

State of Rhode Island Office of the Health Insurance Commissioner
Health Insurance Advisory Council
Meeting Minutes
February 19, 2019, 4:30 P.M. to 6:00 P.M.
North Kingstown Free Library
100 Boone Street
North Kingstown, RI 02852

Attendance

Members

Co-Chair Commissioner Marie Ganim, Co-Chair Stephen Boyle, Teresa Paiva Weed, Al Charbonneau, Karl Brother, David Feeney, Shamus Durac, Dan Moynihan

Issuers

Gus Manocchia, BCBSRI
Carolyn Rush, NHP

State of Rhode Island Office of the Health Insurance Commissioner Staff

Cory King

Not in Attendance

Hub Brennan, Vivian Weisman, Deb O'Brien, David Katseff

Minutes

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

Commissioner Ganim called the meeting to order and welcomed all Health Insurance Advisory Council (HIAC) members and others in attendance. The minutes of the January 15, 2019 HIAC meeting were approved with no changes.

2. RIREACH Consumer Update

Shamus Durac and Mark Gray gave an overview of the RIREACH program and update on RIREACH activities. RIREACH had a total 1824 client interactions and an estimated \$85,228 saved or recovered for clients for the month of January 2019.

3. SBA Economic Summit Healthcare Committee Recommendations

Steve Boyle and Al Charbonneau spoke on the health care policy recommendations made at the Small Business Administration's annual Economic Summit in January. Both Steve and Al are members of the SBA Health Care Committee. The 2019 recommendations include:

- Allowing employers to have option of keeping dependents of medicare eligible employees on the group plan
- Supporting recommendations made by the Market Stability Workgroup: state reinsurance program, shared responsibility requirement, regulation of short-term plans, and other consumer protections
- Creating legislation to provide better access to resources to address the opioid/substance use disorder epidemic
- Supporting legislation that eliminates balance/surprise billing in a way that doesn't incentivize providers to not join insurance networks
- Adhering to the legislative requirement to include a "mandated benefits statement of intent" with any new insurance mandate legislation introduced in the General Assembly
- Continuing support of the Choosing Wisely program and reducing low-value care

4. Protecting Market Stability: Reinsurance and Shared Responsibility

Zachary Sherman, Director of HealthSource RI, gave a presentation on the health care market stability proposals included in Governor Raimondo's FY 2020 budget.

Director Sherman began with a review of ACA implementation in Rhode Island. After establishing a state-based marketplace (HealthSource RI) and expanding Medicaid eligibility, RI currently has an uninsured rate of 3.7%.

He then spoke to some of the impediments to coverage and threats to market stability caused by recent federal policy changes, including promotion and extension of short-term plans, severe cuts to funding for enrollment outreach and marketing, and the elimination of the individual mandate penalty.

Karl Brother asked if there had been a noticeable impact on enrollment due to the elimination of the mandate. Director Sherman replied that they had not yet seen a deterioration in enrollment – enrollment actually increased in the most recent open enrollment period by about 6%. However, he said that didn't necessarily mean there would not be an impact, noting that the penalty elimination had happened recently and was not yet well understood by consumers. He also said one RI insurer had calculated potential mandate penalty repeal impacts on their requested 2019 rates.

Dan Moynihan asked about the makeup of the 3.7% uninsured population and how many were subject to the individual mandate penalty. Director Sherman said IRS data from 2016 showed about 18,000 tax households paid the penalty and that this population skewed toward lower income.

Karen Malcolm from the RI Parity Project said approximately 75% of the population is under 400% FPL. Teresa Paiva Weed noted that many are undocumented. Director Sherman added that there is not a lot of data on the undocumented population but studies suggest there are approximately 20,000-30,000 in RI and the majority of them are uninsured.

Director Sherman continued, noting that the population who purchases insurance on the individual market but does not qualify for subsidies is the most at risk – they have seen their premiums increase approximately 26% from 2017-2019. The subsidized population does not see this increase due to subsidies.

A Market Stability Workgroup made up of diverse stakeholders was convened to develop solutions under three guiding principles: sustain a balanced risk pool; maintain a market that is attractive to carriers and providers; and protect the coverage gains achieved under the ACA. The Workgroup issued the following recommendations:

- Enact a state-based health insurance mandate and penalty
- Secure a federal waiver to create a reinsurance Program in the Individual Market
- Require existing consumer protections be applied to short-term plans

Karl Brother noted that one reason a consumer may forego health insurance coverage and pay the penalty, even though the insurance premium is less than the penalty amount, is due to high deductibles. He noted that while RI was doing well on controlling premium growth, deductibles and cost sharing continue to increase.

Teresa Paiva Weed said that there is logic to consumers having a stake in health care via deductibles and cost sharing, but that the business community needed to be better educated about supporting high deductible plans with HSAs and HRAs. She said RI could do a better job incentivizing these.

Al Charbonneau said that we should continue to innovate on benefit design but should also get a hold of provider expense. Teresa Paiva Weed said that a presentation at a previous HIAC meeting had shown that RI premiums were, on average, lower than MA and CT. Al noted that median family income is also lower in RI relative to those states.

Steve Boyle asked if there was a legal challenge to the ACA's subsidies. Maria Lenz from the RI Attorney General's office said there was not.

Director Sherman said that when the federal cost-sharing reduction (CSR) payments were eliminated in 2017, and states (including RI) only raised rates on silver plans where the increases would mostly be absorbed by subsidies, the feds hadn't anticipated this. This move costs more federal money for the subsidies to cover the higher costs. Now, however, the feds were considering stopping this "silver-loading" from being done in the future. Commissioner Ganim noted that this prohibition was not included in recently issued rate filing rules, but states were asked to comment on what it would mean if silver-loading was prohibited.

5. Public Comment

Karen Malcolm from the RI Parity Project said, relative to the concept of shared responsibility and a proposal to require RI employers of a certain size who have employees on Medicaid to contribute to the program, that the expectation that larger profitable companies share in responsibility is important, but that we should be thoughtful in doing it in a way that is not discriminatory.

Maria Lenz from the RI Attorney General's office provided an update on *Texas v. Azar* – it is moving forward in the 5th circuit court of appeals. A briefing was set and the hope is that it would be done by the end of spring or early summer. States wanted oral arguments in July, hopefully these will happen by the end of summer or early fall.

Gus Manocchia from BCBSRI noted that a concern about mandates had been mentioned, and that there are routinely many bills for insurance mandates introduced in the General Assembly. He asked Steve Boyle if he and other business leaders would routinely review those and testify on them. Steve said yes, some times, saying his Chamber (Cranston), the RI Business Coalition, RIPEC, and RIBGH all

do this on mandate bills when they can. The SBA recommendation is to have cost impact analyses done ahead of time in accordance with RI law so that advocates can know what the impacts may be.

Next Meeting:

- Monday, March 25, 2019 from 4:30 – 6:00 PM at the State of Rhode Island Department of Labor and Training, 1511 Pontiac Avenue, Cranston, RI 02920.