

Operations and Finance Subcommittee

May 19, 2011

Kings Inn, Pierre, SD

Present: Lt. Governor Matt Michels, Rachel Byrum, Pam Roberts, Jim Edman, Carrie Johnson, Teresa Bray, Melissa Klemann, Kea Warne, Geraldine Ray, Representative Fred Romkema, Senator Phyllis Heineman, Lisa Carlson, Chuck Sherman, Bob Clark, Jennifer Stalley, Shawn Lyons, Deb Fischer-Clemens, James Reynolds, Mark Thompson and Scott Graff.

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

Preliminary objectives of the group were discussed and identified as starting points for the subcommittee, which consisted of five categories, resources and capabilities, technical infrastructure, regulatory or policy actions and legislation, finance, and business operations. The objectives will be expanded and combined with the implementation grant requirements. Chair Michels mentioned that a number of objectives will overlap with the other subcommittees.

Chair Michels mentioned a major issue to moving forward on exchange planning is the delay in receiving regulations and guidance from Health and Human Services.

Kea Warne will prepare a comparison chart to identify where our surrounding states are at in the exchange planning process and will provide the chart to the subcommittee before the next meeting.

Jim Edman and Geraldine Ray, both from the Bureau of Information and Telecommunications, will visit with Navigant (vendor selected for program management and web portal design options) and find out if they are available to attend the June 21st meeting to share information on exchange designs they have seen/worked on with other states.

Communication between subcommittees and how this would occur was discussed. Chair Michels mentioned the June, July and August meetings have been scheduled for 1 ½ day meetings with the subcommittees to meet on the first meeting day and the second meeting day they will provide a summary to the full task force. Lisa Carlson from Sanford mentioned using a SharePoint site for the task force to share committee information. Subcommittee objectives and meeting minutes will be shared between committees. Jim Edman stated this can be done and will follow up with Kea Warne on the process.

Shawn Lyons with SD Retailers Association asked how the task force members will provide external feedback to their associations/organizations. Chair Michels talked about the possibility of the chairs, co-chairs and state employee exchange task force members attending the association/organization meetings.

The Bureau of Information and Telecommunication will play a key role in the technical infrastructure objective.

The key issue under the regulatory or policy actions and legislation objective is to identify what type of legal authority (legislation, administrative rules, executive order, etc.) we will need to establish to implement exchange functions. We will look at the Legislative Research Council for insight on this.

Lisa Carlson with Sanford asked how the health information exchange (HIE) will intersect with the health insurance (benefits) exchange. Deb Fischer-Clemens with Avera Health commented that the health information exchange task force has not had conversations regarding these two exchanges intersecting. Lisa Carlson asked the committee to think about portable information from HIE as we move forward. Kea Warne will ask Secretary Doneen Hollingsworth to provide us with her latest updated HIE PowerPoint.

Melissa Klemann with the Division of Insurance mentioned the idea of having one portal to hold the individual's information and other applications could pull necessary information from the portal. Jim Edman indicated rules for governing and where to house the portal would need to be established. Scott Graff with the Community HealthCare Association of the Dakotas mentioned the need for a firewall due to the Health Insurance Portability and Accountability Act (HIPAA). Chuck Sherman with the Human Service Agency stated both task forces should be looking into how the information can be shared.

Chair Michels asked Rachel Byrum and the members of the committee from the Department of Social Services to estimate the percentage basis how much the infrastructure will cost for the Medicaid/CHIP eligibility piece of the exchange and provide this to the subcommittee at the June 21st meeting.

Kea Warne will provide results from the Individual and Family Survey and the Small Business Survey at the July 19th meeting.

Chair Michels encouraged the committee members to be an advocate for their organizations and provide their opinions in these discussions. Bob Clark, NAIFA Agent, discussed how agents and brokers are worried. Lisa Carlson mentioned that South Dakota should not go with plan bidding but instead create competition within the exchange. Lisa Carlson also noted there are existing accreditation plans out there for us to look at in regards to a system to rate (gold, silver, bronze) the quality of plans offered in the exchange.

Chair Michels and his staff will work on preparing work flows on the business operations processes to provide to the committee.

Senator Phyllis Heineman asked if the current Medicaid system is unsustainable with Medicaid costs rising, won't we be giving people false hope regarding those who may be coming into the exchange in 2014? Chair Michels stated a business plan for an exchange has to be developed irrespective of the Medicaid costs.

Chair Michels informed the subcommittees that the next scheduled meeting dates are June 21 & 22, July 19 & 20 and August 16 & 17. We will only hold additional meetings when it is necessary.

The meeting was adjourned at 3:30 PM CT.