

**Health Insurance Partnership
Technical Advisory Committee
December 21, 2007
1:30 – 3:30 p.m.**

MEETING MINUTES

In attendance:

Karen Merrikin, Group Health; Claudia Bach, AdvisArts Consulting; Mark Johnson, WA Retail Association; Susan Pittman, Insure NW; Troy Nichols, NFIB; Jim Pinkerton, Regence; Pete Cutler, OIC; HCA staff: Beth Walter, Bob Longhorn, Nguyen Dang, Debbie Allen and Anton Cooper; Ben Diederich, Milliman; Guests: Jane Beyer (via phone) and Clif Finch.

Low-income employee requirement:

Karen Merrikin discussed the concern by Jim Grazko that the employer requirement to employ one low-income employee to participate in the HIP be removed. She clarified that the focus of the program is still on providing access to low-wage workers and that the language is not required.

Minimum Participation:

The group confirmed that they concluded this discussion at the last meeting and that they would recommend to the Board to keep this requirement consistent with the small group market.

Minimum Employer Contribution:

Karen Merrikin presented a chart that showed how an employer's contribution impacts the employee's premium cost and the state subsidy. The group discussed the best way to present this to the Board and discussed the trade-off between the employer contribution and the impact upon the workers. It was suggested that modeling be done to analyze the impact of Section 125 plans on the employer/employee costs. Susan Pittman stated that many groups already have these plans in place.

Nguyen Dang from HCA discussed that a low benchmark plan and low employer contribution will result in higher employee costs. Anton Cooper suggested that we get an estimate of the crowd-out effect if the employer contribution is too low.

The group discussed whether the minimum employer share should be a percentage of premium or a defined contribution. The group is not prepared to make a recommendation on this at this time. The group also asked if the minimum contribution level could be different for full-time and part-time employees. Jane Beyer stated that she believes the contribution level can be different for these two classes of employees.

The group also discussed that it would be preferable to have the employer contribute to both the employee and dependents' premium cost because it encourages shared responsibility.

The group discussed using information from OFM, and the small business intensive to help support this discussion. Beth will try to locate the information and get it to the group.

The group discussed the impact of a low employer contribution on subsidy-eligible employees who jump from 199% FPL to above 200% and are no longer subsidy-eligible.

The TAC discussed that they need some policy guidance from the Board to help determine what modeling and analysis is needed to make a recommendation on the minimum employer contribution.

Next Steps:

- TAC will meet on January 8, 2008 to finalize recommendations to the Board.
- Future Meetings: The TAC agreed that with the Legislative Session approaching to meet on the 2nd and 4th Tuesday, exact time to be decided.