



Colorado Health Benefit Exchange
Board Meeting Minutes

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

July 9, 2012
8:30 AM – 11:50 AM

***This was the annual meeting of the Colorado Health Benefit Exchange Board of Directors.**

Board members present: Gretchen Hammer, Richard Betts, Steve Erkenbrack, Mike Fallon, Eric Grossman, Beth Soberg, Nathan Wilkes, Jim Riesberg, By phone Arnold Salazar

Staff present: Patty Fontneau, Jessica Dunbar, John Barela, Myung Kim, Lynn Pressnall, Adele Work, Matt Benson, Gary Schneider.

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

I. Business Agenda

There were no additions or edits made to the June 25, 2012 Board meeting [minutes](#).

Vote: The minutes from the June 25, 2012 Board meeting were unanimously approved. There were eight voting members present.

There were no additions made to the agenda. No Board members reported conflicts of interest.

II. Board Development and Operations

1. Board Chair Report

Gretchen Hammer thanked all board members for their dedication and time spent on COHBE business, and recounted the many accomplishments from the last year. In the first year, articles of governance were established, an executive director was hired, funding was obtained to support an office with staff, a website was launched, a logo developed, extensive community outreach was conducted, regular meetings with stakeholders were held and reports were filed with the legislature per requirements in Senate Bill 11-200.

The board will continue with its meeting schedule of twice per month.



2. Board Officer Elections

Gretchen Hammer reiterated that per the articles of governance, nominations for board positions were made at the June 25th board meeting. Nominations were: Gretchen Hammer – Chair, Richard Betts – Vice-Chair, and Arnold Salazar – Secretary. The floor was opened for further nominations. There were no additional nominations.

Public comment: None

Vote: Gretchen Hammer was unanimously elected to continue serving as Chair. There were eight voting members present.

Richard Betts was unanimously elected to continue serving as Vice-Chair. There were eight voting members present.

Arnold Salazar was unanimously elected to continue serving as Secretary. There were eight voting members present.

III. Exchange Development and Operations

1. Report from CEO/ED

Patty Fontneau thanked all board members for their time and dedication to COHBE over the last year.

a. Grant Cycle Update

Patty Fontneau presented the Level 1 and Level 2 [grant application options](#). COHBE is expected to spend the remaining grant money from the Level 1 grant by October 2012. If COHBE waited until October to submit the next establishment grant there could be a gap in funding.

Patty Fontneau recommended targeting August 15th for a second Level 1 grant application. Staff are working on a draft narrative and budget. The Grant Review Committee could meet to review the grant application the week of July 16, present the application to the board on July 23, and to the Legislative Implementation Review Committee for approval the week of July 30th. A target of February 2013 was recommended for a Level 2 grant application.

Gretchen Hammer reminded the board that the Finance Committee will be reporting out with a quarterly budget at the next board meeting on July 23rd.

Eric Grossman asked if COHBE is on target with its milestones and deadlines and what other concerns Patty Fontneau may have. Patty Fontneau responded that staff are meeting their milestones, but staff are over-extended and more people need to be hired to meet the workload needs. Additional staff could be hired with funding from through a second Level 1 grant.



2. IT & Implementation Committee Report

a. *Management of Eligibility Appeals*

The recommendation from the committee was to adopt the [fundamental guiding principles outlined in an appeals framework](#).

Beth Soberg reported about the discussion committee members, staff and members from the public had regarding the management of eligibility appeals. A no-wrong door approach will be pursued and COHBE will act in a liaison role if they cannot handle someone's appeal. The committee discussed at length which appeals fell within COHBE's jurisdiction and which appeals should be handled by other organizations. A distinction was made between verifying information provided by the individual during the application process and appealing an eligibility determination.

Richard Betts asked how COHBE will handle consumer complaints when a carrier denies a claim. Beth Soberg mentioned that existing contracts between carriers and members lay out a clear appeals process and DOI also plays a role in handling complaints. The DOI collects complaints made throughout the year and develops an annual report to the legislature.

Jim Riesberg noted that COHBE needs to ensure it is gathering applications from various systems. HHS states uniform applications can be submitted to CHP+, Medicaid, Exchange and HCPF, as well as through different contact methods (online, through mail, in-person).

Nathan Wilkes pointed out that COHBE will need the capability to automatically create a case.

Gretchen Hammer asked when the board would see how these guiding principles would play out for the consumer. Patty Fontneau responded that during the design and implementation stages staff will walk the Board through the user experience on the website. Feedback will be solicited from the advisory groups and the Board and the appeals process will continue to be refined after COHBE is launched in 2013.

