



**State of Rhode Island Office of the Health Insurance Commissioner
Health Insurance Advisory Council
Meeting Minutes
June 19, 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), Hub Brennan, Howard Dulude, Karen Fifer Ferry, Herb Gray, Linda Lulli, Pat Mattingly, Tim Melia, Phil Papoojian, Ed Quinlan, Bill Schmiedeknecht

Issuers

Lauren Conway, Edward Hanley, Gus Mannoia, Craig O'Connor, Brian O'Malley, Patrick Ross

State of Rhode Island Office of the Health Insurance Commissioner Staff

Herb Olson, Kim Paull, Patrick Tigue, Maria Casale, Adrienne Evans, Nicole Renzulli

Not in Attendance

Gregory Allen, Al Kurose, Peter Quattromani, Jack Spears, Jeffrey Swallow, William Martin

Minutes

1. Introduction and Welcome

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 May 15, 2012 HIAC meeting were reviewed and approved.

3. Office Updates

Commissioner Koller updated the council on three areas of OHIC's activity. First, OHIC added a summer intern, through Bailit Health Purchasing, who will work to develop a mechanism for monitoring approved average premium rate increases. Second, OHIC is continuing to analyze the rate factor requests by the issuers for 2013. Third, Commissioner Koller summarized the end of

the legislative session and the status of bills that are relevant to OHIC's activities. Finally, Commissioner Koller concluded with a brief discussion of different scenarios that may arise from the pending United States Supreme Court ruling on the Affordable Care Act.

4. New Business

The Council reviewed OHIC's experience with the four percent maximum medical expense trend factor expectation and discussed proposed principles for defining a medical expense trend target.

- **Council Discussion of How the Four Percent Maximum Medical Expense Trend Factor Expectation Should Inform Medical Expense Trend Target Deliberations:** Commissioner Koller reviewed draft documentation on the medical expense trend target and proposed principles for defining the target. After covering some of the details, Commissioner Koller concluded by saying that defining a medical expense trend target will require some interpretive decisions by the office.
- **Council Conversation with the Honorable Elizabeth Roberts, Lieutenant Governor, State of Rhode Island, on a Medical Expense Trend Target:** Lieutenant Governor Roberts addressed the council regarding the proposed medical expense trend target and other matters of health policy. The Lieutenant Governor's comments focused on four areas: (1) prospects for building support for the proposed medical expense trend target, (2) the role of the Lieutenant Governor's Office in proposing legislation to address payment and delivery system reform, (3) the interaction between the Rhode Island Health Benefits Exchange and OHIC's affordability initiatives, and (4) ways of thinking about the interaction between public and private purchasers of health services. She concluded by saying that the public probably will not support a long-term solution that focuses solely on industry needs; a long-term solution will also need to focus on the promotion of health.

The Lieutenant Governor then took questions from the council. The council's questions touched on a range of factors relevant to the acceptance and implementation of a medical expense trend target from the perspectives of providers and purchasers. One council member was concerned about how the proposed medical expense trend would interact with excess capacity that exists within the health care system. Another council member asked whether we have the strength to have tough conversations about resource allocation in health care.

Commissioner Koller responded by noting that a medical expense trend target will likely intensify discussions over excess capacity. The Commissioner also emphasized the importance of leadership from the private sector to reform the health care system. The Lieutenant Governor departed the meeting with the suggestion that the HIAC take the medical expense trend target recommendations to the relevant public and private sector stakeholders.

The council then continued with the meeting.

5. Other Business

The council then discussed other business.

- **Review of HIAC's 2011 to 2012 Goals and Progress Update and Discussion of 2012 to 2013 Goals:** Commissioner Koller reviewed the goals HIAC set for this year. He remarked that he wants stakeholders prepared for the ramifications of a medical expense trend target. The council recommended further engagement of relevant stakeholders—public and private—about the recommendations for pursuit of a medical expense trend target.
- **Public Comments:** Public comments were then solicited by the council. None were offered.

The council then moved to conclude the meeting.

6. Next Meeting

Commissioner Koller closed by noting that the council's next meeting will take place on September 18, 2012 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 Commissioner Koller.