



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

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

**July 23, 2012**  
**8:00 AM – 11:45 AM**

Board members present: Richard Betts, Sue Birch, Steve ErkenBrack, Mike Fallon, Eric Grossman, Gretchen Hammer, Robert Ruiz-Moss, Dayle Axman (representing Jim Riesberg), Arnold Salazar, Beth Soberg, Nathan Wilkes.

Staff present: Patty Fontneau, John Barela, Myung Kim, Lynn Pressnall, Cammie Blais, Amy Berenbaum.

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

**I. Business Agenda**

There were no additions or edits made to the July 9, 2012 Board meeting minutes.

**Vote:** The minutes from the July 9, 2012 Board meeting were unanimously approved. There were nine voting members present.

There were no changes made to the agenda.

**II. Board Development and Operations**

1. Board Chair Report

Gretchen Hammer reported participating in a national meeting regarding Health Insurance for Children; she was proud to state that Colorado is one of thirteen states moving to create a state-based Exchange. Prior to the next Board meeting, the Grant Review Committee will review the second Level 1 Establishment grant application and meet with the Legislative Implementation Review Committee.



### III. Exchange Development and Operations

#### 1. Report from CEO/ED

Patty Fontneau announced the Legislative Implementation Review Committee will meet July 31<sup>st</sup>, and if necessary August 13<sup>th</sup>. A public meeting to discuss Essential Health Benefits will be held on July 31<sup>st</sup>. The details for all meetings are posted on the COHBE website.

#### 2. Finance Committee Report

##### *a. Quarterly Financials*

Robert Ruiz-Moss presented COHBE's financial statements for fiscal year end June 30, 2012. An audit of the financials will be conducted over the next two weeks. COHBE's current Level 1 Establishment grant will provide funding for COHBE until October 15, 2012.

**Public comment:** None.

#### 3. Grant Review Committee Report

The recommendation from the committee was to approve the focus and scope of the draft grant application for a second Level 1 Establishment grant.

Arnold Salazar asked what the process is to approve a final application. Gretchen Hammer responded the draft application will be presented to the Legislative Implementation Review Committee for approval on July 31<sup>st</sup>. A Legislative Implementation Review Committee meeting may be scheduled for August 13<sup>th</sup>. The grant application deadline for submission is August 15<sup>th</sup>. A separate meeting will be held by the Board to discuss the budget and the grant application.

Arnold Salazar made the motion to accept the recommendation. Nathan Wilkes seconded the motion.

**Public comment:** None.

**Vote:** The recommendation was unanimously approved. There were nine voting members present.

#### 4. Essential Health Benefit Update

##### *a. Report from Division of Insurance*

Dayle Axman, Department of Regulatory Agencies – Division of Insurance, presented the Essential Health Benefit Benchmark Plan. A public presentation was held July 18<sup>th</sup>; another is scheduled for July 31<sup>st</sup>. The stakeholder comment period is open through Sunday, August 5<sup>th</sup>.

Robert Ruiz-Moss asked when the proposal must be submitted. Dale Axman stated the plan would be submitted to the Department of Health and Human Services for approval before



October 1<sup>st</sup> 2012. Patty Fontneau added the proposal will come back to the Board for further comment before it moves forward.

## 5. Policy Issues

### *a. Employer & Employee Choice Architecture*

Gretchen Hammer summarized the [Employer and Employee Choice Policy options](#). On July 9<sup>th</sup> the Board approved options 1 and 3, and requested additional information from Advisory Groups on options 2, 4 and 5.

#### *i. Report from SHOP Advisory Group*

Cindy Sovine-Miller reported that, following the July 9<sup>th</sup> Board meeting, the SHOP Advisory Group reviewed their previous report to the Board recommending approval of options 1, 3 and 5. SHOP strengthened their recommendation on option 5 from nine to ten votes in support.

#### *ii. Report from Health Plan Advisory Group*

Mark Reece reported the group reconsidered options 2, 4 and 5 after reviewing some actuarial estimates. The Health Plan Advisory Group recommended option 2, determined there may be a slight increase in adverse selection on option 4 - but confirmed their support, and recommended against option 5 due to the heightened probability of adverse selection. The group acknowledged option 5 would provide the most subscriber choice but may discourage carrier participation in the Exchange.

#### **Public comment:**

Debra Judy, Colorado Consumer Health Initiative (CCHI) and COHBE Health Plan Advisory Group member, stated employee's desire choice. Option 5 is the only recommendation that offers three tiers thereby providing more choice than the other four options being considered. She also recognized the need to balance consumer choice with increased carrier cost due to adverse selection.

Nathan Wilkes asked if there were additional ways to minimize adverse selection. Beth Soberg offered some ideas such as minimum contribution, minimum participation rules, and adjusting delivery models.

Beth Soberg - citing her decision making role for an insurance carrier that may be participating in the Exchange - recused herself from Board votes on choice options.

Richard Betts made the motion to approve option 2. The motion was seconded.

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

Nathan Wilkes made the motion to approve option 4. The motion was seconded.

