

BeWellnm New Mexico Health Insurance Exchange
Board Meeting Minutes
Friday, November 18, 2016, 8:30AM-12:30PM
CNM Workforce Training Center
5600 Eagle Rock Ave
Albuquerque, New Mexico 87113

Board Members Present:

- Dr. J.R Damron
- Secretary Brent Earnest
- Superintendent John Franchini
- Ms. Teresa Gomez
- Dr. J. Deane Waldman
- Dr. Larry Leaming
- Ms. Patsy Romero
- Mr. David Shaw
- Mr. Kurt Shipley
- Ms. Eva Jean Fomalont
- Ms. Lisa Farrell Lujan

Board Members Absent:

- Ms. Terriane Everhart
- Mr. Dan Foley

1. Welcome, Roll Call, & Confirmation of Quorum- Chairman J.R. Damron

The Meeting was called to order at 8:33 am. Roll call was taken and a quorum was established.

2. Approval of Agenda- Chairman J.R. Damron

Motion: Director Shaw

Second: Director Gomez

The motion passed by voice vote.

3. Approval of Minutes of the September 16, 2016 NMHIX Board Meeting- Chairman J.R. Damron

Motion: Director Romero

Second: Director Shipley

The motion passed by voice vote.

4. Chairman's Remarks- Chairman J.R. Damron

Chairman Damron welcomed and thanked everyone for attending the meeting. Chairman Damron noted that the meeting will include updates from the New CEO Search Committee, Bank of Albuquerque investment managers will provide an update on beWellnm's investment portfolio, and there will be an update on Open Enrollment 4. Chairman Damron announced Director Leaming will be leaving New Mexico he has accepted a new position in Estes Park

Colorado. Chairman Damron and the Board of Directors provided Director Leaming with an appreciation plate and thanked him for his services to beWellnm.

5. Matters from the New CEO Search Committee- Director Eva Jean Fomalont, Committee Chair

Director Fomalont stated the Committee was appointed at the Special Board Meeting on August 31, 2016 by Chairman Damron. Director Fomalont noted the Committee unanimously selected REDW to assist with the CEO hiring services. The job posting was advertised in local, state, and national mediums and was completed by October 7, 2016. As candidates applied REDW conducted pre screenings to determine if candidates met the minimum qualifications. The two minimum qualifications included ten years' experience at a senior management level within the insurance and health industry and a Bachelor's Degree in Business Administration or relevant field. REDW also checked for health exchange experience. Director Fomalont noted there were 38 total applicants with 15 qualified applicants. Nine applicant were interviewed the week of November 7th. In person interviews will be held during a Special closed Board Meeting on December 16, 2016.

Chairman Damron stated the meeting will be closed, for Directors only, and will start around 8:30am. Chairman Damron thanked the New CEO Search Committee for their hard work on bringing four qualified candidates to the Board of Directors for consideration.

6. Matters from the Executive Committee – Chairman J.R. Damron

Chairman Damron noted the Executive Committee reviewed the strategic priorities for 2017. Chairman Damron stated Ms. Wedeen reformatted the goals and objectives document and added a new column for partners. The document drafted up by Ms. Wedeen will be sent to all Committees for review and with changes brought to the January Board of Directors Meeting. The Executive Committee also discussed developing a key personnel succession policy. This policy is a routine risk management and sustainability planning tool. The policy will be sent to the Operations Committee for review and will be brought back to the January Board of Directors Meeting. Chairman Damron also stated that refresher trainings on conflicts of interest are ongoing. Any individuals with a potential conflict of interest need to complete the conflict of interest documents and provide to Ms. Wedeen.

7. Matters from the CEO- Ms. Linda Wedeen, Interim CEO

Ms. Wedeen provided an update on the Notice of Benefit and Payment Parameters for 2018. The proposed rule was distributed on August 29th, 2016 and beWellnm provided robust comment on October 4, 2016. BeWellnm requested that the lease rate remain at 1.5% for 2018. BeWellnm also signed the SBM-FP Lease Agreement. Ms. Wedeen noted Ms. Schwing is working with CMS to understand how beWellnm will be billed.

