

FLORIDA HEALTH CHOICES
BOARD OF DIRECTORS MEETING
December 7, 2012

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 item listed on the Consent Agenda are behind each reference tab number.

Consent Item (1)

Page (2)

Approve Minutes of the Board of Directors Meeting –September 7, 2012

Summary: The Board of Directors met on September 7, 2012, in Miami, Florida. The Board reviewed financial reports, received an update from the Agent Steering Committee, reviewed focus group results and milestones achieved, and announced an Agent Open House.

Consent Item (2)

Page (5)

Approve Minutes of the Agent Steering Committee Meeting – September 12, 2012

Summary: The Agent Steering Committee met on September 12, 2012 in Tallahassee, Florida. The committee reviewed focus group and agent web portal testing results, and received an update on the Marketplace agent open house, agent/pathfinder training, and the implementation timeline.

Consent Item (3)

Page (9)

Approve Minutes of the Agent Open House Presentation I –September 11, 2012

Summary: Florida Health Choices hosted a webinar presentation facilitated by Xerox on September 11, 2012 in Tallahassee, Florida. Agents were introduced to the Marketplace beta site and registration process, and asked for feedback.

Consent Item (4)

Page (10)

Approve Minutes of the Agent Open House Presentation II –September 13, 2012

Summary: Florida Health Choices hosted a second webinar presentation facilitated by Xerox on September 13, 2012 in Tallahassee, Florida. Agents were introduced to the Marketplace beta site and registration process, and asked for feedback.

Consent Item (5)

Page (11)

Approve Minutes of the Agent Open House Presentation III –September 18, 2012

Summary: Florida Health Choices hosted a third webinar presentation facilitated by Xerox on September 18, 2012 in Tallahassee, Florida. Agents were introduced to the Marketplace beta site and registration process, and asked for feedback.

Consent Item (6)

Page (12)

Approve Minutes of the Agent Open House Presentation IV –September 21, 2012

Summary: Florida Health Choices hosted a fourth webinar presentation facilitated by Xerox on September 21, 2012 in Tallahassee, Florida. Agents were introduced to the Marketplace beta site and registration process, and asked for feedback.

Consent Item (7)

Page (13)

Approve Minutes of the Agent Steering Committee Meeting –October 4, 2012

Summary: The Agent Steering Committee met on October 4, 2012 in Tallahassee, Florida. The committee received a report on the Marketplace Agent Open House and a status update on the implementation timeline.

Consent Item (8)

Page (16)

Approve Minutes of the Executive Committee Meeting –October 10, 2012

Summary: The Executive Committee met on October 4, 2012 in Tallahassee, Florida. The committee received a report on the Marketplace Agent Open House, a brief presentation on rate filing from the Office of Insurance Regulation, and a status update on the implementation timeline.

Consent Item (9)

Page (19)

Approve Minutes of the Finance & Audit Committee Meeting –November 16, 2012

Summary: The Finance & Audit Committee met on November 16, 2012, in Tallahassee, Florida. The committee reviewed and approved the proposed corporate budget for 2013.

FLORIDA HEALTH CHOICES, INC.

Meeting of the Board of Directors

11:30 a.m. Friday, September 7, 2012

Doral Golf Resort

Miami, Florida

MINUTES

Board Members Present:

Aaron Bean, Chairman
Sherri Meadows, Vice Chair (via phone)
Walter Nason, Treasurer (via phone)
Becky Cherney, Director (via phone)
Steve Marin, Director
Durell Peaden, Director
William Thames Jr., Director (via phone)
Secretary Liz Dudek, Ex-Officio (via phone)
Cynthia Fuller, Ex-Officio (via phone)

Board Members Absent:

Barbara Crosier, Ex-Officio
Theresa Welles, Director

Others Present:

