

NMHIX	Special Board Meeting June 17 th , 2013 from 4 pm to 5 pm REDW 7425 Jefferson NE – Albuquerque, NM			
Facilitator:	Dr. J.R. Damron (Conference call)			
Appointees Required by State Statutes:	Superintendent of Insurance John Franchini, Santa Fe NM Human Services Department, Cabinet Secretary Sidonie Squier, Santa Fe (Conference call)			
Governor Appointees:	Dr. J.R. Damron, Santa Fe (Conference call) Terriane Everhart, Las Cruces (Conference call) Gabriel Parra, Albuquerque Ben Slocum, Albuquerque (Conference call)			
Legislative Appointees:	Dr. Martin Hickey, Albuquerque Dr. Larry Leaming, Portales (Conference call) Patsy Romero, Santa Fe (Conference call) Jason Sandel, Aztec (Conference call) David Shaw, Lovington (Conference call)			
Absentees:	Dr. J. Deane Waldman; Teresa Gomez, Albuquerque			
Guest:	Nicole Comeaux CCIIO (Conference Call); Sean Pierson HSD; Justin Miller (Long, Pond & Komer P.A.)			
Attachments:	ASPEN Changes as a Result of the Federally Facilitated Marketplace (FFM) presentation			
Quorum:	YES			
Agenda Topics:	Special meeting opening remarks - Mike Nuñez, Interim CEO NMHIX			
Discussion:	Conclusions:	Action Items:	Responsibility:	Due:
We are having a meeting because there is a financial need for HSD in order to create the interfaces to the federal hub and the exchange effective October 1 st , 2013.				
Agenda Topics:	Sean Pierson Chief Information Officer for HSD			
Discussion:	Conclusions:	Action Items:	Responsibility:	Due:
<u>Background and overview:</u> Federal Facilitated Market Place (FFM) CMS issued two rules in March of 2012 First rule: exchange eligibility; talk about how eligibility is supposed to work with the health insurance exchanges across the country and the concept of open enrollment which is from October 1, 2013 to March 31, 2014 for Exchanges. Second rule: Medicaid eligibility; this is about the application of Modified Adjusted Gross Income (MAGI) methodology and how this methodology is used to determine eligibility for Medicaid. In that rule released in March 2012, CMS made references to the application of that methodology to apply in January 1, 2014. There was no talk about an open enrollment period for Medicaid as part of that rule.				

<p>In May of last year we completed the design of our Aspen System.</p> <p>In August of last year we completed one of the Federal gate reviews. And at that time we started asking questions particularly around the open enrollment period for the exchange and how that relates to Medicaid. Recognizing that could create a potential confusion between exchange entities and Medicaid entities because you are applying two separate sets of rules at two different periods of time during the year.</p> <p>November 1st we completed the development of our ASPEN system, as part of that development we built interfaces for the state based exchange and built those approved designs with our best guess on how they will look communicating to each other.</p> <p>January 2013 CMS released a proposed rule that talked about aligning the exchange open enrollment with the Medicaid open enrollment. It wasn't until that time CMS came up with the idea of having Medicaid agencies to apply these MAGI rules much earlier than January 1, 2014.</p> <p>May of this year HIX board made the decision for a federal facilitated market place for the individual market.</p> <p>May 22, we completed the final design gate review with the Feds. Within that gate review we made a proposal with our federal partners on how we deal with October-December period. Unfortunately, the proposal was not well-received by federal partners. So we started a new plan.</p> <p><u>Current Status:</u></p> <p>As a result to move to a FFM we encountered two situations. One: CMS is requiring applying the MAGI methodology application to all denial or pending applications for Medicaid eligibility prior to referring those applications to the federal government. Second:-is to transfer the information using this electronic account transfer service through the federal hub. Information on how this is going to look is still not released. We have also been told that this service will not be available until mid-November 2013. These two things translate into several IT changes into our system. FFM requires changes to ISD2, ASPEN, YES-NM and Omnicaid Addition of data elements to YES-NM and ASPEN; Addition of conversion logic to ISD2 system; Application of MAGI rules prior to January 1, 2014; Ability to run Medicaid applications through existing rules and new MAGI rules; New interfaces (Electronic Account Transfer); Ability to send applications; Ability to conduct a Minimum Essential Coverage (MEC) check with Omnicaid</p> <p><u>MAGI:</u> MAGI is a methodology and a number.</p>				
