Committee Meeting Summary

Melanie Curtice summarized the [November 8, 2012 Operations Committee meeting minutes](#). She noted much of the meeting was spent working on the sustainability plan being presented to the Board for consideration.

Policy Committee Meeting Summary

Teresa summarized the [October 29, 2012 Policy Committee meeting minutes](#). She applauded staff for including the word equity in the Exchange mission and vision and also in the Navigator guiding principles. She noted that the Policy committee will likely consider recommending that the word equity be added to the overarching principals of the Board.

Board members had the following questions and comments:

- Do supplements to the Essential Health Benefits have to be taken from a benchmark plan approved by the federal government?
 - Michael Arnis commented yes, a state must select a benchmark plan and then any supplements to that plan must be taken from specific alternative benchmark plans as outlined by the federal government.

Board Business

Phil Dyer thanked everyone who applied for the position on the SHOP Technical Advisory Committee and moved to appoint Matt Canedy to the SHOP TAC, Doug Conrad seconded the motion and it passed unanimously.

Quality Assurance Report

Allen Mills of Bluecrane, Inc. reviewed the [Quality Assessment October 24, 2012 PowerPoint](#). Allen reported that the implementation of restructured governance is going well; emphasis is being placed on leadership, decisions, and content. There has been additional guidance from CMS and significant progress has been made.

Board members had the following questions and comments:

- If the delay in decision making by the federal government creates the need for increased staff and cost in order to meet the imposed deadlines does the Exchange have the ability to ask the federal government for additional grant money.

- Curt Kwak responded yes, if necessary the Exchange may request additional contingency funds.
- The Board requested clarification on the Exchange's decision to not utilize the SERFF system.
 - Richard responded that the utilization of the SERFF system is the goal of the Exchange; however the system will likely not be ready for the Exchange in time to meet the mandated October 2013 deadline.

Network Adequacy

Beth Berendt provided a high level overview of the Network Adequacy presentation she gave at the [September 4, 2012 Policy Committee meeting](#). She noted that Washington is considered a leader in ensuring network adequacy and that the OIC will continue to review commercial products offered inside and outside of the Exchange. Beth commented that Medicaid plan network adequacy falls under the purview of the Health Care Authority; the OIC and HCA coordinate their operations together. Beth reported that her division has been urging carriers to submit their filings as soon as possible to allow enough time for the OIC to conduct their evaluations. Beth noted that Barb Flye presented the National Association of Insurance Commissioner's (NAIC) [Network Adequacy White Paper](#) at the September Policy Committee meeting.

Board members had the following questions and comments:

- Is there visibility on the adequacy of carriers expected to apply with a QHP?
 - Beth responded that the most commonly used carriers are maintaining their current networks; one carrier is currently negotiating with providers to create a larger network.
- In the network adequacy review process how does the OIC account for proper access to providers in rural areas that may participate in many plans?
 - Beth responded that there are already provisions in rule that protect patient access to providers in areas with an inadequate number of providers.
 - Nathan Johnson responded that HCA is working on addressing this issue and has systems similar to the OIC to measure network adequacy for Medicare/Medicaid plans.
- Has the OIC asked plans whether or not they are communicating with providers on the issue of increased demand?
 - Beth responded yes, they have all-plan meetings and are addressing the issue.
- With the consolidation going on in the market place with both plans and providers there is the threat there will be serious pressures on price.
 - Beth responded that price is an issue and providers have indicated that they are willing to continue to take Medicare and Medicaid patients at a significantly reduced reimbursement rate, but not commercial products.
 - Beth commented that the ACA provides for reimbursement based on quality of service; the concern is that historically providers have been rewarded based on quantity and how we approach making the broad based shift to quality is up to the Board.

Marketing and Stakeholder Engagement Plan- Michael Marchand

Michael Marchand presented the [Marketing and Stakeholder Engagement Plan PowerPoint](#)

After the presentation, Michael provided the Board with estimated enrollment data. The board discussed coordinating marketing efforts with allied organizations, budget and best use of resources.

Board members had the following questions and comments:

- With a negative impression of “ObamaCare”; the Exchange has a lot of marketing to do.
- Do we have accurate data on population of currently uninsured and what our return on various marketing options may be?
 - Michael Marchand responded yes.
 - Commissioner Kreidler responded the OIC published a report titled [State of the Uninsured](#) that estimates the total number of uninsured in Washington State to be approximately one million.
- Are the Exchange and the HCA coordinating their marketing efforts?
 - Nathan Johnson responded that HCA has extremely limited marketing resources all of which are targeted toward the Medicaid population.
- It is important to target marketing efforts toward small groups as well as individuals.
- Do we have data on what other states are spending on marketing?
 - Michael Marchand responded yes; Washington’s budget falls in line with budgets established by other states of similar size.

Board members suggested marketing through the following types of organizations:

- Qualified Health Plans
- Public schools
- Faith based organizations
- Community colleges and universities
- Kiosks
- Major provider groups
- Chamber of Commerce

Executive Session/Lunch 11:50am

Margaret Stanley announced that the Board will now be entering into a closed executive session and would reconvene at 12:55pm

SHOP- Keith Bell and Randy Tan

Keith Bell and Randy Tan reviewed the [SHOP Demo Screens](#).

