



Colorado Health Benefit Exchange *Board Meeting Minutes*

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

November 26, 2012
8:30 AM – 10:20 AM

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

Staff present: John Barela, Cammie Blais, Jessica Dunbar, Adela Flores-Brennan, Patty Fontneau, Kyla Hoskins, Myung Oak Kim, Lynn Pressnall, and Kelly Ryan.

Approximately 15 people attended the meeting in person and additional people joined by phone.

I. Business Agenda

There were no additions or edits made to the November 12, 2012 Board meeting minutes.

Vote: The minutes 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 that the Board will hold monthly meetings beginning in 2013, and that staff is working to create standing meeting times for the Finance, IT and Implementation, and Rules and Regulations Board Committees.

III. Exchange Development and Operations

1. Report from CEO/ED

Patty Fontneau announced that the Board meeting scheduled for December 24, 2012 will be canceled. If additional decisions are needed before the end of the year, an ad hoc meeting will be scheduled.

Patty Fontneau also reported that four regulations were released by the U.S. Department of Health and Human Services last week. Many more are anticipated in the weeks and months to come. At this point, COHBE is on track for a merged schedule of the SHOP and Individual Exchange pilot



testing in June 2013, but recognize that this date is subject to change depending on new requirements that come out of the federal regulations.

Patty Fontneau also announced that one new staff member, Laura Villanueva, will be coming on board this week as COHBE's Documents and Meetings Coordinator.

2. Personnel Committee Report

Richard Betts reported that the Personnel Committee is in the process of evaluating COHBE's Chief Executive Officer. The review will take place in executive session at either the December or January board meeting.

3. Policy and Process

a. Certification—Participation Requirements

i. Presentation

Initial background on this topic was provided to the Board on November 12, 2012. At this meeting, Arnold Salazar motioned to adopt a two-year waiting period for carriers that voluntarily leave the market or do not enter the exchange market in 2014. The motion also recommended that the Board take up discussion and recommendations on the appeal process at a later time. The motion was seconded. The Board voted to table the motion and asked the Health Plan Advisory Group and COHBE staff to further evaluate waiting periods based on 2014 participation and post-2014 participation.

Patty Fontneau [presented](#) on how COHBE could use waiting periods to encourage participation and discourage frequent entrance and exit in the Exchange. The Health Plan Advisory Group outlined six participation scenarios:

1. Carrier new to Colorado in 2014 and is not licensed. No waiting periods are recommended;
2. Carrier licensed to sell in Colorado, goes through the Exchange certification process, and decides to participate in the Exchange in 2014. Waiting periods are not applicable in this scenario;
3. Carrier licensed to sell in Colorado and chooses not to participate in the Exchange in 2014. No waiting periods are recommended;
4. Carrier licensed to sell in Colorado and tries to participate in the Exchange in 2014 but cannot due to an IT, certification, or DOI hurdle. No waiting periods are recommended;
5. An active Exchange carrier, licensed and certified, voluntarily leaves the Exchange. Two-year waiting period is recommended; and
6. An active Exchange carrier, licensed and certified, voluntarily leaves the Exchange. Two year waiting period is recommended.

COHBE staff also put forth [recommendations](#). Staff recommendations diverged from the Advisory Group recommendations only on Scenario 3. COHBE staff recommends that if a carrier is licensed to sell in Colorado and chooses not to participate in the Exchange, there should be a one-year waiting period.



The Advisory Group and staff also recommended implementing a standalone, waiting period appeals process separate and distinct from the certification appeals process. The appeals committee would be comprised of five members, two COHBE Board members and three COHBE staff members.

ii. Report from Health Plan Advisory Group:

Health Plan Advisory Group co-chairs Mark Reece and Harriet Hall reported that the Advisory Group constructed its recommendations to make it harder for carriers to exit the market as opposed to coming into the market. The group wanted to ensure that those carriers who try to participate but are facing numerous hurdles such as IT or lack of resources, aren't hindered from participating in the Exchange down the road.

Board members recognized the need to balance market competition and consumer choice. Steve ErkenBrack highlighted the importance of the market uncertainty in 2014, and because of price sensitivity, how this could deter carriers from entering the market until it has stabilized. A majority of the members commented that risk adjustment will help mitigate this uncertainty for carriers, but it will not be a sure fix. In addition, for risk adjustment to work well there needs to be as many carriers as possible in the market.

Arnold Salazar proposed to withdrawal the motion made on November 12, 2012. Steve ErkenBrack seconded the motion.

Vote: The motion was passed by a vote 8-1. There were nine voting members present. (Yes: Richard Betts, Steve ErkenBrack, Mike Fallon, Eric Grossman, Gretchen Hammer, Robert Ruiz-Moss, Arnold Salazar, and Beth Soberg. No: Nathan Wilkes)

Arnold Salazar moved to approve COHBE staff recommendations with the two clarifications 1) that 'carrier' includes all affiliated entities selling major medical products, and 2) in scenario 4 the default is a one year waiting period that triggers an appeals process. Richard Betts seconded the motion.

No further Board discussion. No public comment.

Vote: The motion to approve the recommendations was passed with a vote of 8-0 with one member not voting. There were nine voting members present. (Yes: Richard Betts, Steve ErkenBrack, Mike Fallon, Gretchen Hammer, Robert Ruiz-Moss, Arnold Salazar, and Beth Soberg, and Nathan Wilkes. Abstain: Eric Grossman)

Richard Betts moved to approve COHBE staff recommendations on the waiting period appeals process with two changes 1) no member of the appeals committee can be directly affiliated with a health insurance carrier and 2) the committee will be represented by three Board members and 2 COHBE staff members. Nathan Wilkes seconded the motion.

No further Board discussion.

iii. Public Comment



Anne McGihon commented that COHBE has not given authority to the appeals committee to change the Board decisions that were made during the meeting.

Gretchen Hammer clarified that the Board will create and approve a Charter for the appeals committee, and that the Board has the authority to revisit the policy decisions made today if needed.

iv. Vote

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

Meeting adjourned: at 10:20 a.m.