



# beWellnm Board Meeting

Friday, January 25, 2019

CNM Workforce Training Center



NEW MEXICO'S HEALTH INSURANCE EXCHANGE

[beWellnm.com](http://beWellnm.com)

1.833.ToBeWell

THE PLACE TO SHOP, COMPARE AND BUY HEALTH INSURANCE. *Affordably.*

be well nm.com

# 1. Welcome, Roll Call, & Confirmation of Quorum

Chairman J.R. Damron, MD

be well nm.com

## 2. Approval of Agenda

Chairman J.R. Damron, MD

## 3. Approval of Minutes of the November 16, 2018 beWellnm Board Meeting

Chairman J.R. Damron, MD

be well nm.com

## 4. Chairman's Remarks

Chairman J.R. Damron, MD

be well nm.com

# 5. Matters from the CEO

Ms. Cheryl Gardner, CEO

# CEO Update

- Board Terms
- Board Schedule for 2019
- Timeline for Individual Exchange Implementation
- Compensation Study
- New Personnel
- Blackout Period

# CEO Update

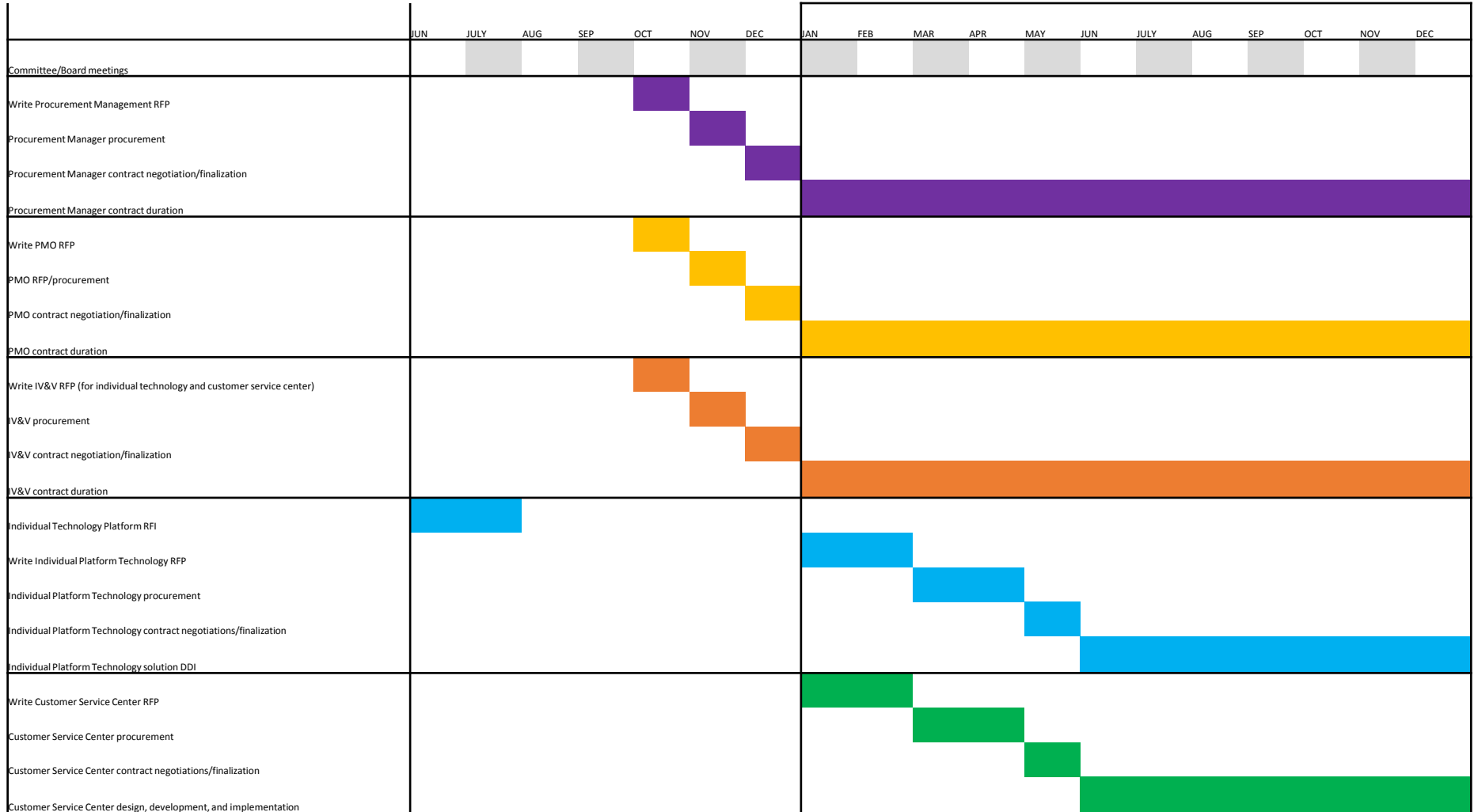
## Board Terms

Position	Director	Appointing Authority	Standard Term Length	Term
Superintendent of Insurance	John Franchini	Ex-Officio	N/A	N/A
Secretary of Human Services Department	David Scrase	Governor (Ex-Officio)	N/A	N/A
Health Insurance Issuer	Damien Ezquibel	Governor	2 years	Appointed until 6/30/2018
Consumer Advocate	Dr. Deane Waldman	Governor	3 years	Reappointed until 6/30/2019
Unrestricted	Terriane Everhart	Governor	3 years	Reappointed until 6/30/2020
Unrestricted	Dr. JR Damron (Chairman)	Governor	3 years	Reappointed until 6/30/2019
Unrestricted	Brandon Fryer	Governor	3 years	Appointed until 6/30/2021
Health Insurance Issuer	Martin Hickey	Legislature (Speaker of the House)	2 years	Appointed until 6/30/2019
Unrestricted	Dan Foley	Legislature (Speaker of the House)	3 years	Reappointed until 6/30/2019
Unrestricted	David Shaw	Legislature (Speaker of the House) (via minority house leader)	3 years	Reappointed until 6/30/2020
Health Care Provider	David Leachman	Legislature (Senate President Pro Tempore) (via minority leader)	3 years	Appointed until 6/30/2020
