

**State of Rhode Island Office of the Health Insurance Commissioner  
Health Insurance Advisory Council  
Meeting Minutes  
February 19, 2013, 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), Stephen Boyle, Hub Brennan, Karl Brother, Karen Fifer Ferry, Herb Gray, Linda Lulli, David Mathias, Pat Mattingly, Tim Melia, Phil Papoojian, Peter Quattromani, Ed Quinlan, Vivian Weisman

**Issuers**

Lauren Conway, Gus Manocchia, Craig O'Connor, Patrick Ross

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

Herb Olson, Linda Johnson, Kim Paull, Patrick Tigue, Maria Casale

**Not in Attendance**

Gregory Allen, Rob Cagnetta, Howard Dulude, Al Kurose, Bill Schmiedeknecht, Wendy Mackie

**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. Commissioner Koller also welcomed Christine Ferguson, Director of the State of Rhode Island Health Benefits Exchange (RIHBE).

**2. Review of Minutes**

The minutes from the January 15, 2013 HIAC meeting were reviewed and approved with no changes.

**3. Office Updates**

Commissioner Koller informed the council about his final decision granting conditional approval of health insurance premium increases for small and large employers who purchase their

coverage from Blue Cross Blue Shield of Rhode Island (BCBSRI). The final decision was made in response to the company's filing to request changes to its rate components previously approved on September 21, 2012 for rates effective in 2013.

Commissioner Koller noted that the final decision results in new average premium increases for both small and large employers with renewal effective dates from April 1, 2013 through December 31, 2013. The following tables show the previous approved, new requested, and new approved average premium increases for small and large employers:

**April 1, 2013 to December 31, 2013 Small and Large Employer  
Average Expected Premium Increases for Blue Cross Blue Shield of Rhode Island:  
Previous Approved, New Requested, and New Approved**

**Small Employers**

**Large Employers**

Insurer	Previous Approved	New Requested	New Approved
BCBSRI	1.65%	5.10%	3.67%

Insurer	Previous Approved	New Requested	New Approved
BCBSRI	3.98%	9.00%	7.87%

The final decision lowered BCBSRI's new requested average premium increases from 5.10% to 3.67% for small employers and from 9.00% to 7.87% for large employers by taking the following actions. First, OHIC disallowed requested administrative expense increases of 0.80% for small employers and 0.50% for large employers. Second, OHIC made an additional increase of no more than 0.63% for small and large employers contingent on the future filing of complete 2012 medical expense data that justifies need for this possible additional increase.

Commissioner Koller also reviewed with HIAC the following four conditions put into place by the final decision:

- 1. Affordable Insurance Plans:** By May 1, 2014, BCBSRI will be required to offer at least one new, affordable health insurance plan to consumers priced at least 15% less than the price of a plan with comparable benefits. The plan(s) must incorporate financial incentives for BCBSRI subscribers to use providers that have agreed with BCBSRI to offer health care services with price discounts and utilization procedures designed to achieve the plan's affordability goal. These plan(s) can also include financial incentives for using providers affiliated with one or more health systems.
- 2. Additional 2013 Increase Criteria:** BCBSRI must file complete 2012 medical expense data by March 2013 with OHIC. If OHIC determines that it is justified by the filed data, the company may then request an additional increase of no more than 0.63% for small and large employers.
- 3. Financial Recovery Plan:** BCBSRI must file a report on its financial recovery plan on a quarterly basis in 2013 to ensure that it is making adequate progress in addressing its financial condition.

**4. Monitoring:** BCBSRI must meet with OHIC on a quarterly basis to review its compliance with the affordable insurance plans condition, above.

Additionally, Commissioner Koller explained the thinking behind OHIC's new health care price transparency bulletin, currently in draft form. He informed the council that the bulletin's purpose is to communicate to issuers OHIC's interpretation of their obligations under state laws and regulations to improve the affordability of the health care system by disclosing prices to providers. He acknowledged the concerns of both issuers and providers about the propriety nature of these prices and clauses in existing contracts. However, he went on to explain that those clauses can be set aside if there is a compelling public interest and he has determined that this is the case. Furthermore, Commissioner Koller noted that this policy is consistent with what the Rhode Island Business Group on Health has been pursuing.

Finally, Commissioner Koller described the detailed, technical work his office has been carrying out related to the 2013 form review and rate review processes to ensure compliance with the Affordable Care Act and to assist RIHBE. This work will continue over the coming weeks.

**4. New Business**

Next, the council proceeded to take up one piece of new business, a question and answer session with Director Ferguson. She began the discussion thanking Commissioner Koller for inviting her to speak with HIAC and saying that she hoped to be able to work with council members on an ongoing basis as the state implements RIHBE.

Director Ferguson then presented an overview of RIHBE including its initial vision, mission, principles, and goals. The vision of RIHBE is to support health reform efforts at the state and national levels that provide all Rhode Islanders with better health and increased access to high quality, coordinated care at a reasonable, predictable cost. The mission of RIHBE is to be a robust resource for all Rhode Islanders and Rhode Island businesses to learn about and easily compare the quality and affordability of their health insurance options, enroll in coverage and, if eligible, access tax credits for coverage. The principles of RIHBE are: (1) simplicity, (2) exceptional customer service, (3) flexibility, (4) transparency, (5) affordability, (6) alignment with other reform efforts, (7) catalyst, and (8) fiscal prudence. The goals of RIHBE are: (1) improve the health of Rhode Islanders, (2) achieve near universal coverage, (3) favorably impact health insurance cost trends, (4) favorably impact health care delivery system effectiveness and efficiency, and (5) add value to employer health insurance purchasing. Director Ferguson noted that that the initial vision, mission, goals, and principles reflect the interagency approach of RIHBE.

Director Ferguson then described the most current vision of RIHBE:

- RIHBE is a marketplace where small employers and individuals will be able to make apples to apples comparisons of plans and costs to purchase insurance.

- RIHBE will allow Rhode Islanders to learn about the federal tax credits for which they may be eligible.
- With brokers and other navigators, and access online, on the phone, and in-person, RIHBE will help reduce the hassle employers and employees have buying insurance.

Following this, the council and Director Ferguson engaged in a broad discussion of issues related to RIHBE. In the course of this discussion, she explained how the Small Business Health Options Program full choice model is the centerpiece RIHBE's efforts targeted at small employers. She also emphasized that RIHBE will continue to have a robust stakeholder input and process.

Finally, Director Ferguson closed by noting that open enrollment will begin on October 1, 2013 for coverage effective as of January 1, 2014. Open enrollment will continue through March 31, 2014.

## **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 April 16, 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.