

**Health Insurance Exchange Task Force Meeting**  
**July 19, 2011**  
**Ramkota, Pierre, SD**

**Present:**

- Lt. Governor Matt Michels
- Kea Warne
- Eric Matt
- Pam Roberts
- Dom Bianco
- Glenda Bruch
- Denise Luckhurst
- Geraldine Ray
- Jill Kruger
- Amanda Tennant
- Beverly Wilson
- Melissa Klemann
- Susan Sporrer
- Larry Kucker
- Scot Graff
- Dave Hewitt
- Barb Smith
- Deb Fischer-Clemens
- Kate Parker
- Lisa Carlson
- Sarah Perry
- Kim Perry
- Representative Fred Romkema
- Frank Stork
- Kevin Van Dyke
- Senator James Hundstad
- Lisa Sanderson
- Shawn Lyons
- Sam Wilson
- Sue Schaefer
- Scott Jones
- Bob Clark
- Senator Phyllis Heineman
- Carrie Johnson
- Kim Malsam-Rysdon
- Teresa Bray
- Lynne Valenti
- Merle Scheiber
- Randy Moses
- Rita Wishard
- Terry Dosch
- Joe Sluka
- Amy-Olson Miller
- Jim Reynolds
- Doneen Hollingsworth
- Joan Adam
- Sandy Zinter
- Rachel Byrum
- Ken Barrette
- Bryant Hutson
- Melissa Lupella
- Deanne Farrar
- Bernie Moran
- Dr. Brian Robertson

Lt. Governor Matt Michels opened the meeting at 10:00 a.m. The Lt. Governor discussed the Health and Human Services (HHS) proposed rules which were released on July 11, 2011.

HHS proposed rules contain two sections:

1. Establishment of Exchanges (timelines and operation)
2. Standards related to reinsurance, risk corridors, and risk adjustment

The Governor and Lt. Governor believe we should have an exchange with dialogue from all interest groups.

Will January 1, 2013 be the real date for certification of state exchanges?

- Dangerous to be ahead of the regulations
- Exchange session was held at the NGA meeting Utah
- The proposed rules have a 75 day public comment period, which will automatically put us behind in terms of enabling legislation for the 2012 legislative session
- Other states are in the same situation (Nebraska, Kansas)

- Governor's Office will submit comments through the National Governor's Association (NGA). If you hear anything from your organization or have questions regarding the exchange, funnel those through Kea so we will have one voice to the NGA.
- Each exchange must receive written or conditional certification by January 1, 2013
  - Conditional certification was added into the proposed rules
  - There will be systems developed and contracts signed to work towards 2014
- Another section allows states to elect to operate an exchange after 2014 – timing is confusing

Our timeline will remain the same and our decision points will drive our timelines. Subcommittees will have intermediate calls and September 1<sup>st</sup> is still our goal.

Must have a mandate to get people into the exchange, otherwise it will not work. The National Lt. Governors Association (NLGA) and the Attorney General will have some ruling on the lawsuits in late 2012.

The NGA and the Center for Consumer Information and Insurance Oversight (CCIIO) are encouraging states to develop an exchange that works best for their state. Interface for eligibility is key and an advantage. We will move forward and develop process, outline, and procedures that work best for South Dakota and then we will deal with the regulatory scheme if and when it comes.

Joan Adam, SD Department of Health, provided a Health Information Exchange (HIE) briefing.

- HIE is not part of Health Care Reform
- HIE is part of the High Tech Act
- SD Department of Health was given federal dollars with the goal to eventually cross state lines Opportunity for increased Medicaid and Medicare reimbursement by using the electronic technology and using the information to serve patients
- HIE vs. Health Insurance Exchange
  - The main focus of the Health Insurance Exchange is to help consumers select appropriate insurance
  - The main focus of the HIE is to help health care providers and hospitals have secure, instant access to key medical information (medical history, RX, records, etc.).
  - HIE and the Health Insurance Exchange will not intersect

Bernie Moran, Director of the Department of Labor and Regulations Labor Market Information Center, presented draft results of the small business survey conducted from May through June, 2011. The small business survey included questions regarding company coverage and employee coverage.

Dr. Brian Robertson, Director of Research, Market Decisions, LLC presented draft results of the individual and family survey conducted from May through June, 2011. The individual and family survey was conducted to obtain statewide population information on health insurance status along with data on demographic and health variables.

Dr. Robertson defined the American Indian Counties heading in the survey as consisting of nine counties (Bennett, Buffalo, Corson, Dewey, Jackson, Mellette, Shannon, Todd and Ziebach) with a higher proportion of residents that are Native American.

The Lt. Governor led a discussion on the drivers of the underinsured.

- Amount of out of pocket costs and salary equal the underinsured
- It will be tough to estimate the number of underinsured based on eligibility requirements
  - Dr. Robertson will take the income threshold, back out the out of pocket costs and look at premiums only for an estimate on the percentage that could possibly go to the exchange.
- Market place determination will be a higher driver for employers who may dump their coverage and push their employees to the exchange.
- Underinsured is a term the federal government is using based on criteria
  - The underinsured will have an impact on the market place
  - These numbers will be included in the final report from Market Decisions, LLC
- Dr. Robertson refers to the underinsured as “income eligible”
- Secretary Kim Malsam-Rysdon commented that not everybody is eligible for the exchange. The individual will not get through the door if he/she does not meet eligibility requirements.
- Dave Hewett asked if there has been any work on the number of small businesses thinking of joining the exchange.
  - Dr. Robertson conducted research on this in the state of Vermont and the results indicated a lack of information out there with businesses regarding Health Care Reform.

Meeting was adjourned at 12:00 pm.