

AGENDA



Cover Oregon

February 13, 2014

1:00 – 5:00 pm

Ambridge Event Center, 1333 NE MLK Blvd., Portland, OR 97232

Agenda Item	Presenter	Type of Item
1:00 Welcome, Introductions, Agenda Overview (5 mins.) <ul style="list-style-type: none">1-9-14 minutes	Chair Liz Baxter	Action
1:05 Consumer Advisory Committee (CAC) Report (10 mins.) <ul style="list-style-type: none">Report from February 7, 2014, meeting	Steve Ferree, Committee Vice-Chair	Inform/ Discuss
1:15 Executive Director Search Committee Report (15 mins.) <ul style="list-style-type: none">Report from January 23, 2014, meeting	Gretchen Peterson, Committee Chair	Inform/ Discuss/
1:30 Finance & Audit Committee Report (45 mins.) <ul style="list-style-type: none">Review and approve preliminary PMPM charge for carriers to use in public rule hearing	José Gonzalez, Committee Chair	Inform/ Discuss/ Action
2:15 Identifying Board Expectations (45 mins.)	Chair Liz Baxter	Inform/ Discuss
3:00 Public Comment (15 mins.)	Chair Liz Baxter	Inform
3:15 Break (10 mins.)		
3:25 Director's Operational/Progress Report (Continued) (80 mins.) <ul style="list-style-type: none">IT/Website UpdateEnrollment Report – Enrollment numbers for February; looking forward to MarchLegislative UpdateCommunications/Marketing/Outreach Updates	Dr. Bruce Goldberg, Acting Cover Oregon Executive Director Aaron Karjala, Cover Oregon CIO Amy Fauver, Cover Oregon CCO	Inform/ Discuss

4:45 Public Comment (10 min.)	Chair Liz Baxter	Inform
4:55 Future Business and Adjournment (5 min.)	Chair Liz Baxter	Action

Next Meeting:

Thursday, March 13, 2014, 1-5 pm – Ambridge Event Center, 1333 NE MLK Jr. Blvd., Portland, OR 97232

Mission: Improving the health of all Oregonians by providing coverage options, increasing access to information and fostering quality and value in the health care system.

The Exchange seeks to improve the health of all Oregonians and reduce health disparities and costs by:

1. The establishment of the Oregon Health Insurance Exchange, with the following benchmarks:
 - Legislative approval of the Board’s business plan in February 2012;
 - Federal certification of readiness in January 2013;
 - Implementation of open enrollment for the individual and small group markets by October 2013;
 - Start of coverage for the individual and small group markets by January 1, 2014;
 - Self-sustaining financially by January 1, 2015.
2. Providing information to individuals and businesses so they can compare health coverage options, make informed health care decisions, and enroll in a plan that meets their needs;
3. Qualifying health plans and ensuring fair competition among plans so that program participants have meaningful coverage choices;
4. Maximizing enrollment in qualified insurance plans by individuals and employers;
5. Maximizing federal funding contributions and assistance to the State of Oregon, qualified individuals and other participants up to self-sufficiency.

Minutes

Oregon Health Insurance Exchange Corporation Board of Directors Meeting

January 9, 2014

Meeting called to order: 1:01 p.m.

Meeting adjourned: 2:51 p.m.

Board Members Present: Ken Allen; Teri Andrews; Liz Baxter; Dr. George Brown; Laura Cali; Aelea Christofferson; José Gonzalez; Gretchen Peterson

Cover Oregon Staff Present: Triz delaRosa; Amy Fauver; Dr. Bruce Goldberg; Kelly Harms; Laura Hutchings; Aaron Karjala; Alyssa McClure

Please note this is a record of minutes and not a full transcription. Audio and video of the meeting can be found at <http://www.coveroregon.com/discover/board>, enter the meeting date in the search field, then click on the meeting date; the time stamp after each item corresponds with this recording.

Welcome, Introductions, Agenda Overview [00:01:13] – Liz Baxter, Chair

- Ms. Baxter called the meeting to order and welcomed everyone in attendance. She reviewed the goals of the meeting and the agenda. Ms. Baxter asked the Board to review the minutes from the three previous meetings and suggested approving them all in one vote if there are no changes.

Ms. Cali moved to approve the minutes from the December 12, 2013, December 20, 2013, and December 27, 2013 Board meetings. Mr. Gonzalez seconded. The motion passed unanimously.

