

Oregon Medical Insurance Pool
Board Meeting Minutes
October 17, 2014
Conference Call 877-848-7030

Board Members Present

Patrick Allen, Department of Consumer and Business Services (DCBS)
Jason Beyrouthy, Business Representative
Chris Ellertson, Non-designated Representative, Board Vice-Chair
William Ely, HMO Representative
Robert Gluckman, M.D., Non-designated Representative
Ken Provencher, Health Care Services Contractor Representative
Jennifer Sherman, Business Representative
Suzan Turley, Public Representative

Board Members Absent

Kelly Ballas, Oregon Health Authority (OHA)
Paul Harmon, Domestic Insurance Representative
Robin Richardson, Reinsurer Representative, Board Chair

OMIP Staff Present

Matt Smith – OTRP Budget Analyst – OHA
Cindy Lacey – OTRP Operations and Policy Analyst - OHA

Others Present

Don Myron – OHA
Ted Falk - DOJ
Ru-hwa Chen – OHA-OFS
Ashley Osten – Moss Adams LLP
Francis Orejudos - Moss Adams LLP
William Norris - Moss Adams LLP
Stacey Simpson – Cambia Health Solutions
Nick VanVleet – Cambia Health Solutions
Meagan Dahlgren – Cambia Health Solutions

Mr. Ellertson called the meeting to order at 4:00pm.

Per board direction from the last meeting Mr. Myron reported that he had discussed the audit issue with both the Secretary of State's office and the Office of Fiscal Services (OFS), it was determined that OMIP could move forward on a special procurement with Moss Adams LLC. He also pointed out OFS & OMIP

staff continues to work with the Regence/Cambia staff on the FMIP reconciliation. The OMIP reconciliation has not started.

Mr. Ellertson indicated the purpose of this meeting is to get feedback from the board regarding a third party audit to meet the OMIP board's fiduciary responsibilities. Prior to the meeting each board member received a copy of the Moss Adams proposed statement of work. The scope of services for the audit would include assessing proper medical claims payments, review the claims refund process for accuracy, and to determine if the Cambia reconciliations are correct. In addition the board is interested if there could be any other unknowns out there. The overall cost of the audit would be in the \$80,000-\$95,000 range.

Feedback from board members was requested:

Ms. Turley inquired if access will be provided in a timely manner and if not, will Regence be charged for the audit? Mr. VanVleet from Cambia responded that there would be no timeliness issues for access. Moss Adams said they could be on site for five days in November. Mr. Myron also indicated that Regence was informed about the audit and didn't expect any issues to receive necessary information.

Mr. Beyrouthy, one of the new board members, asked about previous audits. Mr. Myron advised that CMS has previously audited the FMIP program. Moss Adams also does a yearly financial audit per the CMS contract. To his knowledge the OMIP board has not asked for a directed audit of this scope in the past. Mr. Myron explained the objectives of this audit is to verify the payable amount and to see if there might be any more surprises out there that Regence or OMIP may be unaware of; including credits that may be owed to the programs. Mr. Beyrouthy inquired about the annual total of transactions processed through the programs. Mr. Smith responded that he thought OMIP generated approximately \$130 million in transactions annually and didn't have the FMIP amount off hand. Of the \$10 million payable, approximately \$2.4 million is for FMIP and \$7.6 million is for OMIP. Mr. Myron said we weren't notified about the amount owed until the FMIP contract was about ready to terminate. Mr. Beyrouthy asked why this audit is necessary. Mr. Myron explained that over the last two and a half years the board has been making decisions regarding the expected reserve for program closure and this additional request from Regence was unexpected.

Mr. Provencher commented on the expected cost of the audit and would like to see a not to exceed provision added to the statement of work. Mr. Norris responded that doing so should not be a problem; that has been done in the past. He said if any unforeseen issues are found during the audit they will bring that to the board well ahead of time.

Mr. Ely wondered why the OMIP portion of the audit isn't starting until January and asked if that timeline could be accelerated. Mr. Myron explained that the

FMIP contract had to be extended from September 30, 2014 to December 31, 2014 at the last minute and because of this the focus is on FMIP first. Mr. Ely noticed a gap between the end of the FMIP review and the start of the OMIP review. Mr. Myron indicated the gap will be reviewed before finalizing.

Ms. Sherman wanted to know, as the audit is conducted in regards to past process issues, if the audit team will also be able to review the reconciliation that was provided by Regence? Moss Adams said yes that will be within the scope of the audit. Mr. VanVleet said all details of the FMIP amount due have been made available to State staff and expects to invoice FMIP this week. He expects to invoice OMIP within two weeks. Mr. Myron responded that staff has been working collaboratively with Regence but not all necessary details have been received and an email from OFS staff will be forthcoming.

Dr. Gluckman suggested that provider refunds be reviewed to ensure that members were reconciled properly and that benefit accumulators are accurate.

Mr. Ellertson thanked the board members for their feedback and recapped the discussion:

- 1) There's a generic concern about Moss Adams having access to the data in a timely manner in order to do the work and meet the timelines. Regence acknowledged this would not be a barrier.
- 2) Modify the statement of work by adding a not to exceed amount.
- 3) Review the timeline gap for OMIP to see if it can be accelerated.

Mr. Ellertson asked if there was any further discussion to capture as a matter of record. Then the Board voted and unanimously agreed that OMIP staff proceed in contracting with Moss Adams to perform the audit.

Public Testimony

No public testimony

Mr. Ellertson adjourned the meeting at 4:30 PM