Wilbur Brewton, Brewton Plante (via phone)
Michael Garner, FAHP
Scott Rainey, North Highland (via phone)
Dr. Elizabeth Shenkman, University of Florida (via phone)
Laura Schaecher, Florida Health Choices
Rose Naff, CEO, Florida Health Choices
David Russell, Agent Steering Committee Chair (via phone)
Pam Mims, Agent Steering Committee (via phone)
Johnny Gonzalez, Xerox
Greg Vitiello, Xerox
Catherine Brown, Xerox
Adrian Espinosa, ProMedical Plan
Jerry Sternstein, CareAccess

Welcome & Introductions

Chair Aaron Bean welcomed everyone to the Meeting of the Florida Health Choices Board of Directors and thanked the meeting host, the Florida Association of Health Plans (FAHP). FAHP President Michael

Garner thanked Rose Naff for her panel participation at the conference. Chair Bean welcomed newly appointed member William Thames Jr. to the board. Roll was called.

Consent Agenda

The consent agenda was presented. There were no questions.

MOTION: Adopt the Consent Agenda. Motion adopted without objection.

Treasurer's Report

Walter Nason presented the standard financial reports, and informed the Board that things are proceeding as usual. The budget may take a hit due to an upcoming contractual obligation. Sherry Meadows inquired about the \$150K listed in the grants line; is anything happening there? Rose Naff responded that there were not any grants that Florida Health Choices was currently eligible for, and the budget was being monitored with an eye toward not having those funds to spend.

Report of the Agent Steering Committee

David Russell, Chair of the Agent Steering Committee, reported on Marketplace agent testing that was conducted on August 28-30, 2012. Comments were positive. Russell spent four hours himself testing and the site worked great. It looks like it will be a user-friendly one-stop-shop to save time. Unknowns and concerns include that they don't know who the vendors are yet, the site has a lot of information and could look "busy", and if players don't participate in the Marketplace, agents will still have a lot of work to do. There are concerns about agent compensation, agency recognition, the 2 ½% administration fee, and enrollment forms. Russell was curious if rate information will be loaded in time for January 2012.

Michael Garner of FAHP stated that regarding rate filing, they are working with OIR. OIR is under-resourced and FAHP is actively engaged in working with them on innovative ideas to make it faster.

Marketplace Status Report

Johnny Gonzalez of Xerox provided an overview of tasks accomplished and tasks immediately ahead. Agent User Acceptance Testing was the third cycle of testing completed. Board Member Cynthia Fuller was a volunteer tester and shared her experience. She found the material well-presented, clean, and easy to use if all products are there. Pam Mims of Florida Health Care Plan had five agents test the site and they were all very impressed. They are accustomed to many kinds of systems and found the Marketplace very easy and it worked very well. David Russell mentioned that from a user standpoint, it's good.

Gonzalez concluded that there are meetings scheduled with vendors next week for on-boarding purposes, and dental on-boarding will begin in October. Rose Naff mentioned that an additional dental plan signed up that week, and made a clarifying remark regarding on-boarding. There are two styles: those who do due diligence first, and those who do it during the six-week process. The speed of on-boarding relates to the time in which vendors respond, not Xerox or Choice.

Agent Focus Group Results

Dr. Elizabeth Shenkman, University of Florida, said that with Dr. Baron Lee, they conducted two focus groups on August 12, 2012, concurrent with the Florida Association of Health Underwriters symposium. Groups were conducted with members of the Agent Steering Committee and agents. They discussed the appeal of and barriers to the Marketplace, which is outlined in the provided Executive Summary. Becky Cherney noted that, in reading the summary, it reminded her of the situation in 1991 with CHIPA, so joining in is important.

Independent Project Management Report

Scott Rainey, Northhighland, provided an overall assessment of third-party administrator performance. Milestones have been achieved by and large, some ahead of schedule, some near. There are new risks related to going live. At Chairman Bean's request, Rainey elaborated that the time commitment of people will be a drain on resources after going live. There are no lingering issues. Rose Naff stated that Northhighland participated in the Marketplace web portal testing. Chairman Bean then asked what needs to be done to pay Xerox. Naff responded that milestones have been met, which triggers payment. There is no board action required.

