

**New Mexico Health Insurance Exchange
Board Meeting Minutes
Friday, January 9, 2015
8:00 a.m.
Blue Cross Blue Shield Building
5701 Balloon Fiesta Parkway NE
Albuquerque, NM**

Board Members Present:

Dr. J.R. Damron
Secretary Brent Earnest
Ms. Terriane Everhart
Superintendent John Franchini
Ms. Teresa Gomez
Dr. Larry Leaming
Mr. Gabe Parra
Ms. Patsy Romero
Mr. Jason Sandel
Mr. David Shaw
Mr. Kurt Shipley
Dr. J. Deane Waldman

Absent:

Dr. Martin Hickey

1. Welcome, Roll Call, Confirmation of Quorum and Approval of the Agenda – Chairman J.R. Damron, MD

The meeting was called to order at 8:04 a.m. Roll call was taken and a quorum was established. Dr. J. Deane Waldman moved to approve the agenda.
Second: Secretary Brent Earnest
The motion passed by voice vote.

2. Chairman's Remarks and Aim of Today's Meeting – Chairman J.R. Damron, MD

Dr. Damron explained that Dr. Jon Kingsdale would be facilitating the meeting and provided an overview of the structure of the meeting and format. He advised that the meeting objectives would be to:

- a. Revisit the mission and goals of the Exchange. Review progress against our goals for 2013/2014 and possible revision of goals for 2015/2016.
- b. Address limited financial resources and address the different options for a path forward.
- c. Review options for a successful path forward. Review pros and cons of options presented by staff.
- d. Make a possible decision on RFP for Program Management Office Support (PMO).

3. Update on Enrollment and Grant Funding – CEO Ms. Amy Dowd

Ms. Amy Dowd provided the following update:

Enrollment Update:

- **17,556** New Mexicans selected a health plan through New Mexico’s health insurance exchange between November 15 and December 15, 2014.
- **59 percent**, or approximately 10,000 individuals, are customers new to BeWellNM.
- **41 percent**, or approximately 7,200 individuals, who selected a plan are renewal customers that made change in their household or plan selection prior to December 15, 2014. (Those renewal customers that didn’t make a change in their plan selection before December 15 will still be automatically reenrolled for January 1.)
- **73 percent** have received financial assistance to reduce the cost of their coverage.
Note: CMS does not collect previous uninsured/uninsured status, so we do not know whether these individuals were uninsured or not. CMS has not provided carrier selections, metal levels, gender or age.

Ms. Dowd responded to questions for clarification of the enrollment numbers. She indicated that the next enrollment numbers will be available at the beginning of February. The enrollment numbers reported are through December 15, 2015.

Ms. Dowd provided the following timeline of events leading to today’s discussion:

June 1- November 1, 2014:

- CMS indicated verbal approval of “no-wrong door system” during the June Design Review
- Board decision to delay “go-live”
- Implementation timeline for existing design updated with 2015 “go-live”
- Design and development progresses
- Design submitted for formal approval
- CMS indicated need for further discussion

November 1 – December 17, 2014:

- CMS notified NMHIX of need for system course-correction to a “single-door” application system and greater integration
- Updates made to design and corresponding grant application
- Grant submitted
- Team progresses on fine-tuning design

December 18, 2014 – January 8, 2015:

- Grant application denied
- Swiftly developed options for Board consideration on technology strategy solutions
- 2015 budget reviewed and potential cost savings identified

Today:

- NMHIX needs to align on preferred path that supports mission and goals.

