

State of Rhode Island Office of the Health Insurance Commissioner  
Health Insurance Advisory Council  
Meeting Minutes  
September 21, 2021, 4:30 P.M. to 5:30 P.M.  
*Rhode Island Department of Administration*  
*Conference Room A*  
*One Capitol Hill*  
*Providence, RI 02908*

**Attendance**

**Members**

Co-Chair Commissioner Patrick Tigue, Co-Chair Stephen Boyle, David Feeney, Al Charbonneau, Hub Brennan, Sandra Victorino, David Katseff, Catherine Cummings, Laurie-Marie Pisciotta, Daniel Moynihan, Shamus Durac, Amy Nunn, Cori Chandler, Eugenio Fernandez, Mark Jacobs, Lisa Tomasso

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

Cory King

**Not in Attendance**

Teresa Paiva Weed, Lawrence Wilson

**Minutes**

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

Steve Boyle called the meeting to order. The newest member of the council, Mark Jacobs, introduced himself to the group. Mark is a retired primary care physician with extensive practice and administrative experience in Rhode Island and Massachusetts. After introductions, Steve asked for a motion to accept the June meeting minutes. The minutes were approved as submitted.

**2. 2022 Commercial Health Insurance Rate Review Final Decision Discussion**

Cory King gave an overview of the 2022 annual rate review process and the final decisions that Commissioner Tigue made pertaining to individual, small group, and large group rate filings. On September 2, OHIC announced its decision to approve health insurance premiums for 2022. OHIC received public comments on the proposed rate increases from everyday Rhode Islanders, lawmakers, and the Attorney General. Commissioner Tigue reviews all of those comments, plus the comments received during the town hall, the actuarial review that OHIC conducts based on the findings, and finally a financial review of the insurers, to make his final decision on the rates.

The decision to approve the rate filings, with modifications, will save consumers approximately \$41,680,000 in 2022 compared to what was requested by the insurers. As part of the decision the Commissioner rejected charges for profits/contributions to reserves in all of the approved filings across all markets. The annualized cost of health care services, especially pharmaceutical costs and hospital outpatient costs is the key driver of health insurance premiums.

In many cases there is still an approved average premium increase. The key drivers of that are the annualized costs of health care with the leading drivers within that category being pharmaceutical costs and hospital outpatient expenses.

Commissioner Tigue added a few additional comments to add-on to Cory's explanation of the rates. There are essentially two standards that OHIC's commissioner needs to consider when making final decisions about the rates. The first is ensuring that premiums are actuarially sound, meaning that insurers can be reasonably expected to cover the predicted medial cost of consumers. The second is answering the question: are the rates in the public interest? That is construed in regulation to largely be an affordability standard. Rates need to be as affordably as possible for consumers, but also need to be adequate enough to ensure that insurers have the adequate funds to pay all of the claims.

About 80% of the premium is determined by medical expenses, Commissioner Tigue explained. About 15% is due to admin and overhead. And between 3-5% is due to profit or contribution to reserves. This year, while it is not the majority of what drives premium, removing contributions to reserve/profit across all markets and all insurers was a significant factor in how we were able to lower rates across the board.

Commissioner Tigue continued, commenting that medical trend, the growth in that 80% that drives the premium, is rising at an unsustainable pace. We have got to find a way to lower medical prices while still maintaining access and quality. If we are all collectively successful in our work in value-based reform, improving access, and managing affordability, we will see more affordability show up in the medical trends and that will help us achieve more affordable premiums.

Mark Jacobs asked if there is any evidence that the cost curve in Rhode Island is flattening? Commissioner Tigue commented that that is a complicated question. That is exactly what the Cost Trends Project is looking at. In general, we are still seeing unsustainable health care increases. We have to consider that this year is an anomaly due to the pandemic, but in recent years we have evidence that costs are rising unsustainably.

Catherine Cummings asked if prior year performance is factored into rates as well? Commissioner Tigue replied that in terms of the analytics in the filing, we looked at the financial performance of the past four years of all of the insurers filing and what their profitability was.

Al Charbonneau asked, given that we did not permit any charges for profit/contributions to reserve this year, are you expecting a large increase next year? Commissioner Tigue replied that we are prepared to look at the filings each year and interpret the need – we are not saying that the office would never approve any charges to profit/contributions to reserve in the future, we are going to evaluate those decisions as they show up each year.

