



beWellnm Board Meeting

Friday July 19, 2019

CNM Workforce Training Center



NEW MEXICO'S HEALTH INSURANCE EXCHANGE

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

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1. Welcome, Roll Call, & Confirmation of Quorum

Chairman David Shaw



2. Approval of Agenda

Chairman David Shaw

3. Approval of Minutes of the May 17, 2019 beWellnm Board Meeting

Chairman David Shaw

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4. Chairman's Remarks

Chairman David Shaw

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5. Matters from the CEO

Mr. Jeffery Bustamante, Interim CEO

CEO Update

- Today's Agenda
 - Budget Discussion & Approval
 - Vision, Mission, & Goals Committee
- Senate Bill 294 Implementation
- Staff Recognitions

CEO Update

Look Ahead-Roadmap Items

- September Board Meeting
 - Open Enrollment Outreach Plan Preview
 - Plan Year 2020 Qualified Health Plan Report from OSI
 - Contract Review and Discussion
 - Procurement Policy Revisions
- November Board Meeting
 - Open Enrollment!
 - Outreach & Enrollment Update

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6. Committee Reports

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a. Matters from the Native American Committee

Director Teresa Gomez, Committee Chair

Native American Program Update

- **Native American Advisory Committee**

- BeWellnm Native American Advisory Committee meeting was held Tuesday June 4, 2019
- Visits to Governor and President's offices will begin July 8, 2019
- Next meeting scheduled for Tuesday, September 3, 2019

Native American Program

Outreach and Enrollment Events

Name of Event	Date	City
Outreach Northern Navajo Medical Center	May 10, 2019	Shiprock
NIHB Behavioral Health Conference	May 15-17, 2019	Albuquerque
27 th Annual Health Provider Retreat	May 31 – June 1, 2019	Santa Ana Pueblo
Tamaya Pueblo Crossroads	June 4, 2019	Santa Ana Pueblo
Gallup Enrollment day	June 5, 2019	Gallup

Native American Program

Outreach and Enrollment Events

Name of Event	Date	City
Just Move It – Thoreau Chapter	June 13, 2019	Thoreau
Cochiti Pueblo Crossroads	June 15, 2019	Cochiti Pueblo
APCG – 2019 Pueblo Golf Classic	June 19, 2019	Santa Fe
Mescalero Enrollment Day	June 20, 2019	Ruidoso
NATI Professional Education Program	June 24 – 28, 2019	Albuquerque

Partnerships

- **Continuous 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)
- Jicarilla Apache Nation – As Needed

beWellnm Enrollment Center Activities

Month	May 1 – June 28	Year to Date
Total Visits	140	772
Completed Appointments	111	543
QHP's	30	143 (18 NA)
Medicaid	12	72 (6 NA)

Next Native American Standing Committee Meeting September 03, 2019

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c. Matters from the Operations Committee

Director David Leachman, Committee Chair



Schedule		Risks		Resources	
Status	Trending	Status	Trending	Status	Trending
G	↔	G	↔	G	↔

Key Milestones	Status
Change Management Plan	C
Updated IV&V Health Check Milestones	C
Updated Draft Project Integrated Plan	G
hCentive Contract Execution	G
Develop Initial Outreach Plan	G
hCentive On-Boarding	G
HSD Meeting	G
Project Kickoff Meeting	G

Summary

- beWellnm, hCentive contract negotiations under way, ECD 6/30/19. 7/15
- hCentive on-boarding expected July-end

Trending Scale:	Improving	No Change	Worsening
	↑	↔	↓

C Task Complete	Y 1+ Week Behind Schedule
G On Track - No Major Issues	R Major Risk

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b. Matters from the Outreach & Education Committee

Director Martin Hickey, Committee Chair

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Prime Vendor Update



d. Matters from the CEO Search Committee

Director Martin Hickey, Committee Chair

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d. Matters from the Finance Committee

Director Brandon Fryar, Committee Chair

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Re-allocation of 2018 Assessment

2018 Assessment Re-allocation Based on Actual 2018 Market Share

Source: NAIC Annual Statutory Financial Statement filings for Year Ended 12/31/2018

