

BeWellNm
New Mexico Health Insurance Exchange
Board Meeting Minutes
Friday, July 19, 2019, 8:30 AM
CNM Workforce Training Center
5600 Eagle Rock Ave. NE, Albuquerque, NM 87113

Board Members Present:	Board Members Absent:
<ul style="list-style-type: none">• Mr. Damian Esquibel• Ms. Terriane Everhart• Ms. Patsy Romero• Dr. J. Deane Waldman• Dr. David Leachman - via phone• Ms. Teresa Gomez• Mr. Brandon Fryar - via phone• Mr. David Shaw• Dr. Martin Hickey• Secretary David Scrase• Superintendent John Franchini• Mr. Dan Foley	<ul style="list-style-type: none">• Dr. J.R. Damron

1. Welcome, Roll Call, and Confirmation of Quorum - Chairman David Shaw

The meeting was called to order at 8:35 a.m. Roll call was taken and a quorum was established.

2. Approval of Agenda - Chairman David Shaw

Motion: Director Waldman

Second: Director Romero

The motion passed unanimously.

3. Approval of the May 17, 2019 Board Meeting Minutes - Chairman David Shaw

Motion: Director Romero

Second: Director Waldman

The motion passed unanimously.

4. Chairman's Remarks - Chairman David Shaw

Chairman Shaw thanked the Board and staff for their hard work in the past month. He indicated that today's agenda will include a discussion of the 2020 budget and the Vision, Mission and Goals document.

5. Matters from the CEO - Mr. Jeffery Bustamante, Interim CEO

Mr. Bustamante provided an update on the implementation of Senate Bill 294. He stated that beWellnm has begun training employees on the Gift Act and the Whistle Blower Protection Act. He indicated that there is some overlap between the Gift Act and the Government Conduct Act regarding gifts. beWellnm has provided in-person training, and employees will also complete a training module and related quiz. After the budget has been approved by the Board it will be sent to the LFC, as required by Senate Bill 294. Regarding the Sunshine Portal Transparency Act, beWellnm is prepared to comply. beWellnm continues to reach out to the appropriate agencies regarding compliance procedures on their end, which will be unique in light of beWellnm's status as a public, non-profit corporation (pseudo-governmental agency). An updated Procurement Policy will be presented at the September Board meeting, as two staff members will attend a State Chief Procurement Officer training in late July, and updates will be made to the policy thereafter.

Secretary Scrase recommended utilizing the General Services Division for procurement training and additional resources.

Mr. Bustamante stated that a few Board member appointment terms have expired but noted that the practice has been for Directors to serve until they have been reappointed or a successor has been named. beWellnm has been in contact with the appointing authorities, but has only received notice that Director Foley has been reappointed, for a two-year term.

beWellnm has started to gather a staff-level analytics team, which consists of Maureen Manring for outreach as well as a few others who bring data and practice expertise. The goals of the team are (1) to allow beWellnm to do more with the information it has while also identifying what information is missing; and (2) to prepare beWellnm to take action as information is obtained over the next few years.

Mr. Bustamante provided an enrollment update. Per CMS, enrollment is 3.8% higher than it was at the close of open enrollment. Mr. Bustamante noted that beWellnm has focused heavily on education and retention, and that premium assistance among enrollees is the second highest that it has been in the last four years (76% are receiving premium tax credits).

Mr. Bustamante indicated that contract negotiations with hCentive are continuing.

Mr. Bustamante recognized the following staff: Juliet Yazzie, for her work as the Native American Liaison, which included visiting all tribes in New Mexico and meeting with governors, and working with the Native American Advisory Committee; Brent Earnest and Kevin Swinson, for all of their work with contract negotiations; and Aryn Fitzwater, for assisting with staff training and implementation of Senate Bill 294.

Mr. Bustamante next discussed items for the September Board meeting, including the open enrollment

outreach plan preview, updates on qualified health plan reports, contract reviews, and the updated Procurement Policy. The November Board meeting will also include an open enrollment update.