Chairman Bean then announced a two-week Agent Open House for the Marketplace. Naff stated that agents contributed an incredible array of comments to improve the site, so we are going live for two-weeks and having four webinars for agents. Anybody can also browse anonymously. Becky Cherney inquired about media coverage. Naff responded that there is a press release and email blasts.

Project Schedule / Executive Director's Report

Rose Naff provided an overview of the project schedule. Line 9, the on-line calculator, came in early. The number for the Customer Call Center scheduled for October 1 is live. The table rates for small groups of 4-9 on line 12 is there but for groups of 10-50 they must configure rates, so that will be ready November 1. Dentals plans have been pushed back for coverage beginning February 2013.

Excellent agent feedback was received on the Agent Terms & Conditions form. Naff invited General Counsel Wilbur Brewton to share his thoughts after reviewing that feedback. Brewton stated that the comments were technical in nature, and he would need authority from the Board to make technical amendments to the agreement.

**MOTION: Authorize General Counsel to make technical amendments to Agent Terms & Conditions.
Motion adopted without objection.**

Naff stated that a board or Executive Committee meeting may be scheduled in October for the purpose of reporting on progress. With no other business the meeting was adjourned.

FLORIDA HEALTH CHOICES, INC.

Meeting of the Agent Steering Committee

1:30p.m. Wednesday, September 12, 2012

**Florida Health Choices
Tallahassee, Florida**

MINUTES

Committee Members Present:

John Lacy (via phone)
Donna Fogle (via phone)
Pam Mims (via phone)
D. David Russell (via phone)
Terri Seefeldt (via phone)
Kenneth Stevenson (via phone)
Charles Stout (via phone)
Marlo DeMoss (via phone)

Committee Members Absent:

Jerome Ashford
Bonnie Hauck Evelyn
Tony Martely
Corey McMeeking

Others Present:

Rose Naff, Florida Health Choices
Laura Schaecher, Florida Health Choices

Welcome and Introductions

Chair Russell welcomed all members to the meeting. Russell reported that he had attended the Florida Health Choices Board of Directors meeting the previous Friday via telephone and had given a report on his web portal testing experience. He then asked for Laura Schaecher to call roll. Roll was called.

Agent Focus Group Results

Laura Schaecher, Florida Health Choices, provided an overview of the results from the focus groups conducted by the Institute for Child Health Policy on August 14, 2012, in Orlando following the FAHU conference. Participation barriers for agents included compromised personal relationships, for which agent branding could be a solution, technology issues, cost, and the processing schedule for compensation. Agents felt strongly that more agent involvement in the formation of the Marketplace was necessary.

Rose Naff, CEO of Florida Health Choices, added that she found the different levels of knowledge among agents to be interesting. While some agents were misinformed, other agents corrected them. Significant appeals of the Marketplace were customization, price comparison, plan choice, and decrease in workload. There will be a more complete report from ICHP in the future; this is just an executive summary.

Agent Web Portal Testing Feedback

Laura Schaecher stated that web testing was conducted on August 28-30, 2012. It was the third cycle of testing but the first to include agents. Members of the committee who participated were invited to share comments. Ken Stevenson said there was no problem that was not easily overcome. Pam Mims stated that she had five agents testing and it went very well. One issue came up with OIR validation due to a hyphen in a last name but it was resolved. The system was intuitive, and premiums and contributions calculated correctly. Donna Fogle experienced some technical difficulties that could be partially related to her office setting and not the site itself; she was impressed with what she had been able to test. Chair Russell performed remote testing and of the features available to test, it was excellent. They haven't experienced a full quoting process or seen enrollment forms.

Rose Naff stated that the quality of feedback from agents was excellent. It provided a unique perspective incredibly helpful and distinct from non-agents testing the site. A list of bugs was compiled and Naff identified 14 priority issues, representing 84 errors, which had to be completed before the site went live. Of those 83 were fixed in time.

