

State of Rhode Island Office of the Health Insurance Commissioner  
Health Insurance Advisory Council  
Meeting Minutes  
November 17, 2020, 4:30 P.M. to 5:30 P.M.  
*Virtual Zoom Meeting*

**Attendance**

**Members**

Co-Chair Commissioner Marie Ganim, Co-Chair Stephen Boyle, Shamus Durac, David Feeney, David Katseff, Al Charbonneau, Daniel Moynihan, Hub Brennan, Teresa Paiva Weed, Lawrence Wilson, Sandra Victorino

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

Cory King

Maria Casale

Courtney Miner

Jay Garrett

Victor Woods

Marea Tumber

**Not in Attendance**

Vivian Weisman, Laurie-Marie Pisciotta

**Minutes**

**1. Welcome, Introductions, and Review of October Meeting Minutes**

Steve Boyle called the meeting to order. After introductions, Steve asked for a motion to accept the October meeting minutes. After fixing Larry Wilson's name on the last page, the minutes were approved.

**2. RIREACH Consumer Update**

Shamus gave an update on RIREACH trends and highlights since the last HIAC meeting. This past month was significant in client savings – RIREACH saved consumers approximately \$182,000 in the last month. A large portion of that was from four Rhode Island patients who had an issue with claims from a Boston hospital. RIPIN collaborated with OHIC to get the issue resolved and save each of the Rhode Islanders about \$25,000.

Last month one of the trends we saw was an influx of Rhode Islanders being billed for COVID-19 testing. RIPIN is continuing to work with OHIC to get these issues resolved. So far, other than a small number of typical questions, HSRI Annual Open Enrollment has not resulted in a significant influx in cases. RIPIN is also continuing to improve the tracking of racial demographic data of the clients they are serving, making some reporting changes that have been rolled out to the staff this week. In the coming months RIPIN will be better able to report on how well they are serving and outreaching to all Rhode Island communities.

Steve Boyle asked if there is any particular issue that is driving the uptick in calls, i.e., businesses closing or people losing health care? Shamus replied that early on in the pandemic that was the case, but lately it seems to be attributed to the fact that many people suspended getting their various health care services until now due to the pandemic. It doesn't look like any one issue is

driving the uptick, some of it is COVID-19 related but that is still only about a third of the cases they are seeing.

Commissioner Ganim commented that the work OHIC does is only as good as our partners at RIPIN. The collaborative work RIPIN does with consumers, and providers and with getting us information strengthens OHIC's work. The insurers in our state have also been very cooperative throughout the pandemic and when OHIC finds issues we are usually able to resolve them with the insurers.

### **3. Proposed Hospital Mergers: State Regulatory Process Overview**

Commissioner Ganim gave a brief update on the status of the proposed hospital merger between Lifespan and Care New England and defined what OHIC's role is in a hospital merger. Currently, there is no pending proposal for this merger. There are talks going on, but there has been no formal agreement. We reached out to the Department of Health to give us a brief overview of their authority and the Attorney General's authority regarding hospital conversions.

The Department of Health's mission during proposed hospital mergers is to assure the viability of a safe, accessible and affordable health care system that is available to all of the citizens of Rhode Island. Transfers of 20% or more of ownership, assets, membership interest, authority or control of a hospital in Rhode Island require approval by both the Department of Health and the Department of the Attorney General.

Once an application comes in the Department of Health reviews the submission to determine if it is complete. Once deemed complete, the Department of Health reviews the application in consideration of statutory criteria and public input is sought through written comment and public meetings. The Director of Health may approve, reject, or approve the application with conditions.

In regard to OHIC's role in the process: OHIC does have a seat on the health services council. The council does not oversee the hospital conversions act, but does have a role in review in changes of control of the facilities. In addition. The Department of Health will solicit public input. OHIC has the ability to present data and testimony during that time period.

David Katseff responded that everything he has seen in the news from both Care New England and from Lifespan is talking about the positives with the collaboration, but he has also seen that there is not necessarily going to be cost reductions for the consumer. David doesn't see this merger coming to the consumers as a financial benefit and is concerned they are moving forward with this effort to consolidate when it doesn't seem like one of the primary goals is to reduce overall costs.

Hub Brennan commented that he thinks reduction in cost is the main driver of the merger but reduction of cost to the entities. There will be a savings, but it will not be to the rate payer, it will be to the entities themselves in hopes of producing a sustainable margin. Hub asked: in proposed mergers in the past, the highest hurdle relative to anti-trust would be the US Department of Justice, but in the previous two merger attempts they sailed easily past the US Department of Justice and it was the RI Attorney General's office that held the highest bar relative to anti-trust. Commissioner Ganim commented that when we open it up to public comment Maria Lenz may be able to answer that question.

Al Charbonneau commented that recently the US Federal Trade Commission and the Department of Justice have changed their views on hospital consolidation and they have gone in the direction of turning these mergers down more frequently than they have in the past. A paper came out this

month stating that hospital consolidation has not wielded higher quality and lower cost, if anything it has done the opposite.

Dan Moynihan commented that it is important to note that hospitals have the hospital rate caps that OHIC enforces and the cost trend target as well. Although there is a fear that a larger organization has the ability to leverage and name their price, there are those factors in place that will prevent that from happening.

Al Charbonneau commented that something has to be done about hospital costs, because he doesn't think the hospitals are financially solid enough as they should be. We also have to understand that under the existing system right now, hospital expenses are responsible for over half of year over year change in premiums.

