

State of Rhode Island Office of the Health Insurance Commissioner  
Health Insurance Advisory Council  
Meeting Minutes  
February 18, 2020, 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 Marie Ganim, Shamus Durac, Karl Brother, David Feeney, Laurie-Marie Pisciotta, Al Charbonneau, Teresa Paiva Weed, Vivian Weisman, Daniel Moynihan

### **Issuers**

Shawn Donahue, Blue Cross Blue Shield of RI  
Heather Beauvais, Neighborhood Health Plan

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

Cory King

### **Not in Attendance**

Hub Brennan, Deb O'Brien, Steve Boyle, David Katseff

## **Minutes**

### **1. Welcome, Introductions, and Review of January Meeting Minutes**

Commissioner Ganim called the meeting to order. After introductions, Commissioner Ganim asked for a motion to accept the January meeting minutes. The minutes were approved as submitted.

### **2. RIREACH Consumer Update**

Shamus Durac gave an update about recent RIPIN and RIREACH activities. This past month RIPIN staff have been gathering data to build their annual 2020 report and they intend to bring information from the report to the HIAC next month. So far, they know that in the past two years they have saved \$ 3.1 million for Rhode Island consumers, about 32,000 calls and just over 3,000 consumers served in this past year. In terms of trends, RIPIN has seen an increase in consumers calling in looking for assistance in determining whether they should choose not to use insurance and take the self-pay discount, instead of having their funds go towards their deductible. As a general rule, they do not advise that. The problem with this method is that 6 months down the road or so, the consumer will still have not met their deductible.

AG Maria Lenz commented that some of this has to do with misinformation about how insurance works. Consumers have called the Attorney General's office have called and asked how much a particular service would cost with and without insurance, and when it costs less without insurance,

they will often choose to pay without insurance. The Attorney General's office does its best to explain how a deductible works and how paying without insurance will often lead to paying more in out-of-pocket costs by the end of the year.

Commissioner Ganim asked if any of the insurers present had heard of this occurring, and they responded that they have not.

Shamus and Maria commented that this has not been happening in regard to prescriptions or medications, it is happening with outpatient services. They have been seeing this happen with consumers that have deductibles. Moreover, many times consumers will be asked to sign waivers stating that once they have accumulated enough bills that would qualify to meet the deductible that they cannot later request those claims be submitted under insurance.

Gus Manocchia asked if Shamus could give an example of the types of activities RIPIN does that saves consumers money. Shamus replied that the most frequent areas of large savings are when individuals are denied coverage, claim denials, etc. – RIPIN helps consumers with the appeals process.

### **3. HealthSource RI – Overview of the Most Recent Open Enrollment**

John Cucco, Director of Strategy at HealthSource RI (HSRI) gave an update on HSRI's latest Open Enrollment period. This year was HSRI's seventh Open Enrollment period, it was unique in that it was the first Open Enrollment following the package of Market Stability reforms from last year that included both a state-based insurance mandate and a Reinsurance program. Additionally, HSRI introduced new features to make signing up and finding the right plan for you easier for consumers, including a webchat feature. This enrollment period ended on December 31, and the final count this year was 32,704 paid enrollees – 7,000 of those being new customers.

Al Charbonneau asked if this was total or just the individual market? John responded that this was just the individual market – the small group market on the exchange is about 6,000.

This Open Enrollment compares well to previous years: this is our highest total going back to 2017. The top demographic of new customers was the "young invincibles," ages 18-34, which represented 43% of the new customers.

Al Charbonneau asked what percentage of the people enrolling are subsidized? John replied that it is a little over 80%.

Shamus Durac asked if HSRI knows where the 20% of people who did not renew are going? John replied that this year they are doing their second disenrollment survey out to that 20% in an effort to get that information. A large section of them often go to Medicaid, and the other biggest source is people getting access to other sources of coverage.

John continued, in terms of premium: HSRI's unsubsidized average premium went down this year, while the last couple years it had steadily risen. Without the state-based initiatives taken in 2019 we know that the rates would be about 5-7% higher than they are now. Nationally, Rhode Island has the second lowest cost benchmark plan nationwide.

HSRI's marketing campaign has shifted more towards digital outreach this past year, especially given the target demographic (young adults) that they are aiming for. In addition to normal ads, they also had video ads this year as well.

#### 4. **Market Stability Update – Small Business Insurance Group**

Commissioner Ganim gave an update on the Small Business Insurance Group. Part one of this workgroup has just concluded after many discussions about the various factors impacting the small business market and the actions that could be taken to improve it. The cost of inaction impacts the state budget as many employees of small businesses without coverage options may turn to Medicaid as they seek more affordable options for coverage.