6. Committee Reports

a. Matters from the Native American Committee - Director Teresa Gomez

Ms. Yazzie stated that the Native American Advisory Committee meeting was held Tuesday June 4, 2019, and the committee will meet again on September 3, 2019. beWellnm is very interested in input from committee members regarding the transition from SBM-FP to SBM. Ms. Yazzie began visiting tribal governors and presidents on July 8, 2019. Recent outreach and enrollment events include: Northern Navajo Medical Center (Shiprock); NIH Behavioral Health Conference (Albuquerque); the 27th Annual Health Provider Retreat (Santa Ana); Tamaya Pueblo Crossroads (Santa Ana Pueblo); Gallup Enrollment Day; Just Move It – Thoreau Chapter; Cochiti Pueblo Crossroads; APCG – 2019 Pueblo Golf Classic (Santa Fe); Mescalero Enrollment Day (Ruidoso); and NATI Professional Education Program (Albuquerque). beWellnm will continue its Native American partnership locations and will participate in Enrollment Days in Mescalero, Farmington, Gallup, and the Jicarilla Apache Nation (as needed).

Ms. Yazzie indicated that thus far in 2019, the beWellnm Enrollment Center has had a total of 772 visits (including 140 from May 1 – June 28); 543 completed appointments (including 111 from May 1 - June 28); 143 QHP enrollments (including 18 Native American); and 72 Medicaid applications (including 6 Native American). Like the advisory committee, the Native American Standing Committee will meet on September 3, 2019.

Ms. Yazzie stated that the conversations with tribal leaders have gone well, and beWellnm is looking to increase outreach efforts among the tribes. Specifically, beWellnm hopes to present at health care committee meetings and to attend additional events among the tribes. Ms. Manring stated that beWellnm has submitted applications to present at tribal conferences. Also, the Colorado Exchange is looking at New Mexico's practices to learn how to better serve its own Native American population.

b. Matters from the Operations Committee - Director David Leachman

Director Leachman noted that the Operations Committee met and discussed the SBM build and the budget. Mr. Bustamante stated that each committee reviewed expenditures relevant to the committee, and the Finance Committee then reviewed beWellnm's overall budget.

Mr. Bustamante presented a status dashboard outlining the key milestones of the build, and indicated that the Operations Committee will receive status dashboards on a weekly or bi-weekly basis during the build. beWellnm has upcoming meetings scheduled with HSD to discuss integration.

Secretary Scrase requested that the risk measurement information in the status dashboards include a numeric measurement in addition to a color scheme.

c. Matters from Outreach & Education Committee - Director Martin Hickey

Ms. Manring stated that the beWellNm logo trademark application was approved. Ms. Whitney Waite and Mr. Jason Marshall, the beWellNm account executive, presented an update on outreach and education activity and achievements since The Waite Company (TWC) took over as prime vendor in 2018. TWC has been an Outreach and Education partner since 2013, working with the Garrity Group on communications, K2MD on advertising, and 21 Certified Enrollment Counselors / Navigator organizations.

Ms. Waite indicated that TWC's report focuses on achievements and results rather than data points. However, all activities are associated with data points, and this information is available to beWellNm. The Navigator and Certified Application Counselor partner organizations have expanded to 42 locations in 29 counties across the state (with 114 Navigators/Enrollment Counselors/Certified Application Counselors), and the cost per enrollment has been greatly reduced due largely to streamlined processes. TWC focused on recruiting and supporting certified Agents and Brokers. There are currently 272 Agents and Brokers across the state. Mr. Bustamante and Ms. Manring noted the importance of the working relationship between Agents and Brokers and Enrollment Counselors.

Director Gomez questioned whether the increase in Agents and Brokers results in increased enrollments. Director Romero requested information on how Agents and Brokers are utilized (i.e. whether assistance is in-person, in rural communities, web-based, etc.). Mr. Bustamante noted that Agent and Broker success is very community-based and that additional information is forthcoming.

Ms. Waite next addressed outreach to small business owners, which includes educating business owners and individual employees about the SHOP program. TWC has contacted almost 10,000 small businesses since 2018, via email, phone calls, and newsletters. TWC has continued its organization outreach activity with community-based partners, including civic groups, community groups, higher education, medical providers, and churches. Ms. Manring noted that many of these organizations also reach back to beWellNm for assistance in educating their constituencies.

TWC strategies to increase productivity while reducing costs include expanding the number of Agents and Brokers, who are free to the Exchange, reducing cost per enrollment, identifying cost efficiencies across nearly all programs (largely through streamlining), reducing administrative paperwork, and the combination of data analytics now that TWC is the prime vendor.