Unrestricted	Patsy Romero	Legislature (Senate President Pro Tempore)	3 years	Reappointed until 6/30/2021
Unrestricted	Teresa Gomez	Legislature (Senate President Pro Tempore)	3 years	Reappointed until 6/30/2021



# CEO Update

## Individual Exchange Timeline



be well nm.com

## 6. Committee Reports



# a. Matters from the Stakeholder Advisory Committee

Mike Wallace, Committee Chair

be well nm.com

## b. Matters from the Legislative Affairs Committee

Director Dan Foley, Committee Chair

# 1332 Waiver

- Statement

- The Centers for Medicare and Medicaid Services (CMS) has issued new rules for use of section 1332 waivers (also known as State Innovation Waivers or State Relief and Empowerment waivers). States may use these waivers to pursue state strategies that differ from the requirements of the ACA but achieve the same broad goals. For example, several states (e.g. Oregon, Minnesota, and Maryland) have used 1332 waivers to implement reinsurance programs to stabilize their insurance markets and maintain lower premiums. 1332 waivers may also be used for other state innovations (e.g., Medicaid Buy-in), and CMS has issued model concepts for states to consider.
- An entity must have state legislative authority (or potentially a Governor’s Executive Order) for the waiver application to CMS. The HIX board supports broad legislative authority in this 60-day legislative session for use of 1332 waivers to meet our mission to promote access to timely, high quality healthcare. The specific authority requested in the waiver may be determined after the legislative authority is granted. (Reporting back to the legislature would be expected and incorporated in any such bill.)
- BeWellnm supports the pursuit of a 1332 waiver, with such an effort involving the Exchange. BeWellnm will consider support of any potential waiver at the appropriate time.

