



beWellnm Board Meeting

Friday, March 15, 2019

CNM Workforce Training Center



NEW MEXICO'S HEALTH INSURANCE EXCHANGE

beWellnm.com

1.833.ToBeWell

THE PLACE TO SHOP, COMPARE AND BUY HEALTH INSURANCE. *Affordably.*



1. Welcome, Roll Call, & Confirmation of Quorum

Chairman J.R. Damron, MD



2. Approval of Agenda

Chairman J.R. Damron, MD



3. Approval of Minutes of the January 25, 2019 beWellnm Board Meeting

Chairman J.R. Damron, MD



4. Chairman's Remarks

Chairman J.R. Damron, MD



5. Matters from the CEO

Ms. Cheryl Gardner, CEO

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Investment Update

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Financial Audit Report



**Audit Summary Presentation to the
Board of Directors**

Fiscal Year Ended Dec. 31, 2018

March 15, 2019



- Audit engagement team
- Results of our audit
- Financial statement highlights and analysis
- Questions/comments

- Laurel Shelton, CPA – Principal
- Jonathan Rothweiler, CPA – Manager
- Yvette Nunez– Senior Associate
- Cole Schnoor– Staff Associate

Financial Statements

- Unmodified **(clean)** opinion
- Emphasized future operations in Note 1

Tests of Controls under *Government Auditing Standards*

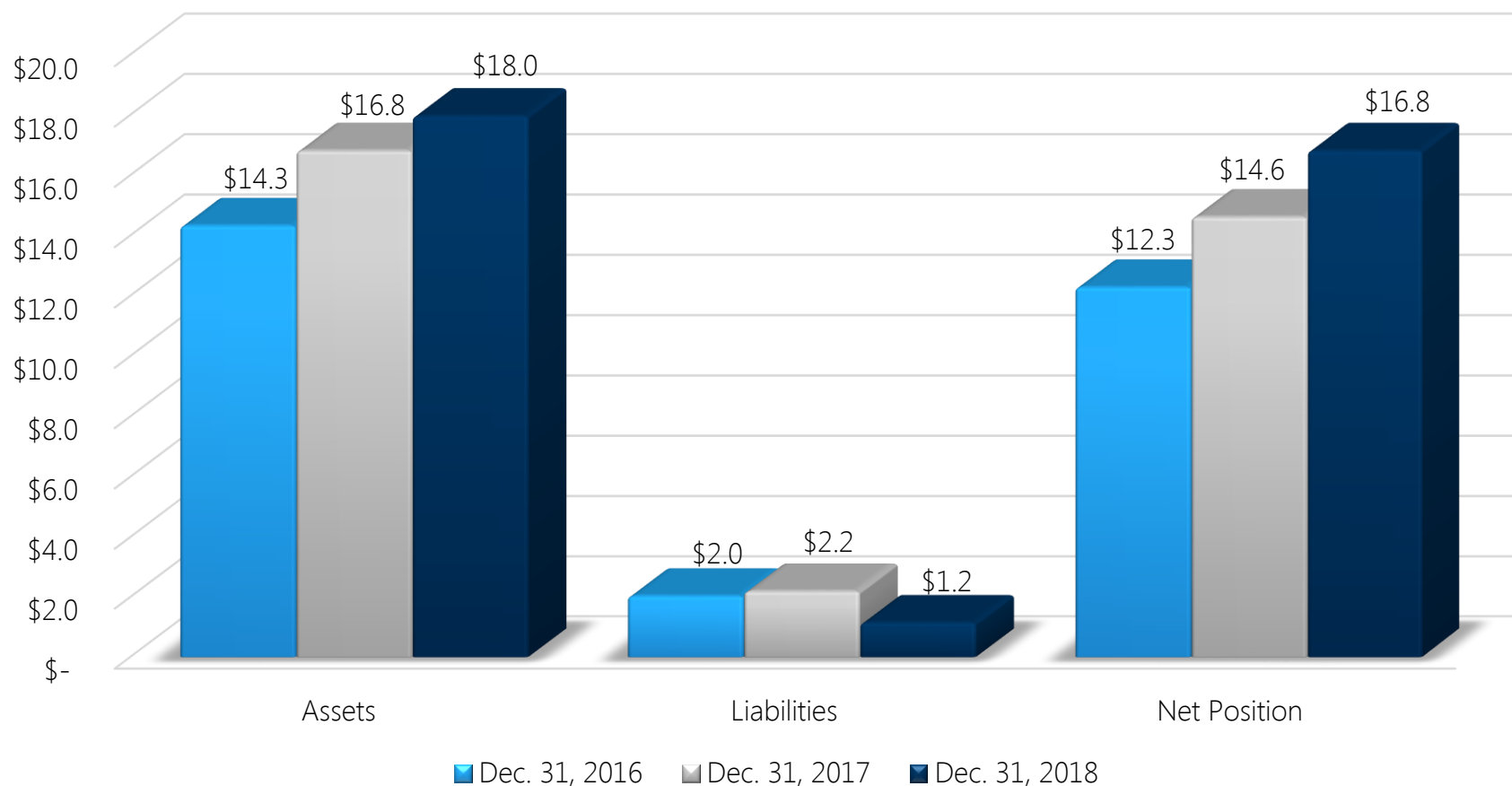
- **No** significant deficiencies or material weaknesses in internal controls over financial reporting identified

Single Audit

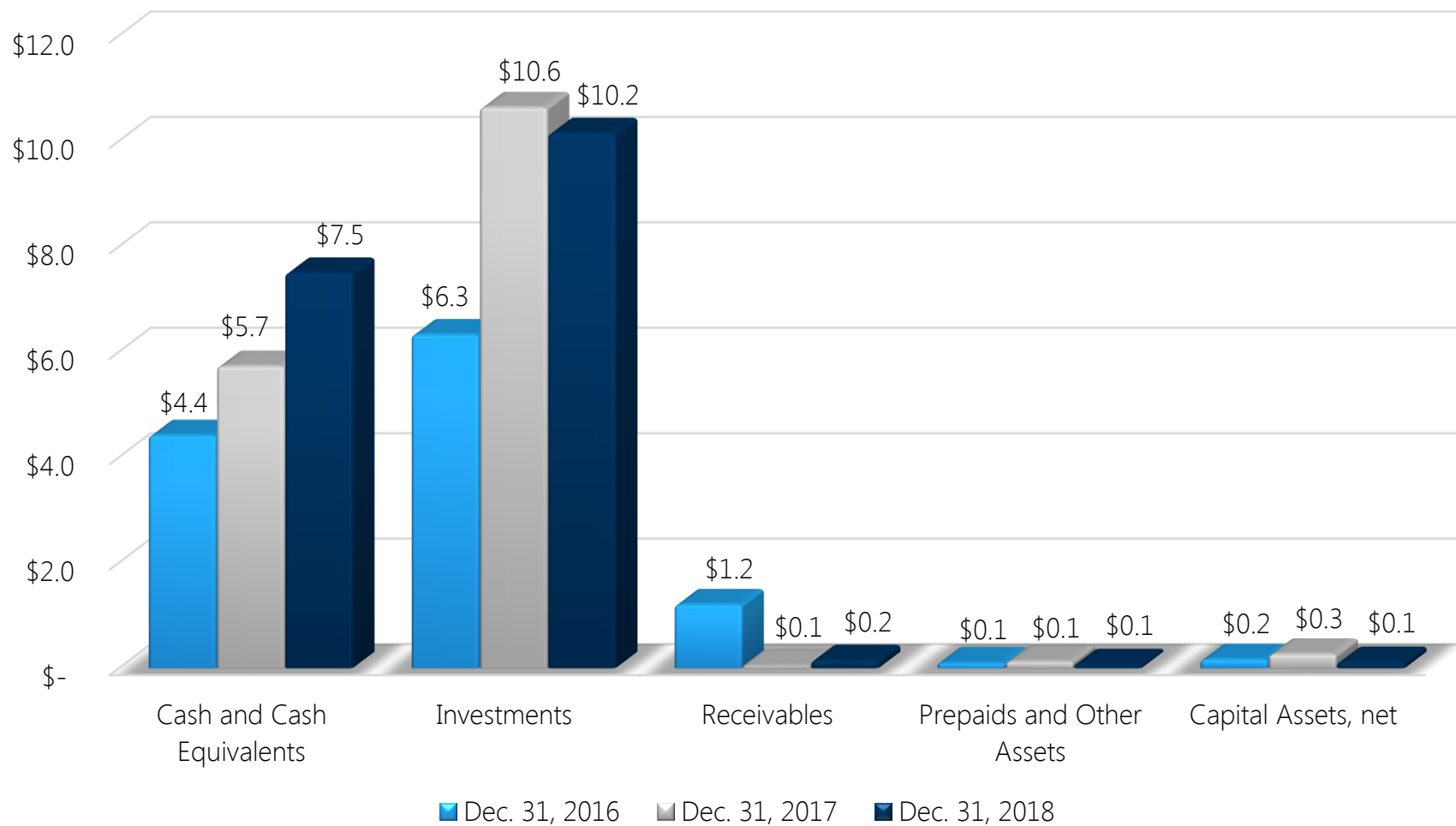
- The Exchange did not incur federal grant expenditures in 2018; therefore, a single audit was not required to be performed.

