

**Insure Montana Program Enrollment**

Agency/Program #: 3401-03-G2

Division: Insurance

Program: Insure Montana

<b>Agency Name:</b>	State Auditor		
<b>Agency Contact:</b>			
<b>LFC Contact:</b>	Sesso / Taylor		
<b>LFD Liaison:</b>	Matt Stayner	5830	
<b>OBPP Liaison:</b>	Shawn Graham	3411	

**Program or Project Description:**

Voluntary program to provide assistance to small businesses and their employees for health insurance coverage through tax credits and premium subsidies.

**Appropriation, Expenditure and Source**

Fund Name:	2010		2011		Approp & Expenditure numbers are as of April 30, 2010
	Approp.	Expended	Approp.	Expended	
General Fund					
State Special	13,978,495	5,443,997	13,985,987		
Federal Funds					
<b>Total:</b>	<b>\$13,978,495</b>	<b>\$5,443,997</b>	<b>\$13,985,987</b>	<b>\$0</b>	

**Goal(s):**

Maximize the number of individuals covered with the given funding.

**Performance Measures :**

Gross enrollment, Cost per individual covered

2011 Biennium Significant Milestones:	Completion Dates	
	Target	Actual

**Performance Report:**

Goals Met:

1. Mailed out 682 purchasing pool enrollment packets since July 1, 2009. There has been a 32% take-up rate or 222 businesses enrolled in the program.
2. Mailed out 323 tax credit enrollment packets since July 1, 2009. There has been a 65% take-up rate or 210 businesses enrolled in the program.
3. Implemented Senate Bill 135 effective January 1, 2010 realizing annual savings of \$290,556.
4. Began auditing case files on January 1, 2010 realizing annual savings of 31,783.82.

Performance Measures:

1. There are currently 821 businesses participating in the purchasing pool program with an annual cost of \$5,775,774 covering 4,241 lives at a cost of \$1,362 per person covered.
2. There are currently 782 businesses participating in the tax credit program with an annual cost of \$4,092,206 covering 4,238 lives at a cost of \$966 per person covered.

Other Accomplishments:

1. Completed the program renewal process.
2. Completed a system enhancement to add functionality of a uniform data entry of cities, states and zip codes.
3. In the final testing stages of a large system enhancement to have the ability to calculate benefits for association plans rather than calculate benefits manually.
4. Completed system enhancements to record and track program savings from provisions of Senate Bill 135.

**LFD Narrative:**

LFD Assessment: On track

Data Relevance: The information provided by the agency was relevant and sufficiently detailed to show quantifiable progress towards goal attainment.

Appropriation Status: Appropriation and expenditure amounts relative to the program were provided by the agency.

Options:

- 1) Dismiss from further review
- 2) Review again in October, 2010
- 3) Request additional information
- 4) Upgrade or downgrade the rating

Potential questions for the workgroup:

- The cost per person covered in the purchasing pool is 7 percent higher than the estimate provided during the previous report, why?
- The cost per person covered in the tax credit program is 8 percent higher than the estimate provided during the previous report, why?
- What is the annual turnover in each of the programs on a percentage basis?
- What is the number of people that are covered by:
  1. The purchasing pool alone
  2. The tax credit program alone
  3. Both programs
- What are the total costs (not just benefits) of each of the three categories above?
- What are the most frequent reasons given for companies leaving the program?
- Have any cost of coverage comparisons been done between the coverage available through the purchasing pool to coverage that is provided by small businesses outside of the program? If no, why? If yes, what are the results of this comparison?
- Referencing the expenditure and appropriation information provided, as of April 30th, 83 percent of fiscal year 2010 completed, 39 percent of the appropriation has been expended. Why is the program enrollment so much lower than anticipated and what are the agency's thoughts with regard to the excess appropriation?

Version	Date	Author
	6/2/2010	Stayner

Change Description