

**Florida Health Maintenance Organization Consumer Assistance Plan
Board of Directors Meeting
September 20, 2010**

Board Members Present:

John Matthews, Proxy for David Lewis

Board Members Participating via Teleconference:

Butch Simpson, Chair
Lisa Davies, Vice-Chair
Craig Drablos, Secretary Treasurer
John Hogan

Others Present

Chris Ciano (incoming Board Member)
Bruce Platt, Plan Manager
Tom Range

Others Participating via Teleconference:

Albert Arca (incoming Board Member)
Beth Fleming
Caryn Regan
Sha'Ron James, Department of Financial Services
Mary Schwantes, Department of Financial Services
Al Willis, Office of Insurance Regulation
Toma Wilkerson, Office of Insurance Regulation
LeShan Smith

I. Call to Order

Chairman Simpson noted the presence of a quorum and called the meeting to order

II. Antitrust Preamble

Chairman Simpson noted the following antitrust statement and asked that it be included in the record:

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 for December 18, 2009 Board Meeting and Review of Executive and Finance Committee Minutes

Chairman Simpson directed the members of the Board to the minutes and asked if there were any corrections or additions. None were noted, and a motion was made by Mr. Drablos to approve them. The motion was seconded by Mr. Hogan and unanimously approved.

IV. Recommendation of New Board Members

Chairman Simpson noted there were four positions on the HMOCAP Board of Directors that were up for appointment. Mr. Platt explained that the four nominations for the open positions were Albert Arca (there was confusion as to whether Mr. Arca had already been appointed to the Board, but the Department of Financial Services later confirmed that he had not been), John Hogan, Christopher Ciano and David Schandel.

Ms. Davies moved to accept these nominations and to recommend them to the Department of Financial Services for appointment to the HMOCAP Board of Directors. Mr. Drablos seconded the motion, and it was unanimously approved.

V. Financial Statements

Mr. Drablos noted that there is very little financial activity with the HMOCAP. He noted that the investment income covers the HMOCAP operating expenses. There being no further discussion or questions regarding this agenda item, Mr. Matthews moved to accept the report, and Mr. Hogan seconded the motion which was unanimously approved.

VI. Independent Auditor Report

Mr. Drablos stated the HMOCAP received a clean opinion. Mr. Simpson asked if the HMOCAP had a management letter from the auditor. Mr. Platt said he would check and report to the Board. Mr. Hogan moved to adopt the report, Ms. Simpson seconded the motion and it was unanimously approved.

VII. 2010 Budget and Proposed 2011 Budget

Mr. Drablos briefly discussed the 2010 budget and proposed 2011 budget. Mr. Matthews moved to accept the proposed 2011 budget presented. Mr. Hogan seconded the motion, and it was unanimously approved.

VIII. Investment Report

Mr. Drablos reviewed the investment report, and he noted that the HMOCAP was receiving a very good rate of return from the State of Florida Treasurer's Special Purpose Investment Account (SPIA). He noted that, pursuant to direction from the Board, the HMOCAP maintained funds in different financial institutions and in certificates of deposit and money market accounts. Mr. Drablos said that he believed the investments were appropriate and consistent with the Board's direction. Mr. Matthews moved to accept the investment report. Mr. Hogan seconded the motion, and it was approved unanimously.

IX. Selection of HMOCAP Auditor

Mr. Drablos said that the HMOCAP currently was using Chris Moran as the HMOCAP Auditor, and that he had been selected based upon the responses to the HMOCAP's previous RFP. Mr. Drablos said that Mr. Moran has worked with the HMOCAP off and on for several years, both in his own firm and in his previous capacity at Purvis Gray, and that Mr. Moran was familiar with the HMOCAP issues and did a good job on the audits. Mr. Drablos noted that his contract with the HMOCAP was for payment not to exceed \$6,500, and that Mr. Moran's charges were less than that. Mr. Drablos said that Mr. Moran had agreed to provide auditing services to the HMOCAP on the same terms, and he recommended that the HMOCAP retain Mr. Moran as its auditor for another year and that the HMOCAP not issue another RFP. Ms. Davies made a motion to retain Mr. Moran as auditor for another year, and Mr. Drablos seconded the motion, which passed unanimously.

X. TPA Selection Subcommittee Report

Ms. Davies reviewed the history of the HMOCAP's search for a TPA, and she reminded the Board that Preferred Benefits Administrators had been the only company that fully responded to the HMOCAP through the RFP process. Ms. Davies noted that Mr. Platt and Donovan Brown had met with Preferred Benefits Administrators and were generally satisfied with them. She also noted that Florida Health Care Plans sent claims processors who also met with Preferred Benefits Administrators, and that they were concerned that Preferred Benefits Administrators may not have the resources to administer a large insolvency. She said that the HMOCAP may still want to contract with them, but that this caused a little concern. She reminded the Board that the HMOCAP had only limited response to its RFP among administrators.

Mr. Simpson suggested that the HMOCAP contact Florida member HMOs with TPA licenses to see if any would be interested in contracting with the HMOCAP to provide TPA services if the event of an insolvency. Mr. Platt noted that the HMO may be able to provide services without a TPA license, and Mr. Simpson asked Mr. Platt to work with the Office of Insurance Regulation to determine the requirements.

