

Colorado Health Benefit Exchange
Board Meeting Minutes

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

April 9, 2012
8:30 AM – 12:00 AM

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

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

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

I. Board Agenda

Jim Riesberg noted three minor adjustments to the March 26th board meeting minutes.

Vote: The minutes from the March 26th board meetings, with amendments, were unanimously approved by the board with seven voting members present.

There were no additions made to the agenda. Steve ErkenBrack recused himself from voting on the issue of premium aggregation and payment options due to a potential conflict of interest.

II. Board Development and Operations

1. Board Chair report

Gretchen Hammer reported that she participated in the Craig Chamber of Commerce meeting on March 30th. Gretchen and Patty continue to meet weekly.

2. Report from CEO/ED

Patty Fontneau reported the service and technology vendors completed oral presentations and BAFOs are being finalized. COHBE is working on a business plan and project plan. Patty conducted a webinar with the Colorado Hospital Association and presented at a townhall meeting hosted by Senator Betty Boyd, among other presentations over the previous two weeks.

Eric Grossman asked a question about the financial transactions and costs associated with premium aggregation. In his experience, reconciliation around eligibility and enrollment is a very complex endeavor to undertake and build out.

3. Discussion with Health Insurance Carriers

The panelists included: Mike Huotari (Rocky Mountain Health Plans), Rebecca Weiss (Anthem BC/BS), Julia Hutchins (Colorado Access), Laurie Goss and LeAnn Donovan, (Denver Health), Donna Lynne (Kaiser Permanente), Cindy Palmer (San Luis Valley HMO), Liz Canis and Paul Stordahl (United Healthcare), and Ben Price and Marc Reece (CAHP).

A key concern expressed by carriers is the aggressive timeline for implementation. There is concern about the timing of the determination of the Essential Health Benefits (EHBs) package and plan certification. They recommended that COHBE tackle operational, policy, and technical issues in parallel. EHBs, parameters around 3 Rs, and criteria for QHP certification are top priorities. Cindy Palmer, from the smallest HMO in the state, asked that consideration be given around the accreditation process for smaller players with fewer resources.

Some carriers emphasized that it will be important to keep in mind the importance of price, even in a subsidized market. Some panelists recommended that COHBE steer away from duplicating DOI's work and COHBE should not add additional rules and regulations.

Carriers expressed a need to have a level playing field for all carriers participating in the Exchange and outside the Exchange. Arnold Salazar said that a level playing field is important and often used in discussions and asked if fairness is a good way to define a level playing field. What constitutes fairness is up for debate, though.

The importance of regional variation was a theme throughout the discussion. Some panelists expressed a desire to tailor plans to different regions, but others said that having to tailor plans to specific regions could cause loss of efficiencies. A different approach could involve flexibility with product design to address the issue of regional variation. Many panelists agreed that there need to be products that appeal to a wide variety of needs and preferences.

While regional variation will be important, consistency within a market will also be important. Carriers have concerns about adverse selection and want to provide consistency for consumers. One unique offering the Exchange brings to consumers is that it enables them to compare plan designs. The shopping experience on the Exchange needs to be relatively simple for consumers to make informed choices. The user experience and customer segmentation are important to keep in mind. There are also risks to both low and high enrollment.

Carriers highlighted the importance of the technology solution, which is very critical and will impact the credibility of the Exchange. They emphasized the importance of not overlooking the complexity of the IT.

CAHP offered to provide information regarding the tasks the Exchange and carriers would best be positioned to address. Differences of opinion among carriers will be acknowledged.

The majority of the panelists said they would prefer not to have the Exchange perform premium aggregation in the individual market because it is a function they need to perform anyway. If the Exchange chose to perform premium aggregation it could add a layer of complexity and increase risks for successful implementation.

Carriers recommended the Exchange use an existing national quality rating standard (NCQA, URAK, Evaluate, etc.) and not mix metrics from different quality rating standards. Rating standards should be guided by what is meaningful information to consumers. Stars or letter grades are easy to understand. Plans that serve disadvantaged populations should not be disadvantaged in their ratings. Carriers recommended moving slowly with rating because there is no customer satisfaction history for new products sold in the market. It is important to keep in mind that multi-cultural factors also play a role in the way people respond to customer satisfaction surveys.

Many of the panelists supported employee choice in the SHOP exchange. There was discussion about whether or not increased choice inadvertently adds cost. Many agreed that added costs depend on where the choice is applied.

4. Discussion about Advisory Groups

Patty Fontneau shared an overview of the [advisory group memo](#) developed by staff. Overall, the advisory groups would allow COHBE to gather more in-depth feedback and leverage expertise from the public and would focus on implementation and operational issues.

