

Health Insurance Advisory Council
April 26, 2011
4:30-6:00 PM – Newport Public Library, Newport, RI

Minutes

Attendance:

Members: Bill Martin (Co-Chair), Chris Koller (Co-Chair), Hub Brennan, DO, Bill Schmiedeknecht, Jeff Swallow, Herb Gray, Peter Quattromani, Karen Fifer Ferry

Health Plans: Gus Manocchia, MD, Lauren Conway

OHIC Staff: Angela Sherwin, Herb Olson,

Members Not in Attendance:

Jack Spears, Ed Quinlan, Linda Lulli, Rick Brooks, Howard Dulude, Pat Mattingly,
Phil Papoojian, Paulette Thabault, Gregg Allen, DO

1. Introductions

- Members of the Council introduced themselves.
- Mr. Martin thanked the Newport Library for its hospitality.

2. Minutes

- Minutes from the February 15, 2011 meeting were approved with typographical corrections.

3. Updates

- Regulations out for comment: Draft Affordability and Small Group Regulations are out for public comment – period closes next week. Both of these reflect extensive input from Advisory Council. A public notice on each was circulated to council members.
- Federal Exchange Planning and Rate Review Grant Activity: Chris Koller circulated a two-page update on recent activities for both of these grants. The Rate Review Grant is up for renewal this summer. OHIC proposes that the advisory council be extensively involved in the oversight of the rate review activities. Exchange planning is not the exclusive purview of OHIC and thus is being overseen separately through an interagency effort.
- OHIC Legislation: Herb Olson circulated a summary of legislation OHIC is either proposing or monitoring in the following areas: Enforcement of Federal statutes (OHIC proposal), Rate Review oversight (OHIC proposal), participation in federal subsidy program for early retirees, hospital rate oversight and implementation of the patient centered medical home. OHIC is soliciting public support for the first two proposals.
- 2011 Rate Factor Review. Submissions by plans for factors to be used in 2012 are due May10th. As discussed in February Council meeting, OHIC will add these focus areas: administrative costs on a pmpm basis compared to self insured costs, reconciling budgeted and actual performance, and compliance with hospital contracting conditions.
- CNE lawsuit of OHIC: Oral arguments were heard last week on CNE's lawsuit to restrain OHIC from enforcing its examination order of BCBSRI regarding its contract with CNE. OHIC initiated this

exam in 2009 in response to concerns raised by BCBSRI in the fall of 2008 regarding conditions it insisted CNE was demanding in its new contract having to do with BCBSRI liability for alleged CNE losses in Medicare and Medicaid. OHIC issued a draft report in December 2010, which prompted CNE to file suit.

- The Council accepted the resignation of Peter Asen from the Council. He has taken a job with the RI legislature. Appreciation was expressed for his service.
- Earlier the same week a new CEO for BCBSRI was named by the Board. He will start in June and OHIC will meet with him.

New Business

1. Health Insurer Primary Care Spend: 2010 performance and Plan for 2011

Angela Sherwin presented a summary of the Health Insurers' 2010 performance on primary care spend and 2011 plans. All three plans hit their 2010 targets and did it in different ways. United relied primarily on fee schedule increases and "other expenses". BCBSRI spend heavily on medical home initiatives. Chris Koller noted that the fact that standards could be set and met was a significant milestone. However effort remains to measure the effects of the spending.

For 2011, the plans project to continue their same trends, with United relying heavily on fee for service spending. Tufts' enrollment is sufficiently small as to make projections difficult. The Council as asked for its advice on three issues related to primary care spend.

Policy Question One: Should Health Plan be penalized for not meeting the standard that 25% of 2011 primary care spend should be for non fee for service expenses, as required in OHIC's guidance? Most Council members were not comfortable with a penalty, since the guidance was circulated three months into the year under question.

Policy Question Two: Should spending for flu vaccination clinics be included in primary care spend definition? United has made the case they should be included since they promote the affordability goals of reduced hospitalizations and reduce stress on primary care practices. Council members indicated they understood the alignment of the goals. Some were not sure how such spending strengthened the primary care infrastructure.

Policy Question Three: Should spending for reporting data back to primary care docs be included in primary care spend? Blue Cross made the case that for primary care practices to grow and be effective they would need more information on what is happening clinically outside their offices to the populations for whom they are responsible – much of this can come from insurers' claims information. Council members indicated they were sympathetic to the argument. There was concern expressed about defining what could be considered allowable expenses and would this set a precedent for other expenses. Some concern was also expressed about the incompleteness of any one health plan's information, the difficulty of comparing information from different insurers and whether this goal should be about having primary care practices develop this capacity, rather than preserving the plans' role.

Public members in attendance – including several physicians - gave comments on both the second and third policy questions.

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Other Business
None raised

Next Meeting

May 17, 2011

DLT- Cranston, RI

Agenda:

- Initial Review of 2012 Rate Factor submissions by insurers and OHIC analysis plan.
- Enrollment trends by carrier

The meeting then adjourned.