

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

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

**February 27, 2012**  
**8:30 AM – 11:30 AM**

Board members present: Nathan Wilkes, Richard Betts, Steve ErkenBrack, Jim Riesberg, Gretchen Hammer, Arnold Salazar, Beth Soberg, Mike Fallon, Robert Ruiz-Moss, By Phone: Sue Birch

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

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.

Vote: The minutes from the January 23<sup>rd</sup> and February 13<sup>th</sup> meetings were unanimously approved by the board.

**II. Board Development and Operations**

1. Board Chair report

Gretchen Hammer reported COHBE was awarded a \$17.9 million Level One Establishment Grant from the U.S. Department of Health and Human Services last week. Patty Fontneau and Gretchen are working to finalize the list of policy decisions for the board to review. A policy and legislative research update will be given regularly to the board. Gretchen will give a presentation to the Joint Health and Human Services Committee on March 1<sup>st</sup> at 1:30pm on behalf of the board summarizing the legislative report submitted in January 2012.

**III. Exchange Development and Operations**

1. Report from ED/CEO

Patty Fontneau reported COHBE staff are now working to prepare for the first gate review related to the Level One Establishment Grant on March 12<sup>th</sup> in Washington, DC. The Legislative Implementation Review Committee update was received positively. The Project Management Office (PMO) proposals are being evaluated and a decision will be made early March. February 27<sup>th</sup> is the deadline for the Service and Technology (S&T) RFP and evaluation will begin shortly thereafter. COHBE is interviewing Health Plan Manager candidates and will make a selection in March. A Data Advisory Workgroup (DAWG) report will be presented at the next board meeting on March 12<sup>th</sup>.

## 2. Workgroup Updates

Myung Kim gave an update about the Marketing, Education, and Outreach Workgroup (MEOW). They are working to develop strategies that will strengthen and refine partner networks across the state. The last meeting focused on the UX2014 project and lessons learned from their design work. Their product is expected to be released in late April. Myung asked the Department of Health Care Policy and Financing (HCPF) to report on their community grants and what they've learned about effective enrolment strategies. The March meeting on March 14<sup>th</sup> will focus on strategies for working with small employers and reaching out to the broker community. Ideas for future meetings are welcome.

## 3. Policy Issues

The size of the small group market will be discussed again in the near future.

At the beginning of each policy discussion, the goals and objectives related to the policy decision will be clearly identified followed by a general, open discussion.

### *a. Administrative Structure of the Exchange*

#### ***Should the Colorado Health Benefit Exchange operate as one or two entities?***

There was discussion about how the Exchange would operate if it was separated into two entities. Patty explained that there would be a significant amount of duplication of work and efficiencies would be lost. Board members agreed that it is important to remember that, no matter how COHBE is structured, both the Individual and SHOP Exchanges will require significant resources to be successful.

**Note:** The board unanimously approved a motion to have one administrative structure that operates two separate Individual and SHOP Exchanges. Eight out of nine voting members were present.

#### **Public comment:**

Mark Reece from the Colorado Association of Health Plans expressed his support for the motion. He noted that administrative costs matter and it is important to keep them as low as possible.

### *b. Risk Pools*

#### ***Should the Colorado Health Benefit Exchange have separate or combined risk pools for the individual and small employer market?***

John Barela from the Division of Insurance gave a [presentation](#) about risk pools. The board discussed issues related to stop loss coverage and the impacts from employers choosing self insurance medical plans.

Arnold Salazar asked the question—“Given that our goals are to increase affordability, access, and quality, the next question is affordability for whom—small businesses, individuals, overall?” Depending on how the risk pool is structured, the impact to individuals and small employers could be different. Most state approaches and independent studies on this policy issue recommend keeping the individual and small group risk pools separate during Exchange implementation and

revisit the decision later when both markets are operating under similar rules, more data is available and an actuarial analysis can be conducted.

Nathan Wilkes asked a question about the downward pressures to bring to the individual market. Members of the board responded by suggesting expanding the risk pool and having both markets play by the same rules.

Arnold Salazar introduced a motion that the individual and small group risk pools remain separate and a study be initiated within two years from implementation of the Exchange to determine if merging the markets would be beneficial. He also asked for business groups of one (BG-1) to be considered in conjunction with this risk pool policy discussion.

**Public comment:**

Mark Reece, from the Colorado Association of Health Plans, shared that his members support the motion. He welcomed questions to bring back to his members. Board members asked him to learn more from his members about the ways administrative costs would be affected if the risk pools were combined.

Debra Judy, from the Colorado Consumer health Initiative, and Adela Flores-Brennan, from the Colorado Center of Law and Policy, support the motion. They recommended setting an end date to the study.

**Note:** The board unanimously approved a motion to recommend keeping the individual and small group risk pools separate and initiate a study to revisit the question within two years after implementation (note that an end date for the study will be decided at a later point in time). Eight out of nine voting members were present.

*c. Level of Interoperability with State Health Programs*

COHBE recommends implementing minimum interoperability and deferring discussion of additional interoperability after implementation

There is a need for clarification about what interoperability would actually look like (i.e. hand-offs between COHBE and CBMS). Schematics illustrating how interoperability would work between the Exchange and CBMS and various functions associated with different levels of interoperability will be included in the next version of this policy issue.

**Meeting adjourned:** 11:30am