Board members had the following questions and comments:

- There are benefits listed under the “one plan” option and not under “employee choice” which appears to steer employers toward the one plan option.
- Statistics indicate higher employee participation when employer contribution is 75% or higher.
- Is Washington State or other states having conversations with the Department of Labor (DOL) about the ERISA requirements not made directly to the insurance company?
 - Michael Arnis, responded that HBE has had discussions with the federal government about ERISA requirements and will likely continue to have discussions in the future.
- Maybe use of the terms “lowest”, “medium”, “high” and “highest benefits” should be reconsidered; the benefits are the same, and the difference is in the out of pocket cost for benefits.

Keith Bell presented the [SHOP Business Entity PowerPoint](#).

Board members had the following questions and comments

- Is a separate corporation required?
 - Keith responded no. Richard added that a separate corporation is an option.
- Can the Exchange set its own producer and training requirements?
 - Keith responded yes.
- It appears that by obtaining a producers license as a business entity the Exchange is seemingly taking on the role of being a producer itself which confuses the roles of the Exchange and brokers.
- Acting as a pass-through for commission payments will have a cost associated with it which could potentially increase the cost to the consumer.
- Individual companies may have concerns over losing control over individuals appointed to sell their products.
- If the carrier does not have the opportunity to vet the agents appointed to sell their products in the Exchange, then the Exchange would assume liability for the agents they appoint.

Keith reported that this topic will come to the Board for a decision by December if possible and January at the latest.

Self-Sustainability

Bob Nakahara provided the Board with a copy of the Draft Report to the Legislature and requested Board members submit their final edits by end of day November 21st. He presented the [Report to Legislature PowerPoint](#).

Bob thanked the Board and OIC staff for their thoughtful contributions to the report.

Board members had the following questions and comments

- Remove the note from the bottom right of pages 2 and 17 of the report.
- Clarify the Per-Member Per-Month (PMPM) and 4% are mutually exclusive in the top panel of page 22.
- The report is not an endorsement of a detailed budget, it is funding options based on the information the Exchange has.
- What context goes into the delivery of this report?
 - Richard responded that the Exchange will be speaking with legislative committees and making appointments with individual legislatures. He noted that Exchange staff is currently working on a set of talking points for the meetings.
 - The Board requested a copy of the talking points.
 - The Exchange needs to be prepared to speak to the fixed and variable cost component.
- When will estimates of fixed and variable costs be provided?
 - Bob responded that they are already built and he would provide it to the Board by November 22nd.
- If all the cost is borne by plans sold inside the Exchange it will be difficult to attract individuals in the over 400% federal poverty level.
- The Exchange needs to operate as efficiently as possible to keep costs down and offer a service that is worth the premium.
- The Exchange needs to ensure it has a contingency plan in the event of low enrollment.

Melanie moved to accept the report in draft to be finalized with Phil's edits and submitted to the legislature by Wednesday November 21, 2012, Doug seconded the motion and it passed.

Navigator Program

Michael Marchand introduced Kelly Boston; Navigator Manager. Kelly presented the [Navigator Program PowerPoint](#).

Board members had the following questions and comments:

- Is the survey being done with Apple Health for Kids?
 - Michael responded yes, many areas are being cross pollinated including Apple Health for Kids.
 - Kelly noted that the approach is very similar to the approach taken by Apple Health for Kids. Michael added that Navigator Lead Organizations can be public or private.
- There may need to be more than one lead organization in densely populated areas.

Kelly provided information on the differences between the Navigator Program and the In-Person Assistance Program.

Board members had the following questions and comments:

- What is the estimated cost of In-Person Assistance?
 - Kelly responded 9 million dollars for 135 organizations through 2014.
- Is there a long term funding plan for the In-Person Assistance program?
 - Pam responded no, the In-Person Assistors are considered a temporary program; expected to end when the Exchange is fully operational.
- It would be a waste of resources to train In-Person Assistors only to replace them later on with a Navigator.
 - Michael responded that the In-Person Assistors will likely be retained as Navigators.

Kelly informed the Board that the Exchange will be working with the Policy Committee on the programmatic portions of the Navigator RFP and Operations Committee on the implementation of the RFP.

Public Comment

Dekker Dirksen, Community Health Plan of Washington, commented in support of the Boards decision to recall the Call Center RFP. He shared that CHPW does not support a Self-Sustainability plan funded entirely by the plans within the Exchange.

Laura Treadway, Lifelong Aids Alliance, commented on her concern that the advertised protocol for submitting written comment is not being followed. She stated that she had submitted written comment at the last Board meeting that was not read into the record and not provided in writing to the Board.

Pam apologized for the error and assured Ms. Treadway that her comment from the last Board meeting would be located and distributed to the Board.

Christina Peters, Washington Children's Alliance, thanked the Board for their decision to recall the Call Center RFP and commented on the importance of a transparent RFP process that allows for review and public comment prior to release.

Juan Gutierrez, Cross Cultural Health Care Program, commented on the importance of equal language access.

Jim Freeburg, National Multiple Sclerosis Society, commented in support of broad based assessment funding for the Exchange and mentioned the importance of an effective strong call center.

Next Meeting and Adjourn

Margaret stated that the next Board meeting would be on Wednesday December 19, 2012 at the Radisson Hotel in SeaTac.

Margaret adjourned the meeting at 3:00pm