

**New Mexico Health Insurance Exchange
Board Meeting Minutes
CNM Workforce Training Center
5600 Eagle Rock Road NE
Albuquerque, NM**

Board Members Present:

- Dr. J.R. Damron, Chair, Facilitator
- Mr. Jason Sandel, Vice Chair
- Mr. Brent Earnest on behalf of Ms. Sidonie Squier, NM Human Services Department Cabinet Secretary
- Ms. Lisa Reid on behalf of Mr. John Franchini, Superintendent of Insurance
- Mr. Gabriel Parra
- Ms. Patsy Romero
- Mr. David Shaw
- Ms. Teresa Gomez
- Dr. Larry Leaming
- Mr. Kurt Shipley
- Dr. J. Deane Waldman (via telephone)
- Ms. Terriane Everhart
- Dr. Martin Hickey

1. Call to Order – Dr. J.R. Damron, Chairman

The meeting was called to order at 8:36 a.m. Roll call was taken and a quorum was established.

2. Approval of the Agenda – Dr. J.R. Damron, Chairman

Ms. Teresa Gomez requested that the Native American Update be presented following the CEO Report as Item #7.

Mr. Jason Sandel moved to approve the agenda with adjustment suggested by Ms. Teresa Gomez was made by Mr. Jason Sandel.

Second: Mr. David Shaw

The motion passed by voice vote.

3. Approval of the minutes of the October 17, 2014 Board Meeting and November 11, 2014 Special Board Meeting of the NMHIX Board of Directors – Dr. J.R. Damron, Chairman

Motion Mr. Jason Sandel moved to approve the minutes of the October 17, 2014 Regular Meeting and November 11, 2014 Special Board Meeting of the NMHIX Board of Directors.

Second: Dr. Larry Leaming

The motion passed by voice vote.

4. Public Comments

There were no comments from the public at this time.

5. Chairman's Remarks – Dr. J.R. Damron

Dr. J.R. Damron thanked all in attendance and the Directors for their time. He provided a brief overview of the agenda. Dr. Damron reminded the board to adhere to the recently approved Communications Policy by keeping Ms. Linda Wedeen informed of any media interviews being conducted on behalf of the Exchange. Mr. Brent Earnest accepted a plaque on behalf of Secretary Sidonie Squier for her service to the Board which would conclude on December 1, 2014.

6. Matters from the CEO, Ms. Amy Dowd

Ms. Amy Dowd provided the following updates:

Open Enrollment Kickoff:

- BeWellNM kicked off Open Enrollment with our NAPPR partners on November 14 and officially opened the Enrollment and Assistance Center at 2301 San Pedro NE, Suite A in Albuquerque.
 - We are looking forward to several other great events and outreach efforts to reach New Mexico's diverse population across the state.
- BeWellNM.com has been refreshed for Open Enrollment and provides consumers access to tools to estimate tax credit and anonymously browse for plans before enrolling.
 - Consumer Assistance Locator Tool has been updated to include information on our 2015 Enrollment Entity partners.
- We are hearing reports from consumers and our Consumer Assistants that healthcare.gov is working smoothly.
 - "Find Help Near You Tool" on healthcare.gov is being updated to direct consumers to BeWellNM.com
 - Christus and OSI continue to work with CCIIO on plan display issue.

Ms. Dowd presented the Enrollment Dashboard.

HSD Meeting Update:

- BeWellNM and HSD held a very productive meeting on November 18
- Discussion at the meeting included the partnership between BeWellNM and HSD and the approach over the next year to go live with a CMS compliant and fully tested individual market exchange by the fall of 2015.
- HSD and BeWellNM are in alignment on the structure need to ensure we are successful. This includes:
 - Development of a Project Steering Team (PST) with representation from key stakeholders including BeWellNM, HSD, OSI and Carriers to vet key exchange design and policy decisions
 - Development of a Proposal Evaluation Team (PET) with representation from all parties on the Project Steering Team to evaluate vendor proposals.
- Next Steps
 - Continue development of CMS compliant eligibility system design
 - Develop integrated project plan and time
 -

Staff Updates:

- Teresa McLane: Teresa started on November 17 and will be working on our operations team.
- Jim Clark: Jim will be starting on the team on December 8 as an IT technical analyst.
- Broker Relations Manager: BEWELLNM continues to build a pool of qualified candidates for the Broker Relations Manager position.