Financial Highlights and Analysis

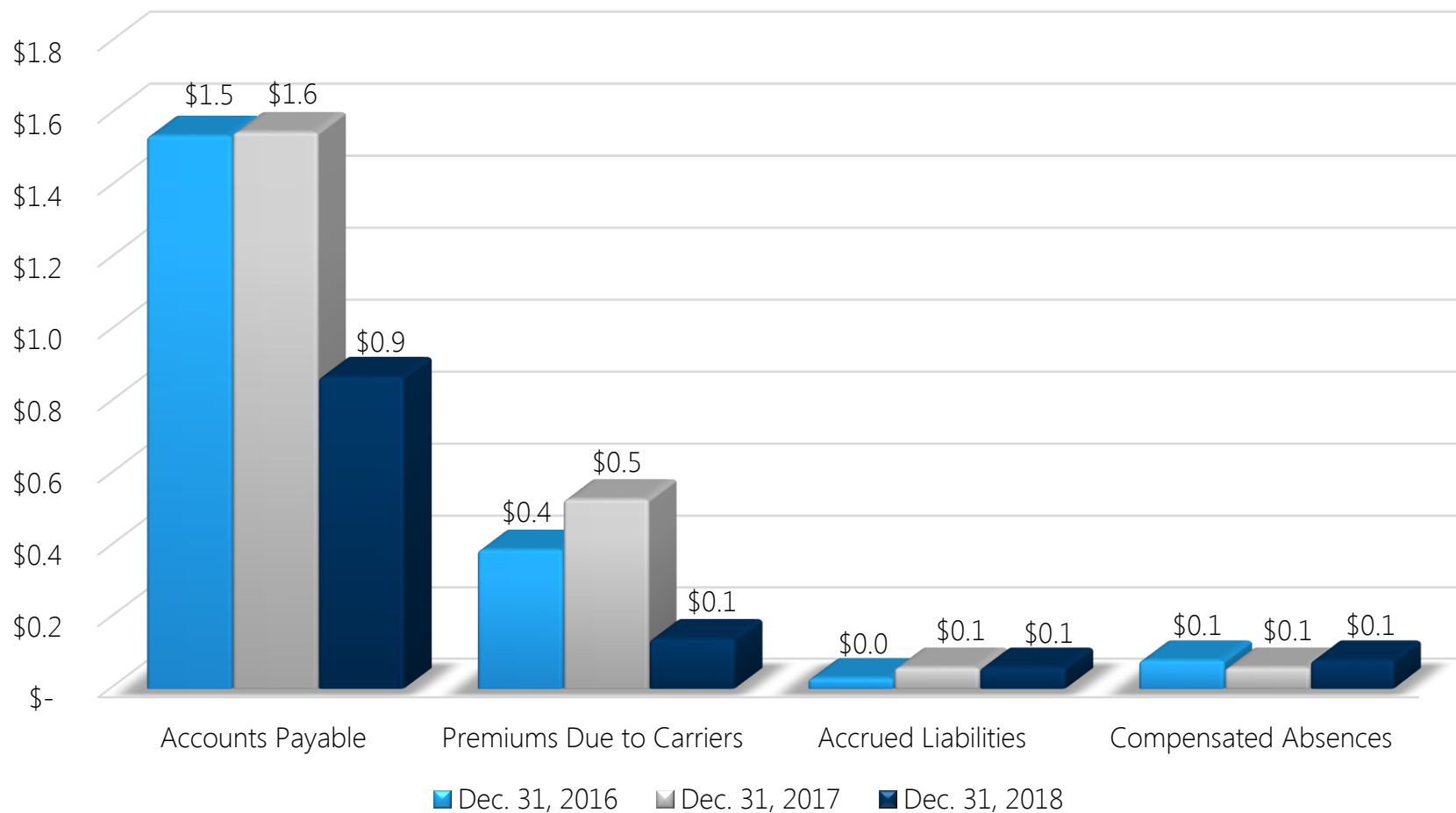
REDW LLC statement of net position (millions).



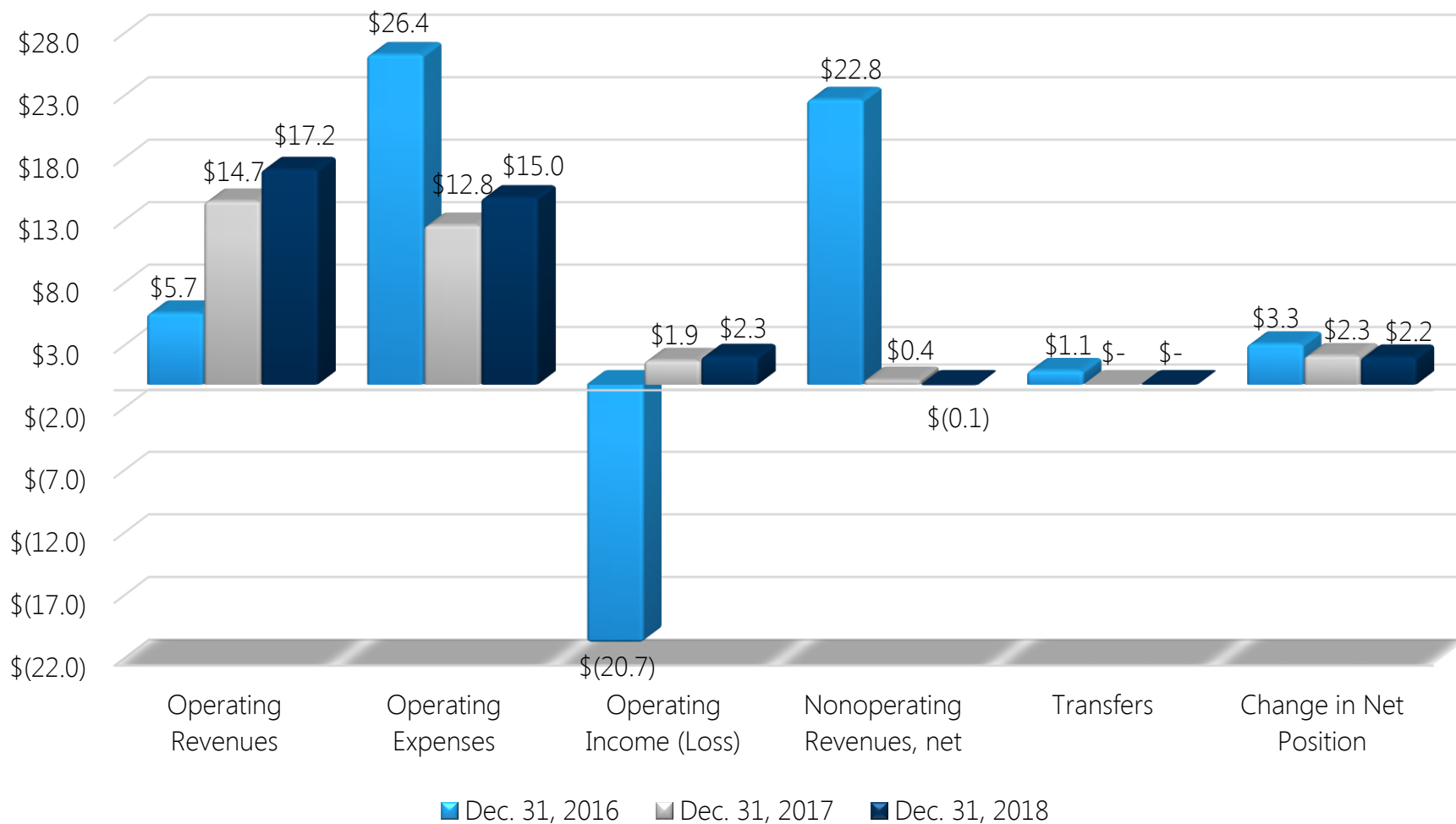
REDW_{LLC} assets by type (millions)