Rob Ruiz-Moss asked what problem the creation of advisory groups will solve in the broader implementation plan. Patty explained that advisory groups will create a more formal and organized opportunity to bring experts and varying perspectives to the table. They will facilitate the full vetting of ideas and recommendations, provide operational support, and ensure transparency.

Eric Grossman asked who would own the deliverables. Patty answered that deliverables would be owned by the staff and Board, but the recommendations of advisory groups would be strongly weighted.

Arnold Salazar suggested the questions put before the advisory groups be focused and specific. Nominations will be taken from the board and public, staff will appoint members to the advisory groups and the board's role should be to give advice and consent. Steve ErkenBrack asked how the rural perspective and provider perspective will be captured. There was discussion about creating an additional advisory group in the future or incorporating a specific rural viewpoint into the charter of each advisory group. More advisory groups will be formed in the future.

Gretchen Hammer highlighted that the focus of the memo should be on what is best for Colorado. Gretchen also suggested that the charters be written by staff before people are

asked to join the advisory groups so they know what they are signing up for. The advisory groups will not be co-chaired by board members.

Public comment: Elisabeth Arenales, from the Colorado Center on Law and Policy, expressed her gratitude for this discussion and encouraged the board to include public comment in the process of forming advisory groups. Gretchen said the commits should be submitted to Jessica Dunbar on the COHBE staff.

5. Report from Rules and Regulations Review Committee

Steve ErkenBrack reported the Rules and Regulations Review Committee will have another meeting to discuss HHS' Interim Final Rules at 4:30pm on Tuesday, April 17th. The public can email Jessica Dunbar if they want to bring up specific concerns and recommendations regarding the interim rules.

At its last meeting the Rules and Regulations Review Committee discussed [HHS' bulletin on actuarial value](#). The DOI wrote a comment letter about this bulletin and the COHBE board decided to develop its own position. The committee drafted a [comment letter](#) from the board about the importance of having a level playing field inside and outside the Exchange. Steve ErkenBrack made a motion to approve the committee's comment letter and send it to HHS.

Public comment: Marc Reece, from the Colorado Association of Health Plans, asked whether or not the board wants to take up other issues raised by the bulletin or by CAHP. Gretchen suggested people email Jessica Dunbar with other issues the Rules and Regulations Review Committee should address.

Vote: The board unanimously approved the comment letter and voted to submit it to HHS with eight voting members present.

III. Exchange Development and Operations

a. Policy Issues

a. Premium Aggregation and Payment Options

After feedback and discussion, Patty Fontneau revised COHBE's recommendation regarding premium aggregation and payment options for the Individual Exchange. The recommendation was made to have individuals pay carriers directly and also move forward with the development of the technology for premium aggregation and payment processing so that it will be available if COHBE decides to perform that function in the future.

Eric Grossman expressed his agreement with the position change for the Individual Exchange. He expressed that there are risks to the Individual Exchange performing premium aggregation. People could be denied care if the process isn't handled seamlessly and there are ways to leverage the investment made by health plans.

Beth Soberg asked if COHBE is confident its technology could handle premium aggregation and if staff knew what the costs would be to develop this solution. Patty responded that the costs are separated into different buckets: implementation costs and ongoing operational/administrative costs. Patty said that COHBE should build the technology to handle premium aggregation but let the carriers handle it initially. Beth agreed that made sense. There is value to families to aggregate, but the process could go wrong and hurt the viability of the Exchange. Eric pointed out that it's a technology architecture question, too.

Richard Betts said that there are two goals to consider: convenience for consumers and ensuring that no one is erroneously denied access to care. Richard motioned to not aggregate in the Individual Exchange. Rob amended the motion to specify that the Exchange would still continue with the technology investment around premium aggregation if the Exchange wants to use it in the future, as long as the Exchange does not incur extra technology fees. Gary Schneider clarified that the technology capability could be available but not be turned on unless there was a policy change.

Beth Soberg decided to recuse herself from the vote on this issue (along with Steve ErkenBrack) because of a potential conflict of interest. Rob Ruiz-Moss explained that he does not see a conflict of interest for himself.

Eric Grossman asked if the staff could sketch out different possible workflows and use cases through a visual format at the next board meeting in order to clarify this issue.

Arnold Salazar pointed out that it is necessary to separate the policy question from the details of the business processes. The board will continue to tackle this issue at the next board meeting with additional information and visuals.

Meeting adjourned: 12:00pm