

beWellnm New Mexico Health Insurance Exchange  
Board Meeting Minutes  
Friday, March 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
- Ms. Terriane Everhart
- Superintendent John Franchini
- Ms. Teresa Gomez
- Dr. J. Deane Waldman
- Ms. Patsy Romero
- Mr. David Shaw
- Ms. Eva Fomalont
- Mr. David Foley Via Phone

Board Members Absent:

- Dr. Larry Leaming
- Ms. Lisa Lujan
- Mr. Kurt Shipley

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

The Meeting was called to order at 8:35am. Roll call was taken and a quorum was established.

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

**Motion:** Director Waldman

**Second:** Director Fomalont

**The motion passed by voice vote.**

**3. Approval of Minutes of the January 22, 2015 NMHIX Board Meeting-** Chairman J.R. Damron

**Motion:** Director Romero

**Second:** Director Shaw

**The motion passed by voice vote.**

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

Chairman Damron welcomed everybody, thanked all the guests for attending the meeting, and gave recognition to Director Waldman for releasing his new book titled, "Our Allies Have Become Our Enemies". Chairman Damron also gave recognition to Director Shaw for his successful five year journey implementing the resources and support for performance excellence with Quality New Mexico. Director Shaw's organization propelled to a new level of excellence which has led to the creation of 150 jobs, 10 new healthcare providers and a significant expansion of healthcare services in the local community.

Chairman Damron referenced Section 4.12 of the Plan of Operations, which is regarding officer terms. Chairman Damron noted the officers serve three year terms, and current terms began August 2013. As such, multiple officer terms will expire on April 28<sup>th</sup>, 2016. Chairman Damron, Vice Chair Shaw, and Treasurer Romero are all eligible for reelections. Chairman Damron asked if the board wanted to hold elections for the officers today or at the next Board of Directors Meeting.

**Motion:** Director Waldman moves that the Board re-elect the current officers

**Second:** Director Fomalont

**The motion passed by voice vote.**

Chairman Damron noted Board of Director Meeting is beWellnm's Annual Meeting and per state statute the Exchange had several actions that need to be met today.

##### **5. Matters from the CEO- Ms. Amy Dowd, CEO**

Ms. Dowd congratulated the elected officers and thanked them for their continued service. Ms. Dowd provided results from Open Enrollment three, and that New Mexico is on pace with national results. Ms. Dowd stated the Exchange hasn't yet received effectuated numbers from CMS, but beWellnm had 54,865 plan selections as of January 31, 2016.

Ms. Dowd stated at the end of 2015 the New Mexico Medical Insurance Pool (NMMIP) had 3,200 memberships and Medicaid had 850,000 enrollments as of February 2016.

Ms. Dowd discussed the notice of payment parameters for 2017 from CMS. Ms. Dowd stated beWellnm is very pleased with the outcome of the provisions of the regulation that relevant to the Exchange. Specifically these provisions are on the cost of services and flexibility of the payment mechanism. Ms. Dowd stated that beWellnm would like to express appreciation to members of New Mexico's Congressional Delegations, Board of Directors, and stakeholders for their input on the payment parameters rule. Ms. Dowd noted the SBM-FPs will pay a 1.5% user fee in 2017, and the Exchange will need to submit a declaration letter and sign a user agreement. Ms. Dowd stated New Mexico will retain the core functions of consumer assistance, toll free phone assistance, plan management, and marketing & outreach functions. Ms. Dowd noted the Exchange will pay for Healthcare.gov's utilization to HHS, and the 2018 user fee will be defined as part of the 2018 Notice of Benefits and Payment Parameters.

Director Romero noted the Congressional Delegation receives a lot of positive feedback on the Exchange in New Mexico. Director Romero noted New Mexico is recognized nationally, and she has requested a letter to share publically.

Ms. Dowd recognized two staff members, Genelyn McFarlane and Kimberly Andreone, who recently led audits and process improvement projects with excellent results.

Ms. Dowd noted beWellnm has several job openings which can be viewed on the beWellnm website.