Consumer Advisory Committee Report [00:01:02] – Steve Ferree, Committee Vice-Chair

- Mr. Ferree introduced himself to the Board and summarized the January 3, 2014, Consumer Advisory Committee meeting. He said the majority of the meeting was spent providing feedback on the paper application. He reviewed the public comment that the committee heard for the Board. Mr. Ferree also talked about the confusion for small business owners around whether or not they can receive tax credits outside of the exchange without the SHOP program. Dr. Goldberg said that would be brought to both the Board and the Consumer Advisory Committee in the future.

Executive Director Search Committee Report [00:19:14] – Gretchen Peterson, Committee Chair

- Ms. Peterson asked the Board to review the committee charter and summarized the search committee meeting. She stated that Cover Oregon hopes to complete the negotiation process with the chosen firm by the end of the week, and once the contract is signed the firm name can be released. Ms. Cali asked if the 12-week timeline is to identify final candidates or for the entire process to be completed. Ms. Peterson said it is to complete the entire process, but the committee hopes to complete it earlier.

Ms. Christofferson moved to approve the committee charter. Ms. Cali seconded. The motion passed unanimously.

Minutes

Marketing & Outreach Update [00:23:00] – Amy Fauver

- Ms. Fauver presented a communications update to the Board, emphasizing the organization's efforts to improve direct communications with Oregonians. She talked about the feedback process and steps that have been implemented based on suggestions from consumers. She said they are reviewing the notices that Oregonians receive from Cover Oregon to make them easier to understand. Dr. Goldberg noted there is a lag time between submitting an enrollment packet and the carriers entering the consumer's information in their own system, and this creates some uncertainty for members. He said that Cover Oregon is trying to help relieve that level of uncertainty of enrollment status.
- Ms. Baxter noted that many emails that she gets are from Oregonians who are unsure of who to contact. Ms. Fauver said the customer service center in Salem is still the place to go to for information and that can be outlined in the site. Ms. Baxter added that the emails she is receiving are both positive and negative, and there are success stories that are important to recognize.
- Ms. Fauver told the Board about upcoming events geared for non-native English speakers. Cover Oregon is partnering with organizations in various underserved areas to provide the support and materials that the community partners need to help get their communities covered.

Director's Operational/Progress Report [00:33:43] – Dr. Bruce Goldberg and Aaron Karjala

- Dr. Goldberg stated that Cover Oregon continues to work on getting the website operational and hope to have an operational website during the open enrollment period. He referenced the handout listing the critical IT issues and talked about the status and progress made on these issues. He stated that the organization has brought in experts to review and evaluate the accuracy of the coding, and Deloitte will be help us validate the work being done and ensuring we are on the right path to going live.
- Dr. Goldberg talked about contingency plans and alternatives out into the future. He noted that Cover Oregon is currently operating in contingency mode and that the process has room for improvement. The organization would like to be more prepared for this process going forward. He spoke about the hybrid process that is currently being used, the paper application and online enrollment, and how that process will continue to be streamlined. He said he is looking into other options and alternatives should we not have the technology we'd like.
- Mr. Karjala introduced himself to the Board. He said the team is fully engaged in getting the website functional while supporting the hybrid enrollment process. Dr. Goldberg noted that we are continuing to work on performance and capacity, including the ability to handle 10,000 concurrent users. Ms. Peterson asked about family status changes (such as birth, marriage, etc...) and how that will impact Oregonians who have already submitted applications. Mr. Karjala said that those situations make consumers eligible for redeterminations and if those statuses have changed since submitting an application Oregonians can contact the customer service center in Salem to get that information updated.
- Ms. Christofferson asked for clarification on the word "live" and whether that means functional or available to the public. Mr. Karjala stated that live means it is working but not necessarily on the site since the organization is focusing on the end-to-end consumer experience for a large number of users at once. Mr. Karjala stated part of the reason eligibility and enrollment have not been released to the public is the individual account creation piece is still being tested and Oregonians must make a secure account before moving into the eligibility step. He emphasized

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the need to test account information to be sure that the site is not only functional but also secure. Dr. Goldberg said that we have been focusing on those parts of the technology that help us to process the paper applications more efficiently and effectively. Mr. Gonzalez asked when potential alternatives would be seriously considered, and Dr. Goldberg clarified that if there was not a functional site in March we would pursue other options.

