

**FLORIDA HEALTH CHOICES**  
**BOARD OF DIRECTORS MEETING**  
**March 25, 2011**

**CONSENT AGENDA**

*These items are considered routine and are enacted by one motion. There will be no separate discussion of these items unless removal of the item from the Consent Agenda is requested by a Board Member for full Board discussion. If such a request is made, the item will be pulled from the Consent Agenda and placed on the Regular Agenda. Board Members will receive the Consent Agenda in advance of each board meeting. Supporting documents for each items listed on the Consent Agenda are behind each reference tab number.*

**Consent Item (1)**

**Page (3)**

**Approve Minutes of the Board of Directors Meeting – January 28, 2011**

**Summary:** The Florida Health Choices Board of Directors met on Friday, January 28, 2010 in Orlando, Florida. The agenda included a treasurer's report, a report from the Administration Committee on the annual contract review, an update from Ceridian, and the independent project management office.

**Consent Item (2)**

**Page (8)**

**Approve Minutes of the Agent Steering Committee – February 3, 2011**

**Summary:** The Agent Steering Committee met on Thursday, February 3<sup>rd</sup> to elect steering committee leadership, receive an update from the corporation on the web portal, and start discussions on various topics identified by the committee.

**Consent Item (3)**

**Page (10)**

**Approve Minutes of the Administration Committee – March 10, 2011**

**Summary:** The Administration Committee met on Thursday, March 10<sup>th</sup> to discuss issues with the North Highland contract for project management as well as the status of the third party administration contract with Ceridian.

**Consent Item (4)**

**Page (12)**

**Approve Minutes of the Vendor Steering Committee – March 14, 2011**

**Summary:** The Vendor Steering Committee met for the first time on Monday, March 14<sup>th</sup> in Tallahassee to have an organizational meeting. The group was brought up to date on the progress of the corporation, and elected a chair and vice chair to lead the group.

**Consent Item (5)**

**Page (14)**

**Approve Minutes of the Agent Steering Committee – March 14, 2011**

**Summary:** The Agent Steering Committee met on Monday, March 14<sup>th</sup> in Tallahassee. The members of the committee reviewed a proposed document outlining the eligibility and terms and conditions for a buyer's representative to participate in the program. They also reviewed draft frequently asked questions.

**Consent Item (6)**

**Page (17)**

**Approve Minutes of the Finance and Audit Committee – March 15, 2011**

**Summary:** The Finance and Audit Committee met on March 15<sup>th</sup> to hear a presentation from Carroll & Company on the 2010 Financial Review. They also were updated on investment opportunities, banking set up for the premium account and reviewed current financial reports.

# **FLORIDA HEALTH CHOICES, INC.**

## **Annual Meeting of the Board of Directors**

**11:00 a.m. Friday, January 28, 2011**

**Florida Health Choices**

**225 South Adams Street, Suite 250, Tallahassee, Florida**

### **MINUTES**

**Board Members Present:**

Aaron Bean, Chair  
Sherri Meadows, Vice Chair (By Phone)  
Walter Nason, Treasurer  
Becky Cherney, Director  
Steve Marin, Director (By Phone)  
Durell Peaden, Director  
Theresa Welles, Director (By Phone)  
Liz Dudek, Ex-Officio (By Phone)  
Cynthia Fuller, Ex-Officio (By Phone)  
Michelle Robleto, Ex-Officio

**Committee Members Absent:**

Scott Edinger, Director  
David Medvedeff, Director

**Others Present:**

Wilbur Brewton, Brewton Plante  
Patrick Foggia, Ceridian  
Ken Kunsman, Ceridian  
Lauren McCarthy, Florida Health Choices  
Tad McDonald, North Highland  
Greg Mellowe, Florida CHAIN  
Rose Naff, Florida Health Choices  
Scott Rainey, North Highland  
David Russell, Agent Steering Committee

**Welcome and Introductions**

With a quorum present Chair Bean welcomed everyone to the Annual Meeting of Florida Health Choices. Bean updated the group on the informal meeting to be held with vendors in Tallahassee sometime in February, and his meetings with legislative leadership to facilitate appointments and fill board vacancies.

David Russell, an appointed member of the Agent Steering Committee, made brief comments on the first meeting of the committee. The minutes of the meeting were available to board members for review.

