

State of Rhode Island Office of the Health Insurance Commissioner  
Health Insurance Advisory Council  
Meeting Minutes  
September 22, 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, Al Charbonneau, Bill Schmiedeknecht, Emmanuel Echevarria, Rob Cagnetta, Al Kurose, Howard Dulude, Vivian Weisman, Pat Mattingly, Mike Souza, Tammy Lederer

**Issuers**

Blue Cross Blue Shield of Rhode Island: Shawn Donahue  
Aetna: Ron Souza  
UnitedHealthcare: Lauren Conway  
Neighborhood Health Plan of Rhode Island: Stephanie Federici

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

Linda Johnson, Sarah Nguyen, Jay Garrett, Cory King, Tarah Provencal, Emily Maranjian

**Not in Attendance**

David Feeney, Karl Brother, Gregory Allen, Hub Brennan, William Martin, David Mathias, Wendy Mackie, Emmanuel Falck

**Minutes**

**1. Welcome and Review of June 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 Chairs heard a motion from Vivian Weisman, seconded by Mike Souza, to approve the minutes of the June 16, 2015 HIAC meeting. The minutes were approved unanimously and without any changes.

**2. RIREACH Consumer Update**

Manny Echevarria from RIREACH reported over 1000 new cases since the last HIAC meeting, mostly due to community outreach. The biggest trend was around issues related to coordination of care. Manny said he felt that RIREACH will have to develop more health insurance/healthcare literacy initiatives, particularly around how insurance covers primary care vs. specialty care.

Manny also reported that RIPIN has merged its RIREACH and its Health Education program call centers together into a single call center. Commissioner Hittner made it clear that this was not resulting in a reduction of staff at RIPIN for either program.

Manny reported that the time it was taking consumers who were due a refund from HealthSource RI was increasing, with consumers waiting 3-6 months for their refunds. RIREACH has been collaborating with HealthSource RI in an attempt to expedite the process, but it remains an issue. Overall, calls to RIREACH regarding HealthSource RI are increasing due to scaling back of staff and resources at HealthSource RI's own call center.

Finally, Manny announced that this would be his last meeting serving on the Health Insurance Advisory Council as he is resigning from RIPIN to accept a position with the City of Providence. The Commissioner and other council members thanked him for his service and wished him well.

### **3. Summer Update: Legislation, Form and Rate Review, and Affordability Standards**

#### Legislation

The Council next heard updates on from OHIC staff, beginning with Tarah Provencal. Tarah provided a recap of the 2015 session of the General Assembly and what OHIC is anticipating for the next session.

Two bills that OHIC was monitoring passed:

**H5046/S168** amended RIGL 27-18-48(a)(1) and 27-18-48(c). According to the bill summary, this "Prohibits a group health plan and health insurance issuer from discriminating regarding participation under the plan or coverage against any health provider acting within scope of provider's license or certification."

**S490A/H5837A** added subsection (g) to RIGL 27-38.2-1, which reads "Payors shall rely upon the criteria of the American Society of Addiction Medicine when developing coverage for levels of care for substance use disorder treatment."

OHIC anticipates bills in the coming session relating to expanding or limiting coverage mandates, telemedicine, prescription drug benefits, abuse-deterrent medications, and prohibition of gender rating.

With the Governor's approval, OHIC expects to re-introduce two bills from the 2015 session that did not pass. The first is legislation to make state law better conform to the federal Affordable Care Act. The second is legislation to remove the APA hearing process from rate review of Blue Cross Direct Pay plans. Tarah also mentioned that near the end of the legislative session, OHIC, the Executive Office of Health and Human Services, and the Department of Health agreed that utilization review currently performed by DOH would be better suited to OHIC. If all parties still agree, OHIC plans to put appropriate legislation forward in 2016.

#### Form and Rate Review

The Council was provided with tables showing the final results of the 2015 Form and Rate Review Process. Form and rate review has concluded for all plans and markets except for the Blue Cross Direct Pay plans. Commissioner Hittner explained that under Rhode Island, Blue Cross Direct Pay plans are subject to a unique rate review process that includes an administrative hearing. A hearing officer is hired to conduct this hearing with Blue Cross, OHIC, the Attorney General's office and their lawyers and actuaries. Consumers and others also testify at this hearing. The hearing officer then submits his report, with recommendations, along with transcripts of the hearing to the Health Insurance Commissioner. The Commissioner then approves, modifies, or rejects Blue Cross' rate request based solely on the contents of the hearing and the hearing officer's recommendations. The Commissioner may not consult with anyone, including OHIC staff, when considering her decision.

Commissioner Hittner told the Council that because Blue Cross had taken on more risk than was anticipated in the previous year, they stood to receive a reimbursement from the federal government which had a process in place to help stabilize the market. The hearing officer's recommendation was that this money should be used to lower the requested rate.

Commissioner Hittner said she reviewed the recommendations extensively and had two chief concerns. One was that Blue Cross' reserves, although not in danger, are on the lower end of what they should be. This was a known issue that came out in the hearing. The other concern the Commissioner had was that if the Direct Pay rates were artificially lowered by this reimbursement the coming plan year, it could potentially result in a much higher rate increase for Direct Pay in the 2017 plan year. Therefore, the Commissioner felt the best course of action for consumers was to allow Blue Cross to make a larger contribution to their reserves.