Cory King gave an overview of the final rates approved for each market: In the individual market, Neighborhood Health Plan has the majority of the market with slightly less than 25,000 members. Overall, in the individual market, rates went down 4.2% on average. In the small group market things get a little more complicated because there are more issuers of health insurance in this market, and they have vastly different levels of membership. Overall, in the small group market, on average rates went down 3.5%.

David Katseff commented that if any of the employees from his small business leave the small group market and go to the individual market there is a good chance that they will be subsidized and save money. But if they choose a similar product on the SHOP exchange, there is no similar subsidies, is that correct? Cory King commented that that is correct.

The large group market is the majority of the fully insured employee-sponsored market. There are a couple really small issuers listed here, one of which (Aetna) has no members – they instead present

a manual rate. We were able to achieve reductions in each of the requested rates for each insurers, saving on average overall 3.3% compared to requested rates.

### 3. **Affordability Update**

Commissioner Tigie reminded the council that this is an item that we intend to keep on the agenda for every meeting going forward, it was suggested to be added by Al Charbonneau. We are expecting to spend a lot of time on this item in the next few months on a few items that are coming up soon. Going forward we want to have a conversation about what the drivers are of health insurance rates, particularly what the medical expense drivers are.

Steve Boyle asked if we are starting to see in the data any of the impacts of COVID? Commissioner Tigie replied that in the rate filing process this year that needed to be accounted for. We are starting to see the impact, and we think it will be a significant factor in the years to come. Cory King commented that it manifests in a couple ways: in the rate setting process we had a year where claims were suppressed by the lockdown and people cancelling medical appointments. If we just let that run through the models of what projected medical spending was going to be in 2022 without any adjustment, we would have underpriced the rates significantly. Going forward there will be expenses related to COVID such as the expense of vaccine administration. That is not reflected in rates for 2022, but it is possible in the future.

Catherine Cummings commented that as OHIC is doing the rate filings and assessing access to care, COVID this year is still having a great deal of a negative impact on people's ability to be seen and get in for care. As an example, her father has been waiting almost two years for a surgery. Those types of access care is driving some of this as well. Commissioner Tigie agreed that it is clear the pandemic has impacted access, and access is a core function of our office, so it is something we are monitoring.

Eugenio Fernandez if premium credits would be going away after this year? Cory King responded that they were issued in twice in 2020 but that they were only for that year due to the unforeseen consequences of COVID.

### 4. **RIREACH Consumer Update**

Shamus Durac gave an update about recent trends and highlights from the RIREACH consumer helpline that occurred over the summer and into September. RIPIN has conducted a series of trainings on the increased premium tax credits and have helped guide consumers through that process. There has been an increase in questions on how that is being implemented, and significant interest in questions on network adequacy especially in regard to behavioral health. With certain providers, specifically hospitals, they have seen an increase in facility fees that is mostly impacting the self-insured market since OHIC regulations protect the other markets.

David Katseff commented that a lot of the conversations having to do with unemployment fell off the table on September 4. What happens to the unemployed people got health care through some of the services described, do they get to keep it for a while? Shamus replied that they do – an individual who has been unemployed during 2021 is eligible for a 0-dollar premium plan through the end of 2021 - additionally, many folks who are unemployed may qualify for Medicaid based solely on their income.

Lisa Tomasso asked if RIPIN will be helping consumers sign up for Rite care – Shamus replied that they will be.

Steve Boyle asked if a person has to actually be receiving unemployment to take advantage of the program for premium credits? Shamus replied that no they do not need to be – they just need to have collected unemployment at any point in 2021.

5. **Other Business**

Catherine Cummings asked if the budget process could be addressed that we discussed in June? Commissioner Tigie commented that we are already in the process of filling out the budget request for 2023 – though we haven't finalized that, yet we plan to request funding for the Cost Trends Project and for one additional full-time employee. We also did just receive notice that OHIC received a grant we applied for that is focused largely on behavioral health.

6. **Public Comment**

Keith Demty asked about the large group profit/contributions to reserves, were those also set to zero? Commissioner Tigie responded that yes, they were – all payers and all markets were set to zero. Keith also commented in regard to David Katseff's question about his employees, that if an employer offers affordable coverage, the individual will not actually be eligible for coverage on the individual market. Cory King commented that he will look into this issue – there were some changes under the Trump administration about this topic that could have impacted this.

7. **Adjournment** – The meeting was adjourned at 5:35 pm