- The Board discussed vendor oversight in terms of validating work Oracle has done. The Board asked where Oracle stands on delivery. Dr. Goldberg stated that both Oracle and Cover Oregon continue to work through the known critical issues, and are bringing on additional expertise to help us know where we are and get us where we want to be. Mr. Allen stated he would like to know where Oracle is not fulfilling the responsibilities they agreed to so the Board may review the shortfalls. Mr. Karjala said Oracle and Cover Oregon continue to work through this difficult situation and that senior level architects and executives have been brought on as an extra level of accountability and oversight.
- The Board discussed contingency planning over the next 6-8 weeks and future planning for the next open enrollment, and using what we've learned going forward. Dr. Goldberg said that its more than just having a contingency plan, it's having a realistic plan that can be implemented and operationalized quickly.
- Dr. Goldberg talked about enrollment numbers and shared a handout showing the numbers behind the hybrid enrollment process. Dr. Goldberg noted that out of 50,000 exchange-eligible Oregonians, 20,000 have already chosen to enroll in commercial coverage through the exchange. The Board discussed potential reasons behind the 30,000 Oregonians who have been determined eligible but haven't enrolled yet, including: consumers have not yet mailed their packets, consumers did not receive the tax credit they anticipated, their existing coverage has been extended, and the fact that open enrollment has not closed. Dr. Goldberg noted that some consumers have said that they are overwhelmed a bit by the number of choices they have and it takes them time to work through the options. He said that we should be caught up and through the backlog, and working in real-time within a week or two. He noted that complex cases are an issue for Oregon as well as nationally.
- Dr. Goldberg wanted to acknowledge the work and cooperation of carriers during this time. They have shown great flexibility in extending deadlines to help get Oregonians coverage.
- The Board asked about the demographics of people coming through Cover Oregon. Dr. Goldberg said that at this point we don't have the level of detail we'd like, but will be working on it over the next few months as this information will be valuable for Cover Oregon and our partners.
- Dr. Goldberg talked about some of the confusion around coverage effective dates. He noted that for people receiving the Oregon Health Plan, coverage is effective retroactively back to the date of application. For people receiving coverage in the private or commercial market, the deadlines for coverage effective February 1 is January 18 – people must both apply and enroll in a plan by this date to have coverage in place. He noted that going forward we will try to have a stable deadlines to help avoid the confusion that happened at the end of last year. Dr. Goldberg said that OMIP coverage was extended for members who hadn't gotten other coverage in place; this will allow them additional time to find other coverage.
- Ms. Peterson asked what impact the temporary staffing has on the budget, and when to expect more information on the administrative charge. Dr. Goldberg explained that the organization is grant funded through the end of 2014, and the cost of the temporary staffing has been about \$1 million for Cover Oregon. He said we are currently revamping our expenditures to be able to live

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within the grant for 2014. We are beginning to plan for 2015, and have been revising our enrollment projections as well as revising our budget for 2015. We are modeling a budget at the same administrative fee, and looking ways to reduce cost instead of just raising the administrative fee. The Board discussed potential triggers for the contingency plans and when they should be considered.

- Ms. Cali spoke about the Oregon Insurance Division's role in reviewing market-wide enrollment. She stated that the exchange is just one piece of the puzzle to be considered and there is a lot of information about the total enrollment picture that we don't have yet. She also noted that individual market is just one market segment. In terms of market competition is a continually evolving environment. When the rate review process takes place this year the carriers, Cover Oregon, and the Insurance Division will all have a better idea of what a steady state may be.

Public Comment [01:41:02] – Dan Sandini

- Mr. Sandini introduced himself and noted how he previously testified. He stated the website continues to be delayed because Cover Oregon has added people to the project. He talked about his experience of being notified that his insurance plan was being cancelled, only to be informed before the end of the year it would be extended. He stated he believes he is owed an apology for the inconvenience he has experienced.

Future Business and Adjournment [01:50:17] – Liz Baxter

- Ms. Baxter announced the next Board meeting is February 13 from 1-5 at the Ambridge Event Center. There being no further business the meeting was adjourned.



Executive Director Search

Proposed Timeline and Work-Plan

Date	Activity
Late January	<ul style="list-style-type: none"> ✓ Meet with Cover Oregon Board, Search Committee and staff ✓ Discuss core-competencies, challenges, stakeholder input and process ✓ Discuss timeline and recruitment strategy
Late January	<ul style="list-style-type: none"> ✓ Touch base with stakeholders ✓ Design job announcement ✓ Finalize advertising plan and timeline
Late January	<ul style="list-style-type: none"> ✓ Submit draft job announcement, timeline and advertising plan for approval
Early February – Early March	<ul style="list-style-type: none"> ✓ Commence national recruitment ✓ Place job advertisements ✓ Target potential candidates ✓ Assess candidate pool (ongoing) ✓ Karras Consulting screening interviews
Late March	<ul style="list-style-type: none"> ✓ Meet with Search Committee to review candidates ✓ Recommend A and B list candidates ✓ Develop interview questions ✓ Search Committee selects semi-finalists
Early April	<ul style="list-style-type: none"> ✓ Search Committee conducts Executive Director semi-finalist interviews ✓ Search Committee selects finalist(s)
Early April	<ul style="list-style-type: none"> ✓ Karras conducts background, education and reference checks
Mid April	<ul style="list-style-type: none"> ✓ Board or Search Committee interviews finalist(s) and selects new Executive Director ✓ Employment offer ✓ Karras Consulting assists in negotiation of employment package



