

Insurance Plan and Market Organization Subcommittee

May 19, 2011

Kings Inn, Pierre, SD

Present: Randy Moses, Eric Matt, Sandy Zinter, Jill Kruger, Lynn Valenti, Randy Johnson, Darla Pollman Rogers, Frank Stork, Kirk Zimmer, Deb Muller, Larry Kucker, Sue Schaefer

The meeting was called to order by Chair Randy Moses of the Division of Insurance.

The objectives of the group were discussed, which consisted of seven categories: roles of insurance agents and carriers, employer participation, network adequacy, adverse selection, plan design, marketing standards, and adverse selection.

Topics that were considered important in the roles of insurance agents and carriers included appointment of agents through insurers, whether to regulate commissions on exchange sales, special certification procedures required for participation, and the carrier certification process. The group recognized that appointment of agents was an issue that required further information from the group.

A major issue identified in the employer participation category included whether to require defined contribution, traditional employer sponsored plans or a combination of the two approaches. Employer versus employee choice on the exchange was a major point of discussion and it was agreed that more information needed to be collected and distributed to the group on this topic. It was also agreed that more information should be collected regarding demographics of the insured in order to further investigate the defined contribution model.

Jill Kruger and Lynn Valenti discussed what they had learned about the Utah Health Exchange Model from their trip to Utah for a conference last week. Some particular areas of interest included premium collection, vendors, appointment of agents and licensure to sell on the exchange, data collection, and risk adjustment.

Jill Kruger from the Division of Insurance agreed to provide information in the following areas: whether the UT Health Exchange plans for small businesses were individual or received group certificates, the tier levels offered in the UT Health Exchange, an NAIC presentation on employer v. employee choice, plan certification information, NAIC white papers relating to exchanges, and information on the UT data bank.

Frank Stork from Wellmark agreed to provide information about employer v. employee choice and demographic information along with any other information that might be useful to a recommendation on the defined contribution model.

Eric Matt agreed to gather demographic information related to the defined contribution model.

It was agreed that there would be a conference call on June 7th at 10AM to discuss additional information that should be gathered to work toward achieving the group's objectives.

The meeting was adjourned at 3PM CT.