



**State of Rhode Island Office of the Health Insurance Commissioner
Health Insurance Advisory Council
Meeting Minutes**

December 18, 2012, 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

William Martin (Co-Chair), Christopher Koller (Co-Chair), Gregory Allen, Stephen Boyle, Hub Brennan, Karl Brother, Rob Cagnetta, Howard Dulude, Karen Fifer Ferry, Herb Gray, Al Kurose, Linda Lulli, David Mathias, Pat Mattingly, Tim Melia, Peter Quattromani, Ed Quinlan, Vivian Weisman

Issuers

Lauren Conway, Edward Hanley, Craig O'Connor, Patrick Ross

State of Rhode Island Office of the Health Insurance Commissioner Staff

Herb Olson, Kim Paull, Patrick Tigue, Maria Casale

Not in Attendance

Wendy Mackie, Phil Papoojian, Bill Schmiedeknecht

Minutes

1. Introduction and Welcome

Mr. Martin and Commissioner Koller called the meeting to order and welcomed all Health Insurance Advisory Council (HIAC) members and others in attendance.

2. Review of Minutes

The minutes from the November 20, 2012 HIAC meeting were reviewed and approved with no changes.

3. Office Updates

Commissioner Koller updated the council as follows. He explained that OHIC has hired an Executive Assistant/Chief of Staff. The new hire will be introduced at the January 2013 HIAC meeting.

Additionally, Commissioner Koller noted that OHIC will formally release the hospital payment study later this week. This study was reviewed with the council at the November 2012 HIAC meeting.

Finally, Commissioner Koller noted that Blue Cross Blue Shield of Rhode Island (BCBSRI) filed on December 7, 2012, to request changes to the company's rate components previously approved for rates effective in 2013. BCBSRI is requesting an expected overall average premium trend of 5.10% in the small employer group market (up from 1.65%) and an expected overall average premium trend of 9.00% in the large employer group market (up from 3.98%).

OHIC is currently reviewing BCBSRI's requested rate components. As a part of its review of the submission, OHIC is soliciting public comment on what has been submitted by BCBSRI. All public comments must be received by OHIC by January 11, 2013. A public input meeting will be scheduled to prior to that time to facilitate public comment. A final decision on the submission is expected by January 28, 2013.

4. New Business

Next, the council proceeded to take up several pieces of new business.

- **Primary Care Spend Standard Guidance Recommendations Finalization:** Commissioner Koller prefaced this discussion with a review of the primary care spend standard and the work the council had done in recent months examining it. The council then discussed each major category of primary care spending presented at some length with the aim of giving OHIC a final recommendation on which categories to either require, allow, or prohibit for the purposes of the primary care spend standard in 2013 and 2014. Loan forgiveness seemed to be the area of the most contention as to whether or not to allow or prohibit it. The council ultimately agreed by consensus that all categories be allowed.
- **Bailit Affordability Standards Evaluation Methodology Review:** Mr. Bailit presented his methodology for the forthcoming evaluation of the Affordability Standards. This work will evaluate OHIC's Affordability Standards since their implementation in 2010 through the end of 2012. Mr. Bailit led a discussion and gathered both feedback and suggestions about his proposed approach, including information sources and potential metrics, and specifically how his team plans to evaluate each standard. The goal is for the evaluation is to measure the success of the Affordability Standards thus far as well as to inform future changes or additions to the standards in the future. This evaluation should be completed by the spring of 2013.
- **Small and Large Group Approved Rate Factors Monitoring Data (Quarters One to Three of 2012) Review Update:** Commissioner Koller asked Mr. Tigue to provide an update concerning initial data submitted for the first three quarters of 2012 for the

small and large group approved rate factors quarterly monitoring and assessment process. Mr. Tigie reminded the council that the purpose of this process is to create additional accountability and transparency around commercial health insurance issuer compliance with OHIC's approved expected overall average trend for each market.

Moving on, Mr. Tigie focused on the explanations given by United Healthcare (United) and Tufts Health Plan (Tufts) for the discrepancies between their approved expected overall average premium trends and their annual to date actual overall average premium trends. He noted that United attributed its discrepancy in the small group market to changes in the age, gender, and family composition of the membership. Tufts, in turn, attributed its discrepancies in the small group and large group markets to a small number of groups renewing in each quarter, resulting in volatility.

Finally Mr. Tigie noted that, as result of this monitoring, OHIC and United are currently involved in discussions about ensuring that United's methodology for taking into account changes in family composition is consistent with Rhode Island statute and regulation. OHIC will update HIAC as these conversations progress.

5. Other Business

Public comments were then solicited by the council. Public comments were then solicited by the council. None were offered.

6. Next Meeting

Mr. Martin closed by noting that the council's next meeting will take place on January 15, 2013 from 4:30 P.M. to 6:00 P.M. at the State of Rhode Island Department of Labor and Training, located at 1511 Pontiac Avenue, Building 73-1 in Cranston. He thanked everyone for their attendance and the meeting was then adjourned by Mr. Martin and Commissioner Koller.