#### Consent Agenda

Lauren McCarthy presented the consent agenda.

**MOTION: Durell Peaden made a motion to approve consent agenda. Motion was adopted without objection.**

#### Treasurer's Report

Walter Nason explained that the corporation was in need of a bank account for depositing of premiums once the program was operating. The corporation received four proposals, and North Highland did a comparative analysis of the options. These options were presented to the board. Becky Cherney requested that Florida Health Choices monitor the balances to ensure that we are always within any insurable limits.

**MOTION: Approve TD Mercantile as the premium account holder. Motion was adopted without objection.**

Mr. Nason then explained the need for the contract with FiServ, and recommended that the board move forward with authority for Rose Naff to sign on behalf of the corporation.

**MOTION: Grant authority to Rose Naff to sign FiServ agreement. Motion was adopted without objection.**

The financial statements were reviewed by board members, and there has been little change. The corporation is in a strong cash position, and has been a good steward of the funds appropriated. Carroll & Company will be producing a financial review for 2010 and will prepare any tax documentation.

**MOTION: Becky Cherney moves to approve all financial statements as presented. Motion was adopted without objection.**

#### Report of the Administration Committee

Durell Peaden, Chair of the Administration Committee, presented a summary of the Administration Committee meeting where each contract and corporate document was reviewed. The corporate documents were provided to board members prior to the board meeting as required. All revisions or edits were summarized for each document. Each contract was reviewed by the committee illustrating the status of the contract, amount paid, etc. There were no issues of concern to report from the contract review.

Rose explained that the Articles of Incorporation, By Laws and the Plan of Operation had been drafted by different people at different points in the startup process which led to some overlap or conflict within or between the corporate documents. During its meeting, Administration Committee reviewed amendments to the Articles of Incorporation and the By Laws only. Staff will recommend a conforming amendment to the Plan of Operation at a future meeting. On behalf of the Administration Committee, Durell Peaden recommended adoption of the proposed amendment to the Articles.

**MOTION: Adopt amendment to the Articles of Incorporation. Motion was approved unanimously.**

On behalf of the Administration Committee, Durrell Peaden recommended adoption of the amendment to the By Laws.

**MOTION: Adopt amendment to the By Laws. Motion was approved unanimously.**

The board of directors had previously adopted a code of ethics as a component of the By Laws which required an annual disclosure form approved by the board. However, the form has not previously been formally adopted by the board. The staff recommended and the Administration Committee agreed, that re-establishing the code of ethics as a separate policy and procedure which incorporates the required form is appropriate.

**MOTION: Re-establish the Code of Ethics as a separate board policy which incorporates the required annual disclosure form. Motion was adopted without objection.**

Post service restrictions were also adopted previously as a component of the By Laws and the term of restriction was inconsistent. A term of restriction duration of one year is recommended by the Administration Committee.

**MOTION: Adopt the post service restrictions policy with a term of one year. Motion was adopted without objection.**

The corporation enters all agreements utilizing a standard contract template. This is a document that has been previously adopted by the board. There was one edit needed on the definition of a participant. This is a definition that has been reviewed by the Administration Committee, and is recommended to that board for adoption.

**MOTION: Adopted the revised definition of a participant. Motion with adopted without objection.**

Durell Peaden recommended staff and counsel be authorized to correct any scriber or formatting errors that may be warranted given the significance of the revisions just adopted.

**MOTION: Authorize staff and counsel to correct any scribe's errors to the Articles of Incorporation, By Laws, Code of Ethics, Post-Service Restrictions and the contract template.**

Rose explained that the corporation is required to submit an annual report to the Governor, the Speaker of the House, and the President of the Senate. The annual report was presented in draft format, and will be finalized shortly to be submitted to the required offices by the February 1 deadline.

The board was presented with a proposed calendar of meetings for the remainder of 2011, and the annual meeting to be held in January of 2012. This is a proposed calendar that is subject to change with all updates posted at the corporation's website.

Wilbur Brewton, Florida Health Choices general counsel, explained that there is a possibility of some legislation to deal with public records exemptions. The corporation does not feel that there is adequate protection of employer, employee, and agent information. If the corporation is unable to protect certain information it may be detrimental to participants or a deterrent to business participating in the program. A bill to make technical corrections and to create more flexibility under 408.910 F.S. is also under development. Staff and counsel will work with the First Amendment Foundation, vendors, and partner state agencies in developing any legislative proposal.