Mr. Bustamante confirmed that the HHS recently issued a final rule regarding HRA account options. He further indicated that beWellNm has asked CMS whether employees of an employer who contributes to HRAs would be required to forego premium tax credits, or whether such employees might be able to take advantage of both arrangements through a Section 1332 waiver. CMS has not provided a response.

d. Matters from the CEO Search Committee - Director Martin Hickey

Ms. Carol Cochran and Ms. Alicia Finley provided a status on the CEO search. REDW cast a wide net and received 53 applications, 20 of which are from qualified applicants. REDW will pre-screen the qualified applicants and forward notes and resumes to the committee for review. The committee will

then narrow the qualified candidate pool, and REDW will send written questions to the remaining candidates. Based upon responses, the committee will select candidates for interviews.

Director Hickey indicated that the top qualifications for the CEO position are leadership experience, insurance or health background, the ability to work with a Board of Directors of a quasi-public entity, the ability to manage other relationships, and fiscal accountability.

e. **Matters from the Finance Committee** - Director Brandon Fryar, Treasurer

Ms. Schwing presented the revised 2019 budget and the 2020 budget. She first addressed the 2018 assessment reallocation, which is based on the actual 2018 market share from NAIC financial statements released at the end of February. The net reallocation is \$0.00. Some carriers will be invoiced, and some will receive refunds (slide 23).

Ms. Schwing presented the revised 2019 budget. She explained that the 2019 Total Budget is the budget that the Board approved in September of 2018. The 2019 Total Projection is equal to 5 months of actual budget plus 7 months of adjusted budget based on changed assumptions. There was a significant reduction in the Total Projection. The reduction is seen primarily in the technology categories, and is mostly due to lower than expected costs for the technology vendor.

The projected budget for the SBM (individual exchange) build was reduced to \$3.4 million, down from \$20.6 million. This reduction is attributed to the following key changes to the originally approved budget:

1. The Board's decision to extend the Design, Development & Implementation (DD&I) period to a three-year period reduced the first-year costs in all budget categories, particularly technology costs, and pushed to the future costs previously budgeted for 2019.
2. Projected costs for the technology vendor were lower than expected (reduced from \$9.0 million to \$2.1 million, pending a signed contract).
3. The PMO costs were reduced (from \$2.9 million to \$650K), when the Board instructed the CEO to reduce the contract from \$8.5 million to \$2.5 million.
4. The anticipated SBM-FP User Fee costs were lower than anticipated (reduced from \$10.9 million to \$6.8 million) due to lower than budgeted carrier rate increases.
5. The delayed hiring of staff until early 2021 reduced salaries and benefits (from \$5.8 million to \$3.1 million).

Ms. Schwing stated that there will not be a second assessment for 2019, as the first assessment of \$19,673,026 is sufficient at this time.

Ms. Schwing provided a breakdown of the DD&I costs projected over the three-year period. Budget categories include the IT Technology Vendor (contract currently under negotiation), System Integration, IV&V for the Individual Exchange, PMO for the Individual Exchange, Privacy & Security, and Program Integration. The bulk of these costs are allocated to 2021, which is when testing will occur. The overall total budget over three years is \$21,070,747.

Ms. Schwing next presented the 2020 budget. There is a 15.2% overall year-over-year budget increase. Ms. Schwing provided an overview of the budget categories, which include:

1. Salaries (2% increase). Budgeted 5% increases based on Compensation Study. Employees will go through a new performance review process prior to an increase.
2. Employee Benefits (7.1% increase). The increase is due largely to an anticipated increase in health insurance premiums and the recently implemented employee tuition reimbursement program.
3. Professional Services & Board (29.5% decrease). The 2019 Procurement Management contract costs, which factored in the 2019 actual expenses, are not included in the 2020 budget. Certain legal expenses incurred in 2019 are not anticipated in 2020. Finally, there were special Board meetings in 2019; none are anticipated in 2020.
4. Administrative/Operations (.2% increase). This is relatively flat year over year.
5. Outreach & Education (.7% increase). Administrative costs were reduced when the Native American team and Call Center moved from the Menaul location to the beWellNm main office. For the 2020 budget, beWellNm has allocated the administrative cost savings to additional outreach for the Native American population.
6. Plan Management (100% decrease). beWellNm's MOU with OSI expires on 12/31/19, and no additional funding is anticipated.
7. Technology & Program Integration (105.7% increase). SHOP funding remains flat year over year. However, 2020 will be the second year of the individual exchange build, at a cost of \$7.5 million.
8. SBM-FP User Fee (11.7% decrease). The SBM-FP User Fee rate will decrease from 3.0% in 2019 to 2.5% in 2020. This projection also assumes a flat enrollment and a 6% carrier premium rate increase.