# All Payers Claims Database

- Statement
  - All Payer Claims Databases can be an important tool for consumers and policymakers to understand the cost of healthcare. APCD's can increase transparency in pricing and cost for consumers, helping them make more informed choices for their own healthcare. NMHIX supports legislation and funding to build an APCD in New Mexico.
    - More than 20 states have, or are implementing, an APCD, and New Mexico has studied the issue, including investments at the New Mexico Department of Health to build out their Health Information System.
    - The Governor's budget includes \$2 million (potentially up to \$3.8 million) for an APCD through the Department of Health.

be well nm.com

# c. Matters from the Native American Committee

Director Teresa Gomez, Committee Chair

# Native American Program Updates and Outreach Initiatives

- **Native American Partnership Locations**

- Mescalero Apache Tribe – Village of Ruidoso Community Center (Bi-Monthly)
- Farmington, NM - San Juan Center for Independence (Bi-Monthly)
- Gallup, NM - Gallup McKinley County Chamber of Commerce (Monthly)

- **Native American Advisory Committee**

- Next meeting to be scheduled in February 2019

- **Tribal Leadership**

- Prepare and send 2019 appointment letters to Tribal Leadership

- **Planned Outreach Events**

- American Indian Day Reception
  - Thursday, January 31, 2019
- American Indian Day at the Legislature
  - Friday, February 1, 2019



# 2019 Open Enrollment Center:

- **Enrollment Counselor and Broker Collaboration**

- Total Visits: 1,286
- Completed appointments: 854
- QHP: 736
- Medicaid: 72

be well nm.com

# d. Matters from the Operations Committee

Vice Chair, David Shaw

# SHOP Go Live

- **NFP SHOP is in production**
- GetInsured System has been decommissioned
- Carriers
  - Carriers have been very helpful on the migration to NFP SHOP
    - Presbyterian Insurance Company
    - Presbyterian Health Plan
    - NM Health Connections exiting, True Health NM joining
    - Best Life (Dental)
- Vendors
  - NFP
    - Outstanding job & worked well overall
  - PCG (Project Management)
    - Worked well
  - HMA
    - Worked well
  - **ALL VENDORS MET ALL CONTRACT DEADLINES WITH NO COST OVERRUNS**
  - **0 CHANGE ORDERS**

# Transitions Steps

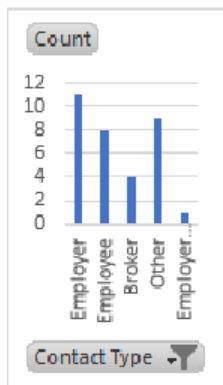
## Project Timeline was less than 6 months

- Setup of SHOP to meet beWellnm needs
  - Started with Rhode Island SHOP product
  - Reconfigured pieces for New Mexico functionality
- Migration of all 2018 Enrollment Members to NFP SHOP
- Ability for Groups/Employees to shop, enroll, and pay
- Operationalize the new NFP system

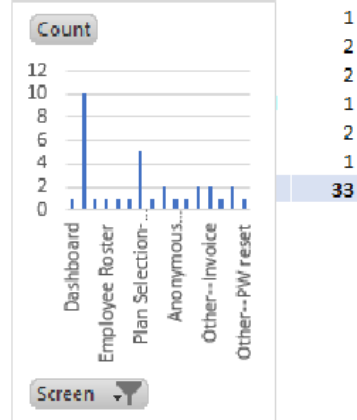
# Go Live Stats

Encountered and resolved most issues in the first week of SHOP operations, we continue to monitor for issues.

