

**MINUTES OF BOARD MEETING  
OF  
IOWA COMPREHENSIVE HEALTH ASSOCIATION  
(Health Insurance Plan of Iowa)**

**October 19 and November 4, 2016**

A meeting of the Board of Directors of the Iowa Comprehensive Health Association (“Association”) was held on Wednesday, October 19 and Friday, November 4, 2016. Due to the geographic dispersion of the Board of Directors, the meeting was held by telephone. Those participating were:

Board Members

Joseph E. Day, President	Angela Burke Boston
Representative Gary Carlson (Oct. 19)	Ellen Corwin (Oct. 19)
Pat Ryan	Debra Sears (Nov. 4)
Frank D’Antonio	Joe Teeling
Kevin Van Dyke (Oct. 19)	Mark Willse (Oct. 19)

Board Members Absent

Senator Matt McCoy	Senator Dan Zumbach
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Other Participants

Cecil Bykerk	Bill Boyd
Bernie Jamieson (Oct. 19)	Alan Kellogg (Oct. 19)
Debbie McCormick (Oct. 19)	Peggy Onstott

A quorum having been declared, President Joe Day called the meeting to order at 3:06 p.m. and the following business was conducted:

1. Minutes. After discussion, the following motion was made by Ellen Corwin and seconded by Kevin Van Dyke and unanimously carried:

**RESOLVED**, that the minutes of the Board meeting of September 13, 2016, be approved.

2. Executive Director Report. Cecil Bykerk reported that the purpose of the meetings were to determine the rates and benefits for the HIPIowa products. Mr. Bykerk welcomed Frank J. D’Antonio, Market President of Aetna’s health plans, to the Board of Directors.

3. Administrator’s Report of Association. Debbie McCormick of Benefit Management, Inc. (“BMI”) reviewed the Association’s operations report for September 2016, which was a Board handout. As of the end of September, all levels of services (measured by enrollment, billing and claims standards) were met. Ms. McCormick also reported that customer service standards were met.

Ms. McCormick reported that as of the end of September, there were 391 individuals enrolled in HIPIowa plans. Ms. McCormick noted that there had been a steady decline in the enrollment in HIPIowa since January, 2014, which, along with January 2015 and January 2016, were the three months in which there was the largest reduction in HIPIowa members. She noted that there was no decline in 2016 in the Medicare Carveout II Plan and no decline in the Medicare Carveout I Plan, which she attributed to the lack of guaranteed issuance in that market. She said that the \$2,500 deductible plan continued to be the most popular HIPIowa plan being offered with 116 insureds in such product as of the end of September. She also reviewed the enrollment of the Medicare Carveout Plans. As of the end of September, there were five members enrolled in the original Medicare Carveout I Plan and 29 members in the newer Medicare Carveout II Plan. Ms. McCormick reviewed a plan and age distribution summary, which showed that the largest concentration of enrollees for the year was the age group of 60-64 with PPO plan policies with a \$2,500 deductible (116).

A review was provided covering (1) applications received in July and (2) applications approved in September, which showed there was no new enrollment. Ms. McCormick reviewed the “eligibility designation” for HIPIowa members and reported that the majority of members were eligible for coverage due to medical eligibility (56%) and being federally eligible individuals (46%).

Ms. McCormick reviewed the net changes in enrollment activity for September. There was a net decrease of 5 members for September. She also reviewed the termination reasons for the change in coverage.

Ms. McCormick reviewed claims received during the month of September. She said that claims inventory showed less than 48 pre-registered claims and 9 pended claims. The cost share PMPM claim costs for September 2016, were reviewed. BMI’s data showed approximately \$968 PMPM member costs and approximately \$2,254 PMPM plan costs for September. Ms. McCormick reviewed a High Dollar Paid Claims Report for October 2015 through September 2016, which showed no High Dollar Claim paid by the Association since January 2016.

4. Financial Report of Association. Bernie Jamieson of BMI reviewed the Association’s September 2016 financial statements, which included an unaudited balance sheet, a statement of operations, and cash flow analysis through September 30, 2016, which were handouts for the meeting. He reported that total cash was \$9,706,034, and total assets were \$9,887,307. He reported that the reserve for unpaid losses (IBNR) was \$1,700,000, and total liabilities were \$1,923,869. He also reported that premium income was \$2,501,848, incurred claim loss – medical was \$5,683,428, incurred claim loss – pharmacy was \$1,698,858, total operating expenses were \$547,349, and the underwriting loss for the Association was \$5,214,248.

Mr. Jamieson reviewed a statement of cash flow through September 30, 2016. He reported that the end of period cash and invested cash was \$8,892,975. Mr. Jamieson also reviewed the cash flow analysis through September 30, 2016.

Mr. Jamieson reported that the Association had sufficient cash on hand to pay for claims until the next assessment projected in April, 2017.

5. Actuarial Report. Peggy Onstott provided a report on her review of the existing HIPIowa coverage and comparisons made to other products in the marketplace. Ms. Onstott reviewed documents identifying potential rate changes as well as benefit changes for 2017 which were part

of the Board materials. The Board had a lengthy discussion with regard to possible changes to the HIPIowa rates and benefits. There was discussion with regard to changes in deductibles, coinsurance and out-of-pocket maximums.

The meeting recessed at 4:05 p.m. The meeting reconvened on November 4, 2016 at 9:34 a.m.

The Board continued its discussions with regard to the possible rate and benefit options for the 2017 HIPIowa products. As part of these discussions, the Board reviewed written comments on the various options that were submitted by Board members unable to participate during the reconvened meeting.

There was discussion with regard to the timing of sending out notices to HIPIowa members with regard to any rate changes. After further discussion, the following motion was made by Frank D'Antonio and seconded by Debra Sears and carried:

**RESOLVED**, that the benefits for the HIPIowa plans remain the same for calendar year 2017 with an adjustment in the rate for each plan such that the AMR on the HIPIowa products shall be at 150 percent.

Angela Burke Boston dissented. Cecil Bykerk reported that BMI committed to having the notices of the rate changes mailed to HIPIowa enrollees no later than Thursday, November 10.

The meeting adjourned at 10:06 a.m.

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Kevin Van Dyke, Secretary