



HUMAN SERVICES
DEPARTMENT

**New Mexico
Health Insurance Exchange
Legislative Work Group
October 30, 2012**

Legislative Work Group

AGENDA

Tuesday, October 30, 2012, 9:00 – 11:00 a.m.

Room 428, 1120 Paseo de Peralta, Santa Fe

Time	Action	Owner
9:00	Welcome & Opening Remarks	Milton Sanchez
9:10	Approval of Minutes	Work Group
9:20	Outstanding Questions from Work Group	OHCR
9:30	Review Legislative Report to Advisory Task Force	OHCR
9:45	Report on CCIIO Planning Review	OHCR
10:00	Comparison of ACA Requirements for Exchange Oversight Board and current HIA Board	OHCR
10:30	Presentation by Nurse Advice New Mexico	Robin Hunn Connie Fiorenzio
11:00	Reminder: Next meeting will be held at Plaza San Miguel, 729 St. Michael's Dr (between Payne's Nursery and Daniels Insurance), Room 33, Santa Fe. Adjourn.	Milton Sanchez

Approval of Minutes from 10.16.12 Meeting

Outstanding Questions Posed by Work Group

Catastrophic Health Plans

Q: What are catastrophic health plans, and what are the regulations regarding them?

A:

- Catastrophic plans are available in the individual market to
 - Consumers under age 30, and
 - Consumers exempt from the individual mandate due to unavailability of affordable coverage
- Covered benefits include:
 - 3 primary care visits
 - Preventive care
 - All essential health benefits, after the out-of-pocket limit has been met
- Deductible is equal to the out-of-pocket limit for high deductible plans
- There is no requirement on how much of health care costs the plan must cover (vs. metal tiered plans that must cover at least 60% of medical costs)

High Deductible Plans and HSAs

Q: Will high deductible health plans (HDHP) and Health Savings Accounts (HSA) be discontinued—except for catastrophic plans—due to ACA regulations?

A: No. HHS has not yet finalized the rules & calculations surrounding HDHPs, but it notes that “the method used to evaluate the HSA has no bearing on the opportunity of employers to offer HSAs.”

The forthcoming guidance would “provide several safe harbor options, including coverage equivalent to an HDHP combined with an employer-funded HSA, that would satisfy the minimum value requirement.”

Exchange vs. Non-Exchange Plans

Q: Will the Essential Health Benefits (EHB) Standards be the same for both Exchange and non-Exchange health plans?

A: Yes. The Department of Health and Human Services (HHS) has indicated that “plans in the individual and small group markets both inside and outside the Exchanges must cover the EHB beginning in 2014.”[†]

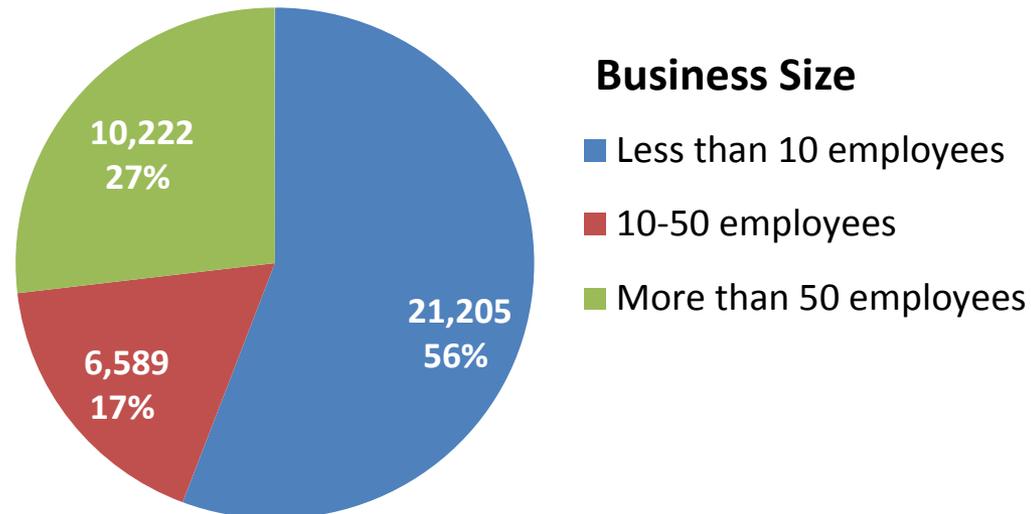
[†] Self-insured group health plans, coverage offered in the large group market, and grandfathered plans are not required to cover the EHB.

Small Businesses in New Mexico

Q: How many small businesses are there in New Mexico?

A: There are approximately 28,000 businesses in New Mexico with 50 or fewer employees.

Only 30% of these small businesses offer health insurance to employees.



Work Group Report to the Task Force

Legislative Work Group Committee Members

Name
Senator DeDe Feldman
Senator Carroll Leavell
Senator George Munoz
Senator Sue Beffort
Senator Linda Lopez
Senator Gerry Ortiz y Pino
Representative Mimi Stewart
Representative Jim Hall
Representative Tom Taylor
Representative Bill O'Neill
Representative Conrad James

Legislative Work Group

Questions

- Should carriers be required to participate in both the individual and small group markets?
- Should health plans inside the exchange be subject to enhanced regulation on rate review or reporting requirements?
- Does a qualified health plan need to be available to everyone statewide, or can it be offered to only those in one region of the state?
- Where should oversight responsibility be housed?
- Should exchange-related assessments be imposed? If so, against whom (consumers, insurance carriers, providers, employers, hospitals, etc.)?
- What other creative ways could be used to fund operating costs?

Legislative Work Group

Governance & Constitutionalist

Q: How is the administration going to justify the use of the HIA as an Exchange, without modification?