NAIC#	INSURANCE COMPANY	Comprehensive (Hospital & Medical)	Medicaid Premium	Total Direct Written Premium Sbj to Assessment	2018 Market Share	2018 Assessment Allocation (based on 2018 Market Share)	2018 Assessment Paid (based on 2017 Market Share)	Balance Due
					%	\$ 17,236,700	\$ 17,236,700	\$ -
11504	PRESBYTERIAN INSURANCE COMPANY	\$ 104,704,429	\$ -	\$ 104,704,429	1.87%	\$ 321,908	\$ 355,381	\$ (33,473)
13214	UNITEDHEALTHCARE OF NEW MEXICO INC		532,855,633	532,855,633	9.50%	1,638,235	2,404,523	(766,289)
14154	THE CHRISTUS HEALTH PLAN	13,034,447		13,034,447	0.23%	40,074	42,215	(2,141)
15011	NEW MEXICO HEALTH CONNECTIONS	118,069,286		118,069,286	2.11%	362,997	498,392	(135,395)
16281	TRUE HEALTH NM	91,419,529	-	91,419,529	1.63%	281,064	-	281,064
60054	AETNA LIFE INSURANCE COMPANY	135,784,612		135,784,612	2.42%	417,462	117,595	299,867
62308	Connecticut General Life Insurance Company	197,374		197,374	0.00%	607	-	607
65498	Life Insurance Company of North America	7,061,694		7,061,694	0.13%	21,711	-	21,711
67369	CIGNA HEALTH AND LIFE INSURANCE CO	55,286,206		55,286,206	0.99%	169,974	192,657	(22,683)
70670	HEALTH CARE SERVICE CORPORATION	305,117,696		305,117,696	5.44%	938,067	922,246	15,821
78611	HCSC INSURANCE SERVICES COMPANY	-	1,008,001,667	1,008,001,667	17.98%	3,099,044	3,064,240	34,805
79413	UNITEDHEALTHCARE INSURANCE COMPANY	194,019,541		194,019,541	3.46%	596,502	654,690	(58,188)
95330	PRESBYTERIAN HEALTH PLAN INC	213,193,197	1,470,271,588	1,683,464,785	30.03%	5,175,718	4,749,145	426,573
95739	MOLINA HEALTHCARE OF NEW MEXICO INC	128,305,210	1,229,122,937	1,357,428,147	24.21%	4,173,336	4,235,615	(62,279)
TOTAL		\$ 1,366,193,221	\$ 4,240,251,825	\$ 5,606,445,046	100%	\$ 17,236,700	\$ 17,236,700	\$ (0)

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2019 Budget Update

	Annual Expenses						Total Projection Over/(Under) Budget
	2019 SBE_FP Budget	2019 SBM Budget	2019 Total Budget	2019 SBE-FP Projection	2019 SBM Projection	2019 Total Projection	
Salaries	\$ 1,939,517	\$ 2,084,215	\$ 4,023,733	\$ 2,212,646	\$ -	\$ 2,212,646	\$ (1,811,087)
Employee Benefits	\$ 852,206	\$ 915,785	\$ 1,767,991	\$ 931,519	\$ -	\$ 931,519	\$ (836,472)
Professional Services and Board	\$ 468,150	\$ 610,000	\$ 1,078,150	\$ 837,766	\$ 178,311	\$ 1,016,077	\$ (468,778)
Administrative Overhead	\$ 687,116	\$ 1,684,800	\$ 2,371,916	\$ 957,652	\$ -	\$ 957,652	\$ (1,414,264)
Consumer Outreach & Education	\$ 3,769,032	\$ -	\$ 3,769,032	\$ 3,419,032	\$ -	\$ 3,419,032	\$ (120,000)
Plan Management	\$ 300,000	\$ -	\$ 300,000	\$ 300,000	\$ -	\$ 300,000	\$ -
Program Integration	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ (1,000,000)
Technology							
SHOP Shared Services Vendor	\$ 715,000	\$ -	\$ 715,000	\$ 715,000	\$ -	\$ 715,000	\$ -
IT Technology Vendor (1)	\$ -	\$ 9,000,000	\$ 9,000,000	\$ -	\$ 2,141,497	\$ 2,141,497	\$ (6,858,503)
System Integration	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ (1,000,000)
CRM for in-house Contact Center/GEN5	\$ 42,000	\$ -	\$ 42,000	\$ 47,420	\$ -	\$ 47,420	\$ 5,420
Independent Validation & Verification (2)	\$ -	\$ 1,125,000	\$ 1,125,000	\$ -	\$ 450,000	\$ 450,000	\$ (675,000)
Project Management Office (3)	\$ -	\$ 2,970,000	\$ 2,970,000	\$ -	\$ 650,000	\$ 650,000	\$ (2,320,000)
Privacy & Security	\$ -	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ -	\$ (250,000)
Total Technology	\$ 757,000	\$ 14,345,000	\$ 15,102,000	\$ 762,420	\$ 3,241,497	\$ 4,003,917	\$ (11,098,083)
Federal Platform User Fee	\$ 10,900,004	\$ -	\$ 10,900,004	\$ 6,773,821	\$ -	\$ 6,773,821	\$ (3,800,004)
Total NMHIX Operating Budget	\$ 19,673,026	\$ 20,639,800	\$ 40,312,826	\$ 16,194,855	\$ 3,419,808	\$ 19,614,663	\$ (20,698,163)
Notes:							
(1) First year costs for Technology Vendors track to contract still being negotiated				Assessed	\$ 19,673,026		
(2) IV&V costs set for the first year				2019 Projection	\$ 19,614,663		
(3) PMO amount assumes a re-negotiated total contract of \$2.5 million - TBD				Over/(Short)	\$ 58,363		