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<p>MAGI eliminates several sources from income counted in determining Medicaid eligibility MAGI doesn't equal gross income or net income Difficult to verify MAGI against electronic and paper income verification sources MAGI looks at annual income vs. Medicaid typically looking at current (monthly income) Income volatility throughout the year doesn't get addressed through MAGI methodology MAGI talks about what should be counted and who should be counted Difficulty in making sure Medicaid application doesn't become a mini tax return</p> <p><u>Alternatives and Solution:</u></p> <p>1) Ignore NPRM and CMS guidance; consequences are No changes need to be made to ASPEN, ISD2 or YES-NM. There will be no financial impact to HIX. However, creates an additional burden on New Mexicans; CMS could hold hostage ASPEN project federal funding (\$82 million) and creates an burden on HSD Income Support Division staff</p> <p>2) Utilize third party technical solution; this solution will partially meets CMS' FFM requirements and the consequences are doesn't fully address CMS' FFM requirements that we still requires changes to ISD2 and YES-NM; Will require development of new interfaces (e.g. ASPEN, MMIS); Negatively impacts program integrity and can't be completed in time.</p> <p>3) Contract with developers to implement required changes to HSD IT systems and meets CMS' FFM requirements. Consequences are procurement processes can't be executed in time to pursue this option; difficult to find experienced developers in the technical platforms used by ASPEN, ISD2 and YES-NM; creates potential conflict and risk to ASPEN project 4).</p> <p>Contract with existing HSD vendors to implement required changes to HSD IT systems which meets CMS' FFM requirements; HSD has an existing relationship and procurement vehicle with vendors and timelines can be met. However costs could be higher than other alternatives.</p> <p><u>Financial Need for IT System Changes please see attached exhibit page:</u></p> <p>Costs are subject to cost allocation discussion among HSD, HIX and CMS. Also, costs above do not include maintenance and support costs that will have to be allocated to HIX beginning in State Fiscal Year 2015. Total amount requested \$7,544,582. See Page 9 of presentation.</p> <p>Under page 12 we have estimated costs leveraging the basic ASPEN components above for interoperability with the SBM will</p>				
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<p>result in incremental costs that must be incurred to make them compatible and seamless with the SBM. The items above are subject to cost allocation discussions among HSD, HIX and CMS. <u>CMS suggestions regarding future funding:</u> More grant opportunities are in August and December 2013. Also, For the immediate need of \$7.5 million; A lot of those functionalities are not allowed to use 13 -11 dollars. It will be difficult to find a way to use those funding for those specific activities. However, the estimates shown on page 12; the \$10 million is allowable for the 13 -11 costs. If the Exchange presents a budget with a cost allocation methodology between HSD and the Exchange and ask for an unrestricted funds for Level One Grant; (of which \$23 million is allocated for IT) then we can approved back to pay HSD for cost of their system that is already built and that will be used by the Exchange in the future. There is not 100% guarantee that the full \$7.5 million could be recovered. However, there are many opportunities for grant application. <u>Additional comments:</u> The Finance Operations and Benefits have worked with an NMHIX Budget only showing \$2 million expenses for this interface. The IT committee only found out a week ago of the \$7.5 million needed for this interface. No other previous discussion of the \$7.5 million was brought up to the board.</p> <p>HSD is ready to go live by October 1st if there is a state based market place; only if the interfaces built by HSD work with the vendor GetInsured. Because the Exchange needs the interface for the individual market with the federal government this \$7.5 million is needed to produce this interface on time.</p> <p>The political powers of the state of New Mexico delay the processing of the Exchange and have put the Exchange into a difficult situation having to pay \$7.5 million dollars to make the deadline; unfortunately is not a very competitive situation to be in, because we are restricted by one vendor chosen by the state. NMHIX needs a new base line budget between now and our next board meeting to fulfill all the requirements of the Exchange and contingencies coming forward and put that into the August 15th fund request.</p> <p>Concerns that we may need to cover additional costs and cost more than \$7.5 million.</p>	<p>Motion to move that NMHIX would immediately authorize to HSD to expend \$7.5 million dollars that they need for the IT system changes and that the balance of that be transferred to the Exchange for the Exchange activity that needs to occur by Gabriel Parra. Add to the motion; it is required to un-restrict the 13 -11 \$34 million in order to build these interfaces which are estimated to cost \$7.5 million with the current contractor. Also, we need to further review allocations between HSD; New Mexico Health Insurance Exchange and CCIIO to achieve it utilizing the right processing practice. Second: David Shaw</p> <p><u>Roll call vote:</u> Mr. Jason Sandel: Nay Mrs. Patsy Romero: Yea Mrs. Terriane Everhart: Yea Dr. Martin Hickey: Yea Dr. Larry Leaming: Yea Mr. David Shaw: Yea Mr. Ben Slocum: Yea Mr. Gabe Parra: Yea Superintendent John Franchini: Yea</p>			
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Further discussion should be at the Finance Committee meeting on June 20 th to find out details as to when the funds will be transferred from HSD to HIX. MOU and transfer of funds will be done within the next five days.	Secretary Sidonie Squier: Yea Vote Counts: YEAs: 9 NAYs: 1 Not Voting:1			
Agenda Topics:	Motion to Adjourn			
Discussion:	Conclusions:	Action Items:	Responsibility:	Due:
No other business for discussion at this time	Motion to adjourn by Patsy Romero; Second: by Supt John Franchini			