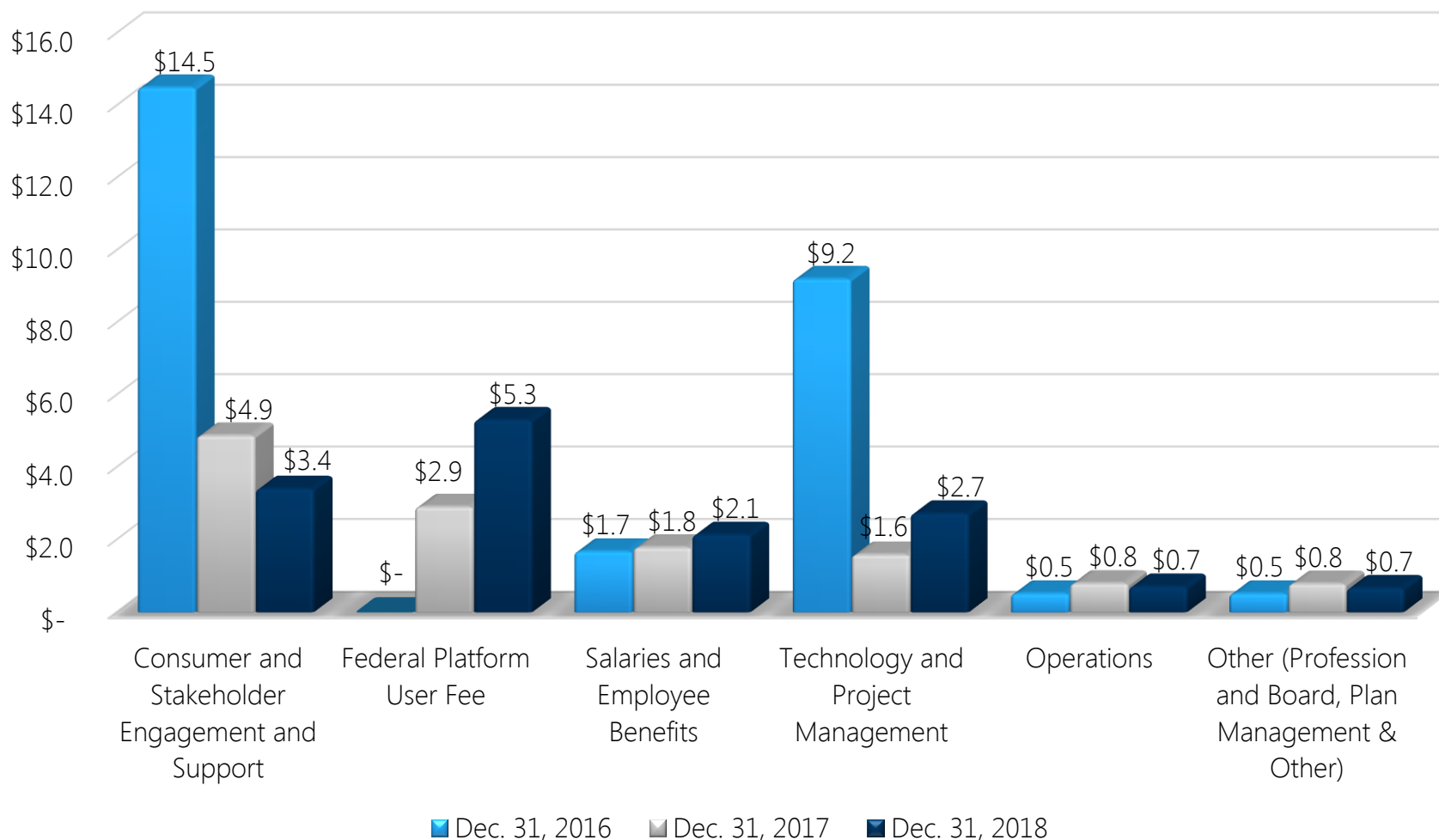


REDW_{LLC} liabilities by type (millions)