Ms. Wedeen noted beWellnm and OSI partnered together for the Second Annual Roadshow in advance of Open Enrollment 4. The Roadshow had great attendance with brokers, agents, and consumers. The Roadshow also attracted media coverage.

Ms. Wedeen noted all Committees participated in Committee Self-Evaluations per the Plan of Operations. Conflict of interest training is also ongoing for the Board and staff.

Ms. Wedeen noted on November 1, 2016 beWellnm had a successful Open Enrollment kick off. All five beWellnm Enrollment Centers were live with radio stations with food and prizes from 6:00am to 6:00pm for consumers.

Ms. Wedeen discussed beWellnm enrollment projections. Ms. Wedeen reminded the Board of Directors of the process for enrolling. Last year the Exchange projected 37,472 renewals plus 13,000-18,000 new plan selections. BeWellnm estimates that 15% of consumers will drop off between plan selection and effectuation, consistent with national projections. Ms. Wedeen stated last year beWellnm projected 48,000 -53,000 enrollments by the end of 2016. As of June 2016 beWellnm had 48,799 individuals enrolled, and as of November 2016 there were 47,029. Ms. Wedeen stated this demonstrates how consumers can come and go at any time. Since last year, CMS has changed how they calculate projections. CMS will do monthly average effectuated enrollments and beWellnm will follow CMS's lead.

Ms. Wedeen shared beWellnm's 2017 Enrollment Projections. BeWellnm projects 40,000-46,000 renewals plus 11,000-16,000 new plan selections. BeWellnm will anticipate the 15% drop off between plan selection and effectuation. BeWellnm projects 2017 average monthly effectuated enrollment to be 51,500.

Ms. Wedeen stated since taking the role of Interim CEO all staff have done well moving forward after Ms. Dowd left and supported Ms. Wedeen in her new position. Ms. Wedeen stated her outreach staff Debra Gassoway, Veronica Reyes, and Maureen Manring have stepped up to assist her. They have been traveling all over the state and have been working nights and weekends with a smile on their face while asking how they can do better.

Ms. Wedeen also wanted to congratulate Miranda Tso on her promotion to the Native American Liaison position. Ms. Wedeen stated Director Gomez and Ms. Wedeen met with Ms. Tso and noted they both feel she will do a great job in this role.

8. Matters from the Finance Committee - Director Patsy Romero, Treasurer

BeWellnm's investment managers Jerry Sais and Bill Tutunjian with Bank of Albuquerque provided an update on quarterly investments. Mr. Sais noted the portfolio for this quarter has been positive.

Mr. Sais stated Bank of Albuquerque reviews the Investment Policy to determine how the portfolio should be tracked. BeWellnm has a long term target return of 3%. Mr. Sais noted 3% is

not a high hurdle and this portfolio is considered to be a low risk portfolio. Mr. Sais noted beWellnm has net contributions of \$8.2 million and the investment gain was over \$18,000. The only compensation the Bank of Albuquerque receives is the fee arrangement set by beWellnm.

Ms. Schwing presented draft comparative financial statements including the Statements of Net Position at September 30, 2016, and Years Ended December 31, 2015 and 2014 as well as Statements of Revenues, Expenses, and Changes in Net Position for Year to Date, September 30, 2016 and the Years Ended December 31, 2015 and 2014. Ms. Schwing also discussed a potential contract extension for auditing services. The contract for auditing services was originally procured and contracted for a three-year period to cover the financial statement and A-133 audits for calendar years 2013, 2014, and 2015. Ms. Schwing is proposing an extension of the contract for one year, to perform the 2016 Financial Statement and Uniform Guidance Audit as well as the 2016 CMS Programmatic Audit. Director Romero stated the Finance Committee unanimously agreed that REDW should continue to conduct the audit on behalf of beWellnm.

Motion: Director Romero moves that the Board authorize the Interim CEO to extend the term of the REDW audit services contract to December 31, 2017 and increase the contract value by \$83,000 for a total contract not-to-exceed amount of \$277,920.

Second: Director Fomalont

The motion passed by voice vote.