Agent Open House Web Portal Testing

Naff stated that due to agent testing feedback and the focus group report, Florida Health Choices decided to hold an Agent Open House to solicit more feedback. The site can be previewed now with sample rates. Groups created online will be wiped out at the end of the open house which concludes on the 21st, but registration will remain. Four webinars were scheduled to help familiarize agents with the site, however the portal is open 24-7 and agents do not have to attend a webinar to preview, test or submit feedback.

Ken Stevenson inquired about the number of attendees at the first webinar. Naff stated there were about 35. The press release had gone out late the previous Friday, so it's expected there may be more as people find out about it. Florida Health Choices is also soliciting suggestions on how to improve the draft training curriculum.

Chair Russell asked about press distribution to agents. Laura Schaecher stated that she sent out an email blast to interested parties and subscribers, but as those folks are self-identified, it's not clear how many of them are agents, though many are. Naff noted that she is presenting tomorrow at the FAHU Tampa Chapter luncheon and will encourage Open House participation there. There will be follow-up on comments made during testing and the FAQ may be modified as a result; a report will be made back to this committee. Some redundant themes include the ability to print from the portal for a presentation; that is already scheduled for implementation. Agents didn't see the SIC code as necessary.

Status Update

Naff provided an overview of the Marketplace implementation schedule. There are milestones and many overall activities. The calendar is an updated reality check. Some things have been delivered early. Dental has been moved back. It takes six weeks to onboard vendors and the length can also depend on the response time and due diligence style of the vendor. The next big milestone is October 1 with the employer/employee stage. The Marketplace phone number is open with a recorded message. Groups have been split in two due to different rating techniques; 4-9 in October, 10-50 in November.

Chair Russell inquired about the timeline in relation to the January 1 effective date for coverage and the 60 days given to employees to decide. Naff clarified that Xerox has to deliver functionality, but that doesn't mean we'll be ready in time. Shopping for coverage could start in the middle of October or November 1. The 60 days is in statute as a maximum, but an employer can establish a narrower window of time for enrollment. The schedule is slipping a bit due to plan on-boarding and it is being watched closely. Chair Russell inquired about the final rating aspect of underwriting on the site. Naff stated there would be a return in two weeks or less.

At the Chair's request, John Lacy commented that providing coverage for the entirety of the state through the Marketplace is very positive and perhaps there can be a discount for tying lines of coverage together. The ability to make changes through the site is impressive. He has not been able to test yet.

Naff then explained how the calculators for employees and employers work. FHC is proud of what Xerox has accomplished for them in such a short time.

Chuck Stout mentioned that he played around on the site yesterday and noticed that spouses are listed independently from dependents when spouses are usually considered dependents, which could lead to confusion. Terri Seefeldt agreed. Stout then asked about the vendors who are participating. Naff replied that there are 3, one of whom is still performing due diligence, and three dental plans, and they are working on a coordinated announcement for prospective release. Chair Russell commented that they have got to attract the uninsured market and provide information, and asked where the 2 ½% fee comes in. Naff replied that initially it will come out of the rates. Plans are providing their most popular plans, and this fee can be adjusted in the future if it gets to be too much. Some are looking at the Marketplace as a dress rehearsal for whatever entity operates the exchanges under the ACA.

In closing comments, Chuck Stout noted that he had just received the NAIFA email regarding the FHC Agent Open House, and Donna Fogle mentioned that one from FAHU had just come through as well.

October 4, 2012, at 1:30pm is the next proposed meeting date. With no further business the meeting was adjourned.

FLORIDA HEALTH CHOICES, INC.