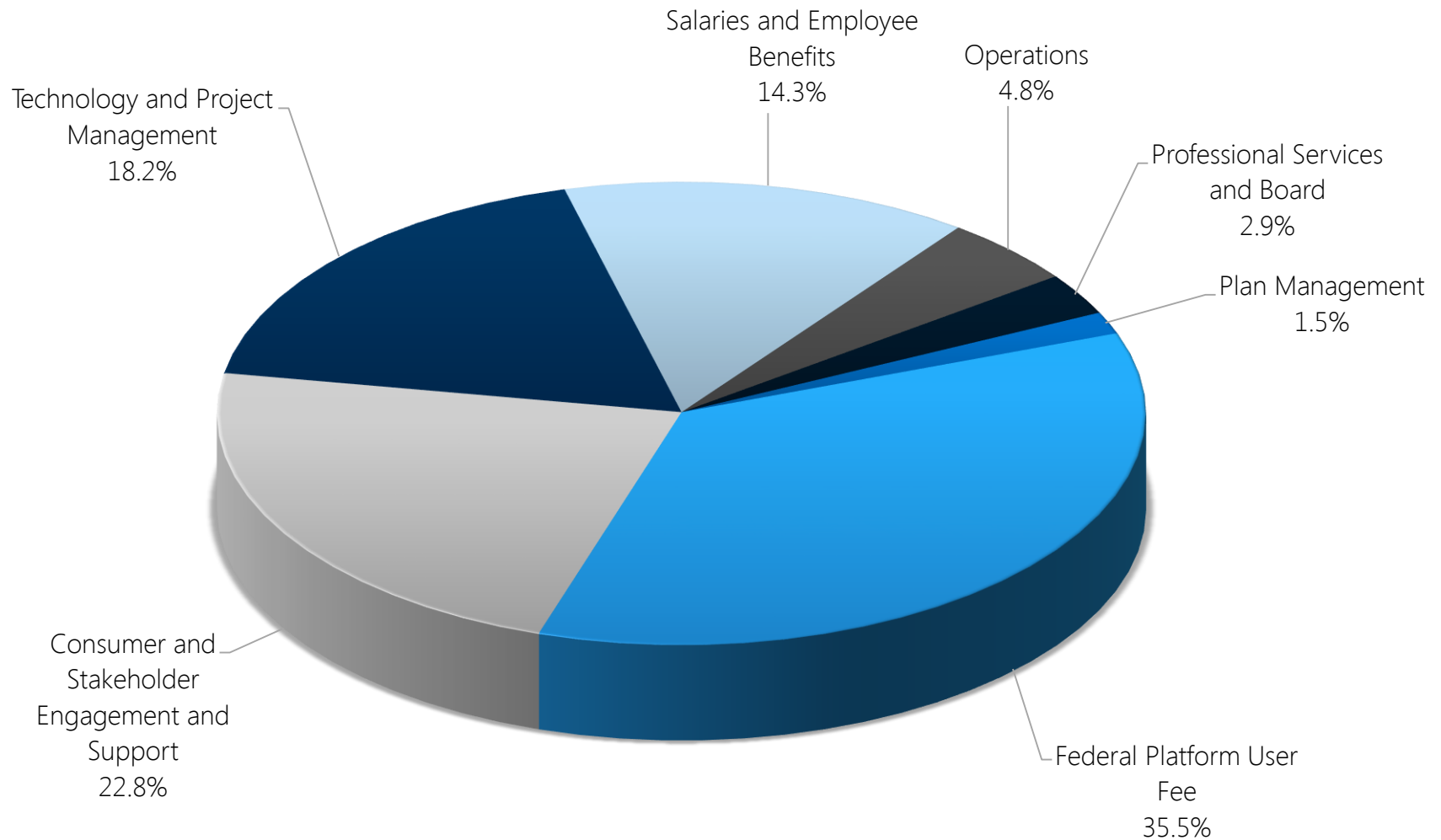


REDW_{LLC} statement of revenues, expenses, and change in net position (millions).

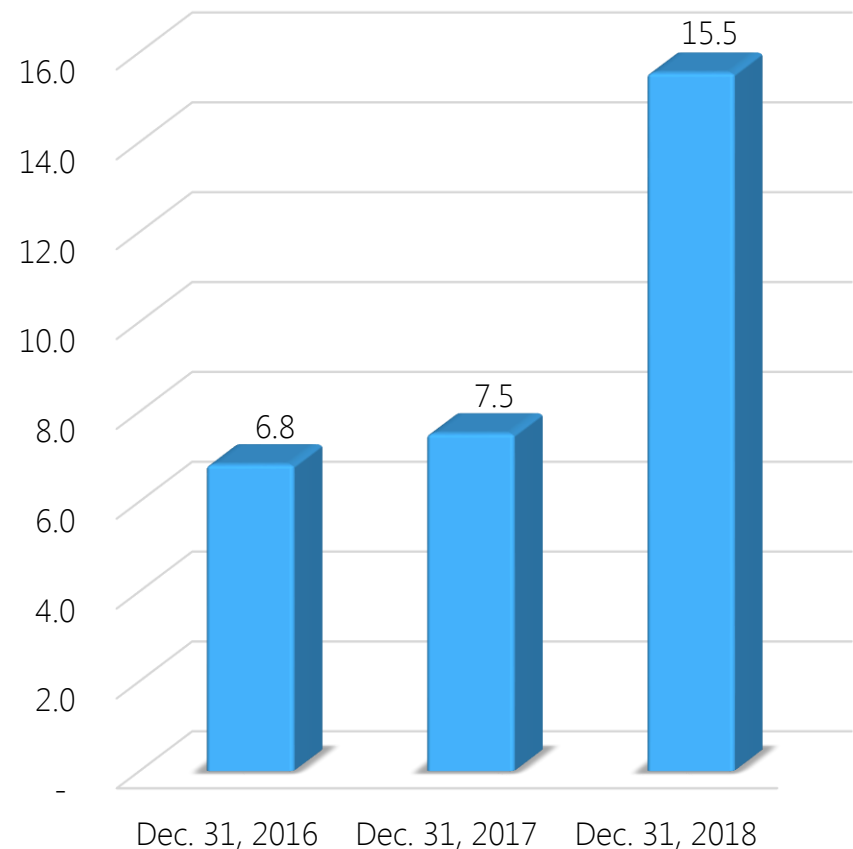




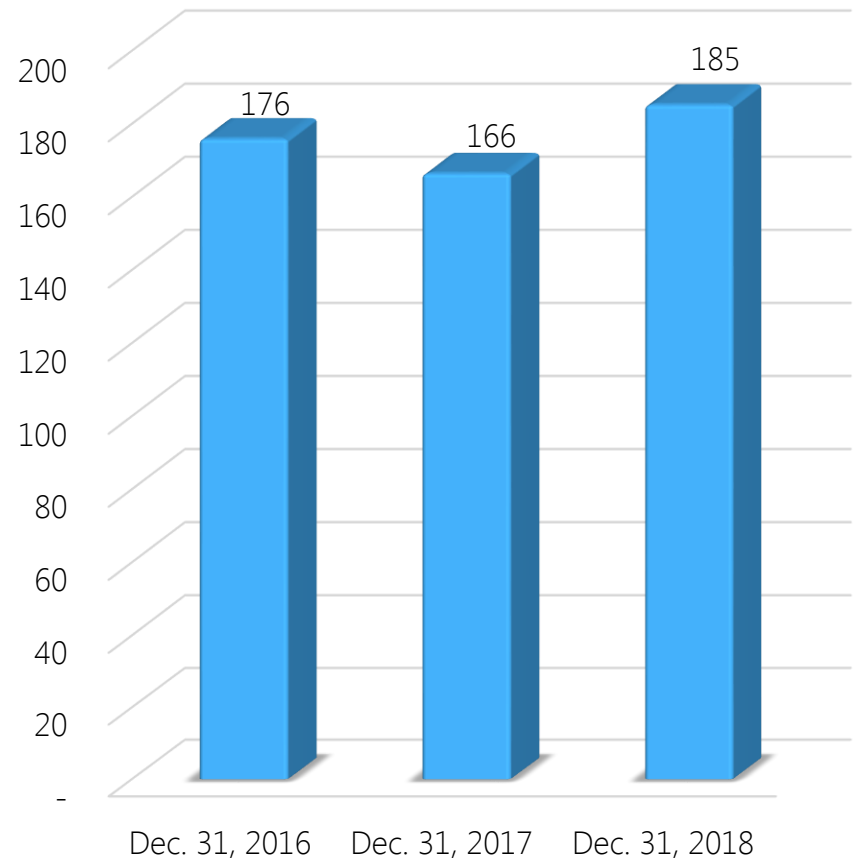
REDW LLC statement of revenues, expenses, and changes in net position – expenses.



- A liquidity ratio that measures an organization's ability to pay short-term obligations as they come due with current assets.
- Computed by dividing current assets by current liabilities.
- Generally, the higher the ratio, the better.



- Defined as the estimated number of days an organization can meet operating expenses if no additional revenues were received.
- Computed by dividing total cash on hand by average daily expenditures (excluding depreciation expense).
- Given the nature of the Exchange's revenue cycle, the number of days cash on hand is deemed appropriate.



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Jonathan Rothweiler, CPA, Manager

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Financial Audit Report

- **Motion:** Move that the Board accept the 2018 Financial Statement Audit as presented here today.