Ms. Schwing next reviewed the individual committee budgets. The Native American Standing Committee requested a total budget of \$387,011, which includes the repurposing of certain funds from the Administrative category to Outreach & Education. The Outreach & Education Committee proposed a total budget of \$3,539,500, which includes some research and surveys. The Operations Committee proposed a Technology Operations budget of \$8,235,882 for 2020, consisting largely of the individual exchange build costs.

Finally, the federal platform User Fee budget for 2020 is \$5,983,542. There is some budget risk in the User Fee category, as carrier rates have been filed but not yet approved. The 6% anticipated carrier premium increase was utilized at the recommendation of the Finance Committee.

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

Motion: Director Fryar

Second: Director Waldman

The motion passed unanimously.

f. **Matters from the Stakeholder Advisory Committee** - Committee Chair Mike Wallace

Mr. Bustamante indicated that the Stakeholders Advisory Committee meets quarterly outside of open enrollment and twice during open enrollment. The next committee meeting will be in October, at which time beWellNm will obtain feedback. beWellNm will provide consistent updates through open enrollment.

g. Matters from the Vision, Mission & Goals Committee - Director J. Deane Waldman

Director Waldman stated that the committee added desired outcome measures related to beWellNm's Vision, Mission and Goals, and that these outcome measures should be incorporated into the CEO contract as expectations for the CEO.

Director Waldman stated that bullet point 6 in the Ensure Organizational Effectiveness column should be bullet point 5(c).

The Directors discussed whether the language "through beWellNm" should be included in the Mission section of the document. The Directors decided that the Mission should read: "Promote efforts to educate and enroll New Mexicans in affordable health insurance coverage that promotes better access to timely, high quality healthcare."

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

Motion: Director Waldman

Second: Director Esquibel

The motion passed unanimously.

7. Agency Reports

a. Matters from the Office of the Superintendent of Insurance - Superintendent John Franchini

Superintendent Franchini indicated that during the legislative session a few bills were passed that will help the public, including "surprise billing" and "balanced billing" bills. The OSI is working on recommendations and implementation of these bills. The OSI is also reviewing Pharmacy Benefit Managers (PBMs).

b. Matters of the New Mexico Medical Insurance Pool - Superintendent John Franchini

Ms. Kristina Campbell Leeper, Deputy Director, indicated that the Pool's enrollment has stabilized at approximately 2300. The Pool is a coverage of last resort, and works well with beWellNm and Medicaid. The Board of Directors of the Pool will meet next in August 2019. The Board's current focus is on aggressive care management.

Superintendent Franchini noted that the Pool has modernized health care coverages, which has helped with continuity of care, has increased contracts, and has added managed health care as part of its

philosophy, which has reduced costs and increased results. This is due largely to the Pool's access to good data about its patients.

c. Matters from the New Mexico Human Services Department - Secretary David Scrase

Secretary Scrase indicated that HSD is engaged in a strategic planning process, has completed its mission statement, and has four areas of focus related to its goals: (1) benefits and services; (2) increasing the public trust in HSD; (3) technology; and (4) employees. HSD is preparing a budget and will import the figures from beWellnm's final budget.

Director Scrase confirmed that HSD will meet with beWellnm staff next week to discuss the IT project interfacing and outreach and marketing projects to take advantage of federal funding. HSD has a position posted for Director of Coverage Innovation. The transfer of the Exchange to a fully SBM opens up options for Medicaid and beWellnm to pursue in partnership with the goal of insuring more New Mexicans.

The HSD budget includes funds for marketing, expanding Medicaid, real time eligibility determinations, and possible continuous enrollment for adult males. HSD has submitted a CMS waiver change request that would reinstate retroactive eligibility for Medicaid.

8. Public Comment

No public comment.

9. Other Board Business - Directors and Mr. Jeffery Bustamante, Interim CEO

Director Waldman indicated that beWellnm should plan for a possible decision by the U.S. Supreme Court to uphold the Texas federal district court's decision striking down the ACA (*Texas v. Azar*).

Director Fryar commended the state for utilizing various funding mechanisms to accomplish Medicaid rate increases to providers, effective July 1, 2019, which should result in more sustainable coverage for New Mexico as a whole.

10. Next beWellnm Board Meeting: September 20, 2019 at the CNM Workforce Training Center

11. Adjournment

Motion: Director Gomez

Second: Director Esquibel

The motion passed unanimously.