

State of Rhode Island Office of the Health Insurance Commissioner
Health Insurance Advisory Council
Meeting Minutes
March 22, 2016, 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, Hub Brennan, Karl Brother, Al Charbonneau, David Feeney, Sam Salganik, Pat Mattingly

Not in Attendance

Gregory Allen, Tammy Lederer, William Martin, David Mathias, Wendy Mackie, Rob Cagnetta, Vivian Weisman, Emmanuel Falck, Mike Souza, Al Kurose, Bill Schmiedeknecht, Howard Dulude

Issuers

Neighborhood Health Plan of Rhode Island: Carolyn Rush

Blue Cross Blue Shield of Rhode Island: Megan Dennen, Stacy Paterno

UnitedHealthcare: Jenny Hayhurst

Aetna: Ron Souza

State of Rhode Island Office of the Health Insurance Commissioner

Linda Johnson, Sarah Nguyen, Cory King, Marti Rosenberg, Jay Garrett

Minutes

1. Welcome and Review of January Meeting Minutes

Commissioner Hittner called the meeting to order and welcomed all Health Insurance Advisory Council (HIAC) members and others in attendance. Karl Brother moved to accept the minutes from the January 19, 2016 meeting with one correction to Al Charbonneau's statement in the 2nd paragraph, page three. The minutes will be changed from "premiums have been affordable for 5 to 10 years . . ." to "premiums have been **un**affordable for 5 to 10 years . . ." Sam Salganik seconded the motion and the January meeting minutes with the correction were approved unanimously.

2. RIREACH

Sam Salganik, RIPIN, delivered the RIREACH consumer update. RIREACH has been progressing well since the close of open enrollment. Mr. Salganik noted that the enrollment process was much smoother than last year, including the process for sending out tax documents (e.g. the 1095 A, B, Cs). They have not received as many consumer calls relating to these issues. Mr. Salganik raised the issue of surprise billing. Consumers are calling RIREACH about receiving bills for services from an out-of-network provider that they had no role in selecting. He believes provider education about

this matter is missing and that systemic solutions to this problem are needed. Linda Johnson, OHIC, responded that the Council did discuss this topic at a high level in January as part of a discussion on the work of the Administrative Simplification Taskforce. Ms. Johnson discussed the issue by framing it through the lens of a requirement on continuity of care. She noted that pressure can be put on the carriers but it can come down to a “he said, she said” situation. It can be especially difficult with Lab and Radiology services. Ms. Johnson said OHIC will continue reviewing the proposed options for addressing this issue.

3. Legislative Update

Commissioner Hittner addressed some of the proposed bills pending in the House and Senate.

- *H7474/S2465 Provider Directories*: The proposed legislation would require OHIC to review and approve all insurance carriers’ provider directories to ensure accurate and up-to-date information is provided to enrollees. This bill was introduced because an updated provider directory serves an important purpose for both consumers and providers and there is concern that the carriers’ directories are not being updated (in a timely manner) to account for changes in networks. The Commissioner reported that the Rhode Island Quality Institute is working on a state-wide provider directory and they have made great progress. The Commissioner is working with the RI Medical Society on this bill.
- *H7931/S2294 Drug Coverage-60 Day Notices*: The proposed legislation would require insurance carriers to notify patients and providers at least 60 days prior to removing a prescription drug from its plan’s formulary, or before making any changes in the preferred or tiered cost-sharing status of a covered prescription drug. Commissioner Hittner stated that OHIC is in favor of an efficient notification process that will work for both the carrier and the consumer but that OHIC needs more time to define and recommend a process.
- *H7513/S2692 Gender Rating*: The proposed legislation removes gender as a rating factor in the individual, small and large group markets. The Commissioner reminded the Council that gender as a rating factor has already been removed from the small market. This bill seeks to remove it from the large group market. This would likely have an impact on large group rating and needs to be studied more.