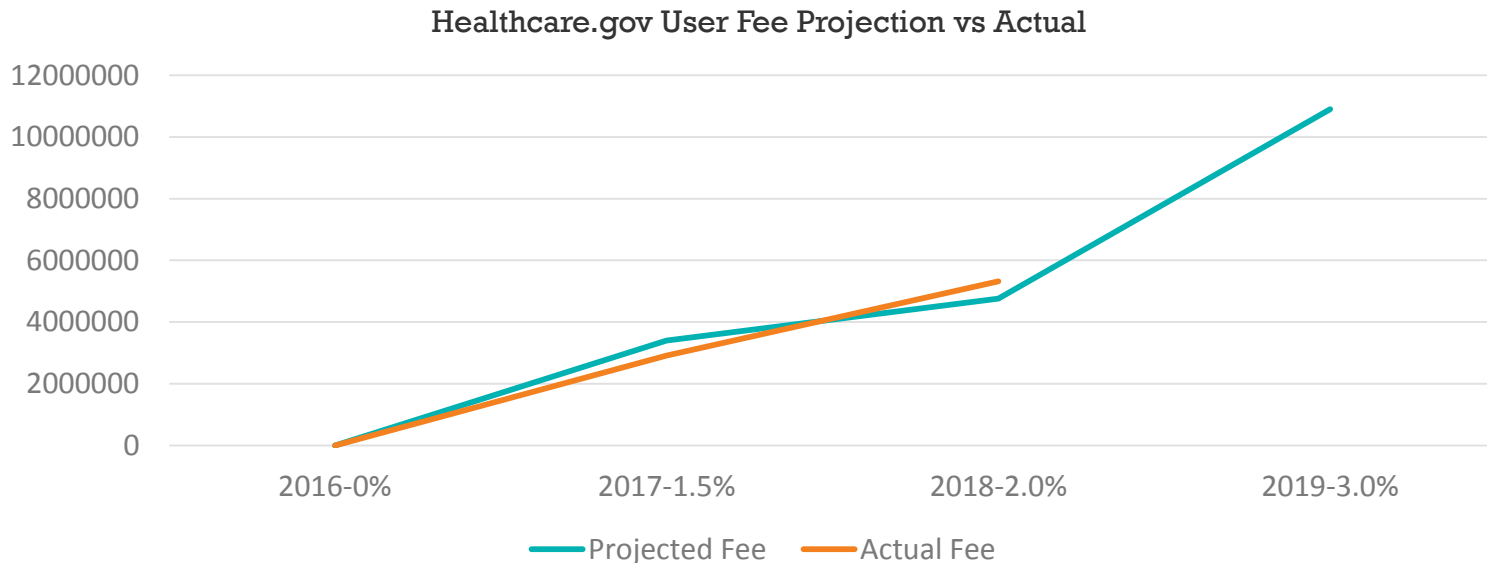
CEO Update

- Federal Platform User Fee Budget Projection Methodology

$$\text{Fee} = \text{Prior Year Total Premium} * \text{Estimated Average Rate Increase} * 0.03$$

- BeWellnm expects variation from projection to actual

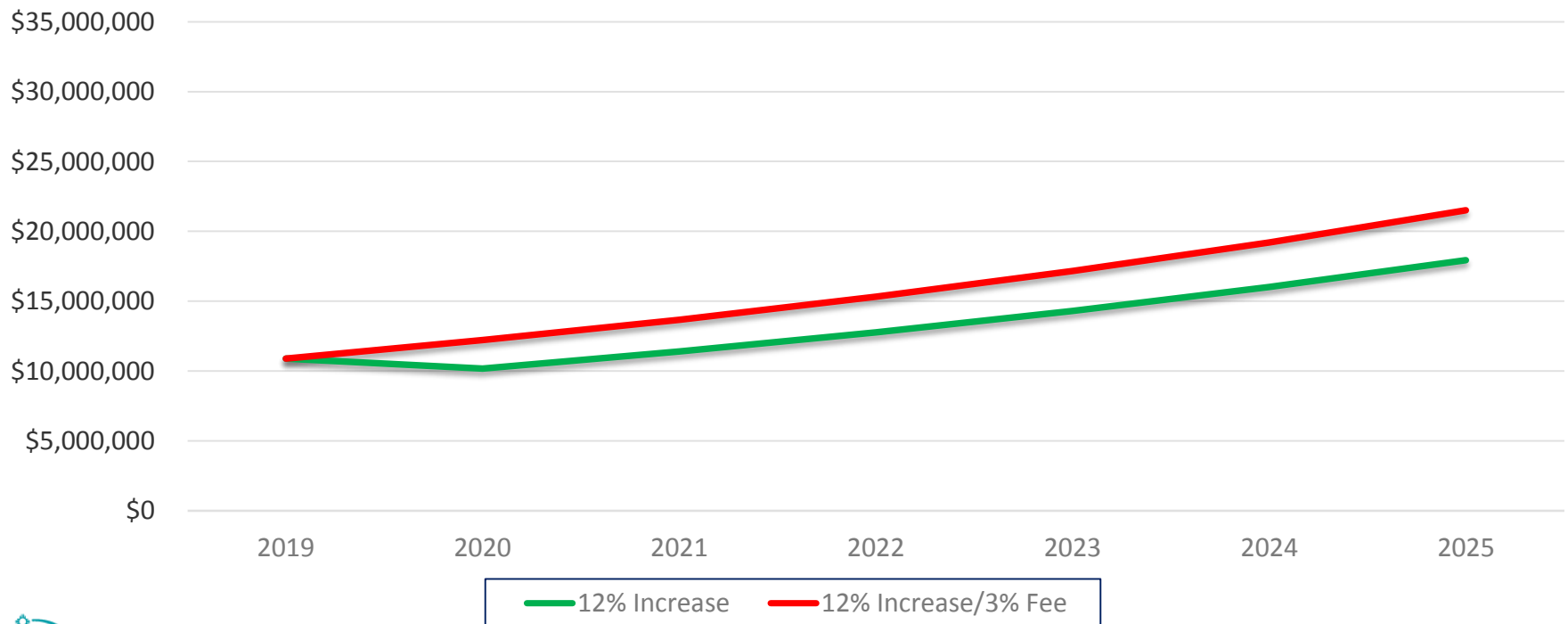
- Retroactive Adjustments
- Plan Selection/Premium Revenue
- Enrollment Shift



CEO Update

- Notice of Benefit & Payments Parameters for 2020
 - Proposed 2020 Rate: 2.5%
 - BeWellnm was informed that the rule was coming on January 18, 2019. Official rule was released January 24, 2019 per Federal Register.
 - Final Rule Expected: Q2 2019
 - 2020 Forecast: ~\$10.1M @ 2.5% Rate with 12% Increase vs ~12.2M @ 3% Rate with 12% Increase

