

**Colorado Health Benefit Exchange**  
***Board Meeting Minutes***

Mile High Room  
COPIC  
**7351 E. Lowry Blvd.**  
**Denver, CO 80230**

**February 13th, 2011**  
**8:30 AM – 10:40AM**

Board members present: Richard Betts, Robert Ruiz-Moss, Eric Grossman, Arnold Salazar, Gretchen Hammer, Jim Riesberg, Steve ErkenBrack, Nathan Wilkes

Staff present: Patty Fontneau, Gary Schneider, Jessica Dunbar, Myung Kim

Approximately fifty people attended the meeting in person and additional people joined by phone.

**I. Business Agenda**

There were no additions made to the agenda and no board members had any conflicts of interest to disclose.

The board members will vote to approve the minutes from the January 23rd meeting on February 27<sup>th</sup>.

**II. Board Development and Operations**

1. Board Chair report

SB12-56 did not pass out of committee. There are no other pieces of legislation pending that directly impact COHBE at this time. Gretchen and Patty plan to give a joint presentation about the legislative report submitted earlier in the year on March 1<sup>st</sup> at 1:30pm to the Joint Health and Human Services Committee. Gretchen continues to make presentations to community groups including neighborhood health groups, child health advocates and providers. Patty traveled to Grand Junction and gave a presentation to the Health Leadership Consortium.

2. Board Committee Reports

*a. Board Governance*

Nathan Wilkes reported there were no updates at this time. The last area this committee needs to focus on is procurement of external legal counsel for the board. This was put on hold until the Level One Establishment Grant funds are received and then the committee plans to release a RFP for third party legal counsel.

### III. Exchange Development and Operations

#### 1. Report from ED/CEO

Patty Fontneau reported she and staff recently had a Level One Establishment Grant hearing with HHS staff. They were asked to answer six questions that related to the assignment of responsibilities in the workplan, the budget and plans to ensure funding sources and implementation efforts are not duplicated between COHBE and HCPF. In addition, staff were asked by HHS to answer over 70 questions around business establishment of the exchange and internal financial controls before receipt of the grant award.

The Service and Technology (S&T) RFP and Project Management Office (PMO) RFP were released on Jan 23<sup>rd</sup> and pre-bid meetings were organized for people to submit questions. Answers are posted on the COHBE website. COHBE received five bids on the PMO RFP, began the evaluation process after the board meeting and a firm will be selected by the end of month. Staff are pulling together a robust list of high level policies to share with the board soon. The process for discussing and making decisions on policies will be discussed later in the agenda. COHBE is in the process of taking applications for a Health Plan Manager position and will close the application process February 15<sup>th</sup>.

Eric Grossman asked a question about the number of vendors expected to bid on the S&T RFP. Gary Schneider responded that an estimated 6-8 proposals from big vendor teams will likely be submitted. Colorado released its RFP one day before California and many vendors are bidding in parallel.

The board asked staff to gather information and questions related to the PPACA Supreme Court case so that members of the board could stay informed about legal developments and potential impacts to COHBE.

#### 2. Board Committee Reports

##### *a. Personnel Committee*

Richard Betts reported that some of the 70 questions staff had to answer in preparation for the grant award were related to personnel. The committee will need to schedule a meeting in the near future to review the draft personnel policies and then bring them before the board.

##### *b. Finance Committee*

Robert Ruiz-Moss reported that the committee met on February 6<sup>th</sup> to review progress related to the Level One Establishment Grant award and reviewed draft financial policies. The Finance Committee will meet again soon and bring a recommendation back to the board for final approval regarding a schedule for the COHBE fiscal year.

##### *c. Rules and Regulations Committee*

Steve ErkenBrack reported there was no formal update. He was concerned about the passage of time and the need to have more direction from HHS in order to meet our critical milestones. He requested staff touch base with other states to learn about their approach to waiting on the proposed rules and regulations coming from HHS.

Patty shared that there is a robust amount of communication between states right now.