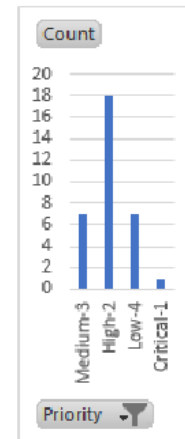
A	B
Contact Type	Count
Employer	11
Employee	8
Broker	4
Other	9
Employer & Broker	1
<b>Grand Total</b>	<b>33</b>



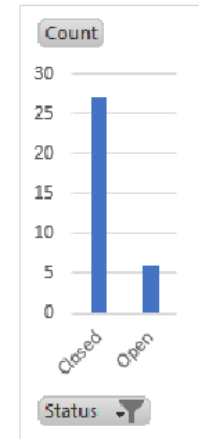
M	N
Screen	Count
Dashboard	1
Account Creation	10
Demographic	1
Employee Roster	1
Review/Submit	1
Other-Login	1
Plan Selection-Medical	5
Other-Enrollment email	1
Other	2
Anonymous Quote	1



P	Q	R
Priority	Count	
Medium-3	7	
High-2	18	
Low-4	7	
Critical-1	1	
<b>Grand Total</b>	<b>33</b>	



V	W
Status	Count
Closed	27
Open	6
<b>Grand Total</b>	<b>33</b>



# SHOP Functionality Snapshot

Functionality	Current State	Availability in Old System	Availability in New System	Activation Requirement
Ability to quickly modify SSN or DOB	Active	X	✓	None
Vertical & Horizontal Plan Selection	Ready for Activation	X	✓	Board-Level Policy Decision
Contribution Configuration (% vs. \$)	Ready for Activation	X	✓	Board-Level Policy Decision
Provider Search	Ready for Activation	X	✓	Updated Data from Carriers
Ability to Pay Brokers	Ready for Activation	X	✓	Board-Level Policy Decision

be well nm.com

# e. Matters from the Outreach & Education Committee

Director Martin Hickey

# Data Snapshot

State	July 2018 Enrollment**	2019 End of OE Plan Selections*	% Increase
New Mexico	40,398	45,001	11.4%
Nevada	77,585	83,449	7.5%
Oregon	143,157	148,150	3.5%
Kentucky	81,023	84,620	4.4%
Arkansas	61,702	67,413	9.2%
National	Numbers Not Available: Not All Open Enrollments Are Finished		

\*Source: <https://www.cms.gov/newsroom/fact-sheets/final-weekly-enrollment-snapshot-2019-enrollment-period>

\*\*Source: <https://www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Marketplaces/Downloads/2018-07-02-Trends-Report-1.pdf>



# Outreach Programs

Program	2017	2018
CMS Certified Brokers	260	255
NM Focus	134	192
Net New	6	57
Website Referrals to Brokers	N/A	61
Organizations-Navigators	31	26
Locations	87	52
Enrollment Counselors	98	104
Enrollment Counselors-Completed QHP's	4,267	3,590
Average cost Per Enrollment	\$1321	\$225
Outreach Events	204	232
Brokers Onsite Manual- QHP Enrollments	276	281

# Outreach Programs

	2017	2018
Newsletters (6)-Open Rate	N/A	14-54%
Outreach Calls Small Business	2,234	6,100
Bridge Native American Audience into OE Activities, Campaigns and Media	N/A	Increased Social Media exposure by including Native American topic Media Road Show in support of Open Enrollment

# Small Business-Observation

- 186 groups in 2018; 154 groups in 2019  
 “Decline in plan options cited as primary reason for not continuing with SHOP”

Metal Level	2018	2019
Platinum	5	2*
Gold	13	9
Silver	13	9
Bronze	7	6*
Total	38	26

\* Only 1 carrier is offering a plan in this metal level. Which undermines the choice option, under the current policy environment.