Cover Oregon

2015 Self-Sufficiency Planning

February 12, 2014

Presented by: Dr. Bruce Goldberg, Interim Executive Director

Mission

“Improving the health of all Oregonians by providing health coverage options, increasing access to information, and fostering quality and value in the health care system.”



Executive Summary

1. Review expenditures and budget
2. Provide budget scenarios for 2015
3. Review enrollment projections
4. Connect enrollment projections and per-member-per-month (PMPM) revenue with budget scenarios
5. Provide management's recommendation for 2015 PMPM

Funding Review

- Cover Oregon (CO) is funded with federal grant funds through December 31, 2014
- Beginning 2015, CO will be self-funded through:
 - An assessment on public programs
 - Proposed as \$6.95 PMPM
 - An administrative charge on QHP enrollments
 - Set for 2014 at \$9.38 PMPM

Budget Categories

1. Personnel
2. Communications and Outreach
3. Professional Services - General
4. Professional Services - IT
5. General & Administrative

Each category explored in the following slides

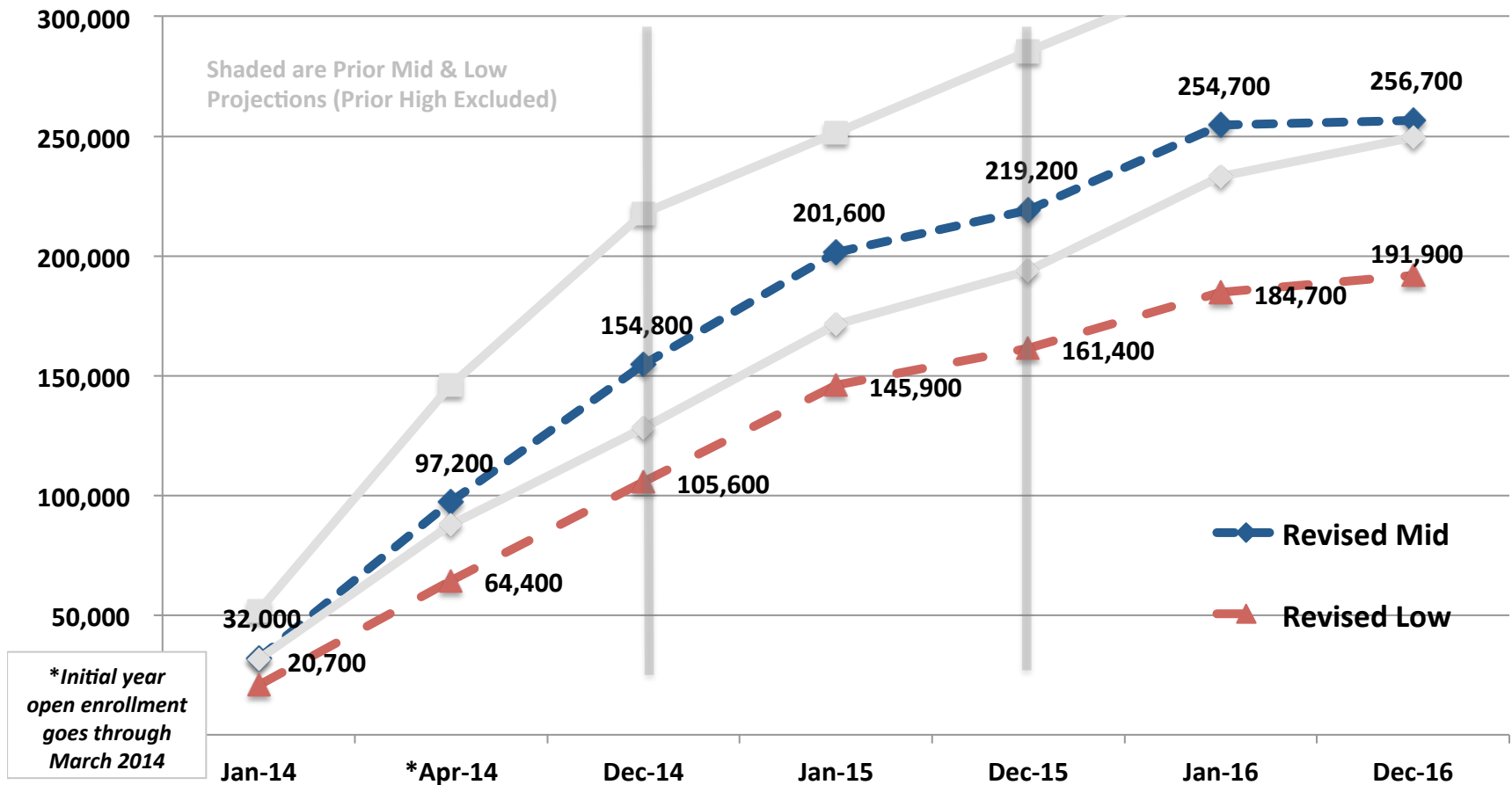
2013–2014 Overview

Actual Expenses & Revised Budget

	2013		2014	
	Actual	%	Budget	%
Personnel	11,860,070	8.4	19,272,526	21.3
Communication & Outreach	16,202,911	11.4	8,150,168	9.0
Professional Services–General	3,801,041	2.7	9,272,318	10.2
Professional Services–IT	108,639,106	76.5	51,870,281	57.3
General & Administrative	1,472,945	1.0	1,940,091	2.1
Total Expenditures	\$141,976,074	100	\$90,505,385	100

QHP Enrollment Projections (2014–2016)

Prior (Shaded) & Revised QHP Projections



2015 Budget Scenarios

Previous Budget ~\$60 Million	Revised Budget ~\$50 million
