State of Rhode Island Office of the Health Insurance Commissioner
Health Insurance Advisory Council
Meeting Minutes
April 16, 2021, 4:30 P.M. to 5:30 P.M.
Virtual Zoom Meeting

Attendance

Members

Co-Chair Commissioner Patrick Tigue, Co-Chair Stephen Boyle, David Feeney, Al Charbonneau, Hub Brennan, Lawrence Wilson, Sandra Victorino, Vivian Weisman, David Katseff, Catherine Cummings, Laurie-Marie Pisciotta, Daniel Moynihan, Teresa Paiva Weed, Sam Salganik

State of Rhode Island Office of the Health Insurance Commissioner Staff

Cory King
Maria Casale
Marea Tumber
John Garrett

Not in Attendance

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Minutes

1. Welcome, Introductions, and Review of March Meeting Minutes

Steve Boyle called the meeting to order. After introductions, Steve asked for a motion to accept the March meeting minutes. Larry Wilson noted two changes to section six and section seven. With those changes, the minutes were approved.

2. HealthSource RI American Rescue Plan Act of 2021 Overview

Lindsay Lang, Director of HealthSource RI (HSRI) gave a presentation about the implications of the recently passed American Rescue Plan. The American Rescue Plan of 2021 (ARP) is a $1.9 trillion relief package signed into law by President Biden on March 11, 2021. The Act targets COVID relief and economic relief for the American people. Specifically, there are expansions of the existing advanced premium tax credits that are provided to customers of state-based exchanges across the country. There is special eligibility rule for Americans who have received unemployment insurance throughout 2021. Additionally, there is premium assistance for Americans getting insurance through COBRA and a provision that considers how many different impacts to both employment and income households may have experienced in this past year.

HSRI has followed the Biden Administration's lead and established a new enrollment period to give Rhode Islanders additional time to sign up for 2021 coverage. HSRI's enrollment period officially began on February 15 and will continue through August 15. During this period there is no requirement to have a qualifying life event to enroll in health coverage.

The first bucket of eligibility assistance applies to Americans who traditionally have been eligible for tax credits, those who fall under the 400% federal poverty level, but it expands that help. The "expected contribution" also known as the affordability threshold, is being reduced. Those under 150% of the federal poverty level and below would not pay for coverage. With this new additional

assistance, a family of four with $60,000 income could save $2,650 annually. A 60-year-old couple with $75,000 income could save more than $16,000 annually.

There is also temporary assistance for anyone going onto COBRA coverage – ARP provides federal subsidies that will cover 100% of COBRA premiums for 2021. To receive these subsidies, you must be eligible for COBRA, and it is only available for up to 6 months between April and September.

This Act of course brings major changes to RI Bridges system which is the enrollment and eligibility platform that HSRI relies on and HSRI customers rely on. These eligibility changes will take time to change in the system, and the way HSRI is implementing these changes is by first implementing eligibility changes for those under 400% federal poverty level. HSRI was able to make these changes within weeks of the law passing. In June, HSRI will begin the implementation in their system for those that are over the 400% federal poverty level.

David Katseff asked how many small businesses are getting their health insurance through the SHOP exchange at HSRI? Lindsay Lang replied there are just under 900 small business customers and about 6,500 lives. David asked: how can his employees who are getting the same insurance through SHOP exchange become eligible for all of these subsidies? Lindsay replied that given the tax structure of employee sponsored coverage, an employee who is enrolled in small business coverage is not able to also benefit from the tax credits afforded onto he individual/family side.

David suggested that it may be better for his employees if he got out of the SHOP exchange and just suggested to his employees that they go directly through HSRI. Lindsay replied that she has heard similar conversations, especially among smaller employers. In some cases, they have calculated that their employees may be better off going through HSRI directly and having access to those tax credits.

Al Charbonneau commented that the HIAC now has a standing agenda item on affordability, and there also happens to be a dialogue in one of the subcommittees of the RI Foundation about affordability where someone mentions that HSRI has done some work on metric of affordability. If that is the case, this council would like to hear what HSRI has to say about affordability. Commissioner Tigue responded that HSRI is a key component of addressing affordability in the state and agreed we should have a meeting, or several meetings where we can analyze where we currently stand in terms of affordability.

Sam Salganik commented that HSRI seems to be doing this work a lot faster than the transitions currently taking place in other states – RIPIN thus far has also not seen an influx of calls from Rhode Islanders confused about any of the new changes. Many who have the opportunity to have subsidized COBRA through ARP may take that, but that runs out in 6 months and under current law it is not certain that they can switch over to HSRI when that subsidy expires, some states are looking into a special enrollment period for when that expires, is that something HSRI is looking into? Lindsay replied that that is an important issue they are looking into, it would be against that policy goal if we were to let those folks drop from coverage after that subsidy expires.

Steve Boyle commented that he belongs to the RI Small Business Coalition and something that came up last night is that it is very difficult to get employees back to work right now. There were a few options mentioned, including one that possibly HSRI could help with in terms of helping get employees back to work – Steve asked to discuss this with Lindsay further offline.

Karen Malcom asked whether or not Rhode Islanders should revisit HSRI even if they already have a plan to see if they could find a more affordable plan. Lindsay replied that folks can absolutely revisit their options and the HSRI is trained to help them with finding the best plan for them.