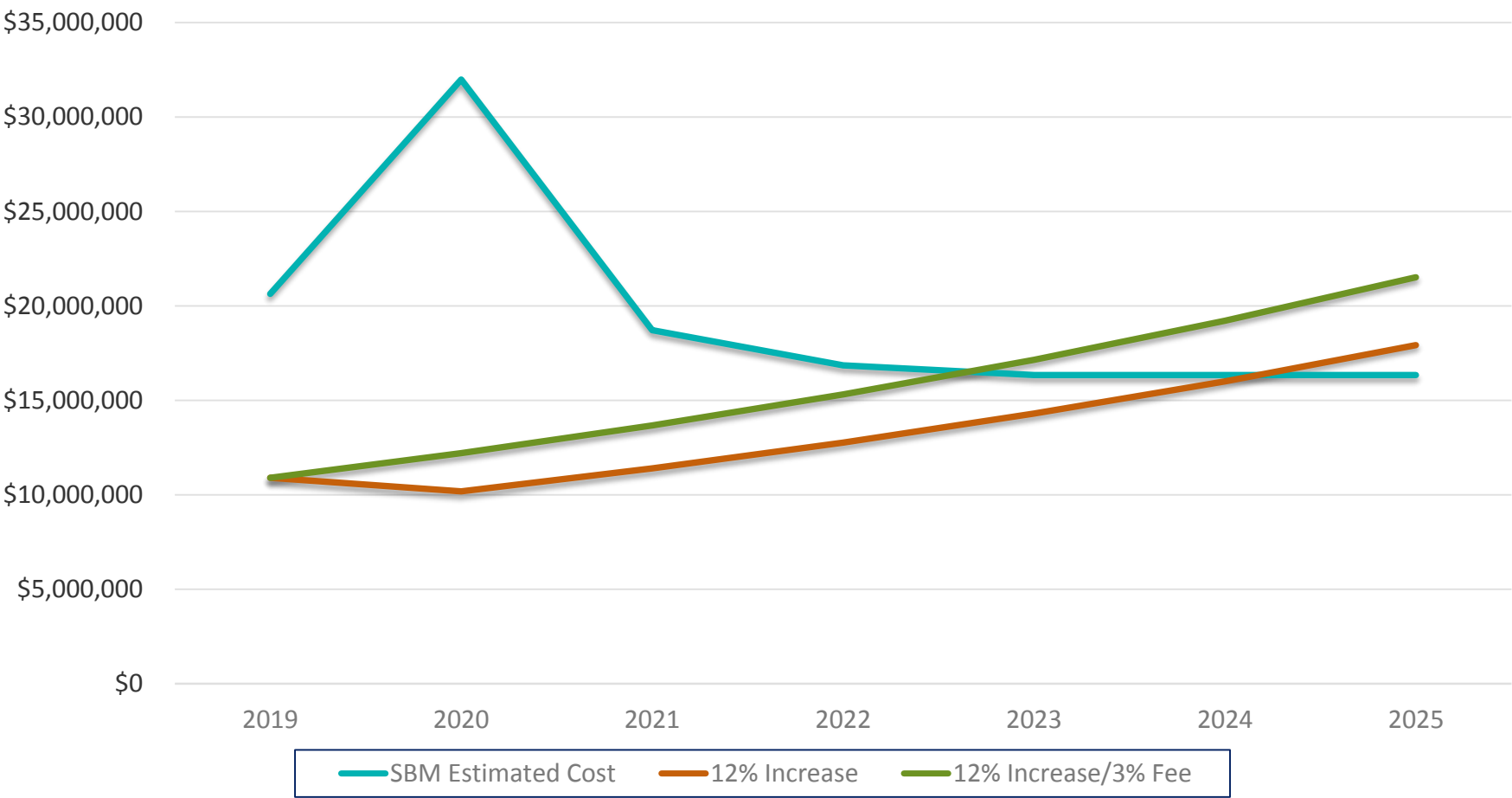
2.50% vs 3% SBM-FP Fee



CEO Update

- 2.5% Fee vs SBM Build

SBM vs SBM-FP Cost



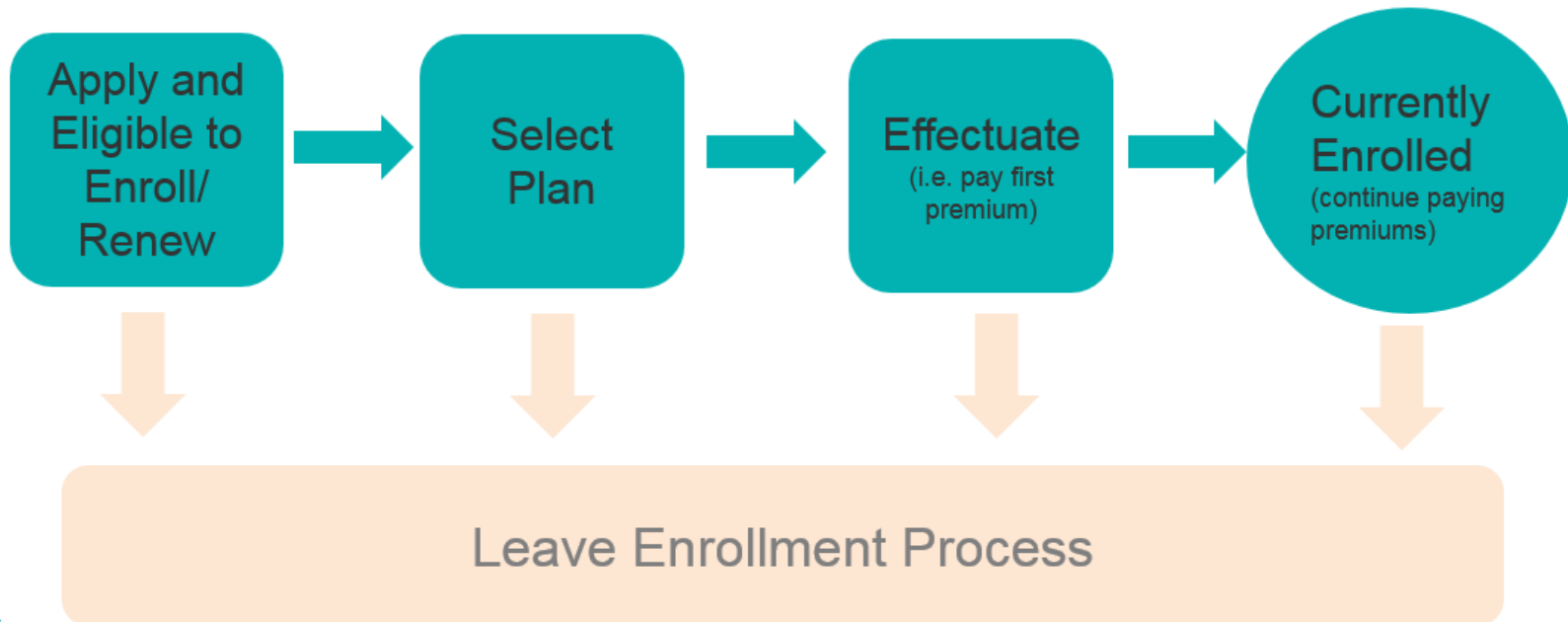
Federal Rate Projections Data

SBM-FP (2.5% & 3%) & SBM Projections

Year	2.5% SBM-FP Fee					3% SBM-FP Fee	SBM Cost
	8% Average Premium Increase	12% Average Premium Increase	16% Average Premium Increase	20% Average Premium Increase	24% Average Premium Increase	12% Average Premium Increase	
2019 (Set at 3%)	\$10,900,004	\$10,900,004	\$10,900,004	\$10,900,004	\$10,900,004	\$10,900,004	\$20,639,800
2020	\$9,810,004	\$10,173,337	\$10,536,671	\$10,900,004	\$11,263,338	\$12,208,004	\$31,984,320
2021	\$10,594,804	\$11,394,138	\$12,222,538	\$13,080,005	\$13,966,539	\$13,672,965	\$18,709,800
2022	\$11,442,388	\$12,761,434	\$14,178,144	\$15,696,006	\$17,318,508	\$15,313,721	\$16,844,800
2023	\$12,357,780	\$14,292,806	\$16,446,647	\$18,835,207	\$21,474,950	\$17,151,367	\$16,344,800
2024	\$13,346,402	\$16,007,943	\$19,078,111	\$22,602,249	\$26,628,938	\$19,209,531	\$16,344,800
2025	\$14,414,114	\$17,928,896	\$22,130,609	\$27,122,699	\$33,019,883	\$21,514,675	\$16,344,800
2026	\$15,567,243	\$20,080,364	\$25,671,506	\$32,547,238	\$40,944,655	\$24,096,436	\$16,344,800
2027	\$16,812,623	\$22,490,008	\$29,778,947	\$39,056,686	\$50,771,372	\$26,988,009	\$16,344,800
2028	\$18,157,632	\$25,188,809	\$34,543,578	\$46,868,023	\$62,956,502	\$30,226,570	\$16,344,800
2029	\$19,610,243	\$28,211,466	\$40,070,551	\$56,241,628	\$78,066,062	\$33,853,758	\$16,344,800
TOTAL	\$153,013,237	\$189,429,205	\$235,557,306	\$293,849,749	\$367,310,751	\$225,135,040	\$202,592,320

