

**FLORIDA HEALTH MAINTENANCE ORGANIZATION
CONSUMER ASSISTANCE PLAN**

**Annual Meeting of the Board of Directors
Monday, November 15, 2021 at 2:15 p.m. Eastern Time**

J.W. Marriott Orlando Bonnet Creek Resort & Spa
14900 Chelonia Parkway, Ibis Room
Orlando, FL 32821

Board Members Participating

John Matthews (UnitedHealthcare), Chairman
David Schandel (Florida Health Care Plans), Secretary/Treasurer
Brooke Flaherty-Tiner (Aetna)
Holly Prince (Simply Healthcare Plans)
Jamie Forrest (Health First Health Plans)
Ronald Weeden (Humana)
Jeff Tindall (Cigna HealthCare)

Others in Attendance

Bruce Platt, Akerman LLP
Tom Range, Akerman LLP
LeShan Smith, Akerman LLP
Leean Chojnowski, Florida Office of Insurance Regulation
Rachel Rusford, Department of Financial Services, Division of Rehabilitation and Liquidation
Cassady Mueller, Office of the Chief Financial Officer

I. Call to Order

Chairman Matthews noted the presence of a quorum and called the meeting of the Board to order.

II. Antitrust Preamble

Chairman Matthews 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. Approval of Minutes - January 25, 2021 Board Meeting

Chairman Matthews asked the Board members for comments or changes to the draft minutes of the January 25, 2021 Board meeting. Hearing none, Secretary-Treasurer Schandel moved to approve the minutes as drafted. Ms. Flaherty-Tiner seconded the motion, which passed without opposition.

IV. Appointment of Board Member

Plan Manager Bruce Platt informed the Board of Directors that Chairman Matthews' board term is expiring at this meeting. Member HMO companies nominated Chairman Matthews to be re-nominated. Chairman Matthews' information was circulated to all Florida HMOs, and they voted to confirm his nomination. Mr. Platt explained that the next step is for the HMOCAP Board to also approve him and to request that the Department of Financial Services appoint Chairman Matthews to the Board.

Chairman Matthews re-introduced himself to the Board and asked if any members of the Board had questions for him. There were no questions. Ms. Flaherty-Tiner moved to have the Board ask the Department of Financial Services to reappoint Chairman Matthews. Ms. Tindall seconded the motion. There was no further discussion, and the motion passed without opposition. Mr. Platt congratulated Chairman Matthews and said that he would notify the Department so that Chairman Matthews can be re-appointed.

V. Election of New Officers

Mr. Platt explained that terms of office for Officers of the Board of Directors are for two years. He noted that the current slate of officers had been selected two years ago, and now their terms have run. He said that he understands that the current officers are willing to serve new, two-year terms, and he said that no other member of the Board has asked to be considered for an officer position.

Ms. Prince made a motion to continue the current slate of officers for another two years. Mr. Weeden seconded the motion, which passed unanimously.

VI. Selection of Auditor

Mr. Platt explained that the HMOCAP solicits proposals for an auditor at least every three years. He noted that the HMOCAP sent requests for proposals to X CPA firms in Tallahassee that have experience in this area: Moran & Smith, LLP; Law, Redd, Crona & Monroe, P.A.; and Purvis Gray and Company. Note that the solicitation included the amount the HMOCAP has paid Moran & Smith for these services. Because the amount is so low, the other firms declined to submit a proposal, and Moran & Smith was the only firm that submitted a proposal. Mr. Platt said that Moran & Smith's proposal for the next three years is as follows:

Our fee for the 2021 year end audit and all tax return preparation will not exceed

\$7,500 per year. We also agree to provide the same services in future years with an annual fee increase tied to the consumer price index.

Mr. Platt said that he is satisfied with the work provided by Moran & Smith. Ms. Flaherty-Tiner made a motion to accept the Moran & Smith proposal. Mr. Tindall seconded the motion, and the motion passed without objection.

VII. Financial Statements

Secretary/Treasurer Schandel reviewed the financial statements and stated that they were consistent with prior years.

VIII. Independent Auditor Report

Secretary/Treasurer Schandel discussed the independent auditor's report and noted the auditor's opinion that the financial statements were presented fairly, in all material respects. Ms. Prince moved to accept the report. Mr. Weeden seconded the motion, and it passed without objection.