**6. Matters from the Executive Committee, Annual Meeting-** Chairman J.R. Damron

Chairman Damron stated that charters, policies, and procedures were reviewed for appropriateness and accuracy to the scope of organizational duties. Each Committee Chair or Vice Chair provided input on their revisions, and all proposed changes were presented to the Board for consideration. One consistent change was that policies were updated to include beWellnm throughout the document.

**Motion:** Chairman Damron moves that the Board recommend changes to the Plan of Operation as presented today and open a public comment period for April 2016.

**Second:** Director Shaw

**The motion passed by voice vote**

**Motion:** Chairman Damron moves that the Board approve changes to the Procurement, Communications, and Records Retention policies as well as approve changes to the Code of Conduct: Governing Principles and Conflict of Interest and Right to Inspect Public Records Act as presented today.

**Second:** Director Romero

**The motion passed by voice vote**

**Motion:** Chairman Damron moves that the Board approve the Research Committee and Vision, Mission, & Goals Committee charters and approve changes to the Executive, Marketing & Outreach, Finance, Operations, Native American, Legislative, and New Mexico Medical Insurance Pool Transition Advisory Committee charters as presented today.

**Second:** Director Earnest

**The motion passed by voice vote**

**Motion:** Chairman Damron request a motion that the Board adopt the 2016 Open Meetings Act Resolution as presented today.

**Second:** Director Fomalont

**The motion passed by voice vote**

**7. Matters from the Finance Committee-** Director Patsy Romero, Chair & Treasurer

Ms. Shelton and Ms. Garcia with REDW discussed the Annual 2015 External Financial & Programmatic Audit results. Ms. Shelton noted there were no audit adjustments or past adjustment entries found. Ms. Shelton noted the Exchange did have one reclassification entry due to the asset transfer from Alliance.

Ms. Shelton gave acknowledgment to Ms. Schwing and her team with the financial statements. The Exchange received an unmodified, clean opinion and had no findings in this audit. Ms. Shelton noted the Exchange received the best results that can be given.

Director Romero emphasized to the public and to the Board of Directors how important and very detailed these audits are when dealing with federal funds. Further, to receive a clean audit is extremely rare and speaks levels on how well the Exchange is being managed.

Ms. Garcia with REDW discussed some high level key observations and referred to the current ratio stating for every \$2.17 of assets the Exchange has a liability of \$1.00, and that the Exchange has at least 60 days cash on hand. Ms. Garcia noted in 2014 the majority of funds were spent on technology and project management, but for 2015 the majority of funds were used on consumer and stakeholder engagement. Ms. Garcia noted all prior year findings have been resolved.

**Motion:** Director Romero moves that the Board accept the 2015 External Financial & Programmatic Audits as presented here today.

**Second: Director Waldman**

**The motion passed by voice vote.**

Ms. Schwing provided an amended timeline for the draft Investment Policy. Because the Exchange only received one quote to the initial Investment Manager RFQ, beWellnm re-released the RFQ. Ms. Schwing noted today is the deadline to receive a quote, and anticipates that a vendor will be selected by the end of the month. Ms. Schwing stated at the end of April the Investment Policy Statement (IPS) will be finalized and the Finance Committee will bring the IPS to the May Board of Directors Meeting for ratification. Ms. Schwing noted the Exchange is also exploring the alternate option of participation in the State Investment Council to administer funds in parallel to the RFQ and an update will be provided in May.

Ms. Schwing stated, as part of an update on operating budget, that the Exchange has collected all of the 2016 operating funds with the exception of one carrier who owes \$61,491. Ms. Schwing noted the Exchange has collected all of the remainder of the reserve funds.

**8. Matters from the Operations Committee-** Director David Shaw, Chair

Director Shaw thanked Ms. Yolanda Miles and her team for spending time on pulling information to have a detailed discussion on beWellnm for Small Business at the request of Chairman Damron. Ms. Miles provided an update on beWellnm for Small Business, stating the Exchange continues to see growth.

Ms. Miles discussed that beWellnm has posted two different Independent Verification & Validation Services (IV&V) RFPs to date and has received no response. Ms. Miles stated the Exchange has published an additional RFP in response to feedback on why no response was received, and beWellnm may need to come back to the Board in May on this topic. Ms. Miles

emphasized that IV&V services are grant funded, and Director Shaw noted that IV&V is a requirement from CMS.