CEO Update

- Enrollment
 - Final Plan Selection Enrollment: 45,001
 - Most Recent CMS Report to beWellnm: 44,420
 - Includes Effectuation & some enrollments during Special Enrollment Periods
 - Disenrollment Issue
 - Effectuation



CEO Update

- RFP Update
 - Unique Innovation & Cost Sharing Features
 - Shared Services Model
 - Part of the opportunity of the Affordable Care Act are regional marketplaces
 - Other states interested
 - Multi-Contributor Premium Aggregation
 - Allows premium contribution from multiple sources
 - Supports state-level policy innovations
 - Link: <https://bewellnm.com/about-us-1/vendors-employment/Vendor-RFPs-2019>

EVENT	DATE
RFP Released	March 1, 2019
Pre-Proposal Conference	March 11, 2019
Q&A Released	March 15, 2019
RFP Responses Due	April 1, 2019
Optional Finalist Presentations	Week of April 22, 2019 (est.)
Optional Best and Final Offer (BAFO) Request	Week of April 22, 2019 (est.)
Notice of Intent to Award	May 18, 2019 Contingent upon Board Approval



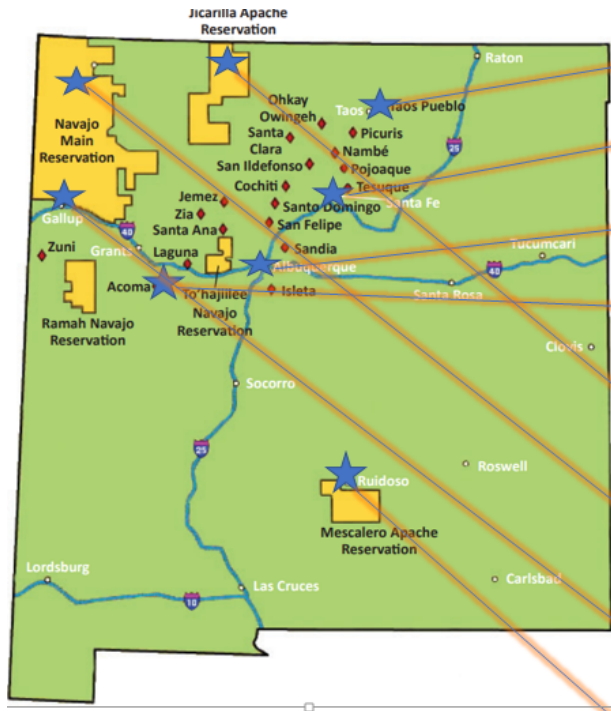
6. Committee Reports



a. Matters from the Native American Committee

Director Teresa Gomez, Committee Chair

Certified Enrollment Counselors and Contact Info



Indian Health Service Certified Contract Health Representatives/Patient Benefits Coordinator Locations

Taos-Picuris Indian Health Center
1090 Goat Springs Rd, Taos, NM 87571

Santa Fe Indian Hospital
1700 Cerrillos Rd, Santa Fe, NM 87505

Albuquerque Indian Health Center
801 Vassar Dr NE, Albuquerque, NM 87106

Acoma-Canoncito-Laguna Hospital
80 Veterans Blvd, Acoma Pueblo, NM 87034

Partner Locations - beWellnm Native American Enrollment Counselor

Jicarilla Apache Nation (As needed)
Jicarilla Apache Nation Tribal Building
Hawks Dr, Dulce, NM 87528

Farmington, NM
San Juan Center for Independence
1204 San Juan Blvd, Farmington, NM 87401

Gallup, NM
Gallup McKinley County Chamber of Commerce
106 Rte 66, Gallup, NM 87301

Mescalero Apache Tribe
Ruidoso Senior Center
501 Sudderth Dr # A, Ruidoso, NM 88345

Native American Program

Outreach and Enrollment Update

- **beWellnm for Native Americans**
- **January 1 – February 25**
 - Total Visits: 389
 - Completed appointments: 259
 - QHP: 62 (6 NA)
 - Medicaid: 33 (2 NA)

Next Native American Advisory Committee Meeting

Tuesday, June 4, 2019



b. Matters from the Operations Committee

Vice Chair, David Shaw

Update

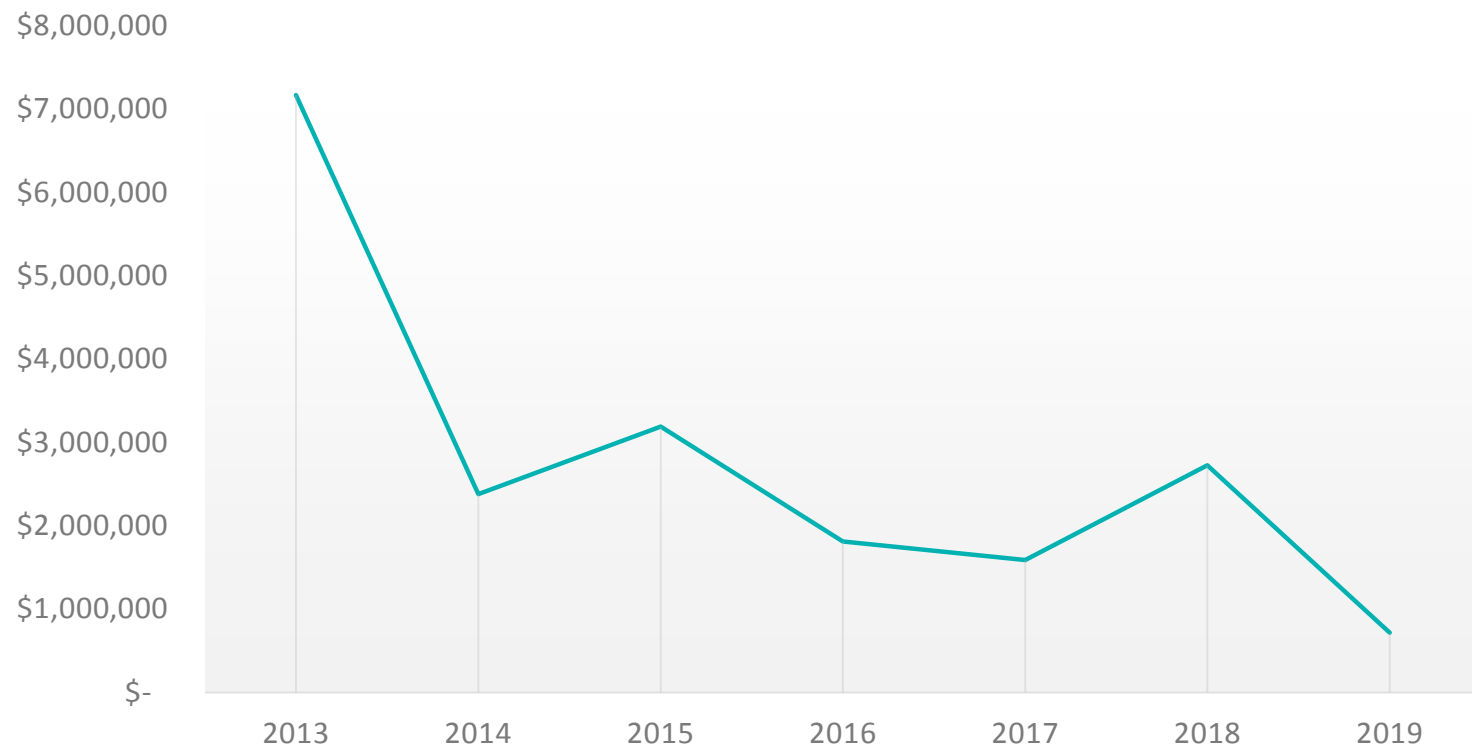
- SHOP Update
 - Solution working well
 - Monitoring phase
- Transition to New Location
- Project Work
 - IT Network Review
 - Security Review
 - IT Training
 - Legacy Hardware
- Open Operations Positions
 - Link: <https://bewellnm.com/about-us/vendors-employment>