<ul style="list-style-type: none">• Existing scenario for budget forecasts• Anticipated website operability and 'Mid' level enrollments• Provided estimated 6 month reserve	<ul style="list-style-type: none">• Sustainable at revised low enrollment projection• Builds on existing QHP administrative charge

2015 Budget Overview

Budget Scenarios

	2015			
	Previous	%	Revised	%
Personnel	19,702,555	32.8	18,021,223	36.0
Communication & Outreach	7,495,715	12.5	2,659,116	5.3
Professional Services—General	7,466,254	12.4	5,566,254	11.1
Professional Services—IT	22,753,815	37.9	21,353,815	42.7
General & Administrative	2,615,209	4.4	2,417,094	4.8
Total Expenditures	\$60,033,548	100	\$50,017,502	100

2015 Personnel Budget Scenarios

Personnel	2015	
	Previous	Revised
Salaries	14,270,309	12,947,695
Benefits	5,432,246	5,073,528
Total	\$19,702,555	\$18,021,223

Revised budget reflects:

- Operationalize staffing plan to account for efficiency
 - Normal staff attrition taken into account
- Assumes benefit load per employee is constant
- Accounts for inflation

Communications and Outreach Budget Scenarios

Communication & Outreach	2015	
	Previous	Revised
Total	\$7,495,715	\$2,659,116

Revised budget reflects:

- Anticipated costs related to outreach grants and paid media
- Sustained costs related to outreach & travel for Tribal outreach and Community Advisory Committee meetings

Professional Services Budget Scenarios

Professional Services - General	2015	
	Previous	Revised
Service Center Temp Staffing	2,579,000	1,729,000
Legal Services	3,007,152	2,457,152
General	1,880,102	1,380,102
Total	\$7,466,254	\$5,566,254

Revised budget reflects:

- Anticipated costs associated with temporary service center staff (during open enrollment)
- Anticipated legal service costs relating appeals (Office of Administrative Hearings) and general legal services for DOJ and external
- Sustained costs for general services including IGA's, employment services, quality control, quality metrics, etc.