Laurie-Marie Pisciotta commented that she would be happy to share this information in the Mental Health Association's newsletter and website to help spread the word about this New Enrollment Period.

3. Affordability Update

Cory King shared information about one of the key drivers of health care costs in Rhode Island: pharmacy spending. Through a series of pharmacy spotlights, the Rhode Island Health Care Cost Trends Project is focusing attention on pharmacy spending and beginning to describe actions the Steering Committee will be taking to address pharmacy spending growth. The first spotlight published in December 2020 showed the degree to which pharmaceutical price increases have been driving total health care spending in Rhode Island, mirroring a national trend. The key finding from that spotlight is that of the cumulative increase in commercial health care spending between 2016 and 2018, pharmaceutical costs accounted for 54% of that increase.

This second spotlight presents additional findings from a deeper analysis and further demonstrates that price is the primary driver of growth in pharmaceutical spending. Even as utilization of pharmaceuticals decreased or remained flat, prices increased, driving up total spending.

Continuous increases in pharmaceutical prices hinder the efforts of the state, payers, and providers to control total health care costs and meet the cost growth target. By and large, if we are confronting year over year increases in pharmaceutical costs that are in the double digits, it means the ongoing efforts of all of these stakeholders to lower total health care spending will be very difficult to achieve. In response, the Steering Committee is recommending that legislative action be taken to address pharmaceutical price increases by imposing a financial penalty on manufacturers that increases their drug prices more than CPI plus two percent.

David Feeney commented that big pharma and the pharmaceutical manufacturers will often associate the prices with innovative research and development of new drugs, and they will also decide what a price is for a drug, and if a state doesn't like it they will simply just not ship it to that state. This is tough on the pharmacies, and tough on the health care institutions.

Al Charbonneau commented that this is the reason that the Cost Trends Committee has discussed partnering with other states so that together these states would have stronger negotiating leverage against big pharma.

Commissioner Tigue commented that prescription drug prices is most amendable to federal action. However, states like ours that are finding that drug prices increases are such a significant driver in total health care spending are feeling a sense of urgency to take some innovative actions. These price increases threaten to dwarf many of the efforts and actions stakeholders have made to lower spending.

Catherine Cummings commented that the cost of drugs is why we are ending up with a lot of downstream effects that were unintended.

Al Charbonneau asked if physicians are using and taking advantage of biosimilar drugs?

Catherine Cummings commented that she is not particularly familiar with how widespread all physician's training is with biosimilar drugs, but if you are a specialist in a particular field that is a topic of discussion.

David Feeney commented that there is a lot of conversations about biosimilars – they essentially are generics, but the federal government has not recognized hem as generics yet. More support through legislation is still needed to make it more accessible.

Teresa Paiva Weed commented that there was a lot of discussion about all of these issues at the Cost Trends Steering Committee meeting, and a real frustration among the members is that this is a cost not controlled by providers or hospitals, and if we are going to have any meaningful discussion about the cost growth target, we need to address pharmaceuticals.

Catherine Cummings commented that this also leads to some other downstream effects: for insurance companies, this leads to increases in hurdles for prior authorization because we are trying to reign in the prices of these incredibly expensive drugs.

Karen Malcom commented that the pharmaceutical companies, as profit-making entities, earn more profits than pretty much any industry in the United States. We absolutely as a state have to not allow large pharmaceutical companies to hold the health and wellbeing of Rhode Islanders hostage.

4. **RIREACH Consumer Update**

Sam Salganik gave an update about recent trends and highlights from the RIREACH consumer helpline. RIREACH is seeing high volume in the call center right now, which is typical after an open enrollment period. The American Rescue Plan changes has caused a handful of calls, but it is not driving huge volume at the moment. The largest trend in the call center at the moment is Medicare terminations – under the public health emergency rules, federally, they closed all terminations during the pandemic for a period of time. Rhode Island is currently carrying out terminations and the call center is getting a lot of volume in that area – some are just computer mistakes, and some state polices seem to not be paired with federal policy. Lastly, about a third of all of the calls in the last year as in some way been related to COVID-19.

5. **Legislative Update**

Commissioner Tigue commented that he expects the volume of OHIC position letters to slow down now that we get further into the legislative session without very many new bills being introduced. If any members have any questions about specific bills they should feel free to get in touch with Commissioner Tigue or Josh – OHIC will continue to share our position letters with HIAC as they are sent out each week.

David Katseff applauded OHIC's policy stance of insurance companies covering all of the medical costs related to COVID-19 expenses. However, David expressed concern with other legislation that would require insurance companies to cover the full cost for colonoscopies as well. The question is, who is going to pay for them if the individuals do not pay a copay, will those costs end up in next year's premiums? Commissioner Tigue commented that that bill did pass, so OHIC will be working with the carriers so asses what the impact will be on premium costs, if there will be an impact.

Catherine Cummings asked what OHIC's role is in regard to pharmacy benefit managers? Commissioner Tigue responded that it is a complex question – the short answer is that the office has very little direct authority over them.

6. **Other Business**
   There was no other business.

7. **Public Comment**
   There was no public comment.

8. **Adjournment –** the meeting was adjourned at 5:38pm