Ms. Dowd indicated that she had discussions with CMS earlier in the week with regard to the review of the grant application and summarized as follows:

- Three reviewers that independently score several section of the application

- All grant applications stand-alone – reviewers may not know of previous grant applications
- A minimum of 70 points from reviewers required to receive any money
- Budget negotiations are not intended to change the score of the application
- Notice of decision is issued following budget negotiations

Application strengths:

- Governance structure very good
- Time-frames outlined were reasonable
- Background elements were very strong

CMS feedback on application:

- In general, some sections were more detailed than others; needed more detailed narrative on IT work plan and cost allocation (i.e., specifics on hourly rates on contractors was not provided)
- Wanted to see more ‘verbose and glowing’ description of progress – didn’t provide enough detail on accomplishments
- Letters attached to the application indicated state was questioning the benefit of the changes that were required and stated that CMS has already approved with which CMS disagrees

Overall Context of Application Cycle:

- CMS leadership has less appetite to continue to invest in IT – but strong appetite for SBEs.
- Less money available overall – only funded one new technology project (Arkansas), most states received less than requested, unknown if any other state received zero
- CMS believes that NM has had 1.5 years to work on this detail – and compared to other states NM wasn’t as far along
- CMS looked at where a state should be in their build after this time and amount spent to-date and believed that NM should have been further along

Denial of grant application does not indicate lack of CMS support for NMHIX as a SBE.

Discussion topics:

- Intent to write a response
- Unique to this final grant application for 1311 funding, there is no opportunity for appeal, resubmission or updates that will be considered for funding
- Pursuance of congressional delegation to assist New Mexicans in trying to get funding for a successful State-based Exchange.
- Overall support in responding to CMS
- Concerns with regard to the amount of funding received vs. enrollment numbers
- Concerns that letters of support were negative
- Budget cuts and timeline concerns

Mr. Jason Sandel moved to direct the CEO to construct a letter of response to CMS and Delegation.

Second: Dr. J. Deane Waldman

The motion passed by voice vote.

Discussion to include the following in the contents of the letter:

- Address specifically their comments on the application to include the inadequate portions of the grant
- Articulate that the Exchange was following a recommended path

- CMS concerns to be communicated to NMHIX first in order for us to clarify before communicating with delegation
- Communicate accomplishments
- Outline goals

Ms. Dowd presented the following options in order to construct a path moving forward:

Option 1

- A. Seek CMS approval for a **Single-Door** system design using existing federal funds and develop plan to close delta between available funds and cost.
- B. Seek CMS approval for a new, updated **No-Wrong Door** design (modeling after Idaho) using existing federal funds and develop plan to close delta between available funds and cost.

Option 2

Seek CMS approval for a **Federal Platform Lease** arrangement re-allocating some existing federal funds for other activities (outreach, broker support, etc.) and update financial sustainability plan to pay for lease.

4. Review of Today’s Agenda – Dr. Jon Kingsdale, Wakely Consulting

Dr. Jon Kingsdale provided an overview of the agenda and the highlights of what the intent is to accomplish by the end of the day.

Discussion on Mission:

- It was suggested that the mission should be reevaluated.
- Given the current budget situation, a more narrow functioning exchange should be considered
- Mission is not driven by the current budget situation
- Clarification of the authority of the exchange

It was concluded that the mission would remain and be reexamined at a later time as necessary.

5. Review of Progress Against Goals for 2014/2015 Dr. Jon Kingsdale, Wakely Consulting and CEO Ms. Amy Dowd

- **Goal #1:** Stand up and develop the NMHIX (individual non group and SHOP) with continued refinement to ensure optimum functionality and marketplace effectiveness.

Objectives

1. Stand up the non-group Exchange and operate both exchanges soundly; Ms. Dowd reported that the original intent of this goal was to stand up our own technology and operate both Individual and SHOP marketplaces soundly. SHOP was launched. On the Individual, significant progress was made, but not complete – 75% complete. With the CMS design changes, the setback was to 50% complete.
2. Support the “No Wrong Door” concept; The designs were headed in this direction and there is still work to be done.

