

State of Rhode Island Office of the Health Insurance Commissioner
Health Insurance Advisory Council
Meeting Minutes
June 16, 2015, 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 Kathleen Hittner, Co-Chair Steve Boyle, David Feeney, Karl Brother, Gregory Allen, Hub Brennan, Rob Cagnetta, Al Kurose, Howard Dulude, Vivian Weisman, Pat Mattingly

Issuers

Neighborhood Health Plan of Rhode Island: Emily Colton

UnitedHealthcare: Kevin Callahan

Blue Cross Blue Shield of Rhode Island: Avital Chatto, Gus Manocchia

Aetna: Ron Souza

Delta Dental of Rhode Island: Kerrie Bennett

State of Rhode Island Office of the Health Insurance Commissioner Staff

Linda Johnson, Sarah Nguyen, Jay Garrett, Cory King

Not in Attendance

Al Charbonneau, Bill Schmiedeknecht, Emmanuel Echevarria, Mike Souza, Tammy Lederer, William Martin, David Mathias, Wendy Mackie, Emmanuel Falck

Minutes

1. Welcome and Review of May Meeting Minutes

Commissioner Hittner and Stephen Boyle called the meeting to order and welcomed all Health Insurance Advisory Council (HIAC) members and others in attendance. The minutes from the May 19, 2015 HIAC meeting were reviewed and approved with the following change: Al Kurose clarified that the statement he made that it was an “open question” as to whether smaller practices could become patient-center medical homes (PCMH) was meant in relation to how PCMH was defined in the Care Transformation Committee’s documents. The minutes from May have been amended to reflect this clarification.

2. RIREACH Consumer Update

Liz Killian from RIREACH reported a big reduction in APCD-related calls for April and May. She said RIREACH was seeing an increase in calls related to coverage issues for children with mental and behavioral health issues with a growing trend of denials, where the patient's doctor or therapist feels the child needs more time in intensive treatment but the insurer disagrees and will not cover the treatment.

Liz also reported an increase in calls related to billing issues between HealthSource RI and the insurers. She said many of these issues centered around the re-enrollment period in November. Consumers will think they are enrolled but then do not receive cards, or when they seek medical care the provider tells them they do not have insurance. Rob Cagnetta asked whether it was HealthSource RI or the insurer who was responsible for the error and for communicating with the consumer. Liz was not sure. Hub Brennan asked what percentage of enrollees had this type of problem. Liz did not know and neither did HealthSource RI representative John Cucco, who was present at the meeting.

Rob asked if this had been a problem for anyone in an emergency situation. Liz said that in that case RIREACH staff worked with HSRI and the insurer to resolve the issue promptly and it did not prevent anyone from receiving urgent or emergency care.

3. Legislative Update

With Tarah Provençal at the State House, Sarah Nguyen provided OHIC's legislative update to the Council, highlighting first a bill that would move utilization review from the Department of Health to OHIC. Jay Garrett said it "makes more sense" to have the utilization review programs housed under OHIC and pointed out that both he and Linda Johnson had experience with those programs when they worked at Health. The bill passed out of Senate committee and was slated for a floor vote on Thursday.

Next, Sarah reported on legislation to modify the Blue Cross Direct Pay hearing process, saying a compromise measure had been put forth that would require a hearing only if the proposed overall average rate increase is in excess of 10%. Dr. Hittner reiterated that these hearings are expensive and that OHIC does not want Blue Cross to be subject to hearings that none of the other carriers have to go through. The bill was scheduled to be heard in Senate committee at the same time as this HIAC meeting.

Finally, Sarah reported that ACA conforming legislation had passed out of Senate committee on June 11th but had not yet been scheduled for a floor vote.

4. Rate Review

Sarah reminded the Council and members of the public present that OHIC's Rate Review Public Input Session would take place on Monday, June 22. She said that some high-level summaries were available on the OHIC website and that more detailed information would be posted the next day.

Sarah highlighted the fact that Blue Cross and UnitedHealthcare had filed individual market rates that included broker commissions as a percentage of premiums. Currently, commissions are not offered to brokers for individual market sales. Allowing for these commissions was a question OHIC was "wrestling" with and so she put it forward to the Council, framing the question thusly: Does paying

brokers in the individual market present enough value to consumers to make it appropriate to include it in premiums across the whole market?

Sarah invited John Cucco to share HealthSource RI's perspective. John said that the focus on enrolling more consumers in health coverage was their focus. As HealthSource RI is transitioning away from federal funding, it would mean reduced resources for the agency, particularly in the area of customer service. HealthSource RI feels that individual market brokers could assist with the reduction of resources in customer service.

An extensive discussion among the Council members followed. Stephen Boyle was generally in favor of allowing the commissions, saying that he had advocated for it in the past in his role as Cranston Chamber president. He pointed out the benefits for independent contractor employees who currently do not enjoy the support of working with a broker.

Pat Mattingly asked how much these commissions could impact premiums. Sarah said they had requested more information from the carriers but in the case of United, it represented approximately 1.4% of premiums or \$6 per member per month. She said this was comparable to other states that allow individual market broker commissions. Sarah further explained that this was filed as part of the plans' larger administrative costs.

Hub Brennan and other members of Council expressed some concerns and asked many questions for which there were no ready answers: If each carrier has their own commission rate, would that not incentivize the brokers to drive customers toward the carrier with the highest commission? How many individual market consumers in Rhode Island are expected to use the brokers? If fewer consumers than anticipated use the brokers, and fewer commissions are paid out, what happens to the portion of premium dollars collected to pay the brokers?

Karl and Vivian both expressed concerns that this was "end-run" on the part of the insurers, a way to "pad administrative costs" and that more information was needed.

As the discussion wrapped up, John Cucco added HealthSource RI's perspective. He said HealthSource currently works with brokers in the small group market and that about 75% of small group purchasers use a broker, but all small group purchasers pay premiums that include a percentage for broker commissions, whether or not those purchasers use a broker. John said the brokers are knowledgeable and helpful and provide a lot of value to small businesses. While Rhode Island does not have a history of paying commissions to brokers for individual market sales, other states are finding brokers provide a "good channel" for individual market enrollment.

5. Public Comment

Nick Tsiongas asked if the request for individual market broker commissions originated with HealthSource RI or the carriers. OHIC staff answered that UnitedHealthcare originally made the request last year and that both United and Blue Cross made the request this year. It did not originate from OHIC

or HealthSource RI. He then asked if there would be broker incentives for enrolling individuals in Medicaid. OHIC staff replied that there would not.

Broker Joe Sinapi commented that “there’s a difference between enrolling and advising” and that compensating brokers for providing services to individual market purchasers would lead to better educated consumers making better choices.

Gus Manocchia of Blue Cross & Blue Shield of Rhode Island said that he is not an expert on broker commissions but that Blue Cross has “never made a dime on the individual market in any given year. We always lose money.”

Next Meeting

The next meeting of the Health Insurance Advisory Council will be Tuesday, September 22, 2015 from 4:30 P.M. to 6:00 P.M. at the State of Rhode Island Department of Labor and Training, 1511 Pontiac Avenue, Building 73-1, Cranston, RI 02920-4407.