Ms. Miles stated that the beWellnm for Small Business team sent out a questionnaire to several states to obtain information on how they run their SHOP. BeWellnm received information from six different states and Ms. Miles briefly discussed the feedback. Ms. Miles noted that the minimum participation rate varies for each state and mentioned New Mexico is favorable because of its 50% requirement. Ms. Miles stated the minimum employer contribution varies, with some states having no requirement for minimum employer contribution. New Mexico has a 50% requirement.

Ms. Miles stated after reviewing policy information from other states, beWellnm proposes decreasing the employer contribution requirement from 50% to 40%. Ms. Miles noted employers can choose to contribute more than the required amount, but this change will entice more employers to enroll. Ms. Miles emphasized this change will not impact the budget and if passed this will be effective January 1, 2017. Ms. Miles ensured that beWellnm will work diligently to educate brokers and employers.

Ms. Miles discussed an additional recommended change. This change would be adding a single carrier all plan choice or a single carrier one plan choice. Ms. Miles noted these options have been requested by brokers. Director Shaw noted these options will not be presented to the Board at this time for a vote to proceed.

**Motion:** Director Shaw moves that the Board decrease the minimum required employer contribution for beWellnm for Small Business from 50% to 40% beginning in 2017.

**Second:** Director Franchini

**3 Ayes Chairman Damron, Director Waldman, Director Shaw**

**2 Nays Director Romero and Director Fomalont**

**The motion passed**

Ms. Dowd noted that the Exchange continues to operate with broker. Ms. Dowd stated the single carrier option was a request from the brokers as well as more tools to enable them to manage their portfolios. Ms. Dowd noted the Exchange could add more tools to help engage the brokers, but there will be a cost associated.

Ms. Miles noted beWellnm had received three monthly files from CMS. Ms. Miles stated beWellnm continues to push for phase two data, which is more detailed at the member level. Ms. Miles noted beWellnm sent a memo to carriers requesting data, and all carriers have committed to participate.

Ms. Miles stated that the current servers with ABBA Technologies do not have the capacity to host the Data Management Reporting System (DMRS). Ms. Miles stated in addition beWellnm also found that it didn't meet the CMS mandated Minimum Acceptable Risk Standards for

Exchanges (MARS-E) and disaster recovery initiatives. Ms. Miles stated beWellnm must ensure that these requirements are in place before the Exchange receives carrier data.

Ms. Miles stated beWellnm will begin to procure services for a vendor to work with ABBA Technologies to provide the necessary technology to ensure that all elements necessary to be MARS-E complaint are met.

Ms. Miles stated several security control policies and procedures need to be reviewed and enhanced with regards to privacy and security. BeWellnm needs to review and update controls for locally stored data, and the beWellnm disaster recovery and business continuity plans require additional effort for completion.

Ms. Miles stated beWellnm is proposing to have Accenture's scope of work expanded in order to assist with MARS-E compliance as well as complete the disaster recovery business continuity plans. Ms. Miles noted that this work is covered by the original procurement for Project Management Services, and Accenture will also transfer knowledge to an appropriate IT staff at beWellnm. Director Shaw emphasized this amount does not increase the 2016 budget and is grant money.

**Motion:** Director Shaw moves that the Board authorize the CEO to solicit proposals, select a contractor, and negotiate a contract with the selected vendor to ensure Data Management Reporting System compliance in an amount not to exceed \$300,000.

**Second:** Director Everhart

**The motion passed by voice vote.**

**Motion:** Director Shaw moves that the Board authorize the CEO to extend the term of the Project Management Services contract through June 30, 2016, update the scope of work, and to increase the contract value by \$414,000.00

**Second:** Director Everhart

**The motion passed by voice vote.**

Ms. Dowd noted beWellnm had an issue emerge with beWellnm for Small Business. Ms. Dowd discussed that the Presbyterian rates were incorrectly filed with the Office of Superintendent of Insurance (OSI) by Presbyterian. Ms. Dowd stated people are not being charged the correct premiums, which should be lower. Ms. Dowd stated other plans are being affected by this issue. Ms. Dowd stated another update will be provided at the May Board Meeting.

