

**IDAHO HEALTH INSURANCE EXCHANGE
SHOP SUBCOMMITTEE
MINUTES
JUNE 6, 2013**

1. SUBCOMMITTEE MEMBERS PRESENT

- Margret Henbest, Subcommittee Chair
- Karen Vauk (by teleconference)
- Tom Shores (by teleconference)
- Kevin Settles
- Dave Self

2. OTHERS PRESENT

- Amy Dowd, Executive Director, Idaho Health Insurance Exchange
- Weston Trexler, Idaho Department of Insurance
- Gabriel Hamilton, Hawley Troxell Ennis & Hawley, counsel to the Idaho Health Insurance Exchange
- Jen Visser, Gallatin Public Affairs
- Lincoln Smyser, Lobby Idaho
- Woody Richards
- Peter Sorenson for Subcommittee member Zelda Geyer-Sylvia (by teleconference)
- Lindsey Peugh, State Officer for Idaho, Center for Consumer Information and Insurance Oversight (CCIIO) (by teleconference)
- Seth Schneer, CCIIO SHOP team (by teleconference)
- Elliot Klein, CCIIO SHOP team (by teleconference)

3. CALL TO ORDER

Following proper notice in accordance with Idaho Code § 67-2343, the SHOP Subcommittee meeting of the Idaho Health Insurance Exchange (Exchange) was called to order by Margret Henbest, Chair of the Subcommittee (Chair), at 2:15 p.m. Thursday, June 6, 2013, at the offices of Hawley Troxell Ennis & Hawley, 877 W Main Street, Suite 1000, Boise, Idaho. In accordance with Idaho Code § 41-6104(8), the meeting was held in an open public forum and was streamed in audio format. Members of the public could access the audio stream by dialing into a toll-free telephone number that was included in the notice of meeting posted on the Exchange Board's Web site and at the meeting location.

4. ROLL CALL

The Chair called the roll and determined that the Chair, Ms. Vauk, and Mr. Shores were present. Mr. Settles and Mr. Self joined the meeting following the roll call, resulting in a quorum of 5 of the 6 total Subcommittee members.

5. DEFERRAL OF APPROVAL OF MINUTES FROM MAY 16, 2013

The Chair deferred action on approval of the minutes of the Subcommittee's last meeting until after the conference call with the CCIIO scheduled for later in the meeting.

6. PREPARATION FOR CALL WITH CCIIO

The primary item on the agenda for this meeting was a conference call with members of CCIIO's SHOP team. The purpose of the conference call was to provide a forum for Subcommittee members to ask CCIIO questions about the federal SHOP platform. The Subcommittee spent several minutes discussing

issues to raise on the call with CCIIO. With input from Mr. Trexler, the Subcommittee determined that the key issue was to identify the configuration options open to the Idaho SHOP during the period when the Idaho SHOP operates on the federal technology platform.

7. CONFERENCE CALL WITH CCIIO

The Subcommittee dialed into the conference call with CCIIO. Ms. Peugh introduced Mr. Schneer and Mr. Klein. Mr. Schneer presented a summary of the purposes and functions of the SHOP and solicited questions from the Subcommittee.

- (a) **Discussion of the Role of Insurance Producers.** Mr. Shores asked for several clarifications regarding the interactions between insurance producers and the SHOP. Mr. Schneer responded that CCIIO expects that employers who purchase group health plans through the SHOP will continue to rely on insurance producers as advisors on selection of group health plans and related employee benefits. Mr. Schneer answered several of Mr. Shores' questions relating to eligibility of an employee's dependents for advance payment premium tax credits by referring Mr. Shores to the Internal Revenue Service. In response to a question regarding when training on the federal SHOP platform will be available to insurance producers; Mr. Schneer stated that he would get back to the Subcommittee with an answer.
- (b) **Discussion of Employer Size and Employee Counting Options of the Federal SHOP Platform.** In response to questions on the size of employer eligible to participate in the SHOP, Mr. Schneer stated the federal SHOP platform could accommodate state choice to define the small group market as employers of either (i) 50 or fewer employees or (ii) 100 or fewer employees. The federal SHOP platform cannot, however, accommodate state law rules for counting employees that differ from the full-time-equivalent method provided in Section 4980H(c)(2) of the Internal Revenue Code.
- (c) **Discussion of Configurations Options of the Federal SHOP Platform.** Mr. Self asked for a list of the configuration options available to Idaho as a user of the federal SHOP platform. Mr. Schneer replied that he was unaware of a comprehensive list of these options, but that configuration options were limited and mostly related to applying state-specific branding.
- (d) **Discussion of Per-Member and Composite Contribution Options of the Federal SHOP Platform.** Mr. Schneer added that the federal SHOP platform could be configured to allow employers to choose (i) employee contributions that vary based on age, also known as "per-member billing" or (ii) employee contributions that are the same for each employee, also known as "composite billing." If Idaho chooses not to allow employers to make this choice, then the SHOP will require employers to use composite billing. Mr. Schneer added that if an employer chooses per-member billing, the Age Discrimination in Employment Act requires that employer contributions be based on a percentage of premium rather than a fixed per-employee, per-month amount. The composite billing method, however, would permit employers to contribute a fixed amount per-employee, per-month.
- (e) **Discussion of the Value Proposition of a SHOP.** The Subcommittee asked Mr. Schneer to elaborate on the value proposition of the SHOP. Mr. Schneer replied that some employers can access tax credits for purchasing plans on the SHOP and that other employers may appreciate the opportunity to make apples-to-apples comparisons between plans.

8. DISCUSSION OF INFORMATION RECEIVED FROM CCIIO AND NEXT STEPS

Mr. Shores and Ms. Vauk did not rejoin the meeting following the CCIIO call, resulting in loss of a quorum.

Following the call, the Subcommittee considered whether the Exchange wanted to allow per-member billing. On this topic, Mr. Self posed several questions to Mr. Trexler regarding current regulatory and market practice in Idaho. The Chair asked Mr. Hamilton and Mr. Trexler to prepare a presentation on this topic for the next Subcommittee meeting.

In addition, the Chair solicited comments on the minutes of the Subcommittee's last meeting. The Subcommittee members present approved the minutes as submitted, subject to ratification by a quorum of the Subcommittee at a later meeting.

9. AGENDA FOR NEXT MEETING

The next Subcommittee meeting was set for June 19, 2013 at the offices of Hawley Troxell Ennis and Hawley at 877 W Main Street, Suite 1000, Boise, Idaho. The Chair will develop the agenda and contact all Subcommittee members to set the meeting time.

10. ADJOURNMENT

There being no further business to come before the Subcommittee, the Chair adjourned the meeting at 4:05 p.m.

Respectfully signed and submitted by:

Margaret Henbest, Subcommittee Chair