Mr. Hogan made the motion to have Mr. Platt work with the Office of Insurance Regulation to determine license requirements for providing administrative services to the HMOCAP in the event of an insolvency, and that Mr. Platt should issue an RFP to Florida HMOs having the appropriate licensure. Mr. Drablos seconded the motion, which passed unanimously.

XI. Overview of Website

Mr. Platt noted that the website was working, and he said that meeting materials had been included on the HMOCAP website. He explained that he met with representatives of the Department of Financial Services, and they were satisfied with the website.

XII. Plan Manager Report

- Plan of Operations Review

Mr. Platt noted that the operational auditor had a few suggestions for revisions to the plan of operations, primarily to clarify the extent of the HMOCAP's coverage responsibility and to clarify the distinction in the plan between "subscriber" and "member". After discussion, Mr. Matthews made a motion to accept the proposed revisions to the Plan of Operations and forward them to the Office of Insurance Regulation. Mr. Drablos seconded the motion, and it was unanimously adopted.

- Policies and Procedures Manual

Mr. Platt said that he was continuing to develop a draft policies and procedures manual. He noted that he had been given input from Mr. Moran and the operational auditor. Mr. Simpson said that he had been working with Mr. Platt on the policies and procedures manual, but that he would be leaving the HMOCAP Board of Directors after this meeting. Ms. Davies said that she would work with on the policies and procedure manual with Mr. Platt going forward.

- Records Retention Policy

Mr. Platt said that he and Mr. Range had been working on a records retention policy as part of the policy and procedure manual. He noted that it was more difficult than a traditional records retention policy because of Florida's public records requirements.

XIII. Department of Financial Services Draft Operational Audit

Mr. Platt said that the Department of Financial Services had been conducting an operational audit over the last few months, and he noted that a draft of the audit was included with the meeting packet. He directed the Board to the summary of findings and recommendations, and he said that the majority of the findings were being addressed in the policy and procedure manual. Board members discussed the findings, and there were specific questions regarding the accounting practices in finding number 3 and finding number 9. Mr. Platt noted that these were being addressed, and he also noted that the statement in finding number 9 (not all claims payments were properly supported or approved) referenced claims payments that occurred under a prior plan manager. Ms. Davis made a motion to accept the Audit. Mr. Drablos seconded the motion, and it was unanimously approved.

XIV. Review of Plan Manager

Mr. Platt and Mr. Range left the meeting room. The Board members discussed Akerman Senterfitt's performance as plan manager, and the Board recommended retaining Akerman Senterfitt for another year under the same terms and conditions.

XV. Election of Officers

Mr. Drablos nominated Ms. Davies for the position of Chairman of the Board of Directors. Mr. Hogan seconded the nomination, and Ms. Davies was unanimously elected

Mr. Drablos nominated Mr. Hogan for the position of Vice-Chairman of the Board of Directors. Ms. Davies seconded the nomination, and Mr. Hogan was unanimously elected.

Mr. Simpson nominated Mr. Drablos to continue in his position as Secretary/Treasurer of the Board of Directors. Ms. Davies seconded the nomination, and Mr. Drablos was unanimously elected.

XVI. Office of Insurance Regulation Update and Issues

Ms. Wilkinson noted that Simply Health Care Plan has been licensed as an HMO during the preceding year. She said that Citrus Health Care was acquired by WellMed, and she said that Simply Health Care Plan had acquired the Medicaid and Florida Healthy Kids membership from Total Health Choice. She said that Simply contributed \$3 Million towards the run off of Total Health Choice's commercial coverage. She said that Total Health Choice's certificate of authority had been suspended, and she noted that Citrus Health Car was discontinuing its individual product line.

XVII. Department of Financial Services Update and Issues

Ms. Schwantes gave the Department of Financial Services ("DFS") update. She stated the federal government and the DFS have developed a process for requesting and obtaining releases from the federal government on issues regarding existing and potential federal claims in the various receiverships. The DFS is requesting a release from the federal government, through the US Department of Justice, in all of the HMO receiverships. On another matter, Ms. Schwantes said that the DFS had sent the HMOCAP a distribution proposal regarding segregated "premium" funds in the SunStar estate that would divide these funds equally between the HMOCAP and the DFS. Mr. Platt said that he had seen the SunStar proposal, and that he would like to work with a Board Member to develop a recommendation to the Board as to whether it should be accepted. Mr. Drablos volunteered to work with Mr. Platt on developing a recommendation.

XVIII. Other Business

Mr. Platt and the Board of Directors thanked Mr. Simpson for his many years of service with the HMOCAP.

XIX. Adjourn

There being no other business, the meeting was adjourned.

XIII. Other Business

Mr. Platt remarked that the HMOCAP is required to annually review and update its Plan of Operations, if necessary. He suggested that such updates may be necessary for implementation of actions discussed in the Board meeting, such as the adoption of a policy and procedure manual or a record retention policy. Chairman Simpson suggested the Board adopt a timeline for completing and considering HMOCAP Plan of Operations changes. Ms. Davies suggested the Board reconvene on or around 90 days from the current date to consider proposed changes to the Plan of Operations. Dr. Weiss seconded the motion and it was approved.

XIV. Adjourn

There being no further business, a motion was made to adjourn the meeting. It was seconded and the meeting was adjourned.

Craig Drablos, Secretary/Treasurer
Florida HMO Consumer Assistance Plan

Dated this ____ day of _____, 2009.