

**Health Insurance Exchange Task Force
Insurance Plan and Market Organization Sub-group
Kings Inn, Pierre, SD 8/16/11**

Present: Eric Matt, Randy Moses, Jill Kruger, Larry Kucker, Randy Johnson, Darla Pollman Rogers, Kirk Zimmer, Sue Schaefer, Lynne Valenti, Senator Jim Hundstad, Kimberley Perry, Sarah Perry, Lisa Carlson, Scott Jones, Deb Muller, Frank Stork, Amy Olson-Miller.

The minutes from the August 1 meeting were reviewed. Darla Pollman Rogers noted that her name was misspelled and should be Pollman rather than Pullman. On page two, she indicated that it should read “Sandy Zinter *indicated* this would set a level of expectation that the agents should be well versed on the products”. The minutes were approved with the requested changes.

Participation Levels and Premium Contributions

Handouts were provided related to participation levels and a DLR survey was provided regarding contribution levels by employers by size.

A review of the participation levels showed 75% participation of eligible employees was a typical requirement of companies.

Reviewing contribution levels, Randy Moses pointed out that small employers were more likely to contribute 100% of the premium. Lisa Carlson indicated if we would set contribution requirements in the exchange, there are frequently different levels of contribution levels for employees and family members. Randy Moses indicated it is typical for an employer to pay a lower percentage contribution for dependents

Recommendations

The group discussed revised objective 1a. Darla Pollman Rogers provided a style amendment that was approved unanimously. The recommendation read: In addition to the defined contribution model, employers should also be provided with the option of a defined benefit plan. With this option, the employer could choose the benefit structure(s) for the employees with the employer contributions set as a percentage of premium as opposed to a defined contribution amount.

The group also discussed new recommendation 8 regarding the requirement that agents have one hour of continuing education to sell in the exchange. The continuing education requirement would count toward the current continuing education requirements. It would not add additional continuing education hours.

Darla Pollman-Rogers provided a style amendment to the recommendation. The amendment was accepted unanimously. The second sentence read: The one hour should be part of, and not in addition to, the current continuing education hours required for licensing in this state.

Other agenda items

The next step of the task force was discussed. The process after the recommendations was discussed. At the meeting today, recommendations from all subcommittees will be discussed and subsequently considered for final recommendations. The approved final recommendations will be provided in a report to the Governor for his final approval.

Lisa Carlson believed there were critical decisions yet to be made regarding the development of the exchange. Randy Moses was not sure at this time what the process would be for drafting potential legislation and rules.

Senator Hundstad stated he would need to know from the group what to do to help inform other legislators.

Frank Stork stated that HHS has to certify a state is making progress toward the establishment of an exchange by January 2013.

Randy Moses stated the Lieutenant Governor previously stated it was unlikely legislation will be considered in the 2012 legislative session. One concern is the recently released federal regulations are not final. Jill Kruger relayed that conditional approval has been discussed by HHS and may be a consideration for states that do not have legislation in place by January 2013.

Frank Stork expressed concern about the short timeframe to get everything up and running if legislation was not considered in the 2012 session.

The meeting was adjourned and the group proceeded to the main task force meeting.