

State of Rhode Island Office of the Health Insurance Commissioner  
Health Insurance Advisory Council  
Meeting Minutes from October 21, 2014 Meeting  
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 Stephen Boyle, Al Kurose, Emmanuel Echevarria, Bill Schmiedeknecht, Vivian Weisman, Rob Cagnetta, Al Charbonneau, Howard Dulude, Hub Brennan, David Feeney

**Issuers**

BCBSRI: Gus Mannocchia, Corey McCarty, Kim Cormier, Brian O'Malley, Megan Dennen  
UHC: Lauren Conway

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

Herb Olson, Linda Johnson, Sarah Nguyen, Cory King, Tarah Provencal

**Not in Attendance**

Gregory Allen, Mike Souza, Tammy Lederer, Pat Mattingly, Peter Quattromani, William Martin, David Mathias, Wendy Mackie, Karl Brother

**Minutes**

**1. Welcome and Review of September 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 September 16, 2014 HIAC meeting were reviewed and approved with no changes.

**2. Follow-Ups from September Meeting**

Dr. Hittner announced that OHIC hired Tarah Provencal as the Associate Director for Planning, Policy, and Regulation.

Manny Echevarria reported on recent RIREACH activity, saying they had received roughly 4-5 calls regarding insurance rate increases. One small business called after having received a 72% increase in rates. Mr. Echevarria also reported a trend of calls pertaining to the diminishing deductible product recently discontinued by Blue Cross. This program allowed subscribers who did not meet their deductible in a given year to have a smaller deductible the following year. During the rate review

process, a hearing officer determined that this program was in violation of both state and federal regulations because it effectively changed insurance rates based on the health status of the subscriber. Blue Cross sent a letter notifying subscribers of the program's discontinuation which prompted the calls to RIREACH.

Next, the council heard from representatives from the insurance carriers regarding the number of plans filed. The council members had requested this at the September 2014 meeting. Some council members felt there were too many plans and the available choices might overwhelm or confuse consumers.

Corey McCarty from Blue Cross Blue Shield of Rhode Island explained what they consider when developing product portfolios, including actuarial value, research from customers, and a desire to "hit the price points" consumers can afford. Lauren Conway from United Healthcare was also present and said that the number of plans offered was out of a desire to provide "innovative products" and give consumers choice. Asked what they would think if OHIC established a limit on the number of plans that could be filed, Ms. Conway said she didn't think they were offering that many at present, and that a limit would hurt their attempts to innovate.

### **3. Affordability Standards Implementation**

Michael Bailit gave a detailed presentation on proposed revisions to the Affordability Standards. This presentation is available on the OHIC website.

Standard Four generated the most discussion. Mr. Bailit stated that the targets outlined within Standard Four were reasonable and achievable. Al Kurose expressed a concern that some of the requirements might put too much pressure on new Accountable Care Organizations (ACOs) that might "disincent innovation."

Al Charbonneau expressed that there was no guarantee that the implementation of Standard Four would have an impact at the level of health insurance premiums. Mr. Bailit responded by saying that there is currently no financial incentive to manage health care spending.

Mr. Charbonneau also expressed doubt that cost shifting would not occur and that his argument would be to focus on expenses. Dr. Hittner pointed out that OHIC cannot control expenses but can only exert influence through payment methods.

Howard Dulude felt that Standard Four could change the current health care business model "dramatically" and that he could see ACOs selecting networks of providers.

### **4. Public Comment**

Gus Manocchia, Blue Cross & Blue Shield of Rhode Island, said Blue Cross was supporting of most of the proposed revisions to the Affordability Standards. He noted that while a lot has happened in the state related to primary care growth, there was still a need for more primary care physicians to be involved in

patient-centered medical homes, as well as systems of care accountable to cost and quality. He said “We need to move significantly faster than we have in the last 5 years.”

Tina Spears, RIPIN, urged the council to keep thinking of consumers. In support of the proposed revisions to the affordability standards, she said “we need this aggressive approach.”

Another comment was made that making any of the targets in the proposed revisions to the Affordability Standards retroactive would make the Standards less effective or ineffective. Mr. Boyle suggested that a review process be established.

**Next Meeting**

The next meeting of the Health Insurance Advisory Council will be November 18, 2014, 4:30 P.M. to 6:00 P.M. at the State of Rhode Island Public Utilities Commission, 89 Jefferson Boulevard, Warwick, RI 02888.