#### Program Policy Development

Patrick Foggia of Ceridian gave a brief update on the progress of the portal build, and the meetings that are going on daily between the corporation, Ceridian, and North Highland.

#### Independent Project Management

Scott Rainey of North Highland gave an update on what they have observed thus far between the corporation and Ceridian. Overall North Highland has been impressed with Ceridian and the progress they are making to fulfill the commitments they have made to Florida Health Choices.

#### Grievance Policy

The board reviewed the grievance policy that will come into play should a participant in the program have an issue that cannot be resolved by Ceridian's customer service team. The policy anticipates a four-tier approach and a significant amount of coordination between the board, corporation and the Third Party Administrator.

**MOTION: Adopt the four tier grievance policy and permit staff to make any technical corrections to the various teams in consultation with the Third Party Administrator. Motion was adopted without objection.**

#### Other Business

The next meeting is planned for March 25 in Tallahassee.

Florida CHAIN representative Greg Mellowe requested an opportunity to speak and it was granted by the Chair. Mr. Mellowe expressed a desire to discuss a recent presentation to the House of Representative that provided a comparison and contrast between the corporation and a Health Insurance Exchange as proposed under the Patient Protection and Affordable Care Act. Mr. Mellowe was invited to discuss the content of the presentation with CEO Naff.

The meeting was adjourned at 12:10 p.m.

# FLORIDA HEALTH CHOICES, INC.

## Meeting of the Agent Steering Committee

10:30 p.m. Friday, February 4, 2010

Florida Health Choices

225 South Adams Street, Suite 250, Tallahassee, Florida

### MINUTES

Committee Members Present:	Jerry Ashford Marlo DeMoss Bonnie Hauck Evelyn Donna Fogel Corey McMeeking David Russell Terri Seefeldt Ken Stevenson
Committee Members Absent:	Tony Martely Pam Mims Chuck Stout
Others Present:	Manny Hernandez, North Highland Bob Lotane, National Assoc. of Insurance & Financial Advisors Lauren McCarthy, Florida Health Choices Tad McDonald, North Highland Tim Meenan, Blank Meenan Rose Naff, Florida Health Choices Gerald Wester, Capital City Consulting

#### Welcome and Introductions

With a quorum present Lauren McCarthy welcomed all of the committee members and the public to the second meeting of the agent steering committee.

#### Nomination & Election of Officers

The steering committee has reviewed the resumes of the committee members, and a nomination for David Russell to serve as Chair was offered.

**MOTION: Approve David Russell as Chairman of the Agent Steering Committee, adopted without objections.**

A nomination for Ken Stevenson as vice-chair was offered.

**MOTION: Approve Ken Stevenson as Vice-Chairman of the Agent Steering Committee, adopted without objections.**

#### Report on Portal Development

Rose Naff updated the committee on the development of the portal. The portal is about 80% complete for the Quick Start phase, and there will be another two phases to follow. There will be small adjustments to the portal to correct issues that are found during user acceptance testing.

#### Review of Issues List

The group reviewed the categories of topics and issues that were submitted by various committee members. With such large issues to be addressed the committee decided to move forward with discussing the program eligibility and terms and conditions of agent participation. Various ideas were discussed including, but not limited to:

- Agent eligibility
- Limiting the number of initial agents
- Removal for not writing in the marketplace
- Application fees and monthly maintenance fees
- Florida resident and non-resident agents

Members were going to review terms and conditions of current agreements with various vendors and send suggested language to the corporation for consideration.

Several search criteria for finding an agent on the portal were also discussed. Agents would like to be located via various criteria including name, region, zip, county, service area, and agency name.

#### Legislative Update

Rose Naff explained that the corporation will be working with a member of the House of Representatives as well as a member of the Senate to file a bill to address concerns with public records. Currently the corporation does not feel there is adequate protection against having to release employee, employer, and agent information. Legislation to exempt certain data from disclosure under the public records law would be needed to protect participants in the program. A technical bill is also under development.

