

State of Rhode Island Office of the Health Insurance Commissioner  
Health Insurance Advisory Council  
Meeting Minutes  
September 20, 2016, 4:30 P.M. to 6:00 P.M.  
State of Rhode Island Department of Labor and Training  
1511 Pontiac Avenue, Building 73-1  
Cranston, RI 02920-4407

**Attendance**

**Members**

Co-Chair Commissioner Kathleen Hittner, Co-Chair Stephen Boyle, Vivian Weisman, Karina Gibbs, Mike Souza, Al Charbonneau, Karl Brother, Hub Brennan, Al Kurose.

**Issuers**

Lauren Conway, UHC  
Carolyn Rush, NHPRI  
Megan Dennen, BCBSRI

**State of Rhode Island Office of the Health Insurance Commissioner Staff**

Jay Garrett, Cory King

**Not in Attendance**

Gregory Allen, Howard Dulude, Tammy Lederer, Bill Schmiedeknecht, Pat Mattingly, David Feeney, Emmanuel Falck

**Minutes**

**1. Welcome and Review of June Meeting Minutes**

Commissioner Hittner and Stephen Boyle called the meeting to order and welcomed all Health Insurance Advisory Council (HIAC) members and others in attendance.

One change to the June, 2016 meeting minutes was requested by Al Kurose: that a reference to “round two of the PCMH initiative” should in fact refer to “CPC Plus.”

Karl Brother made a motion to approve the minutes with this noted change, seconded by Al Charbonneau. The minutes were approved unanimously with the amendment noted above.

**2. RIREACH Consumer Update**

Karina Gibbs from RIPIN updated the Council on RIREACH activity for the months of July and August

- July call volume was approximately 2000 calls
- August call volume approximately 2,500 calls
- RIREACH has not seen a significant increase in technical issues due to the conversion to “Bridges,” the state’s new unified health infrastructure portal (UHIP), but Karina reported some difficulty in resolving the calls they were getting being resolved with DHS staff.
- RIREACH is hiring for their call center, seeking candidates with knowledge of Medicare, Medicaid and commercial health insurance.

### **3. Health Reform Update: State Innovation Model (SIM)**

Marti Rosenberg updated the Council on SIM.

- SIM’s operational plan was approved June 30
- The SIM project has now moved from planning to implementation.
- Focus over the summer on preparing for procurement.
- A child psychiatry program that allows for pediatricians to reach a psychiatrist within half an hour, while their patient is still in their office, to get help with prescriptions, referrals and other needs recently began.
- Two forthcoming RFPs – one dealing with patient engagement and the other with quality metrics and technical reporting.

### **4. 2016 Legislative Session Review**

Cory King directed the council to a handout listing some of the major pieces of legislation OHIC was interested in during the General Assembly session that concluded in June. Highlights included:

- A bill requiring carriers to submit a notice to patients and providers 30 days prior to removing a drug from the plan’s formulary passed but had not yet been transmitted to the Governor.
- A bill changing the DirectPay rate review process passed – the legislation requires formal hearings when any issuer with 10,000+ covered lives requests a rate increase of 10% or greater. Previously, only Blue Cross DirectPay plans were subject to formal hearings.
- A “Medical Billing Innovation Act” passed. The Governor sent out a letter regarding this bill, saying that while she thought it was a good bill, she would not sign it due to the fact that the General Assembly did not adequately fund OHIC in the budget they passed this June. The bill will become law without her signature.

### **5. Commissioner’s Update**

Commissioner Hittner took some time to further address the impact of the aforementioned budget cuts on the Office.

- 5 full time staff positions were eliminated.
- OHIC has applied for a federal “consumer protection and market reform” grant that may allow the Office to hire staff. Commissioner Hittner outlined some of what this grant would fund.
  - Projects around nondiscrimination in coverage;
  - Coverage of preventable health services;
  - Streamlining appeals processes;
  - Mental health and substance use parity.
    - OHIC had previously undertaken a mental health parity market conduct exam which had to be suspended due to the budget cuts. If this grant is awarded to OHIC, this exam may be resumed.

The Commissioner informed those present that Council member Dr. Pat Mattingly has had to step down from HIAC. A brief discussion on the recruitment of potential new members ensued. The Commissioner asked Mark Gray of the Providence Plan to compile a report on member participation and recommendations for potential new members.

Cory then gave a brief slide presentation regarding an upcoming proposed revision to the Affordability Standards under OHIC’s Regulation 2.

The Affordability Standards were most recently updated, after a long public input process and much involvement from the Council, in February 2015. One component of the revised Standards was a hospital rate inflation cap. The cap sought to tie hospital rate increases to a benchmark—the consumer price index minus food and energy costs (core CPI). The cap was set to decrease over time, starting at core CPI + 1% the first year, then down to core CPI + .75% the second year, then core CPI by 2019.

The upcoming proposed change to the regulation would eliminate the decrease in the cap and hold it at core CPI + 1%. Cory’s presentation illustrated a potential economic impact of approximately \$137 million over five years. Municipalities could also see - as a result of this cap being raised and the subsequent effect on health insurance costs – an impact of up to \$23 million over five years.

An active discussion among Council members ensued. Some key points that were raised:

- The assumption is that the savings that hospitals will receive will be reinvested to improve quality and efficiency
  - Some Council members asked if hospitals would be required to demonstrate this reinvestment and its effectiveness.
- Some Council members felt that the hospital cap as it is written under the current regulation was “appropriate,” “meaningful” and that it should not be changed.

- Others pointed out that a cap of core CPI +1% is still a very strong cap, is “reasonable” and is above and beyond what most other states are doing as they attempt to control healthcare costs.
- Still others felt that the entire hospital rate cap approach and related regulations would not be effective in driving necessary change.
- Karl Brother made a motion – seconded by Hub Brennan “for purpose of discussion” – that the Council call for a cap maintained at core CPI + .75%.
  - After some discussion, and Cory King detailing the public input process that any proposed change to regulation has to undergo, the motion was withdrawn.

## **6. Public Comment**

Council member Mike Souza of the Hospital Association of Rhode Island took the opportunity to thank Commissioner Hittner and Cory for their hard work and to note that Cecilia Pelky, who had served in a Government Relations role at HARI, had moved on as of last month. Mike also introduced and welcomed Melvin Smith, who was present, as HARI’s new Government Relations fellow. Melvin received his MPH from Brown University this May.

## **Next Meeting**

The next meeting of the Health Insurance Advisory Council will be Tuesday, October 18, 2016 from 4:30 P.M. to 6:00 P.M. at the State of Rhode Island Department of Labor and Training, 1511 Pontiac Avenue, Building 73-1, Cranston, RI 02920-4407.