

**Vermont Exchange Advisory Group Meeting 1
March 21, 2011**

MINUTES

Present: Bill Little (MVP), Susan Gretkowski (MMR for MVP), Senator Claire Ayer, Senator Jane Kitchel, Bea Grause (VAHHS), Andrea Cohen (VBSR), Joel Cook (VTNEA), Mark Hage (VTNEA), Peter Sterling (VT Campaign for Health Care Security), Donna Sutton Fay (VT Campaign for HCS), Trinka Kerr (VT Health Care Ombudsman), Don George (BCBSVT), Denis Barton (BSPCA), Joe Normandy (VIAA), Shawn May (student intern)

Staff and consultants: Betsy Forrest (DVHA), Robin Lunge (BISCHA), Beth Waldman (Bailit), Amy Lischko (Bailit), Joshua Slen (Bailit), Erica Garfin (Bailit), Brian Robertson (Bailit, by phone)

I. Welcome and Role of the Advisory Group

Robin Lunge welcomed the group and explained that the role of the Advisory Group is to provide information and feedback to the state and Bailit Health Purchasing, the contractor for Exchange planning, on the design for a Health Benefits Exchange in Vermont. The group's input will also be helpful for the development of an Exchange implementation grant proposal. Advisory Group meetings are open to the public, and there will be an opportunity for public comment at each meeting.

A PowerPoint presentation (available on the Exchange page of the DVHA website) served as the basis for the presentations that followed.

II. Designing an Exchange for Vermont

Beth Waldman walked the group through an overview of the Exchange, its key functions, and the context for its development. She described the goals and governance for Vermont's Exchange as set forth in H202. The Exchange as envisioned in H202 would not require any federal waivers. She noted that the Navigator role, which does not exist in Vermont today, is mandated by the Patient Protection and Affordable Care Act (PPACA) but must be funded with state dollars.

Many issues will become clearer when the federal regulations are issued. Among those questions are whether there will be restrictions on the number of insurers and plans the Exchanges must include. It is Vermont's goal to move towards a single payer through the Exchange design.

A detailed strategic plan for the design process is laid out in the *Roadmap to Exchange*. A number of studies, reports, and white papers will be generated during the design process, and these will be sent to the Advisory Group in advance of each meeting as background for the discussion.

The *Roadmap* is structured around a lengthy set of questions that must be answered during the design process. While some questions have been suggested by the bill pending in the legislature, many remain. Beth invited the group to raise additional questions that can inform the design process.

A question was raised about the relationship and between the Medicaid MMIS (claims processing) and eligibility systems and the Exchange. Medicaid's time frame for contracting for MMIS and procurement of a new eligibility system will precede the Exchange implementation timeline, which leads to a concern about how the two can integrate. Betsy Forrest responded that DVHA is aware of the integration issue and is working to ensure enough flexibility in the design of all systems so that integration will be possible. As DVHA goes out for procurement of a new eligibility system, it will keep the Exchange goals in mind. H202 contains discretionary language about those issues.

A question was raised about possibilities for collaboration with other states. There have been conversations with other New England states about whether there are ways to work together to leverage learning, to share design to the extent possible, or to have joint procurements. The New England states, led by Massachusetts, have been awarded a \$35 million innovator grant to help with enrollment for the Exchanges. Vermont is represented on that steering committee. A speaker about the innovator grants has been invited to the April 4 Advisory Group meeting.

A question was raised about the anticipated size of Exchanges across the country, and whether economies of scale might favor a regional Exchange over separate Exchanges from a cost perspective. Beth responded that, since most states are at similar points in their planning to Vermont, it's too soon to be able to answer the question of size. There are many barriers to regionalization. Maine and New Hampshire may opt to join a federal Exchange rather than creating their own. In addition, states in a regional Exchange would have to have uniform benefits, certification, etc., which would be difficult to achieve.

A question was raised about whether the Exchange could serve as a marketplace for purchasing Medicare supplemental insurance. Betsy responded that this could potentially be a state-level add-on for the Exchange, as PPACA views insurance offered through the Exchange as major medical, not supplemental. Other options, such as including information about supplemental plans on the web portal, might also be considered.

A number of questions in the *Roadmap* have to do with the Exchange's interaction with public programs. These will be discussed at the next meeting. The goal will be to

make it as seamless and easy as possible for individuals and for the state from an administrative perspective.

III. Discussion of Findings from the Study of the Uninsured and Underinsured

Brian Robertson walked the group through the highlights of the *Study of the Uninsured and Underinsured*. The full study was sent to the Advisory Group in an e-mail and can be found on the Exchange website. The study was based upon 2009 survey data. Their definition of "underinsured" considers only whether an individual has the ability to pay for their health care needs and out-of-pocket-costs. The definition does not include the cost of premiums.

In response to a question about how to justify a request to the legislature for funds to conduct an updated survey, Brian responded that there are several justifications. There has been an economic downturn and there have been changes in some public programs since 2009. Current data will be needed to determine the impact of the Exchange or a single payer system down the line. New data can be used to inform the state's budget planning going forward.

IV. Additional Discussion

A concern was raised from businesses that want to know how the Exchange will affect their premium costs, and when that information will be available. Robin and Beth responded that some of the factors that currently affect employer decisions about joining the Exchange, e.g., percent of premium paid by employer and employee, will remain unchanged. A number of other factors will influence employer decisions, including the essential benefits package, tax credits, and individual subsidies. Although the federally mandated essential benefits package will not be known by time the design phase wraps up, Bailit will try to provide a framework that businesses can use in making their decisions.

A question was raised about whether there will be a discussion of the impact of the Exchange upon individuals who currently make their living selling health insurance. Robin responded that the state is cognizant of that concern and intends to incorporate it in their planning.

V. Next Steps

A request was made for clarification regarding points of contact for Advisory Group communications with the Exchange planning team. Communications can be directed to Robin Lunge (Robin.Lunge@state.vt.us, 828-8333) or Zach Sherman (Zach.Sherman@state.vt.us) and they will forward messages to the appropriate member of the team.

The Exchange now has a website where minutes and documents will be posted: <http://dvha.vermont.gov/administration/health-benefits-exchange>. Advisory Group members will continue to receive these materials by e-mail. The Group okayed the posting of documents to the website prior to their meetings so the public will have access to them as well. Advisory Group members were encouraged to spread the word about the meetings and the website.

Future Advisory Group meeting dates in the PowerPoint handout are incorrect. The correct meeting dates and topics are:

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| Meeting 2 | April 4
Interaction and integration between the Exchange, public programs, and the insurance market; regional Innovator grant and opportunities for Vermont |
| Meeting 3 | April 25
Business operations and financing |
| Meeting 4 | May 9
Business operations and financing |

All meetings are scheduled for 1:30 – 3:30 p.m. in the Pavilion Building 4th Floor Conference Room. Supporting documents will be provided prior to each meeting.