# Upcoming Enrollment Policy Discussions

- Vertical Tier Selection-SHOP
- Contribution Rate
- SHOP/Individual Participation Requirements

be well nm.com

# f. Matters from the Finance Committee

Director Patsy Romero, Treasurer

be well nm.com

# Assessment Update

# 2019 Budget – Approved 9/21/2018

Total Budget Approved by the Board:

Budget	Amount
2019 SBE-FP Operating Budget	\$19,673,026
2019 Individual Exchange DDI Budget	<u>\$20,639,800</u>
	\$40,312,826

- We polled carriers and determined that most would prefer two assessment invoices instead of paying the full assessment at one time:
  - January 28, 2019
  - July 1, 2019

**New Mexico Health Insurance Exchange  
Reserve Assessment Required for Financial Sustainability**

<u>YEAR</u>	<u>Basis of Assessment</u>	<u>Annual Assessment Amount</u>	<u>Reserve Requirement Calculation</u>	<u>Required Assessment</u>
			50%	
2015	To Cover M&O	\$ 4,745,139	\$ -	
2016	Operating Budget	11,790,605	5,895,300	\$ 5,895,300
2017	Operating Budget	13,722,230	6,861,115	965,816
2018	Operating Budget	14,229,784	7,114,892	253,777
2018	<i>a</i> Operating Budget Increase	2,829,494	-	-
2019	<i>b</i> Operating Budget	19,673,026	9,836,513	<u>2,721,621</u>
	2019 Reserve Assessment Balance Required			<u>\$ 9,836,513</u>

**Plan of Operations Section 13.4 Reserve Assessment:**

*For each calendar year, beWellnm shall ensure that it holds sufficient funds for a reserve equal to approximately six months of the annual budget. If an assessment is necessary to generate reserve funds, a reserve assessment shall be determined by multiplying the amount needed by the Exchange in accordance with the formula in paragraph 13.3.*

Notes: *a* Did not assess for a reserve in the 2018 second assessment for budget increase.

*b* Based on the balance in the investment account, reserve assessment is not required in 2019:

Balance in Investment Account at 12/31/2018 (stated at Market)	\$ 13,420,219
Reserve Assessment Requirement	<u>\$ 9,836,513</u>
Investment Balance > Reserve Requirement	<u>\$ 3,583,706</u>



# 2019 Assessment Allocation

beWellnm 2019 Assessment Allocation								
Based on NAIC Annual Statutory Financial Statement filings for Year Ended 12/31/2017								
NAIC#	INSURANCE COMPANY	Comprehensive (Hospital & Medical)	Medicaid Premium	Total Direct Written Premium Sbj to Assessment	2017 Market Share	2019 Assessment	2019 Reserve Assessment	Total Assessment to Collect
					%	\$ 19,673,026	\$ -	\$ 19,673,026
11504	PRESBYTERIAN INSURANCE COMPANY	103,514,005	-	103,514,005	2.02%	397,739	-	397,739
13214	UNITEDHEALTHCARE OF NEW MEXICO INC		-	-	0.00%	-	-	-
14154	THE CHRISTUS HEALTH PLAN	12,296,255	-	12,296,255	0.24%	47,247	-	47,247
15011	NEW MEXICO HEALTH CONNECTIONS	117,000,000	-	117,000,000	2.29%	449,557	-	449,557
16281	TRUE HEALTH NEW MEXICO	91,000,000	-	91,000,000	1.78%	349,656	-	349,656
16351	Western Sky Community Care (CENTENE)	-	347,977,608	347,977,608	6.80%	1,337,058	-	1,337,058
60054	AETNA LIFE INSURANCE COMPANY	34,252,727	-	34,252,727	0.67%	131,612	-	131,612
67369	CIGNA HEALTH AND LIFE INSURANCE CO	56,116,506	-	56,116,506	1.10%	215,620	-	215,620
70670	HEALTH CARE SERVICE CORPORATION	268,628,552	-	268,628,552	5.25%	1,032,170	-	1,032,170
78611	HCSC INSURANCE SERVICES COMPANY	-	1,354,951,416	1,354,951,416	26.46%	5,206,223	-	5,206,223
79413	UNITEDHEALTHCARE INSURANCE COMPANY	190,695,762	-	190,695,762	3.72%	732,723	-	732,723
95330	PRESBYTERIAN HEALTH PLAN INC	214,838,982	2,212,752,804	2,427,591,786	47.41%	9,327,703	-	9,327,703
95739	MOLINA HEALTHCARE OF NEW MEXICO INC	116,000,885	-	116,000,885	2.27%	445,718	-	445,718
	<b>TOTAL</b>	<b>\$ 1,204,343,674</b>	<b>\$ 3,915,681,828</b>	<b>\$ 5,120,025,502</b>	<b>100%</b>	<b>\$ 19,673,026</b>	<b>\$ -</b>	<b>\$ 19,673,026</b>