Ms. Dowd noted beWellnm currently has a contract with Bardacke Allison that expires on April 30, 2016. Ms. Dowd noted beWellnm executed a competitive bid for Professional Legal Services in February 2016 and the recommended finalist is Bardacke Allison.

**Motion:** Director Shaw moves that the Board authorize the CEO to enter into contract negotiations and finalize a two-year contract beginning on May 1, 2016 with the Professional Legal Services RFP finalist.

**Second:** Director Waldman  
**The motion passed by voice vote.**

Ms. Dowd stated, per the procurement policy, beWellnm executed a competitive bid for Administrative Office Space in January 2016. Ms. Dowd noted the finalist is Maestas Ward representing JCC-One LLC. Ms. Dowd stated there were several concerns regarding a five year lease, and after discussion the finalists agreed to allow an exit option at the three and four year marks. Ms. Dowd stated that negotiations would continue regarding price, termination fees, and other lease terms.

**Motion:** Director Shaw moves that the Board authorize the CEO to enter into contract negotiations with the finalist for office space and finalize a lease agreement subject to termination options effective three years after the lease signature.

**Second:** Director Waldman  
**The motion passed by voice vote.**

**9. Matters from the Marketing & Outreach Committee-** Director Terriane Everhart, Chair

Ms. Everhart stated beWellnm continues to educate New Mexicans about the Exchange and how to obtain coverage. Ms. Everhart noted the Committee continues to identify ways to engage communities, especially in rural areas. Ms. Everhart noted individuals are becoming familiar with beWellnm and the tagline. Ms. Everhart noted that Ms. Fomalont has been asked to be the Vice Chair of the Marketing and Outreach Committee.

Ms. Wedeen provided an overall report on events during Open Enrollment 3. Ms. Wedeen noted beWellnm had 725 events with 59,000 attendees, non-Native American enrollment assistance had 11,865 appointments, the website had 147,850 visits, and the call center received 9,615 calls.

Director Waldman stated he received nothing but positive feedback on the enrollment centers.

Ms. Reyes stated beWellnm hosted 6 outreach events at El Mezquite Markets which helped reach a new market of individuals. Ms. Reyes noted beWellnm expanded its presence at the KOB Health and Wellness Fair, and this year beWellnm was able to have enrollment counselors available for the 7,000 individuals who attended the fair. Ms. Reyes stated individuals are starting to acknowledge beWellnm and notes beWellnm needs to continue education in the simplest way possible. Ms. Wedeen reviewed some of the efforts by the Waite Company, Hispano Chamber of Commerce, and Albuquerque Chamber of Commerce, and the value of continuing this work for small businesses and during special enrollment periods.

**Motion:** Director Everhart moves that the Board authorize the CEO to increase the not-to-exceed amount of the Waite Company contract by \$300,000.

**Second:** Director Gomez  
**The motion passed by voice vote**

**Motion:** Director Everhart moves that the Board authorize the CEO to extend the term of the Albuquerque Hispano Chamber of Commerce contract through June, 30, 2016 and increase the not-to-exceed amount by \$90,000.

**Second:** Director Gomez

**The motion passed by voice vote**

**Motion:** Director Everhart moves that the Board authorized the CEO to extend the term of the Greater Albuquerque Chamber of Commerce contract through June, 30, 2016 and increase the not-to exceed amount by \$90,000.

**Second: Director Fomalont**

**The motion passed by voice vote**

**10. Matters from the Native American Committee-** Director Teresa Gomez, Chair

Director Gomez would like to acknowledge NAPPR for all of their hard work over the past two years and the efforts they put in to ensure Native Americans get enrolled.

Mr. Atole noted he is in the recruitment process for new appointments for the Native American Advisory Committee, and the Committee will need to elect new officers.