Professional Services–IT Budget Scenarios

		2015	
Professional Services - IT		Previous	Revised
Operations and Maintenance:			
Licenses/Maintenance		1,346,071	1,346,071
Hardware/Software		622,769	622,769
Data Services (Cloud)		5,826,365	5,826,365
Foundation Services		6,158,610	6,158,610
Subtotal:		<u>13,953,815</u>	<u>13,953,815</u>
Development:		8,800,000	7,400,000
Total		<u>\$22,753,815</u>	<u>\$21,353,815</u>

Revised budget reflects:

- Operations and Maintenance costs constant
- Foundation Services costs include OHA state computing and associated services

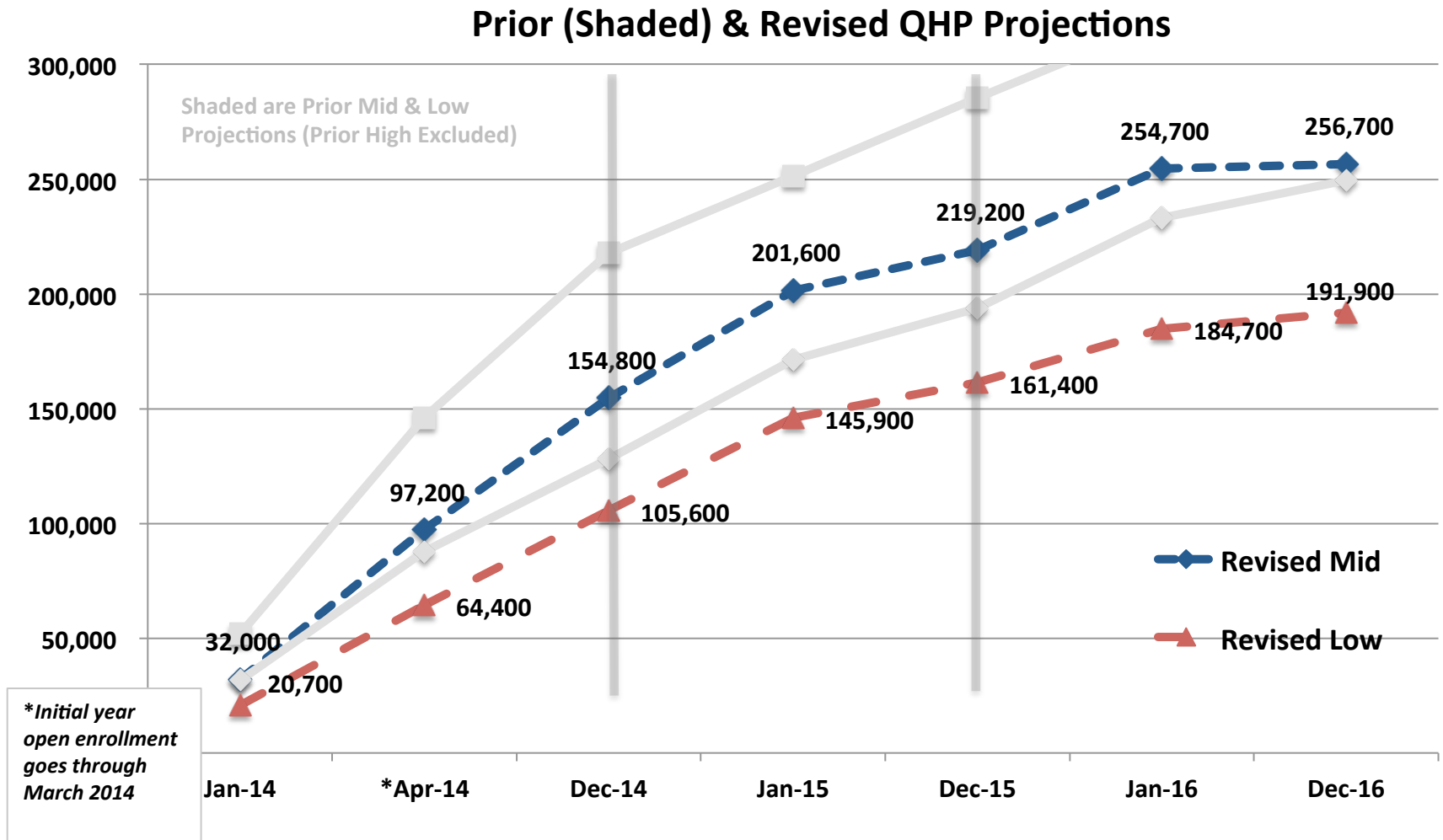
General & Administrative Budget Scenarios

