

FLORIDA HEALTH INSURANCE ADVISORY BOARD
Board of Directors Meeting
November 2, 2007
10 A.M – 4 P.M.

APPROVED MINUTES

Board Members Present:

Kevin McCarty
Leslie D. Foy
Rick Wallace
Joan Galletta
Walter Dartland
Michael Jackson

W. Adam Clatsoff
Mark LaBorde
Tamara Meyerson
Randy Kammer
Bill Herrle

Others Present:

Jim Bracher
Freedom Taylor
Audrey Brown

Mary Beth Senkewicz
Monica Rutkowski

I. Call to Order

Mr. McCarty noted the presence of the quorum and called the meeting to order.

II. Antitrust Statement

Mr. McCarty directed the members to the antitrust statement.

III. Remarks by Chairman

Mr. McCarty stated that the meeting was another in the series of meetings to develop legislative recommendations for presentation to the Office of Insurance Regulation, other executive agencies and the Legislature. The Board has held a series of meetings during the year to hear from a variety of stakeholders including insurance companies, agents and consumers. Mr. McCarty also noted the publication of the 2007 Florida Health Insurance Market Report. He indicated that there were two contrasting items to report. First, he noted the resurgence of Florida's commercial health insurance markets. Enrollment is increasing in all segments of the market. However, that positive news is offset by the continued growth in number of persons without insurance in Florida. Policymakers would be looking to the Board and other entities for recommendations to address this problem. Mr. McCarty noted that Florida's budget crises made the likelihood of major new initiatives problematic for the coming year. Finally, he noted that the primary agenda item for today's meeting was the review and approval of legislative recommendations. The draft recommendations before the Board represented a

compilation of ideas put forth by stakeholders, suggestions from staff and recommendations from last year.

IV. 2008 Legislative Recommendations

Mr. McCarty asked Mr. Bracher to review the 2008 Legislative Recommendations. Mr. Bracher reviewed each recommendation for the Board to discuss. After review Mr. McCarty asked if there was general agreement on any of the recommendations so they could be approved by consent. The following recommendations were approved by consent.

Consent agenda legislative recommendations:

8. Continue efforts to expand the utilization of electronic medical records.
9. Expand/enhance existing public programs such as Healthy Kids to fully utilize existing public funding.
10. Support funding to update the 2004 Florida Health Insurance Study
11. Request funds for a demonstration project for the uninsurable through the Florida Health Insurance Plan in which the Plan would bid coverage to health insurers at a fixed premium to limit state liability. The state would subsidize a part of the premium and the contracted insurer would be at risk for losses in excess of premium revenue.
13. Study the alternatives to provide individual insurance to all Floridians who are not covered by a group plan, Medicare, Medicaid or other comprehensive creditable coverage [as defined by the Health Insurance Portability and Accountability Act of 1996 (HIPAA)].
15. Establish a comprehensive multilingual, culturally diverse educational program to educate Floridians on the importance of having health insurance, health insurance coverage options, appropriate use of emergency rooms and other tools to cover health care expenses. The program would include state agencies such as Agency for Health Care Administration, Department of Health, Department of Financial Services and Office of Insurance Regulation as well as insurers and other private organizations such as Florida Hospital Association and the Florida Medical Association.
16. Amend the statute [Section 627.6699(11), F.S.] to formally change the name of the group to the Florida Health Insurance Advisory Board.

Mr. McCarty noted that he would add a note to the Funding/Studies section of the recommendations (#9, 10, 11 and 13) that recognized the limitations on public funding and to look to other sources for resources. Mr. McCarty asked for a motion to adopt the consent agenda. Ms. Kammer moved to adopt the consent agenda. Mr. Clatsoff seconded the motion. The motion was adopted.

The remaining recommendations were discussed and approved as follows:

6. Delay the sunset of Health Flex; evaluate the barriers for persons to purchase coverage under the Program including the utilization of Prepaid Health Clinics (Chapter 641, Part II) as an additional/alternative option for limited coverage for low income persons. (See AHCA study on barriers).

Mr. McCarty asked for a motion to approved agenda item recommendation #6. Ms. Foy moved to adopt agenda item #6. Ms. Galletta seconded the motion. The motion was adopted.

7. Continue efforts to enhance transparency of health care information including requiring all health plans to have online access to names of providers included in their networks and all hospitals to have online access to a listing of credentialed physicians.

Mr. McCarty asked if there were a motion to adopt agenda item recommendation #7. Ms. Kammer moved to adopt agenda item #7. Ms. Foy seconded the motion. The motion was adopted.

14. Broaden membership of the Low Income Pool (LIP) Council [see Section 409.911(9), F.S.] to include other stakeholders including health insurers, HMOs and low income consumer representatives.

Ms. Kammer motioned to have agenda item recommendation #14 approved. Mr. Clatsoff seconded the motion. Mr. McCarty noted that there was a motion and a second for agenda item recommendation #14 and asked if there were any further discussion from the Board. No further discussion. The motion was adopted with one abstention from Mr. Thomas.

1. Remove impediments that delay/discourage micro-groups (less than 10 employees) in obtaining health insurance including differing contribution and participation requirements, agent commission structure and documentation requirements.

Ms. Kammer moved to adopt agenda item recommendation #1. Ms. Foy seconded the motion. The motion was adopted with one abstention by Mr. Dartland.

2. In order to reduce market segmentation and economic advantages for out-of-state group plans, plans must be identified as either group or individual polices and

comply with the corresponding in-state requirements. Mr. Sam Bell with Golden Rule testified in regards to concerns he had with agenda item recommendation #2.

Ms. Kammer motioned to adopt agenda item recommendation #2. Mr. Clatsoff seconded the motion. The motion was approved by a majority vote with one abstention from Mr. Thomas.