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SHOP Costs

Update

SHOP Costs 2013-2019



Totals are inclusive of Design, Development, & Implementation as well as Maintenance & Operations costs

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Annual Meeting

Plan of Operations-Annual Meeting

Per Section 4.4 of the Plan of Operations, “The Board shall convene an annual meeting in the first quarter of the calendar year, which may be held at the same time or in concurrence with a regular meeting. At the annual meeting the Board shall:”

Requirement	Execution
Consider revisions to the plan of operations	Anticipated completion at the May 2019 Meeting
Review Board policies	Anticipated completion the March & May 2019 Meetings
Consider any other matter as determined by the chair	Anticipated completion at the March 2019 Meeting
Review and monitor quality of care for coverage issued by health plans through the Exchange	MOU with Office of the Superintendent of Insurance to perform plan management function. ‘19 plan management update reported to Board of Directors September, 2018.

March 2019 Annual Meeting

Charters and policies are to be reviewed by committees & the Board for appropriateness and accuracy to the scope of organizational duties.

2019 Annual Meeting Review Tracker

Committee Marked if Reviewed				
Charter & Policies	Outreach & Ed	Operations	Native American	Finance
Charter	✓	✓	✓	✓
Plan of Operation	✓	✓	✓	✓
Communications Policy	✓	✓		
Procurement Policy		Deferred to May		Deferred to May
Open Meetings Act Resolution		✓		

**PRESENTED TO THE BOARD OF DIRECTORS FOR
CONSIDERATION AT THE MARCH 15, 2019 BOARD MEETING**

Annual Meeting: Revisions

Document	Recommended Changes
Plan of Operation	<ul style="list-style-type: none"> Changes to Assessment phrasing to more accurately state how beWellnm assesses carriers. <ul style="list-style-type: none"> The annual assessment shall be billed to health insurance issuers in January. beWellnm may permit health insurance issuers to pay the annual assessment in more than one installment, at beWellnm's discretion. The annual assessment shall be subject to revision pursuant to paragraph 13.7. For each calendar year, beWellnm shall ensure that it holds cash equivalents , investments, or other similarly liquid funds sufficient for a reserve equal to approximately six months of the annual operating budget, provided that for purposes of calculating the reserve, beWellnm may exclude amounts budgeted for non-recurring capital expenditures if including such amounts would result in an unnecessarily large reserve.
2019 Open Meetings Act Resolution	<ul style="list-style-type: none"> Language updated for 2019.
Finance Committee Charter	<ul style="list-style-type: none"> Changed when budget must be passed by to July, from September. <ul style="list-style-type: none"> The Committee shall, “review and recommend an annual budget consistent with the beWellnm sustainability plan to the Board of Directors by no later than July of each year.”

Annual Meeting

- **Motion:** Move that the Board recommend changes to the Plan of Operation as presented today and open a public comment period for April 2019.
- **Motion:** Move that the Board adopt the 2019 Open Meetings Act Resolution as presented today.
- **Motion:** Move that the Board adopt the Finance Committee Charter as presented today.



d. Matters from the Finance Committee

Director Patsy Romero, Treasurer

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Assessment Update

2019 Assessment Collection Update

beWellnm 2019 Assessment Collection Update, as of 3/14/2019						
NAIC#	INSURANCE COMPANY	2019 Assessment Invoiced	2019 Reserve Assessment Invoiced	Total Assessment Invoiced	Paid	Outstanding
		\$ 19,673,026	\$ -	\$ 19,673,026		
11504	PRESBYTERIAN INSURANCE COMPANY	\$ 397,739	\$ -	\$ 397,739	\$ 397,739	\$ -
13214	UNITEDHEALTHCARE OF NEW MEXICO INC	-	-	-	-	-
14154	THE CHRISTUS HEALTH PLAN	47,247	-	47,247	47,247	-
15011	NEW MEXICO HEALTH CONNECTIONS	449,557	-	449,557	449,557	-
16281	TRUE HEALTH NEW MEXICO	349,656	-	349,656	349,656	-
16351	Western Sky Community Care (CENTENE)	1,337,058	-	1,337,058	1,337,058	-
60054	AETNA LIFE INSURANCE COMPANY	131,612	-	131,612	131,612	-
67369	CIGNA HEALTH AND LIFE INSURANCE CO	215,620	-	215,620	215,620	-
70670	HEALTH CARE SERVICE CORPORATION	1,032,170	-	1,032,170	-	1,032,170
78611	HCSC INSURANCE SERVICES COMPANY	5,206,223	-	5,206,223	5,206,223	-
79413	UNITEDHEALTHCARE INSURANCE COMPANY	732,723	-	732,723	732,723	-
95330	PRESBYTERIAN HEALTH PLAN INC	9,327,703	-	9,327,703	9,327,703	-
95739	MOLINA HEALTHCARE OF NEW MEXICO INC	445,718	-	445,718	445,718	-
	TOTAL	\$ 19,673,026	\$ -	\$ 19,673,026	\$ 18,640,856	\$ 1,032,170
3/14/2019						



c. Matters from the Outreach & Education Committee

Director Martin Hickey

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SHOP Enrollment Policies Discussion

SHOP Potential Enrollment Proposed Policies

Policy	Current State	Proposed State	Support	Cost
Vertical Plan Choice	Employer selects base metal level (i.e. silver). Employees can choose any plan from that metal level.	Employer selects base plan. Employees can choose any plan from any metal level.	Stakeholder Advisory & Outreach Committees supports	\$0*
Contribution Rate-Amount	Employer must cover at least 40% of employees' premium.	Employer can cover any mount of premium, including \$0.	Stakeholder Advisory Committee took no stance. Marketing Committee supports.	\$0*
Contribution Rate- Dollar Option	Employer's contribution is strictly calculated as a percent.	Employer can contribute either a percent or a set dollar amount to their employees' premium.	Stakeholder Advisory Committee & Outreach Committees support.	\$0*

* Functionality is ready at no cost with **new** SHOP technology solution.

SHOP Potential Enrollment Proposed Policies

Policy	Current State	Proposed State	Support	Cost
Participation Rate	50% of a small business' employees must participate to be eligible for coverage.	0% of a small business' employees must participate to be eligible for coverage.	Stakeholder Advisory Committee took no stance. Outreach Committee took no stance, but recommended Board discussion.	\$0*

* Functionality is ready at no cost with **new** SHOP technology solution.

Motion Slide

- **Motion:** Move that the Board adopt the proposed changes to Contribution Rate and Vertical Plan Choice on the Small Business Platform as presented here today.
- **Motion:** Move that the Board adopt the proposed changes to the Participation Rate on the Small Business Platform as presented here today.



7. Discussion and Possible Action on Election of Officers



8. Discussion on Policy of Proceeding with Individual Market

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9. Agency Reports

Agency Reports

- Matters from the Office of the Superintendent of Insurance (OSI)
 - *Superintendent John Franchini*
- Matters from the New Mexico Medical Insurance Pool (NMMIP)
 - *Superintendent John Franchini*
- Matters from New Mexico Human Services Department (HSD)
 - *Secretary David Scrase*

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10. Public Comment

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11. Other Board Business



12. Next beWellnm Board Meeting

Friday, May 17, 2019

CNM Workforce Training Center

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13. Executive Session

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14. Adjournment