

beWellnm
New Mexico Health Insurance Exchange
Board Meeting Minutes
Friday, July 17, 2020, 8:30 AM-12:30 PM MDT

Board Members Present: <ul style="list-style-type: none">• Dr. Mark Epstein- Via Phone• Ms. Terriane Everhart- Via Phone• Mr. Dan Foley- Via Phone• Superintendent Russell Toal- Via Phone• Mr. Brandon Fryar- Via Phone• Ms. Mona Ghattas- Via Phone• Ms. Teresa Gomez- Via Phone• Ms. Janice Torrez- Via Phone• Dr. David Leachman- Via Phone• Ms. Patsy Romero- Via Phone• Mr. David Shaw- Via Phone• Mr. Sean Pearson on behalf of Secretary David Scrase	Board Members Absent:
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1. Welcome, Roll Call, and Confirmation of Quorum - Chairman David Shaw

The meeting was called to order at 8:34 a.m. Roll call was taken and a quorum was established.

2. Approval of Agenda - Chairman David Shaw

Motion: Director Romero

Second: Director Everhart

The motion passed unanimously.

3. Approval of Minutes of the May 22, 2020 beWellnm Board Meeting - Chairman David Shaw

Motion: Director Romero

Second: Director Everhart

The motion passed unanimously.

4. Chairman's Remarks - Chairman David Shaw

Chairman Shaw indicated that the meeting would include discussions around the 2021 budget and the proposed changes to the plan of operations.

5. Matters from the CEO - Mr. Jeffery Bustamante, CEO

Mr. Bustamante provided an update on the case of *California vs. Texas*. The Supreme Court may not hear arguments until after the election, with a decision expected next year.

6. Committee Reports

a. Matters from the Native American Committee - Director Teresa Gomez

Ms. Juliet Yazzie provided the committee update. She stated that beWellnm's Native American program was featured in the State Health and Value Strategies weekly COVID-19 digest, highlighting best practices for outreach, education and enrollment across the nation. BeWellnm also partnered with Native American Professional Parent Resources, Inc. (NAPPR) to distribute care packages to Native American families.

The Native American Advisory committee (NAAC) meets quarterly. The next meeting is scheduled for September 1, 2020. Ms. Yazzie will share the new Frequently Asked Question (FAQ) sheet which was created to help consumers understand the difference in coverage types.

Ms. Yazzie shared the new Native American-focused COVID-19 response flyer. The flyer has information on beWellnm and Medicaid. The federal poverty level (FPL) income chart is included in the flyer and provides a visual to help consumers identify available health coverage options. The flyer has been translated into Diné.

Director Gomez wrote an Op-Ed which ran in *Indianz.com*, the *Isleta Pueblo* newsletter, and the *Gallup Independent*. Ads have also been published in the *Gallup Sun*, *Gallup Independent*, *Navajo Times*, and *Laguna Town Crier*.

BeWellnm's social media campaign is strong. BeWellnm partnered with Native American social media influencer Nataanii Means, who currently has over 23,000 followers on Facebook. BeWellnm for Native Americans hosted three Facebook live discussions with Director Gomez in June. Director Gomez indicated that the Facebook live sessions included a discussion of Medicaid eligibility.

b. Matters from the Operations Committee - Director David Leachman

Mr. Brent Earnest provided the committee update. He reviewed the weekly status dashboard and indicated that the red statuses representing risks associated with the Functional Specification Documents (FSDs) will return to green (on track) after the project is re-baselined. A change request to extend the requirements and design phase and compress the System Integration Testing (SIT) phase was necessary because Human Services Department (HSD) has had to focus its resources on the COVID-19 response. The SIT start will move from October 1, 2020 to January 4, 2021, with no change in technical approach.

Mr. Earnest also summarized the accomplishments: twelve of the 31 FSDs have been approved; three of the thirteen ICDs have been approved; content review is on schedule for July approval; print vendor notices content review and engagement is underway; and the second IV&V health check interviews have been completed. No major issues were identified at the last bi-weekly meeting with CCIIO.

Mr. Earnest also discussed the “no wrong door” design, where applicants can obtain health coverage - whether they apply with HSD or the Exchange - without having to re-enter application information. This will minimize consumer pain points and provide an improved customer experience from Healthcare.gov, which is not well integrated with the HSD eligibility system (ASPEN). The State-based Exchange (SBE) will leverage the Medicaid real-time eligibility (RTE) service to achieve a Medicaid eligibility decision in a single user session. The Exchange is considering features for future integration to further streamline the process, including a single account management and dashboard. This is a tighter integration than is seen in other recent SBE launches. Future design and new features can further improve the integration process.

The current design phase extended to complete critical integration functionality needs to be completed by mid-July to avoid another change request. Mr. Earnest noted that this is dependent on HSD’s availability, which remains constrained by the COVID-19 response. The risk of not completing the design in this time frame is high. There are now fourteen months to “go live.”