Agent Open House Presentation I

10:00 a.m. Tuesday, September 11, 2012

Via internet and phone

Tallahassee, Florida

MINUTES

Present: Members of the public via phone and web (approximately 37)
Mark Olson, Xerox
Beth Carter, Xerox
Rose Naff, Florida Health Choices (via phone)
Laura Schaecher, Florida Health Choices (via phone)

Welcome and Introductions

Via conference call, Mark Olson, Xerox, introduced himself and welcomed all participants to the first webinar of the two-week Agent Open House for Florida's Insurance Marketplace.

Marketplace Web Portal Testing

Mark Olson presented an overview of Florida Health Choices and the Marketplace. It was then explained that the beta site for the Marketplace has been opened to agents around the state so they can test it, register free of charge, and provide comments and feedback via materials provided on-line. Training materials were also provided. Olson then demonstrated how the Marketplace will work for agents. Following this demonstration, the phone line was muted but kept open for technical questions from agents as they registered and toured the test site. The call/meeting was concluded at 12:00 noon.

FLORIDA HEALTH CHOICES, INC.

Agent Open House Presentation II

10:00 a.m. Thursday, September 13, 2012

Via internet and phone

Tallahassee, Florida

MINUTES

Present: Members of the public via phone and web (approximately 35)
Mark Olson, Xerox
Beth Carter, Xerox
Rose Naff, Florida Health Choices (via phone)
Laura Schaecher, Florida Health Choices (via phone)

Welcome and Introductions

Via conference call, Mark Olson, Xerox, introduced himself and welcomed all participants to the second webinar of the two-week Agent Open House for Florida's Insurance Marketplace.

Marketplace Web Portal Testing

Mark Olson presented an overview of Florida Health Choices and the Marketplace. It was then explained that the beta site for the Marketplace has been opened to agents around the state so they can test it, register free of charge, and provide comments and feedback via materials provided on-line. Training materials were also provided. Olson then demonstrated how the Marketplace will work for agents. Following this demonstration, the phone line was muted but kept open for technical questions from agents as they registered and toured the test site. The call/meeting was concluded at 12:00 noon.

FLORIDA HEALTH CHOICES, INC.

Agent Open House Presentation III

10:00 a.m. Tuesday, September 18, 2012

Via internet and phone

Tallahassee, Florida

MINUTES

Present: Members of the public via phone and web (approximately 20)
Mark Olson, Xerox
Beth Carter, Xerox
Johnny Gonzalez, Xerox
Rose Naff, Florida Health Choices (via phone)
Laura Schaecher, Florida Health Choices (via phone)

Welcome and Introductions

Via conference call, Mark Olson, Xerox, introduced himself and welcomed all participants to the third webinar of the two-week Agent Open House for Florida's Insurance Marketplace.

Marketplace Web Portal Testing

Mark Olson presented an overview of Florida Health Choices and the Marketplace. It was then explained that the beta site for the Marketplace has been opened to agents around the state so they can test it, register free of charge, and provide comments and feedback via materials provided on-line. Training materials were also provided. Olson then demonstrated how the Marketplace will work for agents. Following this demonstration, the phone line was muted but kept open for technical questions from agents as they registered and toured the test site. Johnny Gonzalez and Rose Naff answered some questions. The call/meeting was concluded at 12:00 noon.

FLORIDA HEALTH CHOICES, INC.

Agent Open House Presentation IV

10:00 a.m. Friday, September 21, 2012

Via internet and phone

Tallahassee, Florida

MINUTES

Present: Members of the public via phone and web (approximately 32)
Mark Olson, Xerox
Beth Carter, Xerox
Rose Naff, Florida Health Choices (via phone)
Laura Schaecher, Florida Health Choices (via phone)

Welcome and Introductions

Via conference call, Beth Carter, Xerox, introduced herself and welcomed all participants to the fourth and final webinar of the two-week Agent Open House for Florida's Insurance Marketplace.