The Commissioner also reported that there are some bills that address the utilization review process. One proposal will move this responsibility from the Department of Health to OHIC and the Commissioner believes this bill will go ahead this year.

Steve Boyle, Co-Chair, along with other Council members gave an update on that afternoon’s Health Services Council hearing. He reported that an independent company was proposing two free-standing Emergency Departments (EDs), one located in West Warwick and one located in Bristol. Rather than going through a full “certificate of need” process, free-standing EDs have to meet licensing criteria instead. The proposals were rejected by the Health Services Council. The vote was 6 to 5 on both proposals. There were conflicting opinions from the medical community on whether the licenses should be granted and there were a lot of “ifs” in dealing with the company seeking the certificate. Some

stakeholders are confused about how the company would make money and what it would do about charity write-offs. Hub Brennan noted that the ED company claimed they checked all the boxes for meeting the licensing criteria, but the Health Services Council saw it otherwise. In question was whether the EDs would provide adequate care for Medicaid and Medicare patients. Council members noted that this is the first time in years that the Health Services Council has rejected proposals. Co-Chair Boyle advised that HIAC keep the pressure on this topic because the Health Services Council's recommendation then goes to the Director of the Department of Health who makes the decision.

During the legislative update discussion, David Feeney reported that the H7438A (MAC Pricing) passed the House floor. The bill proposes that MAC pricing needs to be updated regularly and gives specifics about which drugs can appear on the MAC list. The Department of Health is responsible for enforcing the bill.

Al Charbonneau, RIBGH, asked about H7786, the Medical Billing Innovation Act of 2016. H7786 allows software companies to create tools that make it easier for people to understand, manage, and pay their medical bills through requiring insurance companies to make patient information available electronically in a format that software can access, with patient consent. Ms. Nguyen reported that the company EveryBill is interested in helping consumers with billing. Their representative, who also sits on OHIC's Administrative Simplification Taskforce, said that consumers receive bills from a variety of sources so they want to create an interface where consumers can receive one bill. Mr. Salganik said they would like to streamline the process and make it more consumer-friendly. Mr. Charbonneau questioned why they approached the legislature on this topic instead of approaching the carriers. Ms. Nguyen responded that when OHIC had preliminary conversations with them on the content of the bill, it was suggested that they approach the carriers.

Karl Brother raised a question about the Off-label Uses for Prescription Drugs Bill (H7512/S2499): what if your doctor prescribes a drug for a non-FDA approved use? Mr. Salganik stated that if there is a rare condition, physicians can do this and Ms. Johnson noted that insurance companies may ask for more information and an explanation.

4. State Innovation Model (SIM) Update

Marti Rosenberg, SIM, reported that the SIM Steering Committee came to consensus on the activities and the theory of change for payment reform. Ms. Rosenberg shared SIM's Transformation Wheel, a graphic that outlines the chosen initiatives. SIM has chosen to make investments in three major buckets of work, with the intent of having a measureable impact on Population Health and reforming the healthcare system. Those three categories of work are:

- a. Investing in Rhode Island's Provider Workforce/Practice Transformation - This is the largest bucket, with a proposed budget of \$7.1 million.
- b. Patient Empowerment - SIM will invest \$2.2 million to provide patients access to tools that increase involvement in their own care.
- c. Increasing Data Capability and Expertise - SIM will invest \$5.3 million in this data capability area.

SIM's role is to invest in those entities and organizations making the changes. There has been a large focus on transforming and integrating behavioral health. Ms. Rosenberg noted that the State is hoping to get additional grant funds to better integrate behavioral healthcare in hospital settings.

SIM staff are also working on the development of the Population Health Plan, along with support from UMass (SIM's project management vendor) and the Providence Plan (SIM's population health plan vendor). The plan will be aligned with the work of the Department of Health.

