

August 21, 2013

The Honorable Paul Thissen  
Minnesota House of Representatives  
463 State Office Building  
Saint Paul, MN 55155

RE: MMB Advisory Groups

Dear Speaker Thissen:

In response to your letter of August 2, 2013, we are sending you the information you requested on the three advisory groups in Minnesota Management and Budget.

MN Employees Insurance Program (MEIP) Advisory Committee

Created in 1992 the MEIP program has not operated since 1998. As a result of an unsustainable insurance pool, the last participant was dismissed in 1998 and the program has not been reformed since that time. As such, there is no advisory committee or members.

Public Employee Insurance Program (PEIP) Labor/Management Committee (LMC)

Created in 1989 the PEIP program currently has 93 groups participating for a total population of 14,871 lives.

- 1) **The mission** – the mission of the PEIP LMC was to provide guidance to the agency for purposes of plan design and general administrative considerations. The group was advisory in nature and did not have decision making authority. Upon creation of the PEIP LMC, plan design and program considerations were more complicated with dozens of different plan options. Currently there are only 3 plan options which are modeled after the State employee program. The legislative and union approval process for the state program provides the guidance needed to PEIP. Given the relatively small number of participants and simplified plan design options the LMC has not met for 10+ years.
- 2) **Membership list and compensation** – There are currently no members on the LMC advisory group. Multiple vacancy announcements via the State Register have resulted in no expressions of interest from eligible candidates. However, if the LMC did meet members would be eligible for compensation in the same manner as that established in the executive branch's Commissioner Plan. This typically includes travel and meal reimbursements.
- 3) **Advisory group budget** – there is no budget associated with the PEIP LMC.
- 4) **Advisory group meetings** – the last meeting of the LMC was 2003. There are currently no future meetings scheduled.

- 5) **Advisory group reports** – there are no reports currently issued to state agencies, Legislature or Governor.
- 6) **Advisory group website** – there is no website created for the LMC.

Pay for Performance Oversight Committee

The Minnesota Pay-for-Performance Program was enacted in 2011 (M.S. 16A.93-4). Authorizing legislation directs the commissioner to appoint an oversight committee.

**The mission** – The purpose of the pay-for-performance program is to demonstrate the feasibility and desirability of using state appropriation bonds to pay for certain services based on performance and outcomes for the people served.

The Oversight Committee has 4 duties:

- 1) Identify criteria to select one or more services to be included in the pilot program
- 2) Identify the conditions of performance and desired outcomes for the people served by each service selected
- 3) Identify criteria to evaluate whether a service has met the performance conditions
- 4) Provide any other advice or assistance requested by the commissioner

**Membership list and compensation** – members of the Oversight Committee are not compensated. Current members are: Commissioners Jim Schowalter, Lucinda Jesson, Katie Clark-Sieben, and Spencer Cronk; Margaret Kelly, Bill Gabler, Matt Smith, Susan Strandberg, and Judy Temple. There are currently two vacancies.

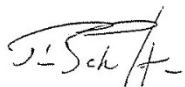
**Oversight Committee budget** – there is no budget associated with the Pay for Performance Oversight Committee.

**Oversight Committee meetings** – 5/22/12; 8/20/12; 3/20/13; 8/12/13

**Advisory group reports** – no reports have been issued by the Oversight Committee

**Advisory group website** – <http://www.mmb.state.mn.us/pay-for-performance-committee>

Sincerely,



Jim Schowalter  
Commissioner

cc: Jaime Tincher  
Katy Sen  
John Pollard