Marketplace Web Portal Testing

Beth Carter presented an overview of Florida Health Choices and the Marketplace. It was then explained that the beta site for the Marketplace has been opened to agents around the state so they can test it, register free of charge, and provide comments and feedback via materials provided on-line. Training materials were also provided. Carter then demonstrated how the Marketplace will work for agents. Following this demonstration, the phone line was muted but kept open for technical questions from agents as they registered and toured the test site. Mark Olson, Xerox, joined the call to answer questions. The call/meeting was concluded at 12:00 noon.

FLORIDA HEALTH CHOICES, INC.

Meeting of the Agent Steering Committee

1:30 p.m. Thursday, October 4, 2012

**Florida Health Choices
Tallahassee, Florida**

MINUTES

Committee Members Present:

Donna Fogle (via phone)
Corey McMeeking (via phone)
Pam Mims (via phone)
D. David Russell (via phone)
Terri Seefeldt (via phone)
Charles Stout (via phone)

Committee Members Absent:

Jerome Ashford
Tony Martely
John Lacy
Kenneth Stevenson
Marlo DeMoss
Bonnie Hauck Evelyn

Others Present:

Rose Naff, Florida Health Choices
Laura Schaecher, Florida Health Choices
Johnny Gonzalez, Xerox

Welcome and Introductions

Chair Russell welcomed everyone to the meeting and expressed concern about the attendance level.

Agent Open House Report

Laura Schaecher, Florida Health Choices, presented an overview of events that took place during the two-week Agent Open House, held September 10-21, 2012. During this time the Marketplace beta site was opened up for testing state-wide. Agents could register free-of-charge, create quotes using mock data, and provide their comments and suggestions. Four webinars were also held to guide agents through the testing process and provide an introduction to the site. As of September 24, 118 agents had registered and the number continues to grow. Few agents completed the training however, which will prompt a revision of Agent FAQs on the site to ensure they do so.

Rose Naff stated that the agents who registered listed many and varied appointments, though agent appointments do not indicate a company's participation in the Marketplace.

The feedback document provided listed the most common feedback received, arranged by frequency and type (like, dislike, issue, suggestion, clarification). Many questions were regarding the specifics of writing business in the Marketplace and will be resolved once further functionality is available. Comments made by webinar moderator and agent contact for technical questions, Mark Olson of Xerox, were shared. In his opinion there was an equal amount of excitement and trepidation from the agents who tested the Marketplace. Some enjoy using it and find it user-friendly and more conducive to writing quotes than platforms currently used. Others are concerned that the Marketplace will take away business from them. A comprehensive report with all feedback and responses is being prepared.

Chuck Stout inquired about the limit of one vendor per employer. Rose Naff confirmed that an employer can choose up to four plans from one vendor during the small group pilot. Donna Fogle mentioned that her team had heard back from Mark Olson regarding their trouble logging in. Chair David Russell noted that he did not receive a pop-up stating "this account is not registered" when he requested a new password. Johnny Gonzalez, Xerox, confirmed that they will continue to address bugs and assist agents trying to register. Pam Mims stated that her team's experience was very positive.

Status Update

Rose Naff, Florida Health Choices, provided an update on the implementation schedule. The launch date is not fixed but one vendor is well down the road. One issue is companies loading 4th quarter rates. The rates for 1/1 have been submitted to OIR and will be received at the end of October, which will necessitate a three-week loading period. Chair Russell mentioned that everyone wants to know who the vendors are, and that will make a huge difference. Naff agreed. Announcements will be held until vendors are completely comfortable with how their product is being presented. The implementation schedule will be modified and updated after a meeting with Xerox on Monday. Dental on-boarding is starting this week.

Regarding Agent Terms and Conditions, FHC received good questions and comments during testing. General Counsel is reviewing and modifying the agreement. For instance, agents want assurance that their client list is protected. This is in the FHC law, but is not explicitly noted in the T&C so that is being added. The option for agents to terminate themselves from the program is being added as well.