3. Perform the basic functions as close to flawlessly and seamlessly as possible;
 - a. Portal to coverage (in person, on the phone and on-line)
Support is available via call center, enrollment counsellors and brokers and agents
 - b. Enroll people – Supporting consumers with assisting in getting enrolled in the Exchange.
 - c. Ensure coverage is in effect – Carriers are doing a great job to support individuals with their plans.
 - d. Collections – Process is in place.
 - e. Payments to insurers – Process is in place.
 - f. Continual improvement to each – Significant progress has been made.
4. Promote adequately trained, certified and supported Healthcare Guides and commissioned brokers and agents to educate and enroll all qualified individuals and employers; - Significant progress has been made.
5. Support a rapid “real-time” accurate eligibility and verification IT system – intent of design was to go in this direction. There is still work to be done.
6. Promote an effective, seamless, and efficient IT system – Still in progress.
7. Endorse a continuous flow from initial application to enrollment, billing and collections in a selected QHP – Still in progress.
Implementation on items 6 and 7 are based on the decision to remain on the FFM for one more year.
8. Provide a “fast lane” for unsubsidized shoppers to move to the issuer’s website and enroll directly – There is an option for people to directly enroll even if not subsidized.
9. Develop and deploy a self-evaluation and process improvement tools – Completed.
10. Recruit, train and retain a professional, efficient and caring staff – Completed.

- Goal #2: Enroll eligible New Mexicans in the NMHIX Objectives

1. Enrollment:
 - a. Support consumers in selecting wisely among the health plans available to them through education and simplifying the process and options, so they can confidently and readily shop for coverage and enroll.
Training has been updated and improved. There is a stronger referral process between enrollment counsellors and agents. We have a well prepared network. Surveys are being conducted on progress in which we can compare to last year.
 - b. Promote the NMHIX to be accessible to walk-ins, telephone and internet – Walk in Center in Albuquerque has been successful.
 - c. Ensure there are well-trained supported Enrollment Counselors, customer service representatives, brokers and agents – Strength in network.
 - d. Ensure a “No Wrong Door” enrollment strategy is employed – This is supported in design
2. Outreach:

- a. Perform aggressive and effective outreach to make eligible residents of New Mexico aware of the Exchange, the need for coverage and the availability of subsidies – Resources invested to ensure we are performing aggressive and effective outreach to Native American, Hispanic and rural populations in New Mexico.
 - b. Motivate eligible New Mexicans to explore and sign up for health insurance coverage – making the uninsured the primary target for outreach – Significant progress has been made in this area.
- Goal #3: Stand up the Individual Exchange - There is still much work to be done in this area.
- Goal #4: Ensure a financially viable and sustainable NMHIX – This was a significant accomplishment for NMHIX. A broad alignment on a very complex topic was achieved. Input was obtained from stakeholders. Achieved a solution that was agreeable to the majority.

The discussion concluded as follows:

- These accomplishments should be effectively communicated to CMS
- The specific inadequacies of the grant should be addressed
- Clarification of the perception of the changes in the rules
- Articulate that prescribed rules were being followed
- NM/Federal Delegation should be corresponded with in a respectful tone

6. Proposed Goals for 2015/2016 – Dr. Jon Kingsdale, Wakely Consulting

Dr. Jon Kingsdale proposed the following 2015/2016 Goals for NMHIX:

- Square the budget for 2015 while maintaining financial sustainability
- Maintain well-functioning NMHIX
- Enroll many New Mexicans
- Targeted outreach to the uninsured and Hispanic population
- Inform consumers to shop effectively for health plans

Upon discussion by the Board, they concluded that the following goals be further refined:

Goal #1: Facilitate a Well-Functioning Application and Enrollment Process for both Individual and Small-Group Exchanges Objectives

1. Operate both exchanges soundly;
2. Support the non-group Exchange;
3. Facilitate the basic functions as close to flawlessly and seamlessly as possible;
 - a. Portal to coverage (in person, on the phone and on-line)
 - b. Enroll people
 - c. Ensure coverage is in effect
 - d. Collections
 - e. Payments to insurers
 - f. Continual improvement to each
4. Promote adequately trained, certified and supported Enrollment Counselors and commissioned brokers and agents to educate and enroll all qualified individuals and employers;

5. Support a rapid “real-time” accurate eligibility and verification IT system;
6. Utilize an effective, seamless, and efficient IT system;
7. Endorse a streamlined process that makes it easy for the consumer to proceed through the process from anonymous browsing through application, enrollment, billing and collections;
8. Develop and deploy a self-evaluation and process improvement tools;
9. Recruit, train and retain a professional, efficient and caring staff.