#### Next Steps

The committee members were very interested in finding out about the informal meeting which will take place with vendors on February 8<sup>th</sup> so a conference call meeting is planning for Friday, February 11<sup>th</sup> to update the steering committee members on those conversations.

The meeting was adjourned at 3:00 p.m.

# **FLORIDA HEALTH CHOICES, INC.**

## **Meeting of the Administration Committee**

**10:00 a.m. Friday, March 10, 2010**

**Florida Health Choices**

**225 South Adams Street, Suite 250, Tallahassee, Florida**

### **MINUTES**

Committee Members Present: Durrell Peaden, Chair  
Sherri Meadows, Member At-Large  
Michelle Robleto

Committee Members Absent: Steve Marin  
Becky Cherney

Others Present: Wilbur Brewton, Brewton Plante  
Charlie Dudley, Floridian Partners  
Patrick Foggia, Ceridian  
Manny Hernandez, North Highland  
Ken Kunsman, Ceridian  
Lauren McCarthy, Florida Health Choices  
Tad McDonald, North Highland  
Rose Naff, Florida Health Choices  
Rob Szumowski, North Highland

#### Welcome and Introductions

Chair Durrell Peaden asked Lauren McCarthy to call the roll, and with a quorum being present he welcomed everyone to the Administration Committee meeting.

#### Project Management Services

Rose Naff, CEO of Florida Health Choices, explained that North Highland was chosen by Ceridian to serve in the role of the independent project management office (IMPO). The role of an IPMO is to facilitate a successful project launch, oversee the progress of Ceridian in meeting all contract requirements, and provide independent assessment of progress. This is a three way agreement previously approved by the board, signed by the corporation's CEO and signed by North Highland's principal. That portion of the contract requesting a signature by Ceridian has not been executed at the time of the Administration Committee meeting by Ceridian. Instead, Ceridian has requested an amendment to the contract for Third Party Administration services between the Corporation and Ceridian that would limit their liability

to finance the IPMO to no more than \$8,000 per month. Ceridian has expressed willingness to sign the IMPO contract only after the corporation agrees to amend the contract for Third Party Administration services to cap Ceridian's financial responsibility to no more than \$8,000 per month.

The recommendation from Florida Health Choices staff and general counsel is that the amendment proposed by Ceridian to the contract for Third Party Administration services should not be approved. The ITN and supplements to the resulting contract for Third Party Administration services clearly states that the winning bidder agreed to, and would be responsible for, funding for an independent project management office. Further, there was communication prior to IPMO contract award between North Highland and Ceridian outlining the project scope, staffing estimates, hourly rates and the estimated monthly Ceridian was expected to finance.

Chair Peaden suggested that the committee table this issue for the full board of directors to discuss at the upcoming board meeting on March 25<sup>th</sup>, 2011.

#### Third Party Administration Services

Rose Naff brought the committee up to speed on the progress that Ceridian is making with developing the portal. Part of the update was to inform the Administration Committee that the corporation, with the assistance of North Highland, found that Ceridian's subcontractor, eHealth, had utilized offshore resources in China to conduct some system development work. Upon discovery, Rose immediately prepared and sent a letter to the president of Ceridian requesting that all offshore activities cease. Ceridian President Bart Valdez responded acknowledging the corporation's request, and confirmed that all offshore production was suspended.

#### Executive Report

Rose went on to update the committee that there are two bills that the corporation is working on for public records exemption and a bill with technical changes for the Florida Health Choices legislation. At this time it is very early in session, and members will be updated as the legislation progresses through the process.

The meeting was adjourned at 10:45 a.m.

# **FLORIDA HEALTH CHOICES, INC.**

## **Meeting of the Vendor Steering Committee**

**2:00 p.m. Monday, March 14, 2011**  
**Florida Health Choices**  
**200 West College Avenue, Tallahassee, Florida**

### **MINUTES**

**Committee Members Present:**

Glenn Baker, via phone  
Les Beitsch, via phone  
Vincent DiBenedetto, via phone  
Michael Garner  
Tom Glennon  
Chip Kenyon, via phone  
Javier Mendoza, via phone  
Lourdes Rivas, via phone  
Joseph Rogers  
Joy Ryan  
David Schandel, via phone

**Committee Members Absent:**

Sherry Baker  
Holly Benson  
Darcy Gartner  
Carlos Lacasa

**Others Present:**

Jim Bracher, Florida Association of Health Plans  
Lauren McCarthy, Florida Health Choices  
Rose Naff, Florida Health Choices  
Michelle Robleto, Department of Management Services  
David Russell, Agent Steering Committee

**Welcome and Introductions**

Rose Naff welcomed all of the newly appointed members to the Vendor Steering Committee, and gave a brief overview of Florida Health Choices.