- Medicaid premiums were estimated based on the January 2019 market share provided by HSD.

be well nm.com

# Financials Update

# Statement of Net Position

	11/30/2018	12/31/2017
<b>Assets</b>	<i>(Unaudited)</i>	
<b>Current assets</b>		
Total Cash & Cash Equivalents	\$ 9,737,121	\$ 5,730,297
Investments	10,418,133	10,636,902
Premiums due	58,225	35,362
Carrier assessments due	-	-
Accrued Interest	21,876	18,007
Prepaid expenses and other assets	<u>78,980</u>	<u>124,005</u>
Total current assets	20,314,335	16,544,573
<b>Noncurrent assets</b>		
Capital assets, net of accumulated depreciation	<u>121,503</u>	<u>271,584</u>
Total assets	<u>\$ 20,435,838</u>	<u>\$ 16,816,157</u>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 1,264,436	\$ 1,548,876
Deferred revenue	1,757,593	-
Premium Due to carriers	448,142	526,368
Accrued payroll and related liabilities	34,477	59,805
Compensated absences	<u>53,782</u>	<u>66,703</u>
Total current liabilities	<u>3,558,431</u>	<u>2,201,752</u>
<b>Net Position</b>		
Net investment in capital assets	121,503	271,584
Unrestricted	<u>16,755,904</u>	<u>14,342,821</u>
Total net position	<u>16,877,408</u>	<u>14,614,405</u>
Total liabilities and net position	<u>\$ 20,435,838</u>	<u>\$ 16,816,157</u>

<b>Statements of Revenues, Expenses and Changes in Net Position</b>		
<b>January 1, 2018 thru November 30, 2018 and Year Ended December 31, 2017</b>		
	<b>November 30, 2018</b>	<b>2017</b>
	<i>(unaudited)</i>	
<b>Operating Revenues</b>		
Carrier Assessments	\$ 15,479,108	\$ 14,688,045
<b>Operating Expenses</b>		
Consumer and stakeholder engagement and support	2,801,363	4,880,791
Federal platform user fee	4,903,621	2,909,845
Salaries and employee benefits	1,795,214	1,788,096
Technology and project management	2,469,703	1,589,382
Operations	634,857	798,427
Professional services and board	332,090	424,861
Plan Management	182,586	370,111
Other	-	-
Total operating expenses	<u>13,119,434</u>	<u>12,761,512</u>
Operating gain/(loss)	<u>2,359,674</u>	<u>1,926,533</u>
<b>Nonoperating Revenues</b>		
Investment (loss) income, net	(96,697)	394,158
Gain/(Loss) on disposal of capital assets	25	250
Total nonoperating revenues, net	<u>(96,672)</u>	<u>394,408</u>
Change in net position	2,263,003	2,320,941
Net position, beginning of year	<u>14,614,405</u>	<u>12,293,464</u>
Net position, end of period or year	<u>\$ 16,877,408</u>	<u>\$ 14,614,405</u>

be well nm.com

# SHOP Financial Management System Update

# SHOP Financial Management System Update

**The SHOP Financial Management System is in production and is a significantly improved system. Specifically:**

- Better financial controls over the billing process including audit trails and system time stamps that allow the system to calculate retroactive changes.
- These controls have enabled us to rely on the integrity of the billing process, so that we can discontinue the practice of duplicating the invoicing process in our financial accounting system to account for the cash flow from employer groups to carriers and to reconcile the cash account.
- The Exchange sends remittances to carriers in the new FMS enabling us to get the premium moved to the carrier more timely; for example
  - This year's January open enrollment binder payments received by 12/18/2018 were remitted to the carriers by 12/26/2018 and enrollees whose employers paid their binder payments on time had insurance coverage on January 1.
  - Our previous system took up to 14 days from employer group payment to carrier remittance; we typically did not have insurance on January 1.
- The FMS has reporting capabilities that doesn't require an external vendor software.