IX. Budget and Proposed Budget

Secretary/Treasurer Schandel reviewed the 2021 budget and the proposed 2022 budget. He noted that the HMOCAP budgeted \$10,000 in legal fees in 2021, but in 2022 the HMOCAP's proposes to return the budgeted amount to \$5,000, which was consistent with years 2018, 2019, and 2020. He noted that the "legal" budget was increased in 2021 as there was uncertainty about potential fees associated with the long term care assessment issues. But he said that he does not believe that something like that will occur in 2022.

Mr. Platt reminded the Board that fees associated with insolvencies, including long-term care insolvencies, and legal fees associated with integration with the Florida Life and Health Insurance Guaranty Association were not included in the budget as they are not predictable at this time. Ms. Flaherty-Tiner moved to approve the 2022 budget. Mr. Tindall seconded the motion, and it passed without objection.

X. Investment Report

Secretary/Treasurer Schandel reviewed the investment report and noted that the investments were generally consistent with the investment policy that had been adopted by the HMOCAP Board of Directors. However, he noted that the current investment strategy requires that the HMOCAP invest the majority of its funds in the Florida State Treasury Special Investment Account ("SPIA"). However, in 2015 SPIA notified the HMOCAP that it was no longer eligible to invest new funds into SPIA, but that the HMOCAP could maintain its existing funds and interest on those funds in the SPIA accounts. Because the HMOCAP can no longer invest new funds into SPIA, the HMOCAP is no longer able to maintain a majority of its funds in SPIA accounts and cannot comply with the investment policy. Secretary/Treasurer Schandel noted that the Board is scheduled to address that issue under item XI of the Agenda.

XI. Plan Manager Report

Mr. Platt explained that the Plan Manager is required to review the HMOCAP's Plan of Operations on an annual basis. He noted that he does not have any recommended changes to the Plan of Operations at this time.

Mr. Platt also explained that he had reviewed the policy and procedure. Consistent with Secretary/Treasurer Schandel's comments above, the HMOCAP can no longer maintain a majority of its funds in the SPIA account. Mr. Platt noted that there was proposed language under Tab 9 to change the language such that the HMOCAP would be required to maintain a "significant amount of its funds" invested in the SPIA accounts, as opposed to a majority of its funds.

After discussion, Ms. Flaherty-Tiner moved to adopt the proposed changes to the investment policy and procedure. Mr. Weeden seconded the motion, and it passed without objection.

XII. Long-Term Care Assessment Issue

Mr. Tindall explained that the Florida Life and Health Insurance Guaranty Association ("FLAHIGA") issued a long term care assessment in 2021 for a total of \$1,000,000. He said that all of the assessable, Florida HMOs paid their assessments on time in 2021, and there are no outstanding HMO assessments for 2021. Mr. Tindall noted that FLAHIGA intends to issue a long term care assessment in the amount of \$2,000,000 in 2022. He noted that the amount of each company's assessment is based upon its recent premium volume. For this reason, he said that there will be slight variations from year to year in the percent of the assessment each company is required to pay. However, he said that companies should roughly predict that there long term care assessments in 2022 will be twice as large as their assessments in 2021

XIII. Review of Plan Manager

Chairman Matthews asked Mr. Platt to discuss his firm's proposal to contract with the HMOCAP as plan manager and legal representative for 2022. Mr. Platt said that Akerman's proposal was the same as the contract that currently is in effect. Representatives of Akerman left the meeting while the Board discussed the proposed plan manager contract. Following discussion, the Board asked Mr. Platt to make sure that the contract is dated correctly, and it agreed to enter the plan manager contract with Akerman for another year.

XIV. Office of Insurance Regulation Updates and Issues

Ms. Chojnowski said that the Office of Insurance Regulation had nothing to report.

XV. Department of Financial Services Updates and Issues

Ms. Rusford said that the Department of Financial Services had nothing to report.

XVI. Other Business

Mr. Platt thanked former the Board for continuing the Plan Manager contract. There was no other business.

XVII. Adjourn

By unanimous consent, the meeting was adjourned.

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

Dated this ____ day of _____, 20__

DRAFT