9. Matters from the Marketing & Outreach Committee- Secretary Brent Earnest, Committee Member

Ms. Wedeen stated that she has asked Veronica Reyes to present the report this month.

Ms. Reyes noted for the first day of Open Enrollment 4 the outreach team put together a robust media blast that took place across New Mexico. Radio stations were broadcasting live at all five Enrollment Centers with prizes and food. Prior to the Open Enrollment Kick Off beWellnm had live interviews explaining what beWellnm is and how they can help consumers. Ms. Reyes noted Director Everhart participated in some of these interviews.

Ms. Reyes noted on November 1, 2016 she was in charge of the Albuquerque Enrollment Center location. Ms. Reyes noted by 6:05am a family stopped by and was ready to enroll. Ms. Reyes noted the Enrollment Center had consumers ready to enroll until 6:00pm. Ms. Reyes stated this event was a success and thanked all the vendors for being involved.

Ms. Reyes proposed a contract extension for web services with Bluespire. Ms. Reyes noted Bluespire manages all of beWellnm's social media accounts. Bluespire helps drive important deadlines and make individuals aware of upcoming community events in their area.

Director Gomez asked why beWellnm has multiple contract extensions rather than competitive bids.

Ms. Wedeen stated all contracts are on the second round of contract extensions. Ms. Wedeen noted in 2017 all appropriate vendors contracts will be put out for a competitive bid.

Director Romero asked Mr. Miller to confirm if beWellnm is in compliance with the procurement policy with all of the contract extensions. Mr. Miller stated all proposed extensions are compliant.

Motion: Secretary Earnest moves that the Board authorize the Interim CEO to extend the term of the Bluespire contract through December 31, 2017 and to increase the contract value by \$356,286 for a total contract amount not-to-exceed of \$3,095,124.

Second: Director Fomalont

The motion passed by voice vote.

Ms. Reyes stated the next contract extension for 2017 is Advertising and Marketing with K2MD. K2MD helps support beWellnm with creative development to educate and inform New Mexicans.

Motion: Secretary Earnest moves that the Board authorize the Interim CEO to extend the term of the K2MD contract through December 31, 2017 and to increase the contract value by \$2,150,000 for a total contract amount not-to-exceed of \$12,324,429.

Second: Director Waldman

Discussion: Director Romero noted concerns around the total amount of money being approved for 2017 with all of the proposed extensions. She noted that this money would be best served supporting on-the-ground efforts to get individuals enrolled. Finally, Director Romero received confirmation from Secretary Earnest that the Marketing Committee had reviewed and approved these extensions.

The motion passed by voice vote.

Ms. Reyes stated the next contract extension for 2017 is Enrollment Services with New Mexico Primary Care Association. New Mexico Primary Care Association manages the Enrollment Centers around the state and provides IT support.

Motion: Secretary Earnest moves that the Board authorize the Interim CEO to extend the term of the New Mexico Primary Care Association contract through December 31, 2017 and to increase the contract value by \$1,080,000 for a total contract amount not-to-exceed \$4,032,904.

Second: Director Shaw

Yay: Chairman Damron, Secretary Earnest, Superintendent Franchini, Director Gomez, Director Waldman, Director Romero, Director Shaw, Director Shipley, Director Fomalont, Director Lujan.

Nay: Director Leaming.

The motion passed by voice vote.

Ms. Reyes noted the next contract extension is for Outreach Services with The Waite Company. The Waite Company provides year round outreach and education services to New Mexico small business, health care providers and religious institutions. Ms. Reyes noted The Waite Company

will be focusing on geographic areas based on IRS and Census data. The Waite Company will be targeting the Southern New Mexico area for outreach as well.

Motion: Secretary Earnest moves that the Board authorize the Interim CEO to extend the term of The Waite Company contract through December 31, 2017 and to increase the contract value by \$340,000 for a total contract amount not-to-exceed \$3,389,721.

Second: Director Shaw

The motion passed by voice vote.

Ms. Reyes stated The Garrity group helps beWellnm with communications and public relations.