3. Oppose efforts to expand mandated benefits absent a statutorily authorized actuarial study conclusively proving the need and associated reduction in health care costs. Ensure that any future mandated benefits be applied to all insurers authorized to do business in Florida.

Mr. Herrle moved to adopt agenda item recommendation #3. Ms. Foy seconded the motion. The motion was adopted.

4. Allow retention of health insurance coverage under a parent's policy for children up to age 25 who are Florida residents or students but who are no longer dependents. (To avoid unintended tax consequences for group policies, a continuation of coverage option may be necessary).

Mr. McCarty asked if there were a motion to adopt agenda item recommendation #4. Mr. Clatsoff moved to adopt agenda item recommendation #4. Ms. Kammer seconded the motion. The motion was adopted.

5. Require any incoming freshmen who are a full-time college student not covered under a federal HIPAA credible coverage health insurance policy to purchase such a policy. Require all state universities and colleges to offer only HIPAA credible coverage health insurance policies and to develop a process for a hardship waiver for those students where purchase of such a policy might prevent their attending school.

Mr. McCarty asked if there were a motion to adopt agenda item recommendation #5. Mr. Clatsoff moved to adopt agenda item recommendation #5. Ms. Kammer seconded the motion. The motion was adopted with two abstentions from Mr. Dartland and Mr. Thomas.

One recommendation was deleted:

Recommendation #12 was voted to be removed from the agenda.

12. Request funds for a pilot program to subsidize the purchase of health insurance for low income persons.

Mr. McCarty asked for a motion to remove agenda item recommendation #12 from the agenda. Ms. Foy moved deletion of recommendation #12 from the agenda. Mr. Herrle seconded that motion. The removal motion was adopted.

V. Approval of Minutes September 17 & 25, 2007

Mr. McCarty asked if there were any corrections or additions to the September 17 & 25, 2007 minutes. Ms. Kammer noted that Mr. Clatsoff's name was misspelled in the September 17, 2007 minutes. Ms. Kammer moved approval of the minutes with the correction of Mr. Clatsoff's name. Mr. Clatsoff seconded the motion. The motion was approved.

VI. Approval of Development of Website

Mr. Bracher stated that he has had several inquiries about material related to the Florida Health Insurance Advisory Board and if there were a website available. Mr. Bracher discussed the three proposals that he obtained for the development of a website for the Florida Health Insurance Advisory Board. Mr. Bracher did extensive research and background research on the three proposed companies. Mr. Bracher recommended that the Board develop a Website. He also recommended that the Board contract with Marketing for Change to develop the website. Mr. McCarty asked if there were a motion to develop a website. Mr. LaBorde moved development of a website for Florida Health Insurance Advisory Board. Mr. Clatsoff seconded the motion. The motion was approved with one abstention from Mr. Herrle. Mr. McCarty asked for a motion to authorize staff to contract with Marketing for Change to develop the website for the Florida Health Insurance Advisory Board. Mr. LaBorde moved authorizing staff to contract with Marketing for Change to develop the website for the Florida Health Insurance Advisory Board. Mr. Clatsoff seconded the motion. The motion was approved with one abstention from Mr. Herrle.

VII. Approval of Wire Transfer of Funds Procedure

Mr. Bracher presented the procedure for transfer of funds wire transfer procedure. He noted this procedure was a recommendation from the auditors to complete the internal controls related to cash. The procedure would state:

Expenses of the Florida Health Insurance Advisory Board/Florida Health Reinsurance Program are paid from several sources of funds utilizing a single checking account. As expenses are paid, funds are transferred into the checking account based on the allocation contained in the approved operating budget.

The Executive Director is authorized to transfer funds within the accounts of the Program/Board to pay expenses included on the approved operating budget or specifically authorized by the Board.

Transfers of funds to accounts outside authorized bank accounts requires advance approval of the Chair or other authorized person designated by the Board.

Ms. Kammer recommended having another Independent Board Member rather than the Executive Director authorized to transfer funds within the accounts of the Program/Board to pay expenses included on the approved operating budget or specifically authorized by the Board. Ms. Kammer recommended Mr. Clatsoff for the position. Ms. Galletta moved approval of Wire Transfer of Funds Procedure with Ms. Kammer revised recommendation. Mr. Jackson seconded the motion. The motion was approved.

VIII. Executive Director's Report

Mr. Bracher noted that a conference call was scheduled for next Friday for any unfinished business and since there was none that conference call was cancelled.

IX. Other Business

Mr. McCarty asked if there was any further business to consider. Mr. McCarty noted that the Board needed to ratify the changes that were made in the Florida Health Insurance Market Report. Mr. McCarty asked Ms. Senkewicz to discuss the ratification of the report. Ms. Senkewicz gave a brief description of the primary changes that were made in the report, which the Board received via email. Mr. McCarty asked for a motion to ratify the Florida Health Insurance Market Report modified by the Office of Insurance Regulation. Ms. Kammer moved to ratify the Florida Health Insurance Market Report modified by the Office of Insurance Regulation. Mr. Dartland seconded the motion. The motion was approved. Mr. Dartland asked about having different groups come present to the Board. Mr. McCarty advised Mr. Dartland to get with Mr. Bracher about this issue. Mr. Bracher noted that the Board probably would not meet again this calendar year. Mr. Bracher noted that the only statutory responsibility that the Board had not addressed was its comments on the Office of Insurance Regulation budget financial.

X. Adjourn

There being no further business Mr. McCarty asked for a motion to adjourn the meeting. Mr. Clatsoff moved to adjourn the meeting and Ms. Foy seconded the motion. The motion was approved and the meeting was adjourned.

Kevin McCarty, Chairman

Date