A question was asked about where our surrounding states are in their exchange development and if there are options to collaborate. Patty responded that Colorado has specific state mandates to consider and given our timeline it may put our implementation at risk if we want to develop across state boundaries. This topic could be revisited after initial implementation. The board agreed it would be beneficial to encourage vendors to leverage design work across states and it would be useful to research market practices in border towns and their network adequacy.

*d. Grant Review Committee*

Gretchen reported she helped staff respond to the questions from HHS about the workplan outlined in the application and asked to have personnel assigned to each task described in the workplan.

*e. Technology and Implementation Committee*

This committee is temporarily put on hold until the S&T RFP proposal deadline.

3. Policy Issues Agenda

*a. Proposal Approach*

Patty shared a [memo](#) with the board that outlined two policies under consideration. These policies start with SB 200 as the basic framework that outlines the [powers and duties of the board](#).

Gretchen posed the question to the board about how it can continue to consider the unique needs of rural Colorado as it makes decisions. One suggestion was made to form a task force or rural advisory group that would meet several times throughout the year to discuss rural topics and make recommendations to the board. Another suggestion was made to put a placeholder in all the policy issues that asks the board to consider how the policy decision would affect rural Colorado.

Board members asked for more clarification about whether or not there were policy conflicts between federal and state law, and if so, what the legal interpretation was about the final rules that apply to COHBE development and implementation.

***Discussion about 1a. Should the Colorado Health Benefit Exchange operate as one or two entities?***

The board generally agreed the Exchange should have one administrative structure that operates two platforms—one for individuals and one for small businesses.

***Discussion about 1b. Should the Colorado Health Benefit Exchange have separate or combined risk pools for the individual and small employer market?***

Gretchen asked for more up to date data from the Colorado Health Access Survey (CHAS) that shows insurance market breakouts. Nathan asked the board to continue to look at affordability in addition to coverage and wanted actuarial information to inform the question about how merging the risk pools would impact affordability. Steve responded there are so many changes to the individual market alone: moving to guaranteed issue, requirements from the individual mandate, premium subsidies, absorbing in Federal and CoverCO risk pools. Actuaries make projections based on previous experiences and we don't have that given all the anticipated changes mentioned above.

Jim Riesberg reported that DOI can ask actuaries to do analyses only after a benchmark plan is selected. He participates in weekly calls with the National Association of Insurance Commissioners (NAIC). He said it was important to point out that since the benefits will be the same in the individual and small group markets, the main question is whether or not an employer wants to contribute to covering the cost of some of the plan for his or her employees.

**Public comment:**

Karen Harrison, an insurance broker, reported that she often hears from the employers she works with that they are concerned about the upcoming changes and they are considering getting out of the group business and moving to the individual market.

Diane Dunn, an independent IT consultant, told the board that in the RFP is specifies that there will be two URLs—one to use for the SHOP and one for individual consumers.

Dan Anglin from the Rocky Mountain Employers Health Alliance, reported that his group will be conducting an employer survey through local chambers and business networks in the next month that can hopefully give the board more information about how employers plan to behave given the upcoming changes in the market.

A question was asked about whether or not the risk pools will operate differently outside the exchange. Jim answered there are still a lot of questions about this topic.

Some board members felt COHBE would b better off to mirror the market outside the exchange.

Between board meetings staff will find additional information to answer some of the questions raised above and add a timeline to the policies to help the board determine when a decision is needed to stay on the critical timeline for implementation.

Eric Grossman said there is extensive literature on the risk pools in Rhode Island and Massachusetts that could be beneficial for staff to research along with the recent Health Affairs journal released in February.

***Discussion about 2. What is the appropriate size of the small employer market?***

Board members asked for the state law that applies to business groups of one be added into this policy topic for consideration.

Steve said that he really wants to hear from business groups in the state that fall into this small group category and also learn from business in the next tier (51-100 people) to learn what their reactions would be if they were included in the small group market.

Meeting adjourned: 10:40am