The Patient Engagement Group will meet on April 4th and the Population Health Group will meet on April 7th. SIM is beginning the procurement process for its proposed initiatives. Ms. Rosenberg informed the Council that SIM is conducting large staff meetings, and that she spends a lot of time connecting people to projects and initiatives. In addition, the State Interagency Team meets every week to discuss ongoing issues and to prepare for the SIM Steering Committee meetings.

Mr. Charbonneau asked what is happening on the cost side of things and that some stakeholders have raised concerns about SIM putting too many eggs in one basket. Mr. Charbonneau stated that he is not sure we will have an affordable healthcare system after the process. Ms. Rosenberg replied that our goal is the Triple Aim, and one part of the Triple Aim is to bring costs down. Cory King, OHIC, replied that it is difficult to quantify the effects of SIM; we are putting our eggs in the payment reform basket. Mr. Brennan noted his concern that savings would not be passed back to the consumers.

Mr. Salganik asked Mr. King if we track shared savings distribution. Mr. King replied that the carriers are doing this work.

Mr. Feeney commented that this work could be promising, but may not be scalable and goes too far into the future. Mr. Salganik stated that the policy focus has to be on getting better quality and outcomes for the money we are spending. Mr. Brother stated that issues of savings have never been on the table and that he felt there won't be reduction of costs until there is global budgeting.

Mr. Boyle noted that Memorial Hospital is a litmus test. If government or the legislature steps in and says that the Hospital can't close, "then this is a jobs program." Ms. Rosenberg asked if the Council has had a briefing on MACRA (Medicare Access and CHIP Reauthorization Act). It is an in-depth way at getting to costs, and she suggested that experts from Deloitte could come to do the briefing at a later HIAC meeting.

5. Enrollment Report Update

Mr. King delivered a report on commercial market enrollment data. The data is reported by Blue Cross Blue Shield of Rhode Island, UnitedHealthcare, Tufts Health Plan, and Neighborhood Health Plan of Rhode Island. He stated if there is one word that can describe the report, the word is "decline". However, between 2013 -2014 there was an uptick in enrollment most likely due to HealthSource RI. The individual market grew by 94% between 2013 and 2014.

Mr. King noted several hypotheses for the decline in commercial enrollment. During much of the period 2011-2014, population growth has been stagnant, or negative. Some commercial enrollees may have

aged in to Medicare, or fallen on the Medicaid rolls due to sluggish economic growth in Rhode Island. In other cases, workers may have gained in neighboring states, which means they would not show up in the OHIC enrollment data. The OHIC enrollment data also does not include CIGNA or Aetna, firms which have some self-insured Rhode Island business.

Mr. Charbonneau noted that we don't see what part of market gets subsidized. Mr. Salganik reported that there are fewer enrollments through the Exchange of those above 400% FPL. Healthsource RI reported that 85% of those enrolled received a subsidy.

6. 2016 Form and Rate Review Process

Ms. Nguyen gave the Council an update on the Form and Rate Review process. She stated that she would like the Council to take another look at the rate review information that is provided to the public. She referred to some samples from other states: Colorado, Washington, and Oregon. She would like Council members to review this information and provide feedback at the next HIAC meeting on what they think consumers should know about the rate review process.

Standard form filings are due on April 4th while more detailed form documents (including plan-specific cost-sharing information) and rates are due on May 13th. Ms. Nguyen anticipates that the form and rate review process will conclude at the end of July. Dental forms and rates will be due mid-June.

Ms. Nguyen went on to inform Council about the recent mid-year change to the rates because of the health insurer tax moratorium. Carriers asked OHIC to change their small and large group rates because of the moratorium, and OHIC decided to allow the carriers to make changes for groups renewing in the 3rd and 4th quarters. Commissioner Hittner noted that the impact from this moratorium was modest, but that she felt this was the best course of action.

7. Public Comment

There was no public comment and the meeting adjourned at 6:05 pm.

Next Meeting

The next meeting of the Health Insurance Advisory Council will be Tuesday, April 19, 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.