Mr. Bustamante discussed proposed changes to the Plan of Operation. Changes include incorporating portions of the newly passed House Bill (HB) 100: the use of best practices SBEs; changing agent/broker to “insurance producer;” establishment of a Health Benefits Plan Committee; SBE reporting requirements; and additional provisions surrounding standardized plans, such as coordination with OSI, advocates and other stakeholders, required public comment periods, and the timeline for review and proposal of standardized plans. Additional proposed changes include that the Exchange will comply with the State Procurement Code, that the in-house call center will fall under outreach and education purview. Mr. Bustamante noted that a public comment period is required before a final approval any changes to the Plan of Operation.

Motion: Move that the Board accept the changes to the Plan of Operation and open a public comment period.

Motion: Director Leachman

Second: Superintendent Toal

The motion passed unanimously.

c. Matters from the Outreach and Education Committee - Director Mark Epstein

Ms. Maureen Manring provided the update. She noted that the Exchange is continuing its COVID-19 messaging and continuing to recruit agents and brokers. Enrollment counselors participated in a training with the New Mexico Medical Insurance pool (NMMIP).

The outreach team has contacted 4,117 businesses within the last few months, with 445 businesses interested and booked. Over 1800 people participated in a statewide tele town hall held to educate business owners about health insurance options, including special enrollment periods due to loss of coverage.

The outreach team has continued to contact organizations statewide to circulate collaboration flyers, including churches, public school districts, and chambers of commerce. The outreach team presented in both English and Spanish on the Mexican Consulate’s Facebook page via Facebook live, and presented

during the Albuquerque Hispano Chamber of Commerce webinar, which was also streamed on Facebook live.

Digital programs are focused on COVID-19, special enrollment messaging, and the collaboration message that includes HSD, beWellnm, and NMMIP. The Exchange recently added a message to its website targeted to New Mexicans who recently lost their jobs and are now unemployed.

Ms. Manring also discussed the year-over-year digital report and noted that beWellnm's followers and engagements have increased since last year, on all social media platforms. BeWellnm has seen a 21.33% increase in page views from last year and an 1804% increase in total website referrals from social media. There has been a 52% increase in incoming calls to the contact center compared to last year. The top call reasons are special enrollment period (SEP) inquiries, benefits questions, and broker assistance.

Director Romero wrote a letter to the editor, discussing COVID-19 and the anniversary of the ACA. The letter was submitted to publications statewide.

Mr. Bustamante indicated that Exchange staff have been prompted to present options related to the outreach strategy for 2021. He noted that the contract at issue is for 2021, coinciding with the Exchange's individual build technology launch. He summarized some possible paths and the key benefits, drawbacks, and considerations of each path. Chairman Shaw indicated that a discussion regarding the outreach and education services contract should be tabled, and that the Outreach and Education Committee should first meet to discuss the options and then make a recommendation to the Board.

d. Matters from the Finance Committee - Director Brandon Fryar, Treasurer

Ms. Schwing noted the 2021 budget proposal balances the need for sufficient resources to successfully launch and operate a state-based Exchange with New Mexico's current budget climate. With each new projection for the state-based Exchange, staff have reduced the budget requirement., and with the economic downturn, staff further reduced the budget proposal. Ms. Schwing noted the largest cost increases, which were in technology contracts, are nonrecurring, and will decrease after 2021.

Ms. Schwing presented the 2021 budget and noted there is an overall year-over-year increase of 23.9%. Ms. Schwing provided an overview of the 2021 budget considerations, which include:

- **Salaries-** The proposed budget request contains a 19.2% year-over-year increase in salaries expense. The full-time equivalent (FTE) count projected for the second half of 2020 is 27, which includes two new positions being added after September 2020. Eight new positions are proposed for 2021 (one starting during the first calendar quarter and the remainder starting in the third calendar quarter) to support the State Based Exchange implementation. The budget proposal reflects a 0% salary rate increase for employees.

Ms. Schwing advised that, as an SBE, the Exchange will have a range of new responsibilities. The eight new FTE positions in the 2021 budget will handle new functions, including managing new IT applications; overseeing the customer engagement center; managing complaints, appeals and grievances; assisting individuals with complex applications, changes due to life events and billing questions; coordinating with carriers and resolving system errors; managing the outsourced print

vendor, including implementation of new notifications and special printing projects; additional focused outreach to ensure that individuals currently enrolled through healthcare.gov know how to enroll once we are ready to launch; and support for implementing House Bill 100 regarding standardized plans and reporting requirements.

At the request of the Finance Committee, Mr. Bustamante started to collect data for a comparison of NM staff expenses to the expenses reported in other state exchanges. He provided case studies of Nevada and Pennsylvania – two states currently transitioning to a state-based exchange. Both the Nevada and the Pennsylvania exchanges are organized as state agencies and do not require certain functions that are provided by the state, that a stand-alone exchange would be required to have, thus their headcount has remained lower at approximately 30 employees. NM is anticipating total staff size of 35 FTE's once the state- based exchange is launched.