#### Election of Officers

It was suggested that the committee elect a chair and vice chair to lead the group. Rose opened the floor for nominations of the chair of the committee. Tom Glennon nominated Michael Garner and Chip Kenyon seconded this motion.

**MOTION: Approve Michael Garner as Chair of the Vendor Steering Committee, approved unanimously.**

Rose then opened the floor for nominations of a vice-chair. Joe Rogers nominated Joy Ryan, and Tom Glennon seconded this nomination.

**MOTION: Approve Joy Ryan as Vice Chair of the Vendor Steering Committee, approved unanimously.**

#### Applicability of Sunshine Law

Rose went over a brief explanation of how the Sunshine Laws would apply to the Vendor Steering Committee, and pointed out that in the packet there was a handout for additional information. Question concerning applicability of the sunshine law should be directed to Rose or Lauren.

#### Proposed Program Design

A table of possible program options was provided to the steering committee as a rough draft of possible options for the program moving forward. This document is a first round starting point for discussion, and will be discussed in more detail and for further feedback from steering committee members.

#### Progress to Date

Rose explained the progress of the corporation including the current status of the portal build out, policy development, and website expansion.

#### Other Business

Chair Michael Garner asked the members how frequently they would like to meet. The group decided that a meeting in late April or early May prior to the Florida Health Choices board meeting in May would be a good time to meet. Chair Garner will work with corporation staff to arrange details for the committee.

With no further business the meeting was adjourned at 2:50 p.m.

# **FLORIDA HEALTH CHOICES, INC.**

## **Meeting of the Agent Steering Committee**

**3:00 p.m. Monday, March 14, 2011**

**Florida Health Choices**

**225 South Adams Street, Suite 250, Tallahassee, Florida**

### **MINUTES**

Committee Members Present: Bonnie Hauck Evelyn  
Donna Fogel  
Pam Mims  
David Russell  
Terri Seefeldt  
Ken Stevenson  
Chuck Stout

Committee Members Absent: Jerry Ashford  
Marlo DeMoss  
Tony Martely

Others Present: Julie Freidus  
Lauren McCarthy, Florida Health Choices  
Rose Naff, Florida Health Choices

#### Welcome and Introductions

With a quorum present Chair David Russell welcomed everyone to the meeting of the Agent Steering Committee. David asked Rose Naff, CEO of Florida Health Choices, to proceed with the next agenda item.

#### Proposed Program Design

Naff reviewed a variety of programs and products that could be considered for the marketplace, and told the group that this is a starting point from which the steering committees can discuss options that will make the marketplace attractive to participants while at the same time creating an environment where vendors and agents are comfortable with participation. This is a document that the Agent Steering Committee members can provide more in depth feedback on.

### Proposed Program Policies

Lauren McCarthy gave a summary of the document titles, Buyer Representative Program Policies. When approved this, or similar language, would appear on the web portal and a Buyers' Representatives would acknowledge that they agree to the terms in order to participate in the program. This draft was developed from suggestions forwarded by members of the Agent Steering Committee.

The committee requested a change to eligibility requirement #1, changing the Buyer Representative name to agent. There is no such license as a Buyer Representative license, and statute requires the person be a registered agent.

Another request was that language be included to protect Buyers' Representatives from being responsible for information on the portal that may not be current or is an error. Staff will work with the general counsel to include this language.

Corporation staff will prepare a revision for consideration by the full board of directors at its next meeting.

Also presented were sample frequently asked questions (FAQ). These are questions and answers that will be available on the website to assist Buyers' Representatives with common questions. This is just the beginning, and Florida Health Choices will be adding more as the program moves forward. These questions were provided to members to look at from their point of view to see if the appropriate questions are posed and that the information in the answer was sufficient. The Corporation would be interested in hearing of additional questions the group thinks should be to add to the list.