The group looked at several potential policy options and agreed to have both near-term and long-term recommendations. One of the near-term options was to enhance the consumer protections regarding stop-loss insurance policies which have not been updated in a long time. The workgroup agreed to put some regulations in place to curb some of the detrimental activity of stop-loss and to make it fairer for the small businesses. Additionally, the workgroup agreed to create regulations that increase the disclosure of stop-loss plans.

The next decision involved the federal health insurance tax (HIT). As of December of 2019, the HIT has been officially eliminated. Many states are considering keeping the tax at a state level as a funding source for various affordability initiatives. The group considered this as an option, but in the end decided that letting HIT sunset would be a larger benefit for small businesses in Rhode Island.

Cory King commented that OHIC has directed insurers to remove the tax from their 2020 plans that extend into 2021. Additionally, rates in 2021 will need to be filed using the assumption that the tax will not need to be paid.

Commissioner Ganim commented that the next step of this workgroup is to meet again potentially in May or June when we will have the results from the small employer survey. The Rhode Island foundation was able to help fund the survey, which was modeled on a national small business health insurance survey. When the workgroup is back together, they will discuss potential long-term recommendations for the small group market.

Teresa Paiva Weed asked if the workgroup had discussed HRAs as an option? Teresa said that as an employer, HRAs work very well and they were able to bring down premiums. Commissioner Ganim said that brokers have brought that up as an option.

Al Charbonneau commented that this workgroup was brought together because of the significant decline in enrollment in the small group market. During that period, Al found that large group is also significantly declining. Al's question is where are these people going, and are these numbers reliable?

John Cucco commented that those are good points: large group is down, small group is down, the individual market is up slightly. HSRI does their own insurance coverage surveys that capture some of this data. They are conducting one now for 2020. The 2018 survey showed 3.7% uninsured.

Cory King commented that you could observe a change in enrollment because an employer could move their headquarters from Providence to Boston but may still employ the same number of Rhode Islanders, so they are not reflected in our data on leaving the market.

##### **5. OHIC State Budget Update and Discussion**

Commissioner Ganim gave an update on Governor Raimondo's proposed budget. During the last legislative session OHIC lost two positions that had been in our office. After reassessing the workload and priorities of the office, OHIC requested two new, non-state-funded positions in this budget. Governor Raimondo did agree to put these in her proposed budget for the year beginning July 1, 2020. One of these positions is focused on conducting investigations and Market Conduct Exams. The second position would take the data from the Market Conduct Exams, working collaboratively with consumers, providers, and payers to help build a continuum of behavioral health services that creates a more efficient system for delivery of care. OHIC may also lose one position associated with a current employee who is being funded by a federal grant that is ending in July.

Shamus Durac commented RIPIN's support for the important work OHIC is doing.

OHIC is working with a broad-based group of stakeholders on cost trends. This group has set a benchmark that we would like to see our cost spending stay below. For the first year of the cost trend work and for the next year and a half we have been very fortunate to have funding through a private foundation, but that funding will be going away in March of 2021. The Governor's proposed budget covers until July 1, 2021. This was necessary in order to institutionalize the important cost-trend work. An assessment of \$1 per member per year is included to fund the program. The Cost Trend Steering Committee endorsed this approach to continue the work.

Al Charbonneau cautioned that RI should not copy what they are doing in Massachusetts—producing an awful lot of analysis, without seeing any results in terms of lowering premiums.

Commissioner Ganim responded that the actual recommendations for policy changes will be supported by OHIC and EOHHS, where MA is using a separate entity. The intent is that this money in the budget will be split between EOHHS and OHIC.

Commissioner Ganim continued, stating that the Governor decided this year that she will be reinvigorating the Medicaid Rite Share Program to cover the employee's share for employer-based insurance. The valuable program was not well-utilized in the past.

Cory King gave an update on the status of the Affordability Standards revisions: OHIC has received a number of comments from interested parties on the proposed amendments to the regulation. Those comments have been reviewed and the next step in the process is to revise the proposed regulations, hopefully in the next four weeks.

Commissioner Ganim commented that the federal government has clearly indicated that there should be no new state health benefit mandates without the states identifying a funding source to reimburse the insurers or consumers.

Laurie-Marie Pisciotta commented that the Mental Health Association of RI is putting together their legislative priorities for this legislative session. They are currently working with Senator Miller and Representative McNamara to put in regulation regarding provider reimbursement reviews.

Additionally, May is mental health month and there will be several events during the month, including recognizing OHIC as the MHA Hero for 2020.

## **6. Public Comment**

There was no public comment.

### **Next Meeting:**

- TBD.