Questions

Rose Naff fielded questions regarding the benefits of using the Marketplace for agents. Using a single underwriting form for several quotes is a definite benefit. The 2.5% administration fee will come from the vendors' side of the ledger, not commissions. Pam Mims stated that to her mind the biggest advantage is being able to bring to the small group what is only common to the large group. It also has the potential to mitigate HR/payroll costs, and there is no paper to shuffle. Donna Fogle's favorite feature is the ability to go to a quad option. Naff also answered questions from Chair Russell regarding rate tables, eligibility for out-of-state employees, and open enrollment periods. Naff stated that FHC is

moving to a plan of operation which will be filed with OIR, though OIR does not have authority to approve or deny it. Naff also mentioned that ICHP at the University of Florida, FHC's evaluation partner who conducted the agent focus groups, is discussing a new deliverable regarding interviews with vendors who have undergone the on-boarding process for an evaluation of the vendor experience.

Following the meeting on Monday with Xerox, Naff will have a better idea of when the Committee should meet next. Chair Russell asked Laura Schaecher to poll the absent members with prospective dates to ensure better attendance.

With no further business the meeting was adjourned.

FLORIDA HEALTH CHOICES, INC.

Meeting of the Executive Committee

11:00 a.m. Wednesday, October 10, 2012

**Florida Health Choices
200 West College Avenue
Tallahassee, Florida**

MINUTES

Committee Members Present: Aaron Bean, Chairman (via phone)
Sherri Meadows, Vice Chair (via phone)
Walter Nason, Treasurer (via phone)

Other Board Members Present: Durell Peaden, Director (via phone)
Steve Marin, Director (via phone)

Board Members Not Present: Barbara Crosier, Ex-Officio
Liz Dudek, Ex-Officio
Theresa Welles, Director
Becky Cherney, Director
Gordon Thames, Director
Cynthia Fuller, Ex-Officio

Others Present: Wilbur Brewton, Brewton Plante
Scott Rainey, Northhighland (via phone)
Jennifer Lloyd, Florida Senate
Eric Lingswiler, AHCA
Michelle Robleto, OIR (via phone)
Laura Schaecher, Florida Health Choices
Rose Naff, CEO, Florida Health Choices
Johnny Gonzalez, Xerox
Mary Edenfield, Xerox

Welcome and Introductions

Chair Bean welcomed everyone to the meeting of the Executive Committee.

Old Business

Rose Naff, Florida Health Choices, provided an update on old business. The dental on-boarding milestone negotiation has been completed with a reduction in payment. The Agent Open House went very well but did add two weeks to the schedule.

Agent Open House Report

Laura Schaecher, Florida Health Choices, presented an overview of events that took place during the two-week Agent Open House held September 10-21, 2012. During this time the Marketplace beta site was opened up for testing state-wide. Agents could register free-of-charge, create quotes using mock data, and provide feedback. Four webinars were also held to guide agents through the testing process and provide an introduction to the site. As of September 24, 118 agents had registered and the number continues to grow. Few agents completed the training however, which will prompt a revision of Agent FAQs on the site to ensure they do so. The course has been posted on-line.

The agents who registered listed many and varied appointments, though agent appointments do not indicate a company's participation in the Marketplace. The feedback document provided listed the most common feedback received, arranged by frequency and type (like, dislike, issue, suggestion, clarification). A comprehensive report on agent feedback will be published in the next month.

Agent Terms and Conditions

Rose Naff stated that at the previous Board meeting, General Counsel was given the authority to make technical corrections to the T&C and he has done so. Based on feedback from agents, the changes include giving agents the ability to terminate themselves from the program, and raising the visibility of protection for the agent's client list. It was in FHC law, but not explicitly noted in the form, so it was added.

MOTION: Approve Agent Terms and Conditions form as presented. Adopted without objection.

Office of Insurance Regulation

Michelle Robleto, OIR, provided a high-level overview of the rate filing process. Once filed, the Office has 30 days for review and 15 additional days if necessary for back-and-forth questions, for a total of 45 days. Companies have 14 days to respond to questions. They can request a waiver of the deemer date if more time is needed. If it is just an update of rates, there's no reason to go beyond 45 days. For the Marketplace, the Office received filings of small group products on September 5 and 7, so the final date to complete review will be the second or third week in October. If companies are filing rates for use in the Marketplace, they may indicate that in the cover letter so the Office is aware and can expedite review.