2019 Budget – Key Changes

Due to:

- Board decision to extend the DD&I (Design, Development & Implementation) period to a third year reduced 1st year costs in all budget categories and pushed to the future costs previously budgeted for 2019
- Lower than expected projected costs for the technology vendor (from \$9.0M to \$2.1M)
- Reduced cost of PMO (from \$2.9M to \$650K)
- Lower than anticipated User Fee Costs (from \$10.9M to \$6.8M)
- Delayed hiring of staff until early 2021 reduced Salaries & Benefits (from \$5.8 M to \$3.1M)

Bottom Line:

There will not be a second assessment for 2019. The first assessment of \$19,673,026 is sufficient at this time.

DD&I Costs Projected Over Three Years

Budget Category	2019	2020	2021	Total
IT Technology Vendor **	\$2,141,497	\$3,769,382	7,509,868	\$13,420,747
System Integration	\$0	\$1,000,000	\$1,000,000	\$2,000,000
IV&V for Individual Exchange	\$450,000	\$500,000	\$800,000	\$1,750,000
PMO for Individual Exchange	\$650,000	\$850,000	\$1,000,000	\$2,500,000
Privacy & Security	\$0	\$350,000	\$50,000	\$400,000
Program Integration	\$0	\$1,000,000	\$0	\$1,000,000
Total	\$3,241,497	\$7,469,382	\$10,359,868	\$21,070,747

** Contract currently being negotiated

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2020 Budget Proposal

Budget Considerations At-a-Glance

Budget Category	% Change YOY	Considerations
Salaries	2.0%	<ul style="list-style-type: none"> FTE count projected for second half of 2019 is 26.5; Turnover in 2019 – four vacancies: <ul style="list-style-type: none"> Three vacancies since Jan. 2019 – one position posted (CEO); One vacancy from Aug. 2018 – position is currently posted. Budgeted 5% salary increase in 2020; Based on the Compensation Study in 2018, we brought salaries for 3 employees up to the minimum during 2019. All other employees will go through a performance review prior to an increase.
Employee Benefits	7.1%	<ul style="list-style-type: none"> Budget assumes a 6% increase in health insurance premiums. Tuition Reimbursement benefit developed last year and is starting to be used.
Prof Services & Board	(29.5%)	<ul style="list-style-type: none"> Total budget reduced from 2019 including legal expenses, other administrative consulting (Procurement Management Contract), and Board expenses to be reduced.
Administrative	0.2%	<ul style="list-style-type: none"> Relatively flat year over year.
Outreach & Education	0.7%	<ul style="list-style-type: none"> Native American Standing Committee recommends a \$25,618 increase in NA outreach and education budget; this is the amount by which administrative costs were reduced by consolidating all staff under one roof. Remaining expenses flat year over year.
Plan Mgmt.	(100%)	<ul style="list-style-type: none"> MOU expires 12/31/2019. Superintendent Franchini had previously reported to the Board that OSI would not require funding beyond the end date of the MOU.
Technology	105.7%	<ul style="list-style-type: none"> SHOP M&O costs remain flat year over year. 2020 will be the 2nd year of the Individual Exchange build with DDI costs totaling \$7.5M.
SBE-FP User Fee (Lease Payment)	(11.7%)	<ul style="list-style-type: none"> The SBE-FP User Fee will decrease from 3.0% in 2019 to 2.5% in 2020. Assumes flat enrollment and a 6% rate increase in carrier premium rates, at the recommendation of Superintendent Franchini/Finance Committee.
Overall	15.2%	

