

**FLORIDA HEALTH MAINTENANCE ORGANIZATION
CONSUMER ASSISTANCE PLAN**

Board Meeting

Friday, January 22, 2016 at 3:00 p.m. Eastern Time

By Teleconference

Conference Call In Number: 877-434-2293 Passcode: 8504251634

Board Members Participating

Dr. Raed Assar, Chairman

John Hogan, Vice Chairman

David Schandel, Secretary/Treasurer

Rosy Cozad

Chris Paterson

Stephen Harris

Others in Attendance

Mary Schwantes, Florida Department of Financial Services

Katina Johnson, Florida Office of Insurance Regulation

Virginia Christy, Florida Office of Insurance Regulation

Bruce Platt, HMOCAP Plan Manager, Akerman

Sheryl Rosen, Akerman

I. Call to Order

Chairman Dr. Raed Assar called the meeting of the Board to order and noted the presence of a quorum.

II. Antitrust Preamble

Chairman Assar read aloud the following antitrust preamble:

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. Review and Approval of Minutes

Dr. Assar asked the board members for comments or changes to the draft minutes of the September 10, 2015 annual meeting. Hearing none, Rosy Cozad moved to accept the minutes as drafted. Vice Chairman John Hogan seconded the motion, which passed unanimously.

IV. Review of Response to TPA Request for Proposal

Plan Manager Bruce Platt explained that the HMOCAP published a request for proposals in the Florida Administrative Weekly and sent requests directly to four or five third-party administrators (TPAs). He received two responses, although one company declined to provide additional information. The remaining company, PayerFusion, provided a proposal for \$18 per member per month as well as background information about the company. Mr. Platt contacted entities that had experience with PayerFusion - the Florida Department of Financial Services and the Life and Health Guarantee Association. He said that he did not hear of any negative experiences with PayerFusion. The company appears to have a good reputation. Mr. Platt asked whether the Board has any comments or concerns or would like him to proceed with hiring PayerFusion.

Ms. Cozad commented that the price seems to be within the expected range although perhaps a little at the higher end. Mr. Platt explained the price is likely slightly higher than normal because PayerFusion would have little notice of when the HMOCAP would be activated and would only be involved for the 6 months that the HMOCAP is responsible for members of an insolvent HMO.

Dr. Assar commented that the price appears reasonable.

Stephen Harris asked about PayerFusion's quoted fee of \$9 per claim for handling prior months' claims. Mr. Platt responded that the HMOCAP is not responsible for claims that occur before the date of insolvency and that charge will not apply.

Ms. Cozad inquired about PayerFusion's capacity to serve the HMOCAP in the event of a large insolvency. Mr. Platt replied that PayerFusion believes it has appropriate capacity and will increase its staff if needed to accommodate the additional work.

Dr. Assar suggested asking PayerFusion to estimate its capacity. Ms. Cozad suggested asking how much time PayerFusion would need to scale up its staff to handle an insolvency.

Mr. Platt added that during the most recent insolvencies in the 1990s, the TPA engaged by the HMOCAP would immediately send staff members on site at the insolvent HMO's offices to help with the transition. As the insolvency progressed, the TPA would hire many of the claims staff from the insolvent HMO. He explained that PayerFusion appears to contemplate a similar model.

Dr. Assar thanked Mr. Platt for seeking the proposal from PayerFusion. He stated that the Board could ask PayerFusion to attend a future meeting and answer these questions, or the Board could authorize Mr. Platt to move forward with hiring PayerFusion. Mr. Hogan moved to authorize

Mr. Platt to proceed with entering an agreement with PayerFusion. Mr. Harris seconded the motion, which passed unanimously.

Mr. Platt noted that negotiating and preparing an agreement with PayerFusion falls outside of the monthly plan manager fee. Pursuant to the HMOCAP's contract with Mr. Platt and Akerman LLP, such work is payable at \$290 per hour. Board members asked Mr. Platt to estimate the number of hours of work required. Mr. Platt estimated 30 hours. Dr. Assar moved to authorize Mr. Platt to spend up to \$9,000 to negotiate and draft an agreement with PayerFusion with the understanding that Mr. Platt will seek Board approval if additional work is needed. The Board voted unanimously to approve the motion.

V. Nominations for Board Members

Mr. Platt stated that there have been two vacant board seats on the HMOCAP for several months, and that it has been somewhat difficult finding new board members given the prohibition against allowing members from affiliate companies to serve. Mr. Platt suggested considering revising that prohibition in the future.

Nevertheless, Mr. Platt was able to obtain interest from Michael Keeler, chief operating officer of Health First Health Plans, and Karen Zeiler, VP of Government Contracts of Molina. The board nomination process requires Mr. Platt to send nominees' names to the Florida Department of Financial Services for review. If the individuals are acceptable to the Department, Mr. Platt sends their names to HMOCAP member companies for voting. If the HMOCAP members vote favorably, the Board then may vote to recommend the nominees to the Department, and the Department may then appoint the nominees to the board. Mr. Platt will proceed with this process.

VI. Review of Website Vendor

Mr. Platt informed the Board that the HMOCAP's current website has required several maintenance updates by the website vendor, resulting in unexpected fees. The current website vendor is now seeking \$1,500 for an update of the website. Mr. Platt has become dissatisfied with the service of the current vendor and sought quotes for switching to another vendor. He asked direction from the Board as to how to proceed.

Mr. Hogan stated he would like to leave the choice of website vendor to Mr. Platt's discretion, and he made a motion to do so. Dr. Assar clarified this as a motion to allow Mr. Platt to decide whether to hire a different website vendor and to act accordingly. Mr. Harris seconded the motion. It passed unanimously.

VII. Other Business

Dr. Assar asked whether the Board or others on the call had other business to share. No attendees raised additional business.

VIII. Adjourn

Hearing no further business, Ms. Cozad moved to adjourn. The motion was seconded and passed without dissent. Dr. Assar declared the meeting adjourned.

David C. Schandel, Secretary/Treasurer
Florida HMO Consumer Assistance Plan

Dated this ____ day of _____, 2016.

DRAFT