Rose Naff asked if questions "stop the clock" or if the 45 days is still running. The clock is still running. Walter Nason asked if a carrier can have rates for the same product both inside and outside the Marketplace. Robleto believes that if it is a different rate, it would need to be filed as a separate product.

Independent Project Management Report

Scott Rainey, Northhighland, provided an assessment of current project status. There were good outcomes with the agent portal. Following a meeting last week with Xerox/Choice regarding a plan for

moving forward, they are looking at three aspects: 1) system development 2) vendor onboarding and 3) operational readiness. It assumes a happy path with limited or no room for error. They would like more data on operational readiness. The next six weeks will be very busy.

Status Update

Rose Naff provided an update on the implementation schedule. The launch date is not fixed but one vendor is well down the road. One issue is loading rates. If Xerox/Choice receives January 1 rates before the end of October, it still takes six weeks to load and test them. Much depends on the date the rates are approved by OIR. Naff noted that they have completed the IVR review and customer service representatives are taking calls as training. The implementation schedule will be revised with receipt of rates. They have mapped business materials and finalized daily reports.

The next meeting of the full board is December 7, 2012. With no further business, the meeting was adjourned.

FLORIDA HEALTH CHOICES, INC.

Meeting of the Finance & Audit Committee

11:00 a.m. Friday, November 16, 2012

**Florida Health Choices
200 West College Avenue
Tallahassee, Florida**

MINUTES

Committee Members Present: Sherri Meadows, Vice Chair (via phone)
Walter Nason, Treasurer (via phone)

Board Members Not Present: Barbara Crosier, Ex-Officio
Liz Dudek, Ex-Officio
Theresa Welles, Director
Becky Cherney, Director
Gordon Thames, Director
Cynthia Fuller, Ex-Officio
Aaron Bean, Char
Durrell Peaden, Director
Steve Marin, Director

Others Present: Carla Salario, Xerox
Mary Edenfield, Xerox
Laura Schaecher, Florida Health Choices
Rose Naff, CEO, Florida Health Choices

Welcome and Introductions

Chair Nason welcomed everyone to the meeting.

Financial Reports

Chair Nason stated there is nothing significant to note because the Marketplace has not launched.

Corporate Budget

Rose Naff stated that the proposed budget for 2013 reflects a reduction in legal services. The numbers have been adjusted for go-live in January 2013. The Corporation should receive a schedule next week of where development is, which is looking like mid-January or beginning of February.

Chair Nason asked how the election had impacted the Corporation. Naff replied that FHC has not been legally impacted yet. Naff is on standby for a meeting with the Governor's staff next week; House and Senate have indicated in the media that FHC is on the list as a potential solution.

Chair Nason inquired if that means anything they approve now is temporary. Naff replied affirmatively. More will be known in ten to twelve weeks. This proposed budget is a placeholder.

Regarding Line 32 of the proposed budget, Naff clarified that Xerox chose to forego a \$75,000 payment, which was the second installment. Further TPA expenditures begin in the next budget year. Line 33, research and development, refers to the Corporation's contract with the Institute for Child Health Policy. The amount allotted for Personnel has been restored to the original amount for 2012.

MOTION: Adopt the Proposed Corporate Budget for 2013. Motion adopted without objection.

Other Business

Naff noted that they are in receipt of an engagement letter from CPAs Carroll and Company for 2012.

Chair Nason noted that his current duties are overwhelming and take away from what he can provide to the Corporation. Naff mentioned that Line 31 in the proposed budget contains an increase in accounting and auditing services for help, such as a part-time CPA.

The next board meeting will be held December 7, 2012, in Tampa.

With no further business the meeting was adjourned.