Teresa Paiva Weed echoed Dan's comments to remind everyone about the hospital rate cap. Also, the financial fragility of our hospitals even prior to COVID-19 was very real. At the end of the day, the most important goal is to deliver quality health care services to Rhode Islanders.

#### 4. **Open Enrollment and Rhode Island Reinsurance Program Update by HealthSource RI**

Lindsay Lang, Director of HealthSource RI (HSRI) gave an overview of this year's Open Enrollment strategy and an update on the 2019 Reinsurance Program. Open Enrollment started on November 1, and it goes through January 23. As a result of COVID-19, Open Enrollment strategy is a little different this year. The messaging acknowledges the impact of COVID-19 and focuses on the fact that HSRI is a source for help, and a source for financial assistance.

Targeted populations include: unemployed or newly unemployed Rhode Islanders, current customers who may be eligible for financial assistance due to a change in income, new Rhode Island residents, and the 'young invincibles.' Targeted media ads were purchased through video (Hulu), radio, paid search (Google/Bing), social media, and outdoor on buses, billboards, and door hangers. Outreach events are different this year as all of them will be virtual. For these events, Rhode Islanders can join and learn more about our plans and financial assistance without having to register or sign up.

Commissioner Ganim commented that at the beginning of the pandemic, some of the hospitals identified patients that are not insured and referred them to HSRI. This may be a good time for the folks in hospitals to be cognizant of Open Enrollment to connect people to insurance resources.

Steve Boyle asked Lindsay if HSRI collaborates with DLT? Lindsay replied that they do, HSRI has worked with DLT to help them pass on insurance information to those that have recently lost their employment.

Last year, in collaboration with OHIC, the Market Stability Group, and the legislature we were able to pass a state-based insurance mandate and establish a Rhode Island Reinsurance Program funded by the penalties from that mandate. Rates for 2021 were approved earlier this year and without the Reinsurance Program it is calculated that premium increases would have been on average 15.4% for BCBSRI and 12.1% for NHPRI."

At the start of the pandemic, HSRI opened a Special Enrollment Period in March and April for uninsured residents to sign up for coverage – over 1,000 Rhode Islanders took advantage of this special enrollment period. HSRI also proposed an amendment to their rules and regulations that

would permit an individual to claim a hardship exemption on their State tax return without obtaining an exemption number from the Exchange if due to the direct impact of COVID-19. This exemption may be used to avoid a tax penalty for the 2020 tax year.

Teresa Paiva Weed asked if HSRI considered a broader exemption? Also, have we considered just not assessing the penalty this year? People have been hit very hard economically this year, and I am concerned that this will be hard for people. Teresa urged offering a broader exemption for the penalty for this year.

Lindsay Lang replied that they did consider a broader exemption. There is an income-based exemption available to Rhode Islanders. The reason we landed where we did is that we wanted to balance the public policy goal of ensuring as many people as possible remain covered during a pandemic, and also because the penalty funds the Reinsurance Program. And that Reinsurance Program is critical in making sure our rates remain more affordable and accessible.

Al Charbonneau asked if the individual tax credits are still available? Lindsay replied that yes, they are, up to 400% of FPL.

Shamus Durac asked about the two deadlines for Open Enrollment (December and January.) Lindsay replied that to have coverage active on January 1<sup>st</sup>, coverage needs to be purchased by the December deadline. Shamus asked if there is a definition for what constitutes a hardship? Lindsay replied that there is a specific definition and she can send it out.

##### **5. Legislation Discussion: Medicare Supplement Budget Article Overview**

Commissioner Ganim explained that recently there has been an issue with premium rates continually rising with Medicare Supplement products. In particular, for individuals who are under the age of 65 and are disabled, if they want to buy a supplement product than they are relegated to what is called plan A of Medicare Supplement plan categories. Plan A has limited benefits, and is meant to cover the gaps in Medicare. Blue Cross is currently the only carrier to provide plans to these individuals in RI. Because of the high needs of this population, the premiums have gone up dramatically and Blue Cross has been in a position of rising the rates as a result of the medical expenses. Recently Blue Cross has faced the possibility of having to discontinue adding new people to this plan.

OHIC, in an effort to remediate this situation has proposed the following changes: Requirement for all carriers in the Medicare Supplement market to offer Plan A. This is what OHIC is proposing in legislation in an effort to take some of the burden off of Blue Cross's plan A premium payers.

Courtney Miner, OHIC Policy Analyst, explained that also in the OHIC proposal is a guaranteed issue period for plan A, and would require all carriers to have at least one month in a calendar year of an Open Enrollment period.

Commissioner Ganim commented that this year Blue Cross sought a 40% premium increase for this plan, and we were able to get that down to 25%. This unaffordable rate increase is why we are coming forward to the legislature to reduce these rates for this population.

Courtney commented that these changes address the accessibility problem in addition to affordability. Right now, if you are under 65 and eligible for Medicare you only have one option – in the future, if these changes are implemented, this population should have multiple options.

Larry Wilson asked what the driving force behind the increase of premium in this product is. Courtney replied that this population itself is the highest risk population concentrated into one plan, and one carrier. Rates for this population have been rising nationally as well. Commissioner Ganim replied that it is driven by utilization of hospitals and facility pharmaceuticals.

Al Charbonneau asked what the reaction is of the other insurers to this proposal? Commissioner Ganim replied that there is a Senate hearing tomorrow so we should know soon.

#### **6. Public Comment**

Maria Lenz commented that her understanding is that the US FTC would review any hospital conversion that is filed with Lifespan and CNE – as of today there has been nothing filed. The Attorney General's office will be taking an anti-trust review as well.

**7. Adjournment--** The meeting was adjourned at 5:34 pm.