Motion: Secretary Earnest moves that the Board authorize the Interim CEO to extend the term of The Garrity Group contract through December 31, 2017 and to increase the contract value by \$216,000 for a total contract amount not-to-exceed \$3,465,070.

Second: Director Shipley

The motion passed by voice vote.

Ms. Reyes noted that beWellnm issued an RFQ for additional outreach services in 2017. The Hispanic Chamber of Commerce and Albuquerque Chamber of Commerce were two organizations that replied. The Albuquerque Hispanic Chamber of Commerce helps beWellnm with outreach to the Hispanic community with a focus on individuals during Open Enrollment. The Albuquerque Hispanic Chamber provides a “Feet on the Streets” approach and canvassing of targeted areas throughout Bernalillo County.

Motion: Secretary Earnest moves that the Board authorize the interim CEO to extend the term of The Albuquerque Hispanic Chamber of Commerce contract through December 31, 2017 and to increase the contract value by \$45,000 for a total contract amount not-to-exceed \$285,000.

Second: Director Fomalont

The motion passed by voice vote.

Ms. Reyes noted the Greater Albuquerque Chamber of Commerce will also be providing additional Outreach Services in 2017. The Greater Albuquerque Chamber of Commerce will conduct outreach targeting small businesses. The Greater Albuquerque Chamber of Commerce creates a small media campaign for small business engagement and partners with Brokers for small business presentations. The Greater Albuquerque Chamber of Commerce will also partner with pharmacies across the state and provide information on beWellnm.

Motion: Secretary Earnest moves that the Board authorize the interim CEO to extend the term of Greater Albuquerque Chamber of Commerce contract through December 31, 2017 and to increase the contract value by \$45,000 for a total contract amount not-to-exceed \$256,000.

Second: Director Shaw

The motion passed by voice vote.

Ms. Reyes noted that Health Action New Mexico and Centro Savila will also be providing additional outreach. Ms. Reyes noted these contracts are under the procurement threshold of \$100,000. Health Action New Mexico will focus on the young adult population in key rural and remote communities across Southern New Mexico.

Centro Savila will focus on outreach to Albuquerque's South Valley, Bernalillo, and Valencia County residents. Centro Savila will focus on education to individuals and families eligible for subsidies in the marketplace.

Chairman Damron noted the Annual Report from March 2015-March 2016 is in the Board of Directors Binders for review.

10. Matters from the Operations Committee- Vice Chair David Shaw

Ms. Miles provided a call center update for October 1, 2016 to November 17, 2016. Ms. Miles noted on October 1, 2016 beWellnm's new vendor UnityBPO went live. For the month of October the total number of answered calls was 871 with 36 of those calls being Spanish. So far in November the total number of answered calls were 1,532 with 78 of those calls being Spanish. Ms. Miles stated beWellnm is on target to meet or exceed last year's numbers. The main reason individuals have called has been for enrollment assistance.

Ms. Miles noted UnityBPO's goal is to never exceed a 5% abandonment rate. In October the rate was 0.4% and November the rate was 0.7%. The average speed to answer was less than 60 seconds. Ms. Miles pointed out that UnityBPO has been very responsive to any changes.

Director Shaw asked if UnityBPO is asking consumers to provide any feedback or surveys after their calls. Ms. Miles stated the surveys are voluntarily and can be done via email or by phone. Ms. Miles will bring back some of the results to the next Board of Directors Meeting.

Ms. Miles stated beWellnm has a contract with McCormack Consultants, Inc. through December 31, 2016 to provide privacy and security consulting services for compliance with CMS Minimal Acceptable Risk Standards (MARS-E). Ms. Miles noted this includes beWellnm's internal platform infrastructure with computers, servers, and the data management reporting system. Ms. Miles stated beWellnm is seeking approval to extend the contract through June 30, 2017 to ensure continued compliance and to allow time for Karen Galbreath IT Analyst to obtain the appropriate certification to take on this role.

Motion: Director Shaw moves that the Board authorize the Interim CEO to extend the term of the McCormack Consultants contract through June 30, 2017 and increase the contract value by \$50,000 for a total contract not-to-exceed of \$125,000.

Second: Director Leaming

The motion passed by voice vote.