2019 Projection vs. 2020 Budget Proposal

Budget Category	2019 Projection	2020 Budget	YOY Budget Inc/(Dec)	% YOY Budget Inc/(Dec)
Salaries	\$2,212,646	\$2,256,097	\$43,451	2.0%
Employee Benefits	\$931,519	\$997,291	\$65,771	7.1%
Professional Services & Board	\$1,016,077	\$716,500	(\$299,517)	(29.5%)
Administrative/Operations	\$957,652	\$959,993	\$2,341	0.2%
Outreach & Education	\$3,419,032	\$3,444,650	\$25,618	0.7%
Plan Management	\$300,000	\$0	(\$300,000)	(100.0%)
Technology & Program Integration	\$4,003,917	\$8,235,882	\$4,231,952	105.7%
SBM-FP User Fee	\$6,773,821	\$5,983,542	(\$790,279)	(11.7%)
TOTAL	\$19,614,664	\$22,593,955	\$3,979,291	15.2%

Native American Standing Committee

2020 Budget Proposal

Budget Category	2018 Budget	2019 Budget	2020 Budget Request
Salaries	\$121,151	\$120,294	\$127,759
Employee Benefits	\$53,652	\$48,202	\$48,462
Administrative/Operations	\$60,887	\$40,993	\$15,375
Marketing, Advertising, Media	\$17,194	\$17,194	\$17,194
Outreach & Education	<u>\$152,603</u>	<u>\$152,603</u>	<u>\$178,221</u>
Total	<u>\$405,487</u>	<u>\$379,286</u>	<u>\$387,011</u>

Outreach & Education: 2020 Budget Proposal

Budget Category	2018 Actual	2019 Projected	2020 Proposed Budget	YOY Inc/ (Dec)	%YOY Budget Inc/(Dec)
Research & Surveys	\$7,712	\$230,000	\$290,000	\$60,000	26.1%
Prime Vendor:					
Outreach Services **	\$1,378,569	\$1,387,000	\$1,387,000	\$0	0%
Web Services	\$118,071	\$95,500	\$95,500	\$0	0%
Advertising	\$1,618,410	\$1,602,500	\$1,602,500	\$0	0%
<u>Communications & PR</u>	<u>\$162,074</u>	<u>\$164,500</u>	<u>\$164,500</u>	<u>\$0</u>	<u>0%</u>
<u>Subtotal Prime Vendor</u>	<u>\$ 3,277,124</u>	<u>\$3,249,500</u>	<u>\$3,249,500</u>	<u>\$0</u>	<u>0%</u>
Total Outreach & Education	<u>\$ 3,284,836</u>	<u>\$3,479,500</u>	<u>\$3,539,500</u>	<u>\$60,000</u>	<u>1.7%</u>

**

2018 Actual includes non-Prime Vendor expenses paid for services needed for the month of January 2018, prior to the start of the Prime Vendor contract.