Goal #2: Target outreach across the state to educate New Mexicans on their options with specific focus on:

- Hispanics
- The uninsured
- Native Americans
- 18-34 year olds
- Those that are between 138% and 250% of Federal Poverty Level and eligible for the tax credit and cost-sharing reductions.

Goal #3: Enroll Many New Mexicans

- Objectives:
 1. Collaborate with issuers, Medicaid, brokers and others to achieve
 2. Metrics to include both reduction in the percentage of uninsured and NMHIX’s enrollment of the APTC subsidized population between 138% Federal Poverty Level and 200%

7. Options for Path Forward – Dr. Jon Kingsdale, Wakely Consulting

The two options for moving forward were presented above. The board discussed the options, implications and budget issues associated with each. The Board concluded that staff would do a more detailed analysis on each option and report back to the Board without more detailed analysis. Seven members of the Board were in favor of Option 2, four members of the Board were in favor of Option 1 and one member of the Board is in favor of Option 1b.

8. Wrap-up on Guidance for CEO in Negotiating with Vendors and CMS – Dr. Jon Kingsdale, Wakely Consulting, CEO Ms. Amy Dowd and Chairman Dr. J.R. Damron

Upon discussion, the following were the recommended steps moving forward:

1. Explore options for 90/10 money
2. Explore Option 1 with a list of reductions to try and reduce or eliminate delta
3. Renegotiate implementation timelines for IT for option 1. Mr. Pearson, Secretary Earnest, and Mr. Shethia all stated that continuing on the option 1 path will require New Mexico remaining on the federal platform through plan year 2016. The majority of the integration work impacts the IT HSD systems, and Mr. Pearson thinks cost savings for HSD resources may be realized with an extended timeline. Ms. Dowd noted that an extended timeline will likely result in increased expenses for PMO and IV&V (required by CMS), so the savings on HSD resources may be negated by the extended resource needs for the overall program implementation.

4. Obtain more information for Option 2
 - a. Length of term for Option 2
 - b. Pricing
 - c. Assurances that current funding is protected. Clarity.
 - d. Call Center support for Option 2
 - e. Marketing Considerations
 - f. SHOP Operations
 - g. How much authority do we get from Option 2 (Brent)
 - h. Legal Clarification on Options vs. Legislation (Gabe)
5. Design Proposal - Will need:
 - a. Board Subcommittee
 - b. Technology
 - c. Policy Advice
 - d. Division of Responsibility
 - e. Legal Services Support
 - f. Executive Committee Review
6. Arrange audience with delegation before going to Washington, DC

9. Matters from the Finance Committee – Director Patsy Romero, Chair & Treasurer

There was no update from the Finance Committee.

10. Matters from the Operations Committee – Director Gabe Parra, Chair

Mr. Gabe Parra stated that there was not an Operations Committee meeting this month. The only item to report was the PMO RFP update below.

a. Discussion and Possible Action on RFP for Program Management Office (PMO) Support

Ms. Amy Dowd provided the following update:

- **Scope:** The RFP was designed to be a competitive bid for Project Management Services from qualified vendors to manage and oversee the design, development and implementation of an Integrated Eligibility and Enrollment System (Medicaid and Qualified Health Plans).
- **Process:** The Evaluation Committee met and reviewed all responses and selected finalists for oral presentations. The Committee met again to hear the oral presentations from the finalists and determine the scores for each vendor.
- **Recommendation:** With the uncertainties resulting from the new funding environment, the committee had difficulty balancing the short term unknowns with the RFP's requirement for a fixed cost 11 month contract set forth in the procurement. The committee is recommending the PMO RFP be put on hold at this time and potentially re-bid at such time when NMHIX is ready to move forward with a path and set up procurement requirements that will provide NMHIX with more flexibility to better meet the demands of the changing circumstances.

11. Adjournment

Dr. J. Deane Waldman moved to adjourn the meeting.

Second: Secretary Brent Earnest

The meeting adjourned at 3:49 p.m.