General & Administrative	2015	
	Previous	Revised
Total	\$2,615,209	\$2,417,094

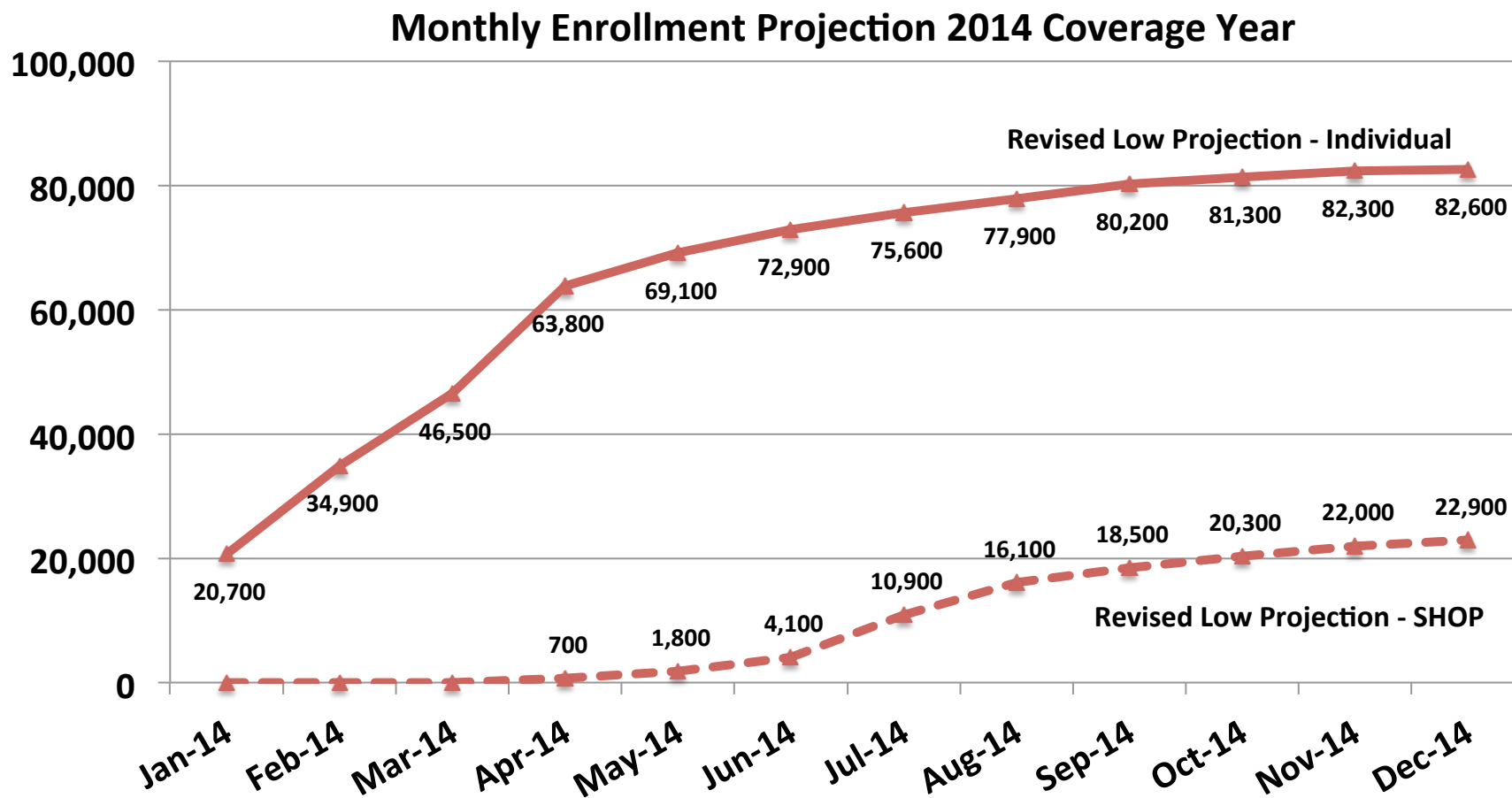
Revised budget reflects:

- Sustained costs relating to supplied, telecom, recruiting, rent, utilities, travel, and similar administrative costs

QHP Enrollment Projections (2014–2016)



2014 Monthly QHP Enrollment Projections



2014–2015 Revenue Overview

2014:

- Operational costs fully funded by federal grants
- PMPM builds reserve balance
 - End of year balance estimated at ~\$23M
(includes public program assessment)

2015:

- Business self-sufficient
- Utilizes a portion of balance generated in 2014
- PMPM generates additional operational funding

Revised Multi-Year Operating Budget

Enrollment Projections	Low CY2014	Low CY2015	Mid CY2016
QHP 'Revised Low' Enrollment	105,600	161,400	256,700
Public Program 'Revised Low' Enrollment	389,200	599,700	620,700
<i>Total Covered Lives (projected)</i>	494,800	761,100	877,400

Estimated Beginning Balances	\$23,815,512	\$11,886,317
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REVENUE