Board Terms:

- In an effort to ensure continuity of operations, the NMHIX staff will monitor Director Terms and keep the Board and appropriate appointing authorities (Governor and Legislators) informed about the expiration of terms.
- The staff will report on Board members with expiring terms in the calendar year at the January Board meeting each year.
- As a follow-up to questions raised earlier this year, BEWELLNM received a clarification letter on the term limits of Directors appointed by the legislature.

There were questions and discussion regarding enrollment numbers and how the estimates were determined for Open Enrollment. Also discussed was the amount of money being spent in relation to enrollment. Mr. David Shaw will work with staff and the Marketing Committee to review and recommend enrollment targets.

7. Matters from the Native Americans Committee – Director Teresa Gomez, Chair

- a. Motion: Ms. Teresa Gomez moved to designate Mr. Scott Atole, currently in the Native American Coordinator position as Native American Liaison per enabling Legislation by
Second: Mr. Kurt Shipley
The motion passed by voice vote.
- b. Update on Native American Enrolment Entity Services RFP
The RFP has been posted. A recommendation will be provided to the Board of Directors at the December Board meeting. Effective date of January 1, 2015.
- c. Update on BEWELLNM Walk-In Center
The walk-in center had its grand opening on November 14, 2014. Mr. Scott Atole expressed his gratitude to NAPPR leadership and staff for taking the lead to ensure the walk in center opened.
- d. Native American Advisory Committee Update
The Committee met on November 13th at the Sandoval Regional Medical Center. Ms. Amy Dowd and Ms. Linda Wedeen were in attendance.

Ms. Monica Marthell of NAPPR gave the following update:

- Outreach encounters = 9,252
- Education encounters= 6,852
- Scheduled appointments= 1,181
- Completed appointments= 588
- Enrollments= 320

Ms. Teresa Gomez offered to share her experience about her recent illness and treatment with Tribal Leadership and talk about the importance and benefits of private insurance.

8. Matters from the Marketing, PR and Outreach Committee – Director David Shaw

Ms. Linda Wedeen provided the following updates:

a. Marketing & Media Plan Update

Work began on November 1, 2014 and much progress has been made. In preparation for Open Enrollment, BEWELLNM has participated in several media interviews and seen placements regarding the start of Open Enrollment. She is in the process of arranging reporter meetings throughout New Mexico to give a full overview of the New Mexico Health Insurance Exchange. Ms. Linda Wedeen also shared with the Board the new BeWellNM logo.

b. Enrollment & Outreach Update

For 2015 Open Enrollment Counselors, Agents and Brokers will be available across the State of New Mexico. Approximately 300 trained Enrollment Counselors from 14 different organizations will be providing nearly 200,000 hours of enrollment assistance. We also have 250 Agents and Brokers available. Nine outreach partners are engaged and will continue grassroots outreach around the state. The Communications team is collaborating with outreach partners to:

- Define needs on consumer support collateral; plan the printing and distribution of material toolkits to partners.
- Collaborate between outreach partners to have coverage throughout the state.
- Coordinate enrollment open houses and events across the state.

There were questions and discussion amongst the board regarding broker and agent coverage around the state.

c. Stakeholder Committee Update

The Committee appointed an Ad Hoc Charter Committee to develop a Charter and determine membership. The Ad Hoc Committee drafted a charter including the mission of the Committee “to provide recommendations to the Board in the fulfillment of BEWELLNM mission including perspective and recommendations on policies, goals, strategic direction and statutory requirements to assist the Board and staff with decision-making”.

d. Consumer Behavior & Stakeholder Engagement Study RFP – Director Deane Waldman, MD

Dr. Waldman reported that an RFP had been developed. Two letters of intent were received. The Committee is scheduled to meet on December 2nd to review the bids. The presentations by the bidders will take place on December 5th. Following this meeting, the Committee will have a recommendation to bring to the next Board meeting for approval.