Both the Buyer Representative Program Policies and the FAQs were emailed members of the Agent Steering Committee for their edits, additions, feedback, etc. The corporation will update the documents for presentation at the board meeting on March 25<sup>th</sup>.

### Vendor Steering Committee

The first meeting of the Vendor Steering Committee was held right before the Agent Steering Committee meeting. This was an organizational meeting for the vendors where they elected a chair and vice-chair, and spoke about the mission of the group and the goals that they wish to meet.

### Update on Portal Development

Rose updated the committee that the portal is being worked on continuously, and we are making progress. The User Acceptance Testing that the agents have been asked to participate in has been moved back a few weeks, but the corporation will be following up when the portal is ready for testing to provide information to interested agents.

### Other Business

Chair David Russell suggested a forum/stakeholder meeting prior to the May board of directors meeting

for the Board, Vendor Steering Committee, and Agent Steering Committee to meet together to discuss many of the issues that cross each group. Corporation staff will look at dates, and a central location where we can hold such a meeting.

With no further business the meeting was adjourned at 3:45.

# FLORIDA HEALTH CHOICES, INC.

## Meeting of the Finance & Audit Committee

2:00 p.m. Tuesday, March 15, 2010  
Florida Health Choices  
225 South Adams Street, Suite 250, Tallahassee, Florida

### MINUTES

Committee Members Present: Sherri Meadows, via phone  
Walter Nason, via phone

Committee Members Absent: Scott Edinger

Others Present: Kathleen Brothers, Carroll & Company  
Lauren McCarthy, Florida Health Choices  
Rose Naff, Florida Health Choices  
Heike Strickland, Carroll & Company

#### Welcome and Introductions

Chair Walter Nason welcomed everyone to the meeting, and asked Carroll & Company to present the 2010 Financial Review to the committee

#### Presentation of Financial Review

Heike Strickland explained the highlights of the financial review. The points explained were that our cash on hand increased due to the remainder of the state appropriation being received and a small liability is recorded for accrued leave time that is unpaid.

Walter Nason said he understands that the firm would not give a formal opinion on the financial standing of the corporation, but he asked Carroll & Company to comment on the processes and procedures that are currently in place. Kathleen Brothers noted that for a small organization the corporation is doing a good job with separation of financial duties, and having processes and procedures in place with the understanding that these are going to change and adapt over time as the corporation grows.

**MOTION: Sherri Meadows made a motion to approve the Financial Review. The motion was adopted unanimously.**

#### Update on SPIA

Rose reported that further conversations with the official in the State Treasury indicated no option in the very near future to invest in the Special Purpose Investment Accounts. For this reason, staff was asked to research the investment options available at banking institutions currently doing business with the corporation.

#### Update on TD Mercantile Bank Account

Lauren McCarthy has been having several conversations and communications a week with TD Mercantile and the financial department at Ceridian. They are still working on finalizing all banking set-up. One item still out for approval from TD Mercantile is an addendum offered by the corporation to the Cash Management Agreement required by TD Mercantile. An amendment to Cash Management Agreement was prepared by the corporations' general counsel and a legal opinion forwarded to TD Mercantile for consideration.

#### Update on FiServ

While working through the process of setting up the premium banking account it was discovered that FiServ would like to process their own refunds out of the Florida Health Choices bank account. This is a policy that the corporation as well as the board of directors may not find favorable. A new contract from FiServ has been requested, and the corporation is waiting to hear back on fees, penalties, and return time frames before finalizing the revised agreement.

#### Request to Remove Signature

Theresa Welles, former Treasurer, has requested that her signature be removed from bank accounts. In order to process this with the banks we are awaiting on a letter signed by Theresa requesting that she be removed. Once this is received the banks will provide updated signature cards for signing by all current signers on each account.

#### Review Financial Reports

Lauren reviewed the standard financial reports that will be provided at the board of directors meeting on March 25<sup>th</sup>. The only request was that we provide the board with information as to what the interest rates are for the accounts earning. Lauren will collect this information and present along with the financial reports at the board meeting.

**MOTION: Sherri Meadows moves to approve financial reports with additional information on interest rates. Motion adopted unanimously.**

With no further business for the committee the meeting was adjourned at 2:35 p.m.