QHP Administrative Charge (<u>Inflationary PMPM only</u>)	\$8,488,949	\$18,088,306	\$28,940,069
Public Program (OHP) Assessment	\$15,326,563	\$20,000,000	\$20,000,000
Federal Level 2 Grant Funds	\$90,505,385		
Total Revenue	\$114,320,897	\$38,088,306	\$48,940,069

EXPENSES

Compensation	\$19,272,526	\$18,021,223	\$18,697,891
Communication & Outreach	\$8,150,168	\$2,659,116	\$2,739,116
Professional Services - General	\$9,272,318	\$5,566,254	\$5,716,254
Professional Services - IT	\$51,870,281	\$21,353,815	\$21,353,815
General & Administrative	\$1,940,091	\$2,417,094	\$2,440,144
Total Expenditures	\$90,505,385	\$50,017,502	\$50,947,220

Estimated Ending Balances	\$23,815,512	\$11,886,317	\$9,879,166
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Per-Member-Per-Month Admin Fee (QHP)	\$9.38	\$9.66	\$9.95
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Reserve Months	5.7	2.8	2.3
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Target Reserve: 2-4 Months

Budgetary Risks

- 2014 enrollment falls below Revised Low enrollment projections
- Unanticipated operating costs
- Insufficient reserves established by end of 2014
- 2016 enrollment does not shift to mid level projections and reserves are below target

Management Recommendation

Propose inflationary growth of QHP administrative charge for 2015:

2015 PMPM = \$9.66 (proposed)

Rationale:

- Provides sufficient revenue under the revised budget scenario
- Reflects operational efficiency and fiscal prudence

Next Steps

- Finance and Audit Committee recommends 2015 QHP PMPM to the Board
- Public hearing held on proposed 2015 QHP PMPM
- Finance and Audit Committee meet to determine final PMPM for adoption by Board
- Board adopts 2015 QHP PMPM



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2014 Legislative Bills Followed By Cover Oregon

February 7, 2014

Bill Number	Relating Clause	Summary	Sponsor	Next Hearing/Committee
HB 4030	Relating to accountability for information technology projects; declaring an emergency.	Establishes Task Force on Information Technology Project Accountability.	Representative Freeman, Senator Bates	None Scheduled/ Referred to House Consumer Protection & Government Efficiency Committee
HB 4096	Relating to the health insurance exchange.	Requires director and managers of Department of Consumer and Business Services, executive director and managers of Oregon Health Insurance Exchange Corporation, and statewide elected officials who elect to obtain health insurance provided by state, to select health benefit plan offered through health insurance exchange.	Representative Parrish, Senator Shields	None Scheduled/ Referred to House Health Care Committee
HB 4109	Relating to studying alternative approaches to financing health care; declaring an emergency.	Requires Oregon Health Authority to commission independent study of costs and impacts of operating basic health program in Oregon.		Hearing Held 2-3-14 in House Health Care Committee; referred to Ways & Means.
HB 4122	Relating to standards of performance in public contracting; declaring an emergency.	Requires state contracting agency or public corporation that procures goods or services with contract price that exceeds \$1 million or meets other criteria to procure quality management services from qualified contractor.	Representative Greenlick, Representative Nathanson, Representative Holvey	Hearing Scheduled 2-6-14 in House Consumer Protection & Government Efficiency Committee
HB 4135	Relating to state information technology resources; declaring an emergency.	Requires State Chief Information Officer to appoint Strategic Technology Team within office of State Chief Information Officer.		Hearing scheduled 2-6-14 in House Consumer Protection & Government Efficiency Committee
HB 4154	Relating to administration of health insurance; declaring an emergency.	Requires Oregon Health Insurance Exchange Corporation to request federal approval to take specified steps to protect Oregon residents and businesses from consequences of operational delays in Cover Oregon website.	Representative Fagan	Hearing held 2-5-14 in House Health Care Committee
SB 1526	Relating to children's health care coverage; declaring an emergency.	Requires Oregon Health Authority to request federal approval to use Children's Health Insurance Program funds to subsidize costs of commercial health insurance coverage for children with family incomes from 200 percent to 300 percent of federal poverty guidelines.	Senator Steiner Hayward	Hearing held 2-4-14 in Senate Health Care and Human Services Committee; referred to Ways & Means
SB 1582	Relating to administration of health insurance; declaring an emergency.	Authorizes Oregon Medical Insurance Pool Board to make expenditures for transitional medical insurance pool program.	Senator Courtney	Hearing scheduled 2-6-14 in Senate Health Care and Human Services Committee