be well nm.com

# HMA Contract Discussion

# Health Management Associates (HMA)

## Proposal to have HMA assist the Board of Directors in establishing policies and procedures for the board.

Number	Task	Hours	Hourly Rate	Price	Assumptions
1	Review Board Policies and Plan of Operation	6	\$ 385	\$ 2,310	Review the P&Ps and Plan of Operation and summarize procurement provisions for final report - 6 hours total
2	Background research on Board practices on committee assignment	16	\$ 385	\$ 6,160	In consultation with beWellnm review other SBE/SBM Board procurement policies for best practices - 4 Boards, 4 hours each
3	Interview Board of Directors and beWellnm leadership	71.5	\$ 385	\$ 30,528	<ol style="list-style-type: none"> <li>1. Develop the interview guide and secure approval from beWellnm and Board Members identified by Dr. Damron - 6 hours</li> <li>2. Interview 13 Board Members and 6 beWellnm staff - 4 hours per interview (interview plus documentation) 52 hours total</li> <li>3. Compile and summarize findings -9 hours (1 and 1/2 hour per interview)</li> <li>4. Assume beWellnm administrative staff can assist with scheduling to reduce costs</li> <li>5. Travel Costs - \$3000</li> </ol>
4	Written report and Board presentation	16	\$ 385	\$ 6,160	Includes the both cost of the board presentation, review of presentation and edits, report, and presentation materials
5	Develop training materials	12	\$ 385	\$ 4,620	For a new Board Member orientation packets, includes review by beWellnm leadership and a committee of Board Members prior to finalization
	Total	121.5		\$ 49,778	
6	Conduct training	2	\$ 385	\$ 770	Cost per training



be well nm.com

# Office Space Lease Discussion

# Office Space Lease RFP

- Competitive Procurement Run in Q4 2018
- Received One Response from Maestas & Ward Commercial Real Estate, LLC representing JCC-ONE, LLC.
- Space meets all needs, and is with current landlord for same rate.
- Current landlord would allow beWellnm to sublease current space, and avoid \$109,251 in unamortized lease-up costs.
- RFP was pushed out to 3 total potential bidders, all beWellnm RFPs receive attention from local and national firms.
- **Would not increase 2019 budget.**
- **Allows for a move in time for new staff hires.**

Office Space Lease		
Evaluation Criteria Summary	Total Possible	JCC-ONE, LLC
Location	30	30
Desirability/Match to NMHIX needs	40	39
Pricing	30	30
<b>Total Points</b>	<b>100</b>	<b>99</b>

# Office Space Lease RFP

**Motion:** Move that the Board authorize the CEO to enter into contract negotiations with the finalist for office space and finalize a lease agreement subject to termination options effective three years after the lease signature.

be well nm.com

# g. Matters from the Executive Committee

Chairman J.R. Damron, MD

be well nm.com

# 7. Agency Reports

# Agency Reports

- Matters from the Office of the Superintendent of Insurance (OSI)
  - *Superintendent John Franchini*
- Matters from the New Mexico Medical Insurance Pool (NMMIP)
  - *Superintendent John Franchini*
- Matters from New Mexico Human Service Department (HSD)
  - *Secretary David Scrase*

be well nm.com

## 8. Public Comment

be well nm.com

## 9. Other Board Business



be well nm.com

# 10. Next beWellnm Board Meeting

Friday, March 15, 2019

CNM Workforce Training Center

be well nm.com

# 11. Adjournment