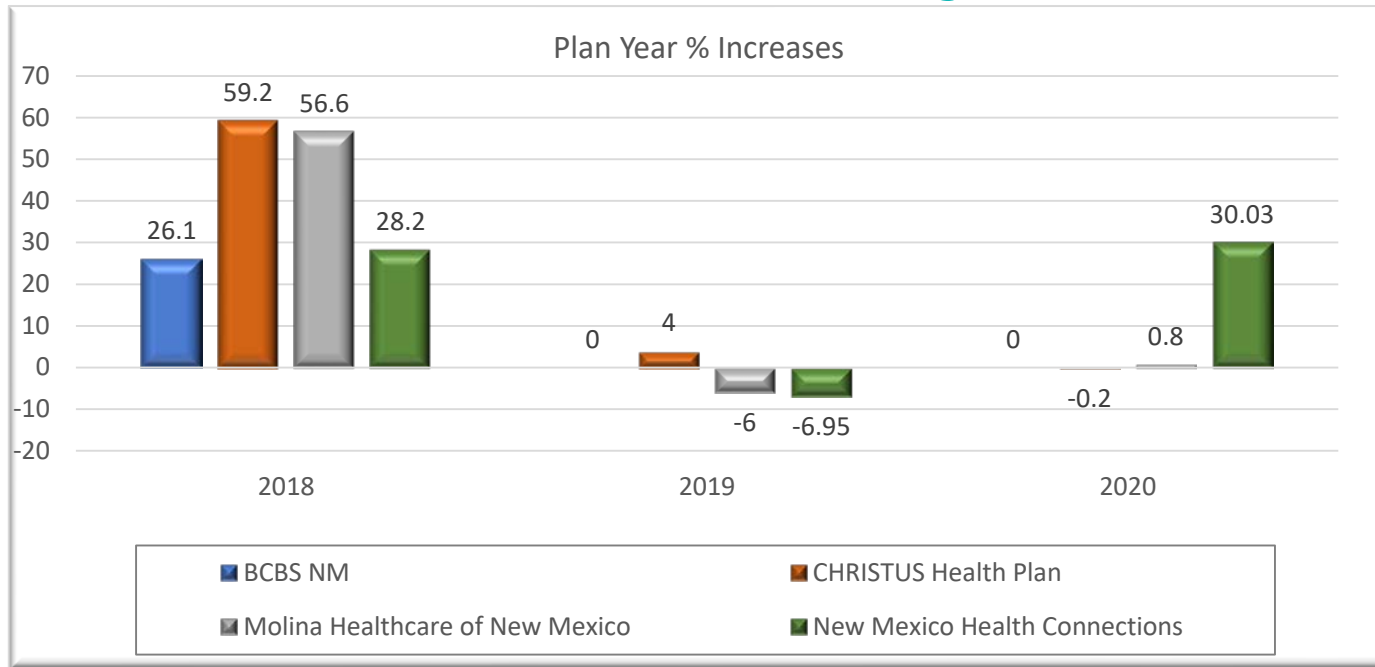
Budget Category	2018 Actual	2019 Projected	2020 Budget Proposal	YOY Inc/ (Dec)	% YOY Budget Inc/(Dec)
SHOP Shared Services Vendor	\$775,000	\$715,000	\$715,000	\$0	0%
IT SHOP Vendor M&O (GI)	\$1,532,907	\$0	\$0	\$0	0%
Data Reporting System	\$0	\$3,500	\$3,500	\$0	0%
Call Center Vendor	\$234,580	\$0	\$0	\$0	0%
CRM for In-House Call Center	\$29,904	\$43,920	\$48,000	\$4,080	9.3%
IV&V (for SHOP Implementation)	\$124,845	\$0	\$0	\$0	0%
PMO (for SHOP Implementation)	\$293,362	\$0	\$0	\$0	0%
IT Technology Vendor	\$0	\$2,141,497	\$3,769,382	\$1,627,885	76.0%
System Integration	\$0	\$0	\$1,000,000	\$1,000,000	100.0%
IV&V for Individual Exchange	\$0	\$450,000	\$500,000	\$50,000	11.1%
PMO for Individual Exchange	\$0	\$650,000	\$850,000	\$200,000	30.8%
Privacy & Security	\$0	\$0	\$350,000	\$350,000	100.0%
Program Integration	\$0	\$0	\$1,000,000	\$1,000,000	100.0%
Total	\$2,990,598	\$4,003,917	\$8,235,882	\$4,231,965	105.7%

Technology Operations – Federal Platform User Fee

Budget Category	2018 Actual	2019 Projected	2020 Budget Proposal	YOY Inc/ (Dec)	% YOY Budget Inc/(Dec)
Federal Platform User Fee	\$5,314,400	\$6,773,821	\$5,983,542	(\$790,279)	(11.7%)
Total	\$5,314,400	\$6,773,821	\$5,983,542	(\$790,279)	(11.7%)

User Fee Budget Risk:

- Carrier rates have been filed but have not been approved yet
- First submission for 2020 is reflected in the plan year comparison to 2018-19 Actual Rate Increases/Decreases.
- Until rates are approved, the Finance Committee recommended a 6% rate increase for the 2020 User Fee budget.



2018 & 2019 Approved Rate Increases/Decreases; 2020 - First Submission/Unapproved

Source: OSI

OSI Note: The percentages are weighted averages for all plans within the same benefit design product

Motion

Motion: Move that the Board approve the 2020 budget as presented here today in a total amount of \$22,593,955.



f. Matters from the Stakeholder Advisory Committee

Mike Wallace, Committee Chair



g. Matters from the Vision, Mission Goals Committee

Director Deane Waldman, Committee Chair

Motion

Motion: Move that the Board approve the Vision, Mission and Goals document as presented here today.

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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*

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8. Public Comment

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9. Other Board Business

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10. Next beWellnm Board Meeting

September 20, 2019

CNM Workforce Training Center

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11. Adjournment