

State of Rhode Island Office of the Health Insurance Commissioner  
Health Insurance Advisory Council  
Meeting Minutes  
February 17, 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, Al Charbonneau, Pat Mattingly, Al Kurose, Rob Cagnetta, Manny Echevarria, Karl Brother, Mike Souza, Gregory Allen

**Issuers**

Blue Cross Blue Shield of Rhode Island: Gus Manocchia  
UnitedHealthcare: Lauren Conway  
Neighborhood Health Plan of Rhode Island: Emily Cotton

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

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

**Not in Attendance**

Hub Brennan, Howard Dulude, Tammy Lederer, Peter Quattromani, Bill Schmiedeknecht, William Martin, David Mathias, Vivian Weisman, Wendy Mackie, Emmanuel Falck

**Minutes**

**1. Welcome and Review of January Meeting Minutes**

Dr. Hittner and Mr. Boyle called the meeting to order and welcomed all Health Insurance Advisory Council (HIAC) members and others in attendance. The minutes from the January 20, 2015 HIAC meeting were reviewed and approved with one change: Pat Mattingly was listed as both present and absent in the minutes.

**2. RIREACH Consumer Update**

Manny Echevarria reported that RIREACH saw an increase in both call volume and case load for the month of January. There are 439 new cases in January, up from about 200 in December. The cases are growing in number as well as complexity. Many calls had to do with confusion around advanced premium tax credits, including consumers who are facing tax bills and penalties for income or

employment status changes in 2014. Manny anticipates that calls related to tax credits will continue to increase.

Manny also reported an uptick in calls about the All-Payer Claims Database and it was determined that the carriers had sent another mailing to their subscribers about it and/or consumers who switched carriers are getting the mailing again from their new insurance company.

### **3. Legislative Update**

Tarah Provencal reported on some bills in the General Assembly that OHIC is monitoring.

**H5174/S92:** This bill proposes to limit insurance carriers' ability to choose a restricted network of pharmacies. The legislation appears to be designed to help smaller, independent pharmacies compete with larger chains. Tarah mentioned that there could be a cost implication for plans.

David Feeney commented that the purpose of the measure was to allow consumers greater access to care and that independent pharmacies are closing because larger pharmacies have greater influence over pharmaceutical benefits.

**H5219/S167:** Entitled "Access to Opiate Abuse Deterrent", this bill would require insurers to provide coverage for opioid abuse deterrents at Tier 1. The Senate bill is entitled "Access to Abuse Deterrent Pain Medications" and is similarly worded but also requires prescription drug coverage to provide for non-opiate drugs before opiate drugs and/or require the use of abuse deterrent formulation. Tarah said she was unsure of the cost implications of this bill but assumed the abuse deterrent products are more expensive.

Commissioner Hittner expressed some skepticism as to the efficacy of the abuse deterrent drugs, which are supposed to have properties to counteract addiction. David Feeney said that there was some promise with these drugs but also still a lot of questions as to their effectiveness and more research to be done.

**H5290/S169:** The "Cancer Waste Removal" bill would require all physicians, pharmacists and health care professionals to provide written notice that certain treatments are hazardous and provide for disposal of hazardous waste. It would also mandate that insurers cover the cost of hazardous waste disposal. The bill was sponsored by Representative McNamara.

**H5315:** This resolution would create a special House commission to study health insurance mandates. The commission would be made up of 7 House members appointed by the RI House Speaker. Commissioner Hittner reminded the Council that OHIC completed its own benefit mandate study last year and that the report has been sent to House leadership.

**H5387** would create the “Rhode Island Comprehensive Health Insurance Program (RICHIP).” This bill would repeal the law that created OHIC and establish RICHIP as a single-payer entity to replace it. OHIC is monitoring this legislation.

**H5486** pertains to Blue Cross Direct Pay hearings and would allow Blue Cross Direct Pay plans to go through the same rate review process that other individual health plans go through. Tarah explained that the proposed legislation focuses on RIGL 42-62-13 and would allow for the Commissioner to hold an APA hearing, but if she chose not to, the Blue Cross Direct Pay plans would go through process of RIGL 42-46. The bill would repeal 27-19-6 and 27-20-6.

OHIC is supporting this legislation to create a more consistent rate review process accessible to consumers.

#### **4. 2015 Form and Rate Review Process**

Sarah Nguyen reported on preparations for the 2015 form and rate review. Final form instructions have been released to the carriers and rate instructions are to be released pending HealthSourceRI’s review. The timeline will be similar to last year’s process. Variable documents will be filed by the carriers by April 1. Rates and specific plan designs will be filed May 1. This year, OHIC intends to not allow carriers to submit any changes to form or rate filings after May 15, unless those changes are at the request of OHIC. Linda Johnson explained that this will allow OHIC to coordinate with HealthSourceRI and other entities and still meet deadlines.

The aim is to have all medical rates and forms approved by mid-July and dental rates and forms approved approximately one month later.

OHIC staff then asked the council for feedback on the possibility of changing the definition of “small group” for the upcoming plan year from 0-50 employees to 0-100 employees. The Affordable Care Act mandates that states expand small group to 100 in 2016, but recent guidance indicates that states may be able to delay this. OHIC actuaries are concerned about a potential rate shock for groups of 51-100 which are currently considered to be “large groups” and therefore experience-rated. There is a chance that many of those groups will see very large rate increases when they shift from experience-rating to age-rating.

The Council discussed this matter. Karl Brother was of the opinion that since the small group definition must eventually be expanded to include groups up to 100 there was not much benefit to delaying the inevitable. In Rhode Island, there are currently 36,342 lives covered in groups of 51-100. The council was encouraged to send any further comments or feedback on this issue to the Commissioner.

#### **5. Affordability Standards Update**

Sarah said that the revisions to the Affordability Standards have been finalized and adopted and will take effect February 23. All materials are available on the OHIC website. Meetings for the two new committees formed by the Standards—the Care Transformation Committee and the Alternative Payment Methodology Committee—have been scheduled. The first meetings will take place the first week of March.

#### **6. Public Comment**

Melissa Travis, Business Engagement Lead for HealthSource RI, expressed that she appreciated the discussion pertaining to the potential expansion of the small group market.

Tina Spears from RI Parent Information Network said it would be worth investigating how the change in the definition of small group might impact rates.

Joe Sinapi, an insurance broker, pointed out that small groups do not currently receive any price benefits on health insurance for participating in wellness programs. He suggested changes be made to come up with a pricing structure that incentivizes small groups to take part in wellness programs.

Shawn Donahue, Government Affairs for BCBSRI, stated that he was recently at a conference in Washington, DC that featured a detailed discussion on the issue of expanding small group. He said he learned that many groups of 51-100 “will ask for a price either in small group or large group” and then make a decision based on that price.

#### **Next Meeting**

The next meeting of the Health Insurance Advisory Council will be March 17, 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.