Public comment: George Lyford, CCLP, thought it was smart to start with the guiding principles, and develop processes from there.. The guiding principles will allow for flexibility since we are waiting for further guidance from HHS. Notices are crucial from a due process perspective and should be clear and concise when stating the reason for an eligibility decision. Accessibility and timing of notices are also extremely important. The policy document states that appeals may be adjudicated by a COHBE representative. It is crucial that representatives go through proper training on any rules and procedures that will be established. A detailed conversation around establishing a very narrow set of rules and procedures will need to occur regarding appeals. Lastly, it will be important to clearly define what constitutes a COHBE decision and whether there would be further judicial review.

Vote: The Individual Eligibility Appeals Framework was unanimously approved. There were seven voting members present.

Gretchen Hammer announced after the break that additional meetings on Essential Health Benefits are scheduled for July 18th and 31st. More information can be found at <http://www.getcoveredco.org/Resources/Essential-Health-Benefits>.

3. Policy Issues

a. Standard Comparative Plan Information

The Individual Experience and SHOP advisory groups discussed this topic and made the following [recommendations](#).

Patty Fontneau presented the standard comparative plan information and stated that overall there were two parts to consider—what data should be gathered about plans and how should the data be displayed effectively to consumers.

Eric Grossman asked what research has been done on best practices on displaying information to consumers. It is important to not under collect or over collect information from consumers. Patty Fontneau responded that in terms of best practices, staff are reviewing them and adopting them as requirements for the technology system. A weekly meeting is held with CGI and they are weighing in on a regular basis. Learnings from UX2014 are also being reviewed and adopted where possible.

Beth Soberg asked if there is a process to identify if something is cost prohibitive and can't be implemented. In these cases, can previous recommendations be revisited by the board and/or advisory groups? Patty Fontneau responded that all the recommendations are fluid to an extent and can be revisited anytime in the future if necessary.

Ashley Wheeland reported out from Individual Experience Advisory Group. She stated that they had a goal to provide transparency to consumers and allow them to find the information they need to make a decision.

Jim Sugden, Colorado Association of State Underwriters, noted that the provider directory is important and good provider network search models are readily available in the market. He pointed out that a reverse directory is also available. He added that it would be helpful for consumers to be able to drill down on certain areas like plan exclusions if they want to learn more, and it would be beneficial to have an easily accessible glossary of terms.

Steve ErkenBrack asked whether or not the groups talked about customer service and wellness programs. Jim Sugden responded that he would love to see more information on wellness and the ability to compare voluntary or elective procedures. Ashley Wheeland said wellness programs would be of great interest to certain populations. The definition of terms would be very helpful for consumers that may be purchasing insurance for the first time.

Regarding wellness, Cindy Sovine-Miller pointed out that legislation was passed three years ago that allowed Colorado small group plans to offer a twenty percent discount around wellness programs. Regarding customer service, Cindy said the SHOP Advisory Group is beginning the discussions about ways navigators and brokers can work with the Exchange to help with outreach and enrollment.

Richard Betts made the motion to accept the recommendations from the advisory groups. Steve ErkenBrack seconded the motion.



Public comment: None.

Vote: The recommendations from the advisory groups were unanimously approved. There were eight voting members present.

b. Employer & Employee Choice Architecture

Patty Fontneau stated that the [Employer and Employee Choice Policy](#) primarily revolves around choice options--what level of choice should COHBE make available to employers for them to then make choices regarding health plans to make available to employees. Groups had to balance how they could best provide choice and also limit adverse selection. The ten options, eleven including the default option, that were evaluated by the advisory groups were summarized in the policy's [Appendix 1](#).

Beth Soberg asked for more information on what definitions the advisory groups used for adverse selection.

i. Report from SHOP Advisory Group

Cindy Sovine-Miller and George Lyford, co-chairs, presented the [SHOP Advisory Group report](#).

The group took into consideration the risk to the carrier, the group and the market as a whole in their discussions regarding the various options to recommend. The group also took into consideration what was available in the market today. The committee heard from employers that they want to be able to offer employees more than one metal plan from a limited number of carriers. The advisory group will continue to have conversations around defined contribution. The majority of employers that were part of the discussion felt that defined contribution should be made available as an option through SHOP; they still need to weigh the pros and cons of minimum dollar versus a flat percentage for defined contribution.

Beth Soberg asked for clarification about whether or not metal tiers account for different models beyond AV (in network or not, HMO, PPO, etc.). John Barela clarified that he thought metal tiers are only based on actuarial value. Beth Soberg added that we need to think beyond actuarial value to other components that impact adverse selection (gate-keeper methods, in-network and out-of-network decisions, etc.).

Steve ErkenBrack recommended that we continue to keep cost in the forefront. COHBE needs to limit adverse selection and needs to offer choices that drive down costs. It will also be important to see how effective the risk adjustment model is at reducing adverse selection issues for carriers.

Beth Soberg asked about phasing in different choice models over time. Patty Fontneau pointed to page 4 in the [overview document](#) that outlines the four options recommended to the board. Option 5, three tiers/two carriers, may go forward but there was mixed feedback on this option.