Ms. Tso with NAPPR provided Enrollment Updates from January 10, 2016 – March 15, 2016:

**NAPPR and its subcontractors:**

- Outreach encounters: 1263
- Education encounter: 1162
- Completed Appointments: 488
- Medicaid: 84
- QHPs: 44

**Walk- In Center:**

- Visits to Center: 724
- Medicaid: 132
- QHPs: 220

Director Gomez noted beWellnm has advertised for several positions to support the Native American program, and communications to tribal leadership have been sent regarding the transition of the Native American Program.

**11. Matters from the Vision, Mission, & Goals Committee-** Secretary Brent Earnest, Chair

Director Earnest stated the Committee has had a few meetings so far this year. The Committee has created a charter and they are making revisions to the Vision, Mission and Goals, which will be presented at the next Board Meeting for approval.

**12. Matters from the Research Committee-** Director Deane Waldman, Chair

Director Waldman stated the Research Committee met with Lovelace Research and discussed recommendations for messaging to identify audiences. Director Waldman noted beWellnm anticipates final reports in June.

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

Director Franchini noted OSI looking to hire 13 staff members. Director Franchini noted individuals have lost confidence in insurance due to surprise billing, and a policy will be implemented to help control surprise billing issues.

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

Director Earnest noted as of February NMHSD had 851,000 New Mexicans enrolled in the Medicaid program and 750,000 individuals have full benefit coverage. Director Earnest noted the expansion group is 242,000. Director Earnest stated 127,000 Native Americans enrolled for Medicaid, with 34,000 in that expansion program. Director Earnest noted 300,080 children are enrolled into the Medicaid program.

Director Earnest noted the federal funding for expansion is dropping down to 90% and noted HSD is looking into the program to see where improvements can be made. Director Earnest noted HSD has a long term funding gap of approximately 85 million dollars, and numerous initiatives are underway to help identify savings.

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

Director Franchini noted during the three and a half year period from 2012 to 2015 enrollment has reduced from 12,000 to 3,200 members.

Ms. Dowd noted beWellnm is scheduling the NMMIP Transition Advisory Committee Meeting inaugural meeting. Ms. Dowd noted this committee is operating on a charter approved by the Board last year.

**16. Public comment (1-2 minutes/participant)**

Mr. Dick Mason with the Healthcare for All Coalition stated when meeting with the Superintendent's office it was discovered that CMS issued a ruling that if individuals signed up for coverage beginning on January 1 2016 and didn't receive their insurance card in the month of January, and didn't use services in January, they became eligible not to pay their January premium. Mr. Mason stated this information was not publicized.

Ms. Barbara Webber with Health Action New Mexico commended the Exchange on addressing the unique environment during Open Enrollment 3. Ms. Webber stated she continues to be concerned about the outlying and rural communities and noted that according to the county data that CMS released 85% of the new enrollees are from the metro areas.

**17. Other Board Business- Directors & Ms. Amy Dowd, CEO**

Director Waldman stated there is an active movement to try and acquire an All Payers Claims Database to analyze the data to see what is cost effective and to see what really works medically versus what doesn't work for the patients and ultimately to provide the information to the consumers.

Ms. Dowd announced that the next Stakeholder Advisory's Committee Meeting is on April 14<sup>th</sup> from 10:00am-12:00pm at the Hispano Chamber of Commerce. Agenda topics will including a review of the charter and the membership, open enrollment period evaluation, and input on the work of Vision, Mission, and Goals Committee.

**18. Next NMHIX Board Meeting- May 20, 2016 at the CNM Workforce Training Center**

Chairman Damron announced the next Board of Director Meeting will be May 20, 2016 at CNM Workforce Training Center.

**19. Executive Session**

**Motion:** Chairman Damron moved that the Board move into Executive Session for 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 Waldman

**The motion passes by voice vote**

Chairman Damron requested that Ms. Dowd call a roll call vote to approve moving into Executive Session.

**Roll Call:** Chairman Damron, Director Earnest, Director Everhart, Director Franchini, Director Gomez, Director Waldman, Director Romero, Director Shaw, Director Fomalont

The Board reconvened and Chairman Damron noted that no action was taken during Executive Session.

**20. Adjournment**

**Motion:** Chairman Damron moved that the Board adjourn.

**Second:** Director Waldman

**The motion passes by voice vote**