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

a. Finance November 2014 Grant Request Update

Ms. Anita Schwing provided the following update on the Budget and Grant

1. Level 2 grant request was submitted on November 14, 2014 and we have confirmed receipt with CMS.

2. Request also submitted for a No Cost Extension for Level 1 Grant to fund our operations for the individual marketplace through 12/31/2015.
3. As design changes required by CMS, the Finance Committee and Board will be updated if changes impact the approved 2015 budget.

Ms. Patsy Romero brought up a potential Conflict of Interest with the Rodey Law Firm with regard to work that they have performed for the Exchange and their representation of the American Council of Life Insurers. Ms. Romero requested clarification to the staff regarding that relationship. There was discussion amongst the board and a representative from the Rodey Law Firm. The discussion concluded that the CEO, Finance and Operations Committee Chairs would meet with the Rodey Law Firm for further discussions and a resolution. An update will be provided to the board at the next Board meeting.

10. Discussion and possible action on amendments to the Plan of Operation to provide for financial sustainability of the BEWELLNM

Ms. Amy Dowd presented an overview of BEWELLNM's funding, financial sustainability timeline, guiding principles of the sustainability plan and the key assumptions.

Ms. Dowd provided the following review of revenue options:

In developing a sustainability plan to raise the revenue needed to support our operations, the Exchange completed an exhaustive review of revenue options adopted in other states and options familiar to NM carriers from assessments by the NM Medical Insurance Pool and the NM Health Insurance Alliance to include the following:

- Carrier Assessments
- Consumer Administrative Fee
- Broker and Agent Certification Fee
- BEWELLNM Website Advertising
- Direct to Consumer Marketing
- Healthcare Industry Assessment
- Market-wide Insurance Assessment

Recommendation: Adopt a market-wide assessment of specific insurance carrier premiums (based on each carrier's current market share) to raise the revenue needed to support the Exchange. This recommendation was approved by the Finance and Operations Committees.

Ms. Dowd provided a detailed explanation on which carriers get assessed and provided various scenarios on the proposed assessment process. The rationale for the assessment approach is as follows:

- The carrier assessment is a proven standard market practice, similar to what has been used by the New Mexico Medical Insurance Pool (NMMIP) and the New Mexico Health Insurance Alliance (Alliance).
- Assessing carriers inside the Exchange only presents a risk to carrier participation in the Exchange.
- With the creation of the Exchange and the ability to receive financial assistance, more New Mexicans will get covered through the Exchange, limiting the need for safety net programs, such as the Alliance and the NMMIP.

- Over time, as more New Mexicans get private insurance through the Exchange, health care costs are anticipated to go down and everyone benefits.

Ms. Dowd presented a “decision flow analysis” to demonstrate how we would determine if a carrier was subject to assessment. The board discussed the following topics in the calculation of the assessments:

- Short-term disability
- Inclusion/exclusion of various lines of business
- Major medical carriers
- Life insurance
- Workman’s Comp
- Pharma only carriers/plans
- Dental/Vision
- Scenarios with the inclusion/exclusion of Medicaid
- The impacts of ASO/TPA inclusion/exclusion
- Reporting from carriers regarding premium equivalent
- Authority to assess
- Broad assessments
- PMPM

Ms. Dowd presented the long-term and short-term revenue needs as follows:

2015

- **SHOP:** SHOP must be funded by the Exchange starting on January 1, 2015. The Exchange estimates that \$1.5 million will be needed to fund SHOP operations in 2015.
- **Cash Reserves:** To ensure stability the Exchange needs to establish a cash reserve in 2015 to cover 6 months of operations – one month of this reserve assessment will be due to the NMHIX by 11/30/2015.

2016

- **Full Sustainability:** Starting January 1, 2016, the Exchange is expected to be fully sustainable for SHOP and the Individual Market with the exception of Design and Development of technology which may extend beyond 2015.

Ms. Anita Schwing provided an overview of the timeline.