**Vote:** The motion passed five to three. There were eight voting members present.

In favor: Betts, Hammer, Ruiz-Moss, Salazar, Wilkes.

Opposed: ErkenBrack, Fallon, Grossman.

Richard Betts made the motion to approve option 5. The motion was seconded.



**Vote:** The motion failed two to six. There were eight voting members present.

In favor: Betts, Wilkes.

Opposed: ErkenBrack, Fallon, Grossman, Hammer, Ruiz-Moss, Salazar.

Regarding the remaining Employer/Employee Choice recommendations:

Patty Fontneau asked that defined contribution allowance be tabled until additional guidance can be provided at a future Board meeting. Minimum contribution and minimum participation recommendations are supported by the advisory groups. Gretchen Hammer held all three recommendations for discussion at a future Board meeting.

*b. Display & Pricing of Supplemental Plans*

COHBE recommends the technology solution be built to accommodate the display and pricing of embedded, bundled and stand-alone plans. This flexibility will allow COHBE to display and price products in different ways until more guidance is received through the design process or clarification of regulations.

*i. Report from SHOP Advisory Group*

Cindy Sovine-Miller reported the group's conclusion that the most pragmatic approach is to build the system to accommodate all three plans in order to stay competitive with what is available outside the Exchange. The SHOP advisory group supports the recommendation.

*ii. Report from Health Plan Advisory Group*

Marc Reece reported that plans should be allowed to embed pediatric dental; to embed other supplemental plans would create confusion. There was no vote taken on whether carriers should be required to offer stand-alone medical plans.

*iii. Report from Individual Experience Advisory Group*

Ashley Wheeland reported the group discussed bundling pros and cons. The group recognized the importance of cost information transparency for consumers on bundled plans. The final decision for supplemental plan display and pricing should be sensitive to multiple types of care models including, but not limited to, integrated care models and safety net providers. One major goal of health care reform is to improve health outcomes. Decisions made about how to offer and price all health coverage products should align with this same goal. No formal recommendation was made by the group.

Mike Fallon stated the necessity of clearly stating the costs of the embedded products and offering that information to employers.

Eric Grossman advocated for offering supplemental benefits. He would like to know how display and pricing of supplemental plans would impact COHBE's sustainability model and have more discussion on the variety of supplemental plans that could be offered. Patty Fontneau recapped the previous decision to focus on dental and vision for 2014, recognizing a long-term vision of expanded offerings.



Arnold Salazar reiterated the importance of transparency and stated concern that embedding hampers transparency.

Beth Soberg asked if the design work would accommodate all three options; embedding, bundling and stand-alone plans. Patty Fontneau confirmed, and stated the recommendation would include the clarification that components in both an embedded and bundled plan would be individually priced.

**Public comment:** Barbara Spring, General Counsel for Delta Dental, noted 98% of the time dental is purchased separately from medical. Based on current practice, purchasers are used to making decisions about dental separately from the medical. The Exchange should not require a bundled plan even if the bundled price includes a transparent price breakdown.

George Lyford, Colorado Center on Law and Policy (CCLP), supports the recommendation to design for embedded, bundled and stand-alone plans. CCLP agrees with the Health Plan advisory group report; there should be a robust conversation about offering supplemental plans as they could add value to the Exchange.

Al Schubert, VSP Vision Care, noted 90% of all vision care is delivered by stand-alone plans. VSP recommends that vision care be offered on a stand-alone basis through the Exchange. Massachusetts and Maryland have built this functionality into their Exchanges. Nevada recently voted to do the same.

Marleen Fish, former Jefferson County Colorado State Legislator, asked that the Exchange include mental health benefit options.

Nathan Wilkes made the motion to approve the recommendation. The motion was seconded.

**Vote:** The recommendation was unanimously approved. There were nine voting members present.

*c. Open Enrollment Period & Mid-Year Plan Changes*

The recommendation was made that the open enrollment period for the Individual and SHOP exchanges be the same as the open enrollment periods outlined in the final rules. COHBE should not include more special enrollment periods beyond what is stated in the final rule. There would be no special open enrollment period for members who are terminated for failure to pay premiums.

**Public comment:** Ashley Wheeland, CCHI, recognized failure to pay as a reason to drop an individual from participation but had concerns about people going without coverage. She suggested a process for reinstatement; perhaps implementing a 90- day grace period and sending notifications.

John Barela stated that regulations prevent failure to pay from being defined as a qualifying event. Only qualifying events generate the ability to enroll outside of open enrollment. Mike Fallon concurred stating the importance of continuous coverage.



Beth Soberg made the motion to approve the recommendation. The motion was seconded.

**Note:** The recommendation was unanimously approved. There were nine voting members present.

6. Policy/Process Issues to be Introduced

- a. *Complaints Management – guiding principle referred to Board*
- b. *Consumer & Employer Rights & Responsibilities – referred to SHOP and Individual Experience Advisory Groups*
- c. *Customer Service Center – referred to SHOP, Individual Experience and Health Plan Advisory Groups*

**Meeting adjourned:** 11:45 a.m.