

**NEBRASKA COMPREHENSIVE HEALTH INSURANCE POOL (NECHIP)
BOARD OF DIRECTORS MEETING – December 12, 2012**

Members Present: Vic Kensler, Pat McPherson, Bob Corn, Ryan Cole, Sherry Wupper

Members Dialed In: Brian Angel, Randy Boldt

Others Present: Martin Swanson, NE Dept. of Insurance, Dale Mackel, Michelle Dunlap and Shannon Greenway representing Coventry Insurance

CALL TO ORDER: Chairman Kensler opened the meeting at 10:00 a.m.

APPROVAL OF MINUTES: A motion to approve the minutes of the September 5, 2012 meeting was made by Director McPherson and was seconded by Director Corn. The motion passed.

OLD BUSINESS:

Performance Guarantees – Director Corn stated that Coventry is meeting the standards of our transition.

NEW BUSINESS:

Exchange Planning Update – Mr. Swanson mentioned that the Medicaid expansion will be a big issue for Nebraska in the future. On a nationwide basis, most of the states are choosing to go with the Federal program. Governor Heineman felt state costs were excessive; and that the federal government lacked flexibility. He will be working with the federal government to see that Nebraskan's insurance needs are met. Timelines will be established by the end of March, then states have less than 80 working days to approve all new plans by the end of July. October 1, 2013 will be the start date for open enrollment.

Update Website Message to Policyholders – Our next communication to our policyholders is due. Director Boldt will work with Mr. Swanson to develop a bulletin to be sent policyholders regarding what changes and key issues to expect in 2013.

Coventry Run-Out Period Proposal/Process – These are for dates of service prior to April 1, 2012. Ms. Dunlap gave us a handout of issues Coventry is dealing with on NECHIP's behalf. Coventry is still receiving numerous calls from policyholders, providers and attorneys. This is a very time consuming manual process for Coventry and is not part of their current work scope for us. Coventry proposed a fee structure for us to consider. This generated some discussion from the Board. Director Corn said that usually a 12 month period is sufficient for run-out, is our group special for some reason?

Director Boldt questioned whether there was an unresolved liability on the part of BCBS? Did BCBS do their job on the run-out (they no longer have computers or people to work on it)? Mr. Swanson will talk to the Director of Insurance. Ms. Dunlap said that Coventry has been working for 2 months on these issues. Coventry will give us some cost options and we will continue with discussions. **Note:** In a conference call on December 20, 2012 the Board unanimously approved Coventry's proposal as submitted for a period of 3 months (which can be extended if necessary) beginning 12/1/2012.

Medicaid Termination Procedure Review – Ms. Dunlap gave us 2 handouts on BCBS' procedure and Coventry's procedure to handle Medicaid terminations, which are different. Director Cole said that by statute, policyholders are ineligible for CHIP as of the date of the start of Medicaid. Ms. Dunlap asked if Coventry can continue their policy of refunding premium to the insured first, then they will go after the claim? Mr. Swanson will work with Ms. Dunlap on who to contact at HHS to get information quicker, and to share information so there are no duplications. The Board will defer our final decision on Medicaid procedures until after discussions with Medicaid.

COMMITTEE REPORTS:

Administrative Transition – Corn: Going great, all standards met.

Grievance – Corn: We received notification of a possible future grievance due to what is considered new and experimental treatment. At this time there has been no 2nd appeal so no action is required by the Grievance Committee.

Finance – McPherson: Claims are down \$13 million, premium income is also down because we have 600 less members. Our numbers will change as we pay Coventry money for managing our run-out.

Legislative – Angel: No plans for legislation in the upcoming session. We need to keep lines of communication open with our policyholders. We may want to survey our members on their plans going forward. Will we still be here in 2014?

Communications – Boldt: We will have a bulletin out to policyholders regarding the transition to the federal plan early next week. This information will be sent out using standard mail as well as posting on our website.

ADMINISTRATOR'S REPORT

We are expecting higher call volume as the rate increase goes into effect. We are also receiving more prescription drug calls on drugs that BCBS used to pay and that Coventry doesn't pay (since they adhere closer to CHIP policy guidelines).

ADJOURNMENT: Chairman Kensler considered a motion by Director McPherson to adjourn the meeting, this was seconded by Director Corn. Motion passed 6-0.

NEXT MEETING: Wednesday, March 6, 2013