The Attorney General formally requested that the Commissioner reconsider her decision. Commissioner Hittner reviewed the hearing documents and reported again, in greater detail, and came to the same conclusion. The Attorney General's office decided to take OHIC to court over the matter. It is currently before Judge Silverstein in Rhode Island Superior Court and a decision will be issued by September 29.

Sarah reported that OHIC had decided not to allow individual market broker commissions, a topic that was discussed by the HIAC in June. OHIC will review other states' decisions on this matter, explore options and possible impacts, and reconsider for plan year 2017.

Pat Mattingly inquired about the impact of pharmaceutical costs on premiums. OHIC staff said they did not know the exact percentage of total premium went to pharmaceuticals but that they could find out. Commissioner Hittner reiterated her concerns about pharmaceutical costs and several council members agreed with Pat that prescription drugs as an overall insurance cost driver should be a focus.

A rate approval condition applied to all carriers requires that carriers submit a report detailing how plan design impacts premium. This report is due in November.

Affordability Standards

The Council was provided with a schedule of meetings of the Care Transformation Committee and Alternative Payment Methodologies Committee convened under the Affordability Standards. These meetings will begin with a joint meeting of both Committees on Thursday, October 1<sup>st</sup>, 2015. In July, the Commissioner signed and approved the 2016 Care Transformation Plan and Alternative Payment Methodologies Plan.

Commissioner Hittner announced that a project director for the State Innovation Model (SIM) grant that Rhode Island received has been identified: Marti Rosenberg will be leaving the Providence Plan to take on the role of SIM Project Director in late October.

#### **4. 2015-2016 HIAC Schedule**

The Council was given the HIAC meeting schedule through June, 2016 with proposed agenda items. Sarah asked that council members feel free to submit any ideas for future meetings.

#### **5. OHIC's Strategic Plan**

The Governor has requested that each department develop a strategic plan. The Commissioner presented a draft of OHIC's strategic plan to HIAC for their feedback. The entire plan can be found on the OHIC website. The goals listed in the draft version presented were:

- Goal 1: Institutionalize and codify the form and rate review process
- Goal 2: Develop and enforce regulatory standards for payment reform
- Goal 3: Develop and enforce regulatory standards for delivery system transformation
- Goal 4: Reduce medical expense growth rates
- Goal 5: Guard the solvency of insurers
- Goal 6: Support continued development and investment in health information technology and informatics
- Goal 7: Continue to seek grant funding to support OHIC's work on affordability and consumer protection
- Goal 8: Enhance oversight of insurers by conducting market conduct examinations
- Goal 9: Focus on dental programs to promote quality and increase provider and consumer satisfaction
- Goal 10: Work on a process to make co-pays, coinsurance, and deductibles more transparent and less onerous for consumers
- Goal 11: Redevelop website to better serve all who use it
- Goal 12: Annually review OHIC regulations to organize, update, and clarify
- Goal 13: Work collaboratively with other state agencies

The following is a summary of discussion that occurred around specific goals.

#### Goal 2

Bill Schmiedeknecht thought that this goal could use clearer metrics.

### Goal 3

This elicited a discussion around primary care and Patient Centered Medical Home (PCMH) model. Dr. Al Kurose commented that a lot was expected of PCMHs and that it was important to understand how much was being asked of practices. He said he did not mean to argue with the goals, but urged care and thoughtfulness in “getting small practices ready to participate in an ACO world.”

Howard Dulude was also supportive of the goal but wondered what report or analysis existed to support some of the assumptions. He mentioned an alternate goal could be to have completed an analysis of the impact of PCMH.

### Goal 4

Al Charbonneau reminded everyone that “we are reducing the rate of increase for something that people can’t afford anyway.” Howard felt that the goal could not be accomplished as long as all of the same hospitals are still operating. Al Kurose felt that the goal should go beyond just hospital inpatient and outpatient and population-based contracts.

### Goal 6

Howard recommended including an evaluation of CurrentCare at some point.

### Goal 9

Commissioner Hittner asked the Council felt dental issues should be a priority, mentioning that when the plan was presented the previous day to a group of business owners it was not one of their top concerns. There was consensus among the Council that this goal might be less of a priority.

## **6. Public Comment**

Tina Spears from RIPIN commented that in regards to the value of PCMH, it was important to remember that consumers expect and deserve high quality care, and investment in that type of primary care is a good investment. “Fundamentally, the healthcare delivery system should be about the patient.” Regarding mental health parity, she asked that children’s mental health not be overlooked and encouraged a comprehensive study of children’s mental and behavioral health.

Lisa Tomasso from RecoveryWorks commented on the issue of pharmaceutical costs, pointing out that over-prescription should be looked at and that it might also be contributing to addiction problems. She also recommended that some of the strategic plan be put into clearer language so as to be better understood by the general public. Commissioner Hittner agreed that this was an excellent point and that part of the purpose of the plan was to enhance accessibility and transparency, leading the public better understand OHIC’s work.

## **Next Meeting**

The next meeting of the Health Insurance Advisory Council will be Tuesday, October 20, 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.