Health Insurance Exchange Task Force Meeting
May 19, 2011
Kings Inn, Pierre, SD

Present:

- Lt. Governor Matt Michels
- Kea Warne
- Eric Matt
- Kim Olson
- Pam Roberts
- Randy Moses
- Jim Edman
- Kim Malsam-Rysdon
- Lynne Valenti
- Carrie Johnson
- Teresa Bray
- Sandy Zinter
- Doneen Hollingsworth
- Joan Adam
- Jason Dilges
- Rachel Byrum
- Merle Scheiber
- Larry Kucker
- Glenda Bruch
- Emily Currey
- Melissa Klemann
- Jill Kruger
- Denise Luckhurst
- Geraldine Ray
- Lynne Valenti
- Beverly Wilson
- Rep. Fred Romkema
- Sen. Phyllis Heineman
- Chuck Sherman
- Deb Fischer-Clemens
- James Reynolds
- Mark Thompson
- Sarah Folsland
- Dave Hewett
- Shawn Lyons
- Deb Muller for Rob Bates
- Randy Hanson
- Elaine Roberts
- Jennifer Stalley
- Darla Pollman Rogers
- Bob Clark
- Terry Dosch
- Bob O'Connell
- Lisa Carlson
- Frank Stork
- Kirk Zimmer
- Sam Wilson
- Cecilia Fire Thunder
- Joseph Sluka
- Rita Wishard
- Sue Schaefer
- Scott Graff

The meeting was called to order by Chair Lt. Governor Matt Michels.

Chair Michels opened the meeting thanking the members for agreeing to serve on the Health Insurance Exchange Task Force. Each member introduced themselves and stated what organization he/she was representing.

Kea Warne, Health Insurance Exchange Program Manager; Randy Moses, Assistant Director, Division of Insurance; and Kim Malsam-Rysdon, Secretary Department of Social Services, provided a health insurance exchange summary which included:

- Brief overview of the Patient Protection and Affordable Care Act (PPACA)
- What an exchange is
- Statutory requirements of an exchange
- Planning grant – exchange personnel, background research and stakeholder involvement
- Establishment grant
- Key timeline dates
- Statutory requirements for health plans
- Federal principles and federal guidance
- National Association of Insurance Companies (NAIC) exchange model
- What is Medicaid and CHIP?
- Additional Medicaid information: who is covered, eligibility, services covered, Medicaid expenditures, and how will Medicaid change in 2014

Randy Moses explained the difference between a defined contribution model and a traditional model. A defined contribution model is an approach where an employer allows employees to select a health plan based on the dollar amount the employer will contribute to the plan. A traditional model is where an employer selects the plan for the employees.

Secretary Malsam-Rysdon mentioned if our state is doing well, our state share of Medicaid funding increases. A one percent Medicaid increase is equal to an $8 million shift in state funds. This type of shift only keeps the state at status quo on current services being provided; nothing changes except the funding source.

Chair Michels discussed seven set parameters to guide the task force members through the planning process.

1. An Exchange must only be a “Market Facilitator”.
2. An Exchange must provide for benefit eligibility interconnection/interface for state benefit assistance determination such as CHIP and Medicaid.
3. An Exchange shall not be operated utilizing state taxpayer funds. However, this does not apply to the expense of the Medicaid/CHIP eligibility interface/functionality.
4. One statewide exchange will include both individual and small group coverage.
5. Explore sharing functionality/technology among states.
6. Maintain markets outside of an Exchange.

7. Governance determined by Governor.

Chair Michels mentioned our timeline we have set out is driven by the planning grant. States are waiting for federal regulations and guidance to come out and we have been told this should be in the spring.

Chair Michels talked about how the State of South Dakota is opposed to PPACA and South Dakota joined other states in the PPACA lawsuit. He mentioned that in spite of the lawsuit, an exchange can serve the people of South Dakota and if South Dakota does not establish an exchange, the federal government will run and regulated an exchange for us. We need to be ready for 2014 no matter what happens in late court decisions.

Kea Warne explained the task force was divided into three subcommittee groups and the process for future meetings. The three subcommittees are:

- Operations and Finance, Co-chairs Lt. Governor Matt Michels and Rachel Byrum
- Outreach and Communication, Co-chairs Secretaries Doneen Hollingsworth and Kim Malsam-Rysdon
- Insurance Plan and Market Organization, Co-chairs Randy Moses and Eric Matt

The subcommittee meetings were adjourned by the Chairs of each committee, with the last one adjourning around 3:30 PM CT.