

**Florida Health Maintenance Organization Consumer Assistance Plan
Board of Directors Meeting Conference Call
April 14, 2011**

Board Members Participating

Lisa Davies, Chair
John Hogan, Vice-Chair
Albert Arca
Valerie Beckles
Chris Ciano
David Schandel

Others Participating

Mary Schwantes, Division of Rehabilitation and Liquidation
Toma Wilkerson, Office of Insurance Regulation
Bruce Platt, Akerman Senterfitt
LeShan Smith, Akerman Senterfitt
Sheryl Rosen, Akerman Senterfitt

I. Call to Order

Chairperson Davies noted the presence of a quorum and called the meeting to order.

II. Antitrust Preamble

Chairperson Davies noted the following antitrust preamble and directed the participants to review it:

We are here to discuss and act on matters relating to the business of the Florida Health Maintenance Organization Consumer Assistance Plan ("HMOCAP"). We are not here to discuss or pursue the business of our individual member companies. All of us should proceed with caution and awareness of the requirements and prohibitions of federal and state antitrust laws. We should not engage in discussions, either at this meeting or in private conversation, of our individual companies' plans or contemplated activities. We should concern ourselves only with the business of the HMOCAP as set forth in the agenda for this meeting. Only HMOCAP matters may be discussed at the meeting and each company's business plans cannot be discussed.

III. Approval of Minutes, September 20, 2010 Annual Board Meeting

Chairperson Davies directed the Board members to review the draft minutes of the September 20, 2010 annual meeting of the Board of Directors. She asked if there were any suggested revisions. There being none, Mr. Hogan moved to approve the minutes, and Mr. Ciano seconded the motion which passed unanimously.

IV. SunStar Settlement Proposal

Chairperson Davies asked Mr. Platt to provide background regarding the draft proposal for distribution of premiums collected by the Division of Rehabilitation and Liquidation after the date of the SunStar Health Plan insolvency. Mr. Platt noted that the Division collected \$3,594,442.20 in premiums after February 1, 2000, the date SunStar was placed into liquidation. Mr. Platt explained that the Division was unable to perform an accurate reconciliation and was unable to determine how much of the funds were due for dates of service prior to liquidation. Mr. Platt noted that for "normal" HMOs, most of the funds would have been for dates of service on or after February 1, 2000. However, he explained this was not a "normal" HMO situation. He said that the Division proposed splitting the amount and crediting half of the premium to the HMOCAP. Board members discussed this at the annual Board meeting, and Mr. Drablos was appointed to be a subcommittee to evaluate the Division's proposal. Mr. Drablos ultimately determined that, based upon the information available, there was no easy way to divide the premium, and he felt that half of the premium was reasonable. However, the Division had the benefit of the funds since collection in February 2000, so Mr. Drablos believed that the HMOCAP should be entitled to interest on its share of the premium. He asked Mr. Platt to draft a letter proposing a settlement based upon a distribution of \$1,797,221.10 plus interest. Mr. Platt said that Ms. Smith calculated a monthly amount based upon the Special Purpose Investment Account ("SPIA") monthly interest payments for the time period. The total interest was \$1,065,907.68, for a total distribution to the HMOCAP of \$2,863,128.78. The draft settlement proposal letter was included with this meeting's agenda.

After discussion Mr. Hogan made a motion to have the Board of Directors accept the settlement proposal recommendation and to have Mr. Platt send the settlement proposal to the Division. Mr. Ciano seconded the motion, and it passed unanimously.

Dr. Beckles asked if the interest calculated was the same as the interest collected by the Division. Mr. Platt said that the Division's funds were deposited with SPIA, and therefore the interest calculations should be the same or very close.

Dr. Beckles asked if the Division would accept the proposal. Ms. Schwantes said that the Division had not made a determination as to whether the proposal would be accepted.

Mr. Ciano asked how long it would take the Division to respond. Ms. Schwantes said the Division should be able to respond to the HMOCAP within a week or so as to whether the proposal is acceptable. She also said that if a Court Order is necessary to approve the distribution, it could be a month or longer before the distribution is made.

V. Status Update – Policy and Procedure Manual

Chairperson Davies said that she had reviewed a draft of the policy and procedure manual, and that she has directed Mr. Platt to make some additional organizational revisions. Mr. Platt gave a brief summary of the steps that had been taken in the development of the manual. He said that it should be in shape to distribute to the Board soon, and that a Board meeting would be scheduled to review it.

VI. Other Business

Chairperson Davies noted that she had worked with Mr. Platt in the past to contract with an insurer or third party administrator/TPA to provide administrative services to the HMOCAP in the event of an insolvency. Mr. Platt noted that the HMOCAP had used an administrator in the 1990s when there were a few HMO insolvencies, but that administrator was no longer in existence. He reminded the Board that the HMOCAP had solicited proposals for a new TPA relationship. However, after review of the responses, the Board asked Mr. Platt to evaluate notice methodologies that might yield more responsive results. Mr. Platt noted that he had worked with the Office of Insurance Regulation to determine whether an HMO could provide administrative services to the HMOCAP under its HMO license, but the decision was made that this was not appropriate. Ms. Davies said she would continue working with Mr. Platt to help obtain a contract with an appropriately licensed entity. To help get more responses, she asked Mr. Platt to contact the Office of Insurance Regulation to obtain a list of Florida licensed TPAs (and appropriate contact persons for each). She said that she would have the HMOCAP publish notice of a request for a TPA relationship in the Florida Administrative Weekly, and that the HMOCAP will also send notice to each licensed TPA.

VII. Adjourn

There being no further business, Mr. Hogan made a motion to adjourn. Mr. Ciano seconded the motion, and the meeting was adjourned.