Ms. Schwing stated that the Exchange conducted a compensation study in 2014, and again in late-2018 to ensure that the NM staff salaries are reasonable and appropriate to the market. The findings for the 2018 study were presented to the Board in early 2019. The study was based primarily on like-industries in the New Mexico market. Ms. Schwing noted the compensation study has been used to set staff salaries, and indicated that all staff are currently paid below the midpoint of their salary range. Mr. Bustamante committed to updating the compensation study with a comparison to other State Based Exchanges. This has been initiated.

- **Employee Benefits-** The year-over-year increases in employee benefits of 13.8% is a result of the increase in head count as well as a new Paid Parental Leave benefit, implemented in early 2020 based on the State's implementation for state employees. The budget assumes flat premiums for health insurance premiums. Ms. Schwing noted we will update this as rate increases are communicated.
- **Professional Services-** The year-over-year professional services budget decreased 32.8%, which resulted from administrative consulting that will no longer be required, including Outsourced Human Resources, Lobbyist, Research, and Consumer Checkbook. Board expenses were reduced by \$50,000, primarily due to restrictions on gathering and social distancing guidelines implemented in response to COVID-19.
- **Administrative-** Administrative expenses remain relatively flat year-over-year, with an increase of 0.35%.
- **Outreach and Education-** Overall, outreach and education expenses increased 1.7%. The budget for website expenses was increased to accommodate changes expected from the launch of the State Based Exchange, and Native American outreach increased by \$42k.
- **Plan Management-** Former Superintendent of Insurance Franchini advised in 2019 that a 2020 budget would not be required beyond the MOU termination date of 12/31/19; therefore, plan management was not included in the 2020 budget. Current Superintendent Toal requested a new MOU to reimburse staff salaries and actuarial expenses totaling \$350k for 2020 and \$350k in 2021.
- **Technology-** Design, Development and Implementation (DD&I) costs associated with the launch of the state-based exchange are expected to total \$11.8M, which is \$4.5M higher than the scheduled 2020 payments. DD&I costs were contracted to be heaviest in the final year of DD&I, with \$3.6M of the \$4.5M increase attributed to the technology vendor, \$220 thousand increase attributed to the IV&V vendor and \$80 thousand attributed to the PMO vendor. SHOP Maintenance & Operations

(M&O) with the Federal User Fee for using the Federal platform are expected to total \$6.7M. The Federal User Fee rate will remain flat at 2.5% in 2021, with assumed flat enrollment.

Ms. Schwing noted the SBM project budget remains largely the same as previously approved and budgeted. As explained earlier, HSD has been committed to the COVID-19 response and was unable to work on the SBM project earlier in 2020. Ms. Schwing noted that additional delays could require a change request that may include additional costs.

Finally, Ms. Schwing discussed that the Plan of Operations requires the Exchange to maintain six months of operating funds in reserve to demonstrate financial sustainability. Currently NMHIX has cash and investment balances in excess of six-months of operating requirements. Ms. Schwing noted in light of the current State budget shortfall, to reduce the load on the Medicaid program which funds approximately 76% of the total assessment, the Exchange recommends drawing down \$6.0M of NMHIX's savings to reduce the 2021 assessment to carriers. Ms. Schwing noted the proposed amount to be drawn down from reserve more than covers the year-over-year increase in the budget, and it will result in the 2021 assessment coming in lower than the 2020 assessment by \$1.3M.

Motion: Director Fryar moved that the Board accept the 2021 Budget as proposed, as well as the proposal to draw down \$6,000,000 from the reserve funds to offset the non-recurring expense of the State-Based Exchange technology launch.

Second: Director Torrez

The motion passed unanimously.

7. Agency Reports

- a. Matters from the Office of the Superintendent of Insurance - Superintendent Russell Toal

The OSI has resumed reviewing the qualified health plan proposal. The goal is to stick to the federal timelines and get the Exchange some options for the next open enrollment period.

- b. Matters from the New Mexico Medical Insurance Pool - Superintendent Russell Toal

Superintendent Toal indicated his focus is on improving operational issues.

- c. Matters from New Mexico Human Service Department - Secretary David Scrase

Mr. Pearson thanked Ms. Schwing for refining the budget. He indicated that Secretary Scrase and Ms. Comeaux are focusing on the legislative committee meeting related to the Medicaid budget. He expressed appreciation for the collaboration with the Exchange and the New Mexico Medical Insurance Pool during the COVID-19 pandemic.

8. Public Comment (1-2 minutes/participant)

None.

9. Other Board Business - Directors and Mr. Jeffery Bustamante, CEO

None.

10. Next beWellnm Board meeting - September 18, 2020; location to be determined.

11. Adjournment

Motion: Director Epstein

Second: Director Torrez

The motion passed unanimously.