A: The State is to provide to HHS “a copy of the law/regulation that indicates that the state has necessary legal authority to establish an Exchange or that establishes the Exchange. Or other legislation or general authority that the State has determined provides the necessary legal authority to establish the Exchange.”

“Note: if the SHOP was separately authorized from the Exchange, pursuant to ACA 1321(b), provide documentation demonstrating that the State has enabling authority to establish and operate a SHOP. AND if authority is not clear on its face, provide a statement from the legal counsel of the office of the applicant, the Governor’s legal counsel, or the State’s Attorney General’s Office certifying that a State is authorized to establish an Exchange under State law.”

Legislative Work Group

Governance & Constitutionalist

Health Insurance Alliance Act (Ch. 59A, Art. 56 NMSA)

Created in 1994 as a nonprofit third party administrator, the Health Insurance Alliance is tasked with providing increased access to:

- Voluntary insurance coverage for small employer groups in New Mexico; and
- Voluntary health insurance coverage for the individual market in New Mexico

Legislative Work Group

Governance & Constitutionalist

Q: How is the HIA current Board membership structured, and does it comply with federal law?

A: Through the Governor's appointment power, and consistent with the HIA Act, New Mexico will conform the HIA Board to ACA requirements.

HIA is governed by a Board of Directors as follows:

- Chair of the Board (Superintendent of Insurance)
- 9 Governor appointees
 - 4 small employers
 - 1 nonprofit
 - 4 small business employees (including 1 consumer rep)
- 5 elected carrier directors

Legislative Work Group Information Technology

Q: The Work Group would like a more detailed description of what will be included in the Information Technology RFP, contract and deliverables.

A: The IT RFP is being finalized and will be released by the end of November, possibly as early as next week.

Legislative Work Group

Actuarial Analysis

Q: Has an actuarial analysis been done to determine whether the individual and group markets should be merged, whether the definition of “small employer” should be changed, what kinds of policies should be offered and how much will they cost, etc.?

A: Due to various complexities and future uncertainties, an actuarial analysis that estimates the monetary values or costs of health plans in New Mexico has not yet been performed.

Legislative Work Group

Federal Grant

Q: How has the Level One Establishment Grant been spent? What deliverables have been completed or are contemplated? And will the money need to be returned if not spent?

A: New Mexico is pursuing a request for an extension of the \$34.2 million grant given to the state for purposes of establishing the Exchange. To date, a very small percentage of the funds have been spent. The state has a planning review with HHS Oct. 25 - 26 to discuss what has been done and what envisaged work remains.

Grant monies, once distributed to the state, do not need to be returned.

Legislative Work Group

Outreach and PR Plan

Q: What is the outreach and PR plan to take the HIA/Exchange from approximately 4,000 members to over 100,000 members in a year or two?

A: The following slide is part of a presentation given by Mike Nuñez, Executive Director of HIA, to the Legislative Work Group on October 16, 2012, and gives an overview of the Outreach and PR plan.

General Awareness/Marketing



- **Print**; ads & editorials
 - **Radio**; ads & interviews
 - **TV**
 - **Web**
 - **Seminars**
 - **Broker Communications**
- Certification/ Carrier Broker Events

- **Face2Face Meetings**
 - Broker meetings
 - Broker Council
 - Chambers of Commerce
 - Trade Assns
 - Small Bus Dev Centers
 - Community Organizations
- **Website management**

CCIO Planning Review

**ACA Requirements for
Exchange Oversight Board
vs. current HIA Board**

Exchange Governing Board

According to Federal Regulations, the State must ensure that it has in place a clearly-defined governing board that:

1. Is administered under a formal, publicly-adopted operating charter or by-laws;
2. Holds regular public governing board meetings that are announced in advance;
3. Represents consumer interests by ensuring that overall governing board membership:
 - a) Includes at least one voting member who is a consumer representative;
 - b) Is not made up of a majority of representatives with a conflict of interest, including representatives of health insurance issuers or agents or brokers
4. Ensures that a majority of voting members on its governing board have relevant experience in health benefits administration, health care finance, health plan purchasing, health care delivery system administration, public health, or health policy issues related to the small group and individual markets and the uninsured.

HIA Governing Board

The Alliance shall operate subject to the supervision and approval of the board. The board shall consist of 14 members:

- 9 Governor appointees
 - 4 represent small business employers
 - 4 represent small business employees
 - 1 represents nonprofits
- 5 Elected members
 - 2 represent HMOs
 - 3 represent other types of members

In addition, the HIA abides by the New Mexico Open Meetings Act and holds regular meetings, advertised on the website.

HIA Board of Directors

HIA's current Board of Directors is made up of the following members:

Governor appointed

3 Employer Directors:

Celia Ameline, Albuquerque

J. R. Damron, MD, Santa Fe

Larry Jehle, Albuquerque

1 Employee Director:

Diana Hobbs, Farmington

1 Non-profit Director:

Richard Anklam, Albuquerque

Elected Directors

4 Carriers:

Kurt Shipley, Blue Cross/Blue Shield of NM

Carole Henry, Lovelace

Bruce Butler, Presbyterian

Reese Edwards, UnitedHealthcare

Superintendent of Insurance

John Franchini

**Nurse Advice New Mexico,
Robin Hunn
Connie Fiorenzio**

Next Work Group Meeting

Date	Location	Time
Nov 13	Room 33 Plaza San Miguel 729 St. Michael's Drive Santa Fe	9am – Legislative Work Group
Nov 28	Collaborative Health Room 37 Plaza La Prensa Santa Fe	8:30am – Advisory Task Force Meeting

Closing Remarks