

**NEBRASKA COMPREHENSIVE HEALTH INSURANCE POOL (CHIP) BOARD OF
DIRECTORS MEETING – September 5, 2012**

Members Present: Vic Kensler, Pat McPherson, Bob Corn, Ryan Cole, Randy Boldt, Brian Angel

Members Absent: Sherry Wupper

Non Members Dialed In: None

Non Members Present: Martin Swanson, Michelle Dunlap, Dale Mackal and Mary Ward and Shannon Greenway, representing Coventry.

CALL TO ORDER: Chairman Kensler opened the meeting at 10:00 A.M.

MINUTES: A motion to approve the minutes of the July 18, 2012 special board meeting was made by Patrick McPherson. A second was made by Randy Boldt. Motion passed unanimously.

OLD BUSINESS

Discussion of Website Message to Policy Holders: Chairman Kensler initiated discussion of the draft message to be put on the website in regard to the Patient Protection and Affordable Care Act (PPACA). There was discussion and a number of changes to the document were made. A motion to approve the amended draft was moved by Randy Boldt with a second by Bob Corn. The motion was approved unanimously.

NEW BUSINESS

Schedule of Benefits & Coverage (SBC) update per PPACA: It appears that the current schedule of Benefits and Coverage is adequate and that PPACA does not apply to NE CHIP. Martin Swanson advised that CHIP is not legally an insurance company and does not have to comply. There being no motion the board will continue its current process without change.

Health Care Utilization Report: Mary Ward reviewed with the board initial reports. Some of the reports are relatively immature because of a lack of data since April as not all medical claims are filed immediately. The report will be produced on a quarterly basis. Ward reviewed the executive summary which indicates that the average subscriber count is approximately 3600, that the average per person per month medical claim is \$457.27 and the average per person per month prescription claim is \$277.45. She noted that network utilization, the percentage of claim dollars at participating providers was excellent, at 99.5%. Ward indicated they review claims over \$50,000 and with claims over \$100,000 advise policy holders of the million dollar limit. Ward further

discussed the report, the results of which should be very helpful to the board in the future.

Exchange Planning Update: Martin Swanson discussed the meetings held across the state in regard to what type of change the state should adopt if PPACA isn't changed. The debate on whether a state, blended or federal exchange continues. The decision needs to be made by November 15th.

COMMITTEE REPORTS:

- Administrative Transition (Ad Hoc): Bob Corn reported that the transition has continued to go well.
- Grievance: Bob Corn indicated there was no report from the committee.
- Finance (Monthly Reports): Patrick McPherson reported that premium income year to date is down by \$800,000 but year to date claims are down \$10.7 million. Policy holders continue to decline and are down 600 over the last year.
- Legislative: Bryan Angel said the legislative committee would provide some recommend language to the Department of Insurance noting that the committee had discussed options for date in which guaranteed pre-issue comes into effect and the options the board would need to consider for those who might want to become CHIP members or those on the CHIP program.
- Communications: Randy Boldt noted the discussion above relative to the website and said it would be an ongoing process.

ADMINISTRATOR'S REPORT: Billing is now done in house with enhanced envelopes and billings. Automatic Bank Payments are now up to 1890 a month. Chairman Kensler noted that he had signed an engagement letter with Bland & Associates for the annual audit.

ADJOURNMENT: Meeting adjourned at 11:30 with a motion by Patrick McPherson and a second by Bob Corn. Motion passed unanimously.

Respectfully Submitted

Patrick J. McPherson