Gretchen Hammer emphasized that making choices easy to understand and allowing it to be easy to participate are also important factors.



ii. Report from Health Plan Advisory Group

Harriet Hall and Marc Reese, co-chairs, presented the [Health Plan Advisory Group recommendations](#).

Harriett Hall summarized four themes that emerged from their discussion on the topic:

- 1) The importance of minimizing adverse selection; in general, the higher the number of tiers the greater the discomfort;
- 2) Competitive advantage. If there are options offered in the outside market they should be offered inside the Exchange. Also, new options should be made available to attract people to the Exchange;
- 3) Ensuring choice. Some carriers felt the mandated federal option is more than what is available now and that should be enough to attract participants; some carriers still felt more options are necessary to improve choice; and
- 4) The minimum participation rate is important if the carriers are going to offer a viable plan.

Marc Reese recapped the group's discussion around what would attract carriers to participate in the Exchange. The more options offered across metal tiers the more carriers became uncomfortable. Carriers wanted the ability to offer plans that they currently have available in the market and flexibility in offering what they are comfortable with versus mandated plans.

The recommendation was made for the board to consider 4 options, option 5 will be taken off the table for now, defined contribution can be pushed into the future after more discussion and feedback regarding legality and options.

Gretchen Hammer asked Patty Fontneau to address the cost component topic mentioned by Steve ErkenBrack. Patty Fontneau confirmed that cost had been the overriding discussion point in every discussion.

Steve ErkenBrack agreed that option 5 should be delayed and made the motion to consider options 1 and 3, asking that options 2 and 4 be reconsidered by the SHOP and Health Plan Advisory Groups for further analysis of cost impacts. Richard Betts seconded the motion.

Public Comment: George Lyford, CCLP, reiterated the balance between adverse selection and choice. In supporting the motion to gather additional data on cost impacts, he offered that this really is a monumental decision that will impact the success of the SHOP. At the end of the day it is the employee that will be covered and they should have the option to be able to find plans that best fit his or her needs. He agreed that option 5 should remain on the table and does merit further discussion.

Dr. Jandel Allen Davis, V.P. of Government and External Relations for Kaiser Permanente, stated that Kaiser has been participating in all advisory groups and they are in support of a viable Exchange. She believes the Exchange has the opportunity to differentiate itself by creating something that is more attractive to employers and employees by offering options that are not available in the outside market. A survey conducted by Kaiser found that 71% of small business owners felt that offering at least two carriers and their plans to employees was attractive to them. It was important that choices be maximized both to the employers and to the employees. Kaiser



recommends that pricing should be the same whether it is the employer or the employee making the choice, and that commissions paid to agents/navigators should be the same regardless of plan choice made.

Debra Judy, Colorado Consumer Health Initiative, supports having more discussion around option 5 rather than taking it off the table indefinitely.

Jim Sugden, referencing his position in the SHOP advisory group, was concerned that the lack of a budget and concrete actuarial data makes it difficult to come up with cost impacts on the proposed options. PricewaterhouseCoopers recent study found that price was the major driver and choice was the second driver. The risk adjustment model that will be available in the future can help carriers be bolder in offering new options. To attract employers to the exchange we will need to offer choices that they don't currently have.

Paul Archer, owner of small business and chair of a Southern Colorado Chamber of Commerce health policy task force, aspires to get to a place where health plan choices are severed from employment. Businesses are happy to offer a monetary benefit to employees to reduce the cost of their plan, but he believes the choice decision regarding carriers and plans should be made by the individual.

Nathan Wilkes made the amended motion for options 2, 4, and 5 to be discussed further by advisory groups and report back at the July 23rd meeting..

Arnold Salazar seconded the motion.

Vote: The amended motion was unanimously approved. There were seven voting members present.

Gretchen Hammer made the motion to approve options 1 and 3.

Vote: The motion was unanimously approved. There were seven voting members present.

4. Policy/Process issues to be Introduced

a. Open Enrollment Period & Mid-Year Plan Changes

Gretchen Hammer presented an overview of the [open and special enrollment policy](#). The recommendation was made that COHBE should not extend the open enrollment period beyond what is required by law and to not add more special enrollment events beyond what is required by law.

Nathan Wilkes requested additional information about how business groups of 1 will be treated under ACA final rules.

b. Display & Pricing of Supplemental Plans

Gretchen Hammer presented an overview of the [display & pricing of supplemental plans](#). This topic will be sent to SHOP, Individual Experience and Health Plan advisory groups for discussion



and to develop recommendations. The timing of a decision is important because the requirements for the way supplemental plans are priced and displayed impact design.

Arnold Salazar asked if it would be important for the board to extend the next meeting given the number of topics to discuss. Gretchen Hammer responded that she will work with Patty Fontneau to coordinate the agenda and allocate the necessary time to address all topics.

Meeting adjourned: 11:50 a.m.