Public Comments:

Mr. Brent Moore, Montgomery and Andrews Law Firm, expressed his understanding of the Board moving quickly to reach financial sustainability. He also expressed the importance to be as clear as possible on the assessments. Clarity in the draft will be very helpful for all to understand. In one of the drafts there is a reference to Subscriber Contract Charges and we were not sure what that meant. I would like to request for the board and staff to look at the draft and clarify what this means.

Mr. Lawrence Nylin, Molina Healthcare, reported that Molina Healthcare is supportive of the draft. We understand the need to generate revenue. He expressed concerns of the 2013 enrollment data being used instead of 2014. He asked the Board to consider looking at the 2014 enrollment data when decisions are being made.

Mr. Dan Najjar, Virture and Najjar Law Firm reported that AFLAC Corporation worked very hard to include the exclusion language that's in the statute. We appreciate Mr. Miller's efforts to keep that exclusion. He also expressed some concerns of his clients who are large self-insured plans. Their concerns are about the effort to tax them.

Mr. Dick Mason, representing Healthcare for all Collation, reported it was the consumers who fought for the broad assessment language in the legislation to give the Board as much flexibility as possible.

Ms. Ellen Pines expressed her concern for a broad assessment. The broader the assessment is the less burden it will be on everyone. She also agrees that 2013 information is outdated and encourage the Board to consider using 2014 enrollment data to make further decisions.

Ms. Jill Bernard, VSP Vision, shared a concept for sustainability. We would like for the Board to consider offering vision services at the end of purchasing medical. Our company allows a small contribution back to the Exchange when a vision plan is purchased.

After discussion by the Board it was concluded that an appendix would be added to the current draft that would incorporate the topics discussed. The draft Plan of Operation and the appendix would then be posted for public comment. The comments would be considered at the next Board meeting as the Board considers taking action on the amendments to the Plan of Operation.

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

- a. Mr. Gabe Parra reported that Assessments have been discussed in detail in the Operations Committee and given the discussions had today, he would like to reconsider the decision to clarify the Exchange's authority to assess.
- b. Technology Update
Mr. Raj Shethia along with Mr. Tony Curatola of PCG presented the IT Dashboard and the progress being made as a result of the direction from CMS.

12. Matters from the Superintendent of Insurance – Superintendent John Franchini

Ms. Lisa Reid reported on behalf of Superintendent John Franchini that New Mexico has the third largest drop in health premiums in the nation. Our market is stable and we have good competition here in the state. Ms. Lisa Reid also reported that a date will need to be set for plan submission. The date will be earlier in the year than last year.

13. Matters from HSD – Secretary Sidonie Squier, represented by Mr. Brent Earnest

Mr. Brent Earnest reported 174,000 enrolled in the new adult category and the base population enrollments have grown by 18,000. We are also receiving referrals from the FFM and so far the process is working.

14. Matters from the NMMIP – Vice Chairman Jason Sandel

There was no update.

15. Other Board Business

Mr. Jason Sandel asked the staff to research any effects that may arise with the President's announcement regarding amnesty and immigration.

Ms. Amy Dowd stated she will be following up with CMS. She will report any proposed changes or rules to the Board as soon as she receives them.

Dr. Martin Hickey reported that those impacted will not qualify for a subsidy.

Dr. J.R. Damron thanked Ms. Amy Dowd and staff for all of their hard work.

16. Public Comment

Mr. Joe Martinez, Health Action New Mexico, thanked the Board for the leadership provided to get the New Mexico Health Insurance Exchange implemented for the communities of New Mexico. He requested the Board to explore establishing a goal for this Open Enrollment period of successfully enrolling 100, 000 uninsured in the next three months including renewals.

Mr. Dick Mason reported that in the statute he realized there is a third Advisory Committee made up of NMHIX and the High Risk Pool and urged the Board to review the statute.

17. Next Regular Board Meeting – December 19, 2014 - Courtyard Marriott Santa Fe

18. Adjournment

Motion: Mr. Gabe Parra moved to adjourn the meeting.

Second: Mr. Kurt Shipley

The motion passed. The meeting adjourned at 12:59 p.m.