11. Matters from the Native American Committee - Director of Teresa Gomez, Committee Chair

Monica Marthell noted the Albuquerque Enrollment Center extended their hours for walk-ins. Ms. Marthell noted the wait time to see an Enrollment Counselor or Broker has been no more than five minutes. Ms. Marthell noted beWellnm continues to develop its partnership with brokers and they have been working at the Enrollment Centers.

Ms. Marthell stated the Native American Outreach and Enrollment Team has participated in 13 outreach events from September 1 to October 31. A total of 3,187 outreach contacts were made and 20 postcards were collected. The enrollment assistance center completed 83 appointments in the same timeframe, with 22 Medicaid enrollments and 28 in Qualified Health Plans.

Ms. Marthell provided an update on Outreach and Enrollment with the Gallup and Farmington area. 46 events were attended with 1,555 contacts made and 101 postcards collected. These assistance centers completed 139 appointments with 39 Medicaid enrollments and 45 in Qualified Health Plans.

12. Matters from the Stakeholders Advisory Committee- Chairman Dick Mason, Committee Chair

Mr. Wallace provided an update on the upcoming Stakeholders Advisory Committee. The Stakeholder Committee has decided to add an additional meeting in March, but the December 2016 meeting will be held via email due to the upcoming holidays.

13. Matters from the Office of the Superintendent of Insurance (OSI)- Superintendent John Franchini

Superintendent Franchini noted with the upcoming election there will be changes within the ACA. Superintendent Franchini stated under the new administration he feels they will find a way to help individuals keep insurance and he feels very optimistic about the future.

Superintendent Franchini stated if New Mexico were to take over risk adjustments it would be a hefty cost to OSI and beWellnm and New Mexico should wait for now.

14. Matters from the New Mexico Medical Insurance Pool (NMMIP)- Superintendent John Franchini

Superintendent Franchini stated the high risk pool has changed its servicing provider. The new provider handles seven high risk pools in the county and will manage their claims and medical care for the next three years.

15. Matters from New Mexico Human Service Department (HSD)- Secretary Brent Earnest

Secretary Earnest stated at this time he doesn't have an update at this time.

Director Romero asked Secretary Earnest how many New Mexicans are currently enrolled in Medicaid. Secretary Earnest stated as of September 2016 over 800,000 New Mexicans are enrolled in Medicaid.

16. Public Comment

Mr. Martinez with Health Action New Mexico thanked beWellnm for the Open Enrollment 4 kickoff. Mr. Martinez stated Health Action New Mexico will work very diligently with young adults in Southern New Mexico.

17. Other Board Business- Directors & Ms. Linda Wedeen, CEO

Chairman Damron stated with the recent elections beWellnm and healthcare will be shifting and noted the Exchange has positioned itself very well and is ready to move forward in any way.

All Directors provided feedback regarding the post-election results and how it may affect the Exchange. The Directors all feel very optimistic about the future. The Board of Directors want staff to continue with business as usual and continue to educate individuals that the law hasn't changed and individuals without insurance will still have to pay the tax penalty.

18. Next NMHIX Board Meeting- January 27, 2017 at the CNM Workforce Training Center

Chairman Damron noted the next regular beWellnm Board of Directors Meeting will be held on January 27, 2017 at the CNM Workforce Training Center.

19. Executive Session

Motion: Chairman Damron moves that the Board move into Executive Session for discussion on limited personnel matters pursuant to NMSA 1978 Section § 10-15-1(H)(2) and Discussion of threatened or pending litigation in which the NMHIX is or may become a participant, pursuant to NMSA 1978, § 10-15-1(H)(7)

Second: Director Shaw

Roll Call: Chairman Damron, Secretary Earnest, Superintendent Franchini, Director Gomez, Director Waldman, Director Leaming, Director Romero, Director Shaw, Director Shipley, Director Fomalont, Director Farrell Lujan.

The Board reconvened and Chairman Damron noted that no action was taken in regards to the items mentioned for Executive Session.

20. Adjournment

Motion: